17 November 2014

Appendix 4E and Annual Report for the Financial Period Ended 30 September 2014

Elders Limited (ASX: ELD) today reports its results for the financial year ended 30 September 2014.

Attached is the Appendix 4E (Results for announcement to the market), and Annual Report for the 12 month financial period ended 30 September 2014.

The final version of the Annual Report (including possible immaterial amendments) will be made available to the ASX and on the Company's website before Friday 21 November 2014.

Peter Hastings
Company Secretary

Elders Limited
Appendix 4E (Rule 4.3A)
Preliminary Financial Report
Results for Announcement to the Market
For the Year ended 30 September 2014

Attached is the final report for the year ended 30 September 2014. The consolidated profit after tax and non-controlling interests was $3 million (2013: $505.3 million loss).

Additional Appendix 4E disclosure requirements and further details on the results and operations are included in the Annual Report provided to the Australian Securities Exchange.

	Result			$000
Revenue from continuing operations	up	1%	to	1,432,008
Profit/(loss) from continuing operations after tax attributable to members		n/m*		21,257
Profit/(loss) from discontinued operations after tax attributable to members		n/m*		(18,275)
Profit/(loss) after tax for the year attributable to members		n/m*		2,982

* percentage movement in result not meaningful

Dividends	Amount per security	Franked amount per security
Final dividend	Nil	n/a
Previous corresponding period	Nil	n/a

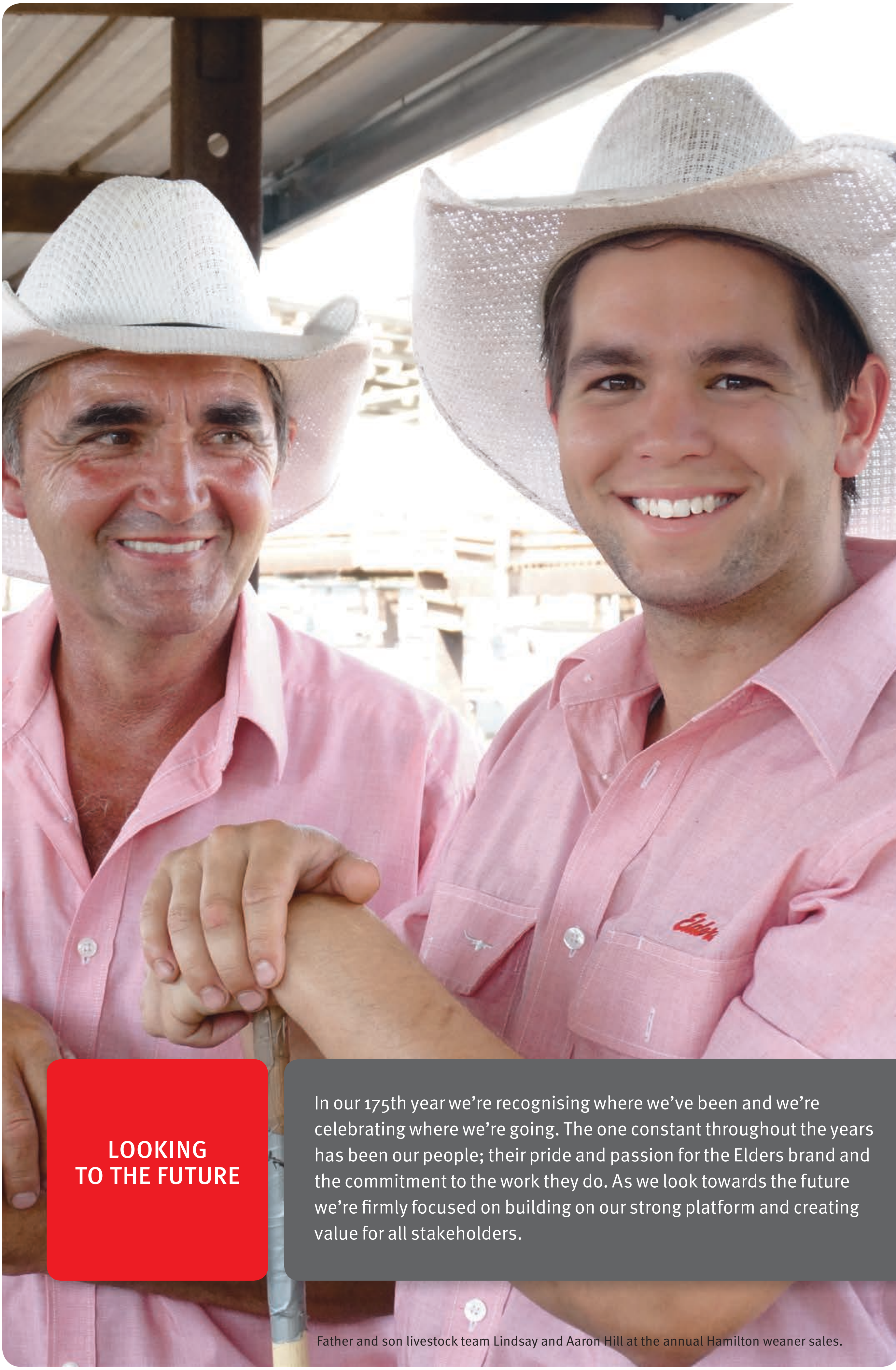
Net tangible assets	**2014 $**	2013 $
Net tangible asset backing per ordinary security	**0.06**	0.06

Revenues from continuing operations comprise:	**2014 $000**	2013 $000
Sales revenue	**1,431,515**	1,422,056
Share of profit of associates and joint ventures	**493**	245
Total	**1,432,008**	1,422,301

2014 ANNUAL REPORT

Elders

175 YEARS



LOOKING TO THE FUTURE

In our 175th year we're recognising where we've been and we're celebrating where we're going. The one constant throughout the years has been our people; their pride and passion for the Elders brand and the commitment to the work they do. As we look towards the future we're firmly focused on building on our strong platform and creating value for all stakeholders.

Father and son livestock team Lindsay and Aaron Hill at the annual Hamilton weaner sales.

ELDERS IS

Elders is an Australian agribusiness that seeks to create real value for all its stakeholders in Australian and international markets.

We do this through approximately 2,000 employees in more than 370 points of presence across Australia, China and Indonesia who use their expertise and knowledge to provide primary producers with the inputs, advice, marketing options and trading platforms they need to get the most out of their own businesses.

Elders is an integral part of the Australian rural landscape and an iconic brand that draws on its proud 175 year history to build a strong future.

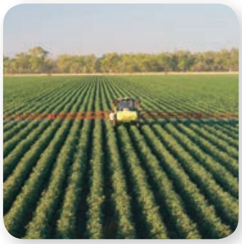
Integrity • Accountability • Teamwork • Customer Focus • Innovation

INVESTING IN THE FUTURE

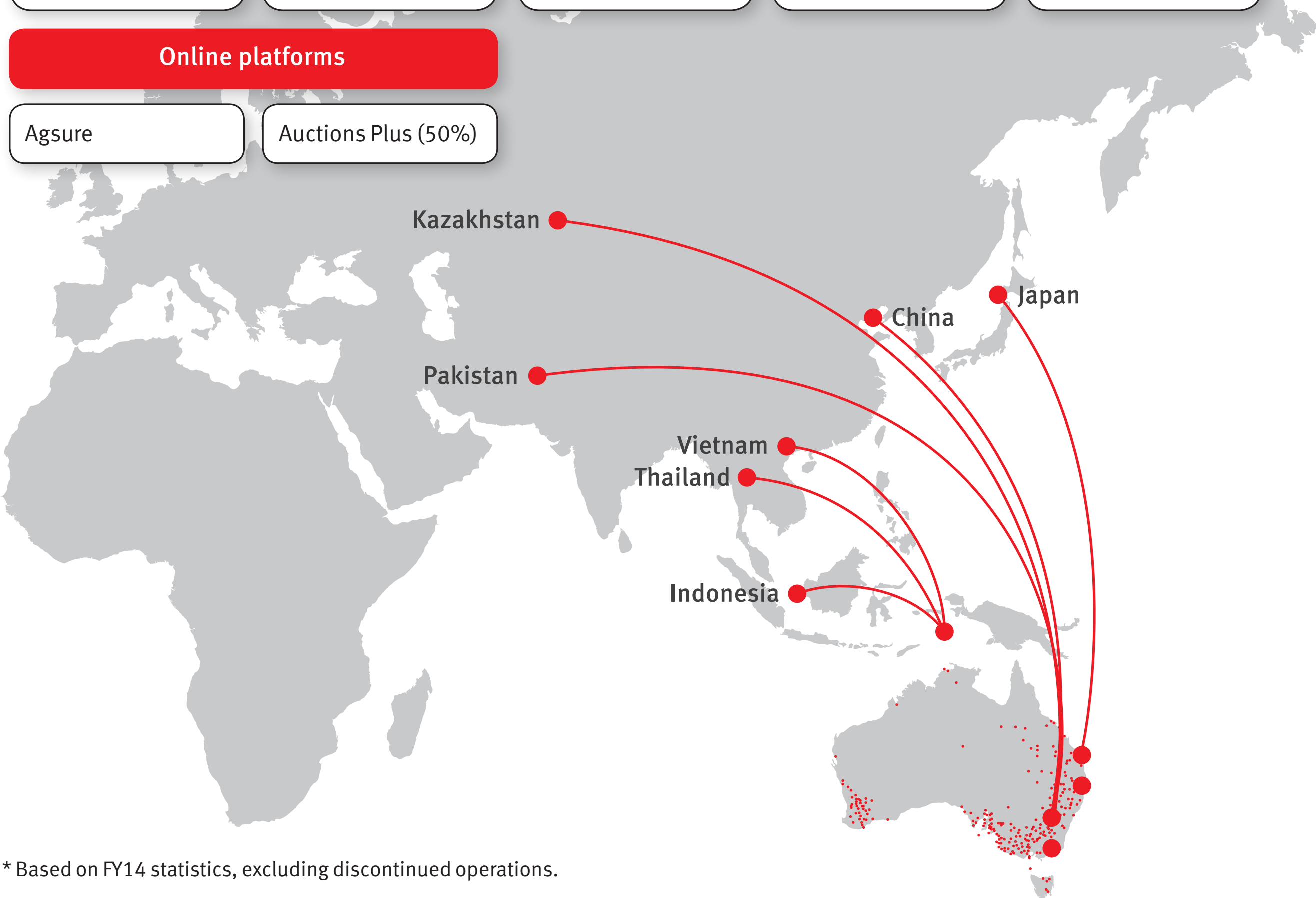
Our traineeship program has been specifically designed by the top sales staff in our business to ensure it provides practical and realistic training to the next generation of stock and station agents. The combination of hands on experience, on the job training and face-to-face learning ensures our first class agricultural knowledge and experience is retained in the industry and provides valuable career opportunities for young people in rural and regional areas.

Experienced livestock manager, Steve Ridley, from Goulburn passes on his knowledge to Wagga Wagga trainee Laura Tansell, Julia Creek territory sales manager Lindsay Brown and Bendigo trainee Jake Smith at the 49th Herefords Australia national show and sale in Wodonga.

OUR BUSINESS

Retail Products	Agency Services	Financial Services	Feed & Processing Services	Live Export Services
				
Farm Supplies Fertiliser	Livestock Wool Grain Real Estate	Banking Insurance Financial Planning	Killara Feedlot Elders Indonesia Elders China	Short haul livestock Long haul livestock
$888m retail sales 685k tonnes fertiliser	9.6m head sheep 1.7m head cattle 352k wool bales 1.2m grain tonnes $1.4b real estate sales	$2.9b loan book $1.5b deposit book $580m gross written premium	Killara 47k head turnoff Indonesia 19k head turnoff China $11m sales	144k head short haul 42k head long haul

Online platforms	
Agsure	Auctions Plus (50%)



* Based on FY14 statistics, excluding discontinued operations.

PLANNING FOR THE FUTURE

Our team of agronomists and livestock production advisers provide clients with expert advice and support to help them maximise the performance of their farming operations. By keeping up to date with the latest technical knowledge and market trends our people are able to help clients plan their production and ensure that our offering of products and services is tailored to their individual needs.

Finley branch manager and agronomist Stacey Doolan conducts a soil analysis with soil specialists near Albury.

EIGHT POINT PLAN

In 2014 we released our three year strategic plan with the aim of achieving $60 million earnings before interest and tax (EBIT) and a 20 percent return on capital (ROC) in 2017.

The Eight Point Plan marks a significant step in our evolution to being an efficient user of capital that creates real value for all our stakeholders.

Values, Performance & Brand
Delivering our strategies through a values, safety and performance based culture that maximises the iconic Elders brand and positioning

Geographical Coverage & Distribution Channels
Strengthening and expanding our range of distribution channels

Retail Products
Business improvement of our farm supplies and fertiliser products

Agency Services
Strengthening and expansion of our wool, livestock, real estate and grain products

STRATEGIC INTENT:
Elders will be an agribusiness creating real value for all stakeholders in both Australian and international markets

Financial Services
Strengthening and expansion of our banking, insurance, and financial planning products

Feed & Processing Services
Improvement and expansion of our feed and processing business

Live Export Services
Controlled growth of our live export business

Cost, Capital & Efficiency
Continuous efficiency gains with cost and capital reduction

2014 THE YEAR IN BRIEF

Reporting Period, Terms and Abbreviations

Abbreviations and terms

This Report uses terms and abbreviations relevant to the Company and its accounts. The terms "the Company", "Elders Limited", "Elders" and "the Group" are used in this report to refer to Elders Limited and/or its subsidiaries. The terms "2014" or "2014 financial year" refer to the 12 months ended 30 September 2014 unless otherwise stated. References to "2013" or other years refer to the 12 months ended 30 September of that year.

Annual Report

This document has been prepared to provide shareholders with an overview of Elders Limited's performance for the 2014 financial year and its outlook. The Annual Report is mailed to shareholders who elect to receive a copy and is available free of charge on request (see Shareholder Information printed in this Report).

The Annual Report can be accessed via the Company's website at **www.elderslimited.com.**

Notice of Meeting

The 2014 Annual General Meeting of Elders Limited will be held on Thursday, 18 December 2014, commencing at 10.00am in The Banquet Room, Adelaide Festival Centre, King William Street, Adelaide, South Australia. A formal Notice of Meeting has been mailed to shareholders. Additional copies can be obtained from the Company's registered office or downloaded from its website at **www.elderslimited.com.**

Elders Limited ABN 34 004 336 636

Financial Highlights

Year ended 30 September		2014	2013
Continuing sales revenue	$m	**1,432.5**	1,422.1
Underlying EBITDA	$m	**30.5**	(43.5)
Underlying EBIT	$m	**27.3**	(48.9)
Reported net financing costs	$m	**(23.2)**	(33.2)
Reported profit / (loss) after tax	$m	**3.0**	(505.3)
Underlying profit / (loss) after tax	$m	**8.8**	(68.5)
Net debt	$m	**(137.6)**	(255.2)
Term debt	$m	**(34.1)**	(143.8)
Operating cash flow	$m	**15.1**	(81.6)
Reported earnings per share (basic)	cents	**0.6**	(99.6)
Reported earnings per share (diluted)	cents	**0.2**	(99.6)
Underlying earnings per share (basic)	cents	**1.7**	(13.5)
Underlying earnings per share (diluted)	cents	**0.6**	(13.5)
Key Ratios			
EBIT margin	%	**1.9**	(3.4)
Return on capital	%	**11.7**	(9.5)
Gearing	%	**241**	552
Key Share Data			
Share price	$	**0.18**	0.11
Market capitalisation	$m	**91.6**	50.1
Number of shareholders		**30,240**	31,854
Ordinary shares on issue		**523,265,328**	455,013,329

PROGRESS

Safety performance

- Lost time injuries reduced by 39.4 percent
- Lost time injury frequency rate reduced from 7.4 to 4.7
- Medical treatment injury frequency rate reduced from 13.5 to 11.6

Operational performance

- $76.2 million turnaround in underlying EBIT
- All segments of the business have lifted earnings contribution
- Eight Point Plan launched with structured implementation
- EBIT margin lifted to 2 percent from -3 percent
- ROC at 12 percent up from -10 percent

Leadership renewal

- Two new directors with agribusiness experience appointed
- Chief Executive Officer with corporate strategy and agribusiness experience appointed
- Executive management restructured to align capabilities with strategy
- Ongoing investment in training and development

Capital management

- Working capital reduced 27 percent
- Net debt reduced by 46 percent
- Divestment of non-core assets completed
- $57 million equity raising undertaken

CHAIRMAN'S REMARKS

Hutch Ranck

In my first report to shareholders as Chairman of Elders Limited, it gives me great pleasure to announce that the 2014 financial year has been one of significant positive change for the Company.

One of the most significant highlights of the past year is your Company's turnaround in financial performance. I'm pleased to advise that for the first time in six years, Elders has delivered both a statutory and underlying profit. This reinforces that Elders, now operating as a focused agribusiness, has established what we consider to be a firm foundation from which to generate further growth and value for its shareholders.

Our continued focus on debt reduction has seen us again achieve significantly lower debt. Net debt is 46 percent lower than last year, with term debt subsequently eliminated in October 2014 following receipt of proceeds from recapitalisation.

Investors have responded positively to our signs of turnaround with the completion of a $57 million equity raising which has seen us reset our share register and balance sheet.

Underpinning our turnaround and our plans for future growth is our three year strategy. Our Eight Point Plan has been developed by Elders' leadership and is our blueprint and goal for becoming Australia's leading agribusiness and achieving $60 million earnings before interest and tax and 20 percent return on capital in 2017.

2014 has also been the year in which Elders celebrated its 175 year anniversary. Many people have helped build and shape Elders into the company we know today and it is timely that this year has signalled our return to what we have always done best: supporting Australian agriculture and opening up opportunities for primary producers, both domestically and overseas.

Other features that will be outlined in this report are board and management renewal, our new banking facilities and our significant progress towards an injury free workforce.

Financial results

Elders has achieved a significant turnaround in its financial results, recording a $3 million statutory profit in the 12 months to 30 September 2014, compared with the $(505.3) million loss recorded in the previous year.

The statutory result includes a number of items that are attributable to discontinued operations or unrelated to operating financial results, totalling $5.8 million. These items relate to the net impact of asset divestments during the financial year and operating losses relating to a small number of forestry leases which have been largely offset by positive tax items.

The underlying profit is therefore $8.8 million, up $77.3 million on the previous year.

The improved underlying profit has been achieved through an uplift in all of the Company's business units and a 10 percent reduction in costs. Each of these areas are discussed in detail in the Chief Executive Officer's report.

These results are particularly pleasing given the seasonal and market fluctuations that are inherent in the agricultural sector.

Debt reduction and finance

With the support of our financiers, over the last five years Elders has worked on reducing its debt which totalled in excess of $1 billion at the commencement of the global financial crisis.

In the 2014 financial year, net debt was reduced by 46 percent to $137.6 million. The Company's term debt at 30 September 2014 was $34.1 million which has subsequently been repaid through the equity raising proceeds, received in October.

In line with our commitment to reduce debt we commenced a refinancing during the financial year, which was completed in October 2014. We now enjoy the support of three core financiers, ANZ, NAB and Rabobank, and the new banking facilities comprise flexible working capital lines on normalised commercial terms suited to a focused agribusiness.

The Board's policy is for the Company to maintain minimal to zero term debt. As such the new refinance arrangement does not include any term debt facilities but instead includes a revolving working capital cash advance facility. This model is better suited to the business and the seasonal fluctuations it encounters.

The modest borrowing levels are a significant achievement and without the distraction of divestment activity or high interest payments, the Company can now devote its entire focus in 2015 to being Australia's leading agribusiness.

Equity raising and shareholder value

During the 2014 financial year Elders commenced a $57 million equity raising which was completed in October 2014. As mentioned above, the proceeds of the equity raising, together with the proceeds of asset sales, have been applied to debt reduction.

The equity raising consisted of a $10.2 million placement to institutional and sophisticated investors and a $47 million three-for-five traditional non-renounceable entitlement offer to all eligible shareholders. We are very pleased with the interest that was shown in the equity raising and the calibre of local and offshore investors that took up the opportunity to invest in Elders.

The recapitalisation of Elders provides a sound platform to generate value for all stakeholders and free of the distraction of debt reduction and divestments, the Board and management will now be totally focused on efficiency improvements, growth and improved return on capital.

A question that has arisen since the equity raising is why we did not include hybrid shareholders in the offer.

In undertaking the placement, the board gave due consideration to the participation of both ordinary shareholders and hybrid holders.

Ultimately, the Elders Board sought to reset the Elders ordinary shareholder register by allocating shares to new high quality domestic and international institutional investors with long term investment outlooks. This allowed the Company to raise new capital and rebuild its balance sheet and normalise its banking arrangements.

The Board considered this imperative in setting the appropriate capital structure and platform to create value for all stakeholders.

Having now substantially addressed the Company's debt burden, the Board and Management's priority in the short to medium term is to direct cash flow back into reinvigorating and strengthening the business to grow earnings and returns. As a result, ordinary share dividends (and hybrid distributions) are unlikely to resume in the near term.

Safety

Elders is committed to the safety of its people including staff, contractors, clients and members of public. The Elders safety statement is "we believe that nothing is so important that it cannot be done safely". Safety performance was again a key priority for the Company during the year and the continued focus on safety has resulted in a 36.5 percent reduction in the Lost Time Injury Frequency Rate (LTIFR).

The Chief Executive Officer will further outline the safety improvements made throughout the year, and whilst any improvement is commendable our safety goal is an injury and incident free workplace and we will continue to work towards this objective.

Board and leadership renewal

Leadership renewal has occurred at both a board and executive level which ensures the Company's management aligns with our position as a pure agribusiness.

You will see from the key management personnel table in the remuneration report on page 42 that there has been significant movement. As Chairman I am confident we have the appropriate experience and expertise at a board and executive level to implement the Eight Point Plan and create real value for all stakeholders.

During the year Mr Malcolm Jackman stepped down as Chief Executive Officer and Managing Director, a role which he had held since 2008, and Ms Josephine Rozman resigned from the board, having served as a non-executive director since 2011. On behalf of the board I would like to record our appreciation for the contributions made to the company by Ms Rozman and Mr Jackman.

Following Mr Jackman's departure, then-Chairman Mr Mark Allison chaired an Executive Committee comprising all other members of the Company's senior leadership team, pending completion of a formal executive search for a CEO successor.

Concurrent with this search, two new non-executive directors, Mr James Jackson and Mr Ian Wilton, were appointed to the board in April and both bring extensive agribusiness experience and strong financial management skills to the Company.

Internal and external candidates for the Chief Executive Officer and Managing Director role were examined during an extensive recruitment process conducted by an external executive search firm. The new and expanded Board concluded that Mr Allison's extensive agribusiness and corporate strategy experience made him the best candidate and he was subsequently appointed Chief Executive Officer and Managing Director in April.

Corporate governance

Your Company is committed to an unequivocal and full discharge of its corporate governance and continuous disclosure obligations. Elders' corporate governance framework and practices are detailed in the Corporate Governance Statement commencing on page 26 of this report.

This report includes details of the progress the Company is making towards its diversity strategy. Achieving diversity in the workplace is a critical factor in Elders attracting, retaining and leveraging a broader talent pool to most effectively deliver organisational results. Progress is being made to build diverse talent pipelines in what is traditionally a male dominated industry.

Clearly further and ongoing action is required to address the representation of women in leadership roles and we have in place a Diversity Action Plan which involves a continual focus on establishing policies, processes and systems in areas such as recruitment and selection, flexible working arrangements, remuneration and leadership capability.

Closing remarks

In closing, I would like to express sincere gratitude and appreciation on behalf of directors for the hard work and dedication of our employees, the loyalty from our clients, customers and security-holders, the support of our suppliers and financiers and the faith that all other stakeholders have shown in Elders.

The 2014 results reveal that Elders has established a platform from which to create value for all our stakeholders, both in Australia and overseas, and our Chief Executive Officer will outline how we plan to implement our Eight Point Plan at an operational level.

As I mentioned at the start of my report, the journey to this point has been a challenging one. Elders is certainly in a much better position than it was 12 months ago with modest debt levels, a simpler and focused structure, and improvements in safety and operating performance. However, I am conscious there is still a long way to go until shareholders will view our performance as acceptable.

The board is confident that the right foundation is in place to create value for its stakeholders and is committed to providing the appropriate level of guidance, oversight and support to the management team and employees in achieving this goal. I look forward to sharing our progress with you.

Hutch Ranck
Chairman

Chairman Hutch Ranck speaks with Walcha trainee Sam Gemmell, Roma trainee Jake Smith, Geraldton trainee Chad Golding, Clermont territory sales manager Jake Kennedy and Ballarat trainee Kirsty Taylor at a workshop in Albury.

REPORT BY THE MANAGING DIRECTOR

Mark Allison

2014 has been a year of significant change for Elders and the focus of management has been on four key priorities: safety performance, operational performance, leadership renewal and capital management.

When I outlined those priorities as Chairman 12 months ago, Elders was still very much in survival mode. However, it was abundantly clear that a dedicated focus on these priorities at all levels of the organisation was what was needed to ensure we established a strong platform from which to create value for all stakeholders.

I'm pleased to report that progress has been made against each of those four priorities and we now have that strong platform in place.

Safety performance: A continued focus on safety has seen lost time injuries reduce by nearly half. This means 14 less of our people have been hurt during the year and is a good step in our journey to zero injuries.

Operating performance: At the underlying profit level we have achieved a $77.3 million turnaround in performance over the previous year and all areas of the business have lifted contribution.

Leadership renewal: With the appointment of two new non-executive directors we now have a board with an agribusiness focus and we have aligned our management structure with our strategy and business segmentation.

Capital management: Our debt has been reduced, the completion of the equity raising in October will allow working capital to be optimised in line with seasonal and market demand and the normalised banking terms now in place set the stage for growth.

2014 has also been a year of recognising our proud 175 year history. Elders has been a part of the Australian rural landscape for generations and as current custodians of the Elders brand we owe it to our employees, clients, shareholders and all other security-holders to ensure we continue to play an important role in growing this country's agricultural wealth and prosperity into the future. I'm confident that our current position as a focused agribusiness will assist in achieving this aim.

Financial performance

Elders' improved financial performance in the 2014 financial year, incorporating a $3 million reported profit and a $8.8 million net underlying profit, is a significant highlight.

All products and geographies contributed to the $8.8 million underlying profit, a $77.3 million turn-around on the previous year. This represents a strong platform to operate our business from in the future.

Operational results

Elders' operations contributed an underlying EBIT profit of $27.3 million, a $76.2 million improvement on the previous year's $(48.9) million EBIT loss. This improvement was largely driven by a $13.7 million increase from Agency Services, a $30.4 million increase in Live Export Services and $28.5 million in cost savings.

The major contributor in the Agency Services business was a recovery in cattle and sheep prices and volumes, driven by turnoff and live export demand.

Included in the Live Export Services result is a $24.2 million balance sheet adjustment recorded in the 2013 financial year. Notwithstanding this adjustment live export still saw an improvement of $6.2 million, driven by strong demand in Asian markets.

The cost savings are the result of initiatives undertaken at the end of last financial year to refocus and simplify the business.

As outlined above, capital management has been a priority for the business and we have seen a 27 percent reduction in working capital usage from the previous year. A $40 million reduction was achieved through lower retail debtors and inventory levels and the divestment of non-core businesses contributed approximately $36 million. These gains offset a $12 million increase in working capital as a result of restocking the live export business.

Improvements in working capital also translate to strong operating cash flows for the year, with the core business generating more than $50 million in cash flows before taking into account non-recurring restructuring and Forestry exit payments.

As stated by the Chairman in his report, reducing debt levels has been a significant achievement for the Company. The proceeds from the sale of Elders New Zealand, JS Brooksbank, Charlton Feedlot, Elders Insurance, Kilcoy Pastoral, Australian Fine China and AWH were applied to debt reduction. During the reporting period we also completed our Forestry exit program which significantly reduces our commitments to approximately $2 million per annum.

The Company's operational results are outlined in further detail in the Operating and Financial Review which begins on page 15.

Eight Point Plan

Underpinning our ability to continue our turnaround journey is our Eight Point Plan; our strategic vision for becoming an efficient user of capital and a business that produces acceptable returns for all our stakeholders while servicing our customers' needs. In tangible terms we have set ourselves a strategic target of $60 million EBIT and 20 percent return on capital in 2017.

The Eight Point Plan was developed by more than 40 leaders from across our business who identified what we exist for, what we excel at and how we want to deliver on the needs of our clients. Through that process we were able to identify eight tangible and achievable agribusiness objectives that we feel confident we can execute over the next three years.

An overview of the Eight Point Plan is available on page 5 of this report.

It is not practical to outline each Eight Point Plan initiative in this report as some are still in development but I will detail some initiatives that are already underway and are likely to offer the greatest opportunity for improvement.

Values, Performance and Brand

In 2015 a key priority is managing the performance of our workforce to lift productivity. Underpinning a performance culture is a workforce where all employees understand what is expected of them through realistic, achievable performance objectives.

To bring transparency and consistency to the performance process, for the 2015 financial year we have introduced a structured, online performance management system. This system enables us to cascade performance objectives from our Eight Point Plan into individual goals for employees, right to the front line. To support the performance process we will continue to focus on developing leadership capability throughout 2015.

Geographical coverage and distribution channels

By conducting a comprehensive benchmarking and branch improvement plan across our business we can identify underperforming branches and work on ways that we can lift performance, or identify a more beneficial ownership structure or geographical coverage model. We'll also be looking at a wholesale business model, a new channel to market.

Retail products

In the farm supplies and fertiliser space we're seeking to develop and implement a capital light/return on capital driven business model. This means working very closely with our supply partners to develop mutually beneficial business models.

Agency services

Livestock is the largest component of our business and of course there are many seasonal and market factors that can impact pricing and volumes. Our focus is therefore on managing the things we can control – like looking at ways to grow volume and share though the expansion and investment in our current people and attracting new people to our business. Redeveloping our remuneration model to make sure it rewards the high performers and drives sales performance is one way to achieve this. It will also help to realign our cost base giving us variability during times of unfavourable market conditions.

We're also piloting a facility to allow our clients to access funding for trading livestock. Traditionally, this service had been funded by Elders; however, capital constraints have limited our capacity to fund it. Using a third party to facilitate this will allow for an increased turnover of trading stock. Whilst it is still in its infancy we're seeing some promising results.

Financial Services

Our financial services business incorporates our distribution arrangements with Rural Bank and Elders Insurance, plus the additional joint ventures of Elders Financial Planning and Elders Home Loans. The focus for 2015 will be on continuing new business growth together with driving cross-referrals and maximising opportunities throughout the portfolio.

Feed and Processing Services

Developing and implementing a disciplined return on capital based feedlot capacity utilisation model will be a focus for the coming year. We also plan to explore opportunities to expand and establish integrated domestic and international red meat supply chains.

Live Export Services

We continue to see strong demand for live export in both long-haul and short-haul markets. The priority for 2015 will be to maintain controlled growth and to investigate opportunities in Eastern European and Middle Eastern markets. Furthermore, all agreed actions arising from the PPB Advisory investigation as outlined in the 2013 annual report have been actioned with the next step to implement an automated inventory management system. These measures ensure appropriate and robust controls and systems are in place.

Cost, capital and efficiency

As a seasonally-based business, it is important for Elders to have an appropriate cost and capital base to allow it to generate earnings in good and bad seasons. A number of cost-saving initiatives associated with the use of property, information technology and vehicles have been identified and a methodical and ongoing approach will be taken with regards to efficiency gains and cost reduction.

Safety

Safety continues to be a significant focus for our business and our ultimate goal is to be injury free.

For the 12 months to 30 September 2014, Elders achieved an improvement in the Lost Time Injury Frequency Rate (LTIFR), from 7.4 in 2013 to 4.7. The number of lost time injuries (LTIs) reduced by 39.4 percent. This is a step in the right direction towards our goal, but there is still work to be done.

A large component of Elders' injuries stem from our livestock areas and manual handling branches so these areas will continue to be a focus for us going forward.

In 2015, a safety communication and engagement plan will be implemented to develop an industry-leading safety culture within Elders and further reduce workplace injuries.

People

Elders employed 1,937 full time equivalent (FTE) persons at 30 September 2014 compared with the previous corresponding figure of 2,340 persons. The decline in headcount is attributable to the divestment of assets and the organisational restructure undertaken at the start of the financial year to assist the company in becoming a simpler, more focused agribusiness. The number of FTEs in Australia as at 30 September 2014 is 1,760.

Our annual employee engagement and effectiveness survey conducted by Hay Group showed Elders' overall engagement and enablement levels are above other Australian organisations (+3 and +6 respectively).

This provides a very solid foundation upon which to build on the overall effectiveness of our workforce.

Elders prides itself on investing in the training and development of its people, particularly young people in rural and regional areas. Elders' Traineeship Program, in place since 2009, is continually reviewed to ensure it remains aligned with business, graduate and industry priorities.

The current program focuses on livestock and builds stock and station agency skills over an 18 month period through on-the-job training and study of a Certificate IV in Agriculture. The traineeship program is a successful tool for building the talent pipeline as 90 percent of graduate trainees from the current model have been placed in permanent roles. Since 2012 30 trainees have graduated from the program, with another 12 trainees active in the current intake. The success of this program is reinforced by the number of applications which continue to increase with each intake.

Training and development isn't just a focus at the start of our employees' careers. The Branch Manager Development Program has continued to build leadership capability amongst managers responsible for the individual performance of Elders branches. In 2014, 59 branch managers completed the program.

As discussed by the Chairman in his report, Elders continues to work towards improving the diversity of its workforce, particularly in regards to gender diversity. The representation of women within Elders' workforce is 35 percent which is comparable to the agricultural sector; however, the representation of women in leadership roles is lower than we desire. This is an area of specific focus that will be addressed through our Diversity Action Plan, outlined on page 35 of this report, and will be underpinned by driving cultural change throughout the organisation in order to achieve a step change in our diversity outcomes.

2015 will see a continuation of the trainee program and learning and development opportunities for employees in our business. In addition, the Company's new online learning and performance management tools will ensure the training needs of our employees are identified, and that all employees and managers have a structured approach to managing performance, and importantly that individual goals align with the Company's priorities.

Community

As a focused agribusiness, Elders is a large part of rural life. Our employees live and work in the communities where we operate, whether that be in Australia, Indonesia or China, and as a company we are committed to supporting those communities.

At a community level, Elders branches support local initiatives and charities and our employees participate in community service.

At a corporate level, Elders supported a number of charities and non-government organisations that have relevance to our client base. Elders supports the Royal Flying Doctor Service and their work in providing medical assistance to people living, working and visiting rural and remote Australia. Elders is also a sponsor of the Little Heroes Foundation in its work to provide funding for equipment and services for seriously ill children and their families.

Elders is a member of a number of industry organisations where it helps to advance the interests of agriculture and primary producers.

Closing remarks

As you can see, 2014 has been about establishing the foundation to create value for our stakeholders. In 2015 the focus will be on embedding the initiatives that create that value.

In order for us to continue towards our goal of becoming Australia's leading agribusiness that creates value for all stakeholders, we need to maintain our disciplined approach to running the Company.

Like we did in 2014, we have again identified four key priorities that will guide the management of Elders in 2015; they are:

- Safety Performance;
- Operational Performance;
- Key Relationships; and
- Growth and Efficiency.

The achievements of the past year are indeed significant so in closing, I'd like to make special mention of our people. Thank you for your dedication and hard work in helping Elders achieve its turnaround.

Thank you also to our clients, suppliers, financiers and of course, our security-holders for your ongoing support during what has been a challenging period. We look forward to continuing our journey with you.

Mark Allison
Managing Director

Managing Director Mark Allison inspects potato varieties at the Adelaide Central Markets. Elders has exclusive rights to certain potato varieties in Australia.

OPERATING AND FINANCIAL REVIEW

Elders is now operating as a pure and focused agribusiness, having completed its divestment of non-core assets. In Australia, primary producers work closely with Elders to access products, marketing options and specialist technical advice across retail, agency and financial product categories. Our feed and processing business operates a top-tier beef cattle feedlot in New South Wales, an integrated beef supply chain in Indonesia and a premium food distribution model in China. Elders also extends our service to international markets through our live export business.

Elders' vision is to be Australia's leading agribusiness that creates value for all stakeholders in both Australian and international markets.

Elders' operations include the following product and service offerings:

Retail Products

Elders is one of Australia's leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise, backed by professional production advice.

Agency Services

Elders provides a range of marketing options for livestock, real estate, wool, and grain. The Elders livestock network comprises approximately 400 livestock agents and staff operating across the entire pastoral area of Australia and together they conduct on-farm sales to third parties, regular physical and online public livestock auctions and direct sales into Elders-owned and third-party feedlots and livestock exporters. Elders' real estate agency and property management services are primarily conducted in the broadacre, rural residential and livestock property markets through its rural branches and real estate offices. Residential and metropolitan real estate services are mostly conducted through Elders' network of 144 franchise offices. Elders is one of the largest agents for the sale of Australian greasy wool and operates a brokering service for wool growers. Our team of dedicated wool specialists assist clients with wool marketing, in-shed wool preparation, ram selection and sheep classing. Elders offers grain growers a range of cash-based grain marketing options through an accumulation agreement with ADM Trading Australia.

Financial Services

Elders distributes a wide range of financial services through its Australian network. Our banking and insurance activities are undertaken in partnerships with Rural Bank and Elders Insurance (a QBE subsidiary) respectively, whilst Elders Financial Planning is facilitated through a joint venture. Collectively they facilitate a broad spectrum of activities from various banking products such as deposits, loans, seasonal finance and livestock trading facilities; and financial planning products such as succession planning, risk management, and superannuation and wealth creation.

Feed and Processing Services

In Australia, Elders operates a beef cattle feedlot near Tamworth in New South Wales. In China, Elders imports and distributes premium Australian products throughout China and operates an integrated feedlot, abattoir and meat distribution business in Indonesia.

Live Export Services

Elders exports live dairy, feeder, slaughter and breeding cattle and breeding sheep to well-developed and, where relevant, ESCAS approved, supply chains in a range of international markets. Livestock are transported by sea or air freight depending on the market requirements.

Financial Overview

Profit: Reported and Underlying

$m 12 months ended 30 September:	2014	2013	Change
Sales	**1,431.5**	1,422.1	9.4
Underlying EBIT:			
Australian Network	**51.0**	15.6	35.4
Feed and Processing	**4.6**	4.2	0.4
Live Export	**5.1**	(27.5)	32.6
Corporate Services	**(33.4)**	(41.2)	7.8
Underlying EBIT	**27.3**	(48.9)	76.2
Net underlying finance costs	**(15.7)**	(15.8)	0.1
Underlying profit/(loss) before tax	**11.6**	(64.7)	76.3
Tax on underlying profit/(loss)	**(1.1)**	(1.8)	0.7
Non-controlling interests	**(1.7)**	(2.0)	0.3
Underlying profit/(loss) to shareholders	**8.8**	(68.5)	77.3
Items excluded from underlying profit/(loss)	**(5.8)**	(436.8)	431.0
Reported profit/(loss) after tax to shareholders	**3.0**	(505.3)	508.3

Underlying EBIT by Product

$m 12 months ended 30 September:	2014	2013	Change
Retail Products	**107.9**	106.1	1.8
Agency Services	**117.9**	104.2	13.7
Financial Services	**25.8**	25.8	(0.0)
Feed and Processing Services	**15.3**	13.5	1.8
Live Export Services	**11.7**	(18.7)	30.4
Costs	**(251.3)**	(279.8)	28.5
Underlying EBIT	**27.3**	(48.9)	76.2

Underlying EBIT by Geography

$m 12 months ended 30 September:	2014	2013	Change
Northern Australia	**19.3**	13.1	6.2
Southern Australia	**36.3**	17.4	18.9
Western Australia	**15.4**	9.6	5.8
International	**6.2**	(25.8)	32.0
Functional and Technical	**(49.9)**	(63.2)	13.3
Underlying EBIT	**27.3**	(48.9)	76.2

The statutory result included a number of items that are either attributable to discontinued operations or unrelated to operating financial results. Measurement and analysis of financial results excluding these items is considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit").

Underlying profit is a non-IFRS measure and is not audited or reviewed.

Items excluded from underlying profit are:

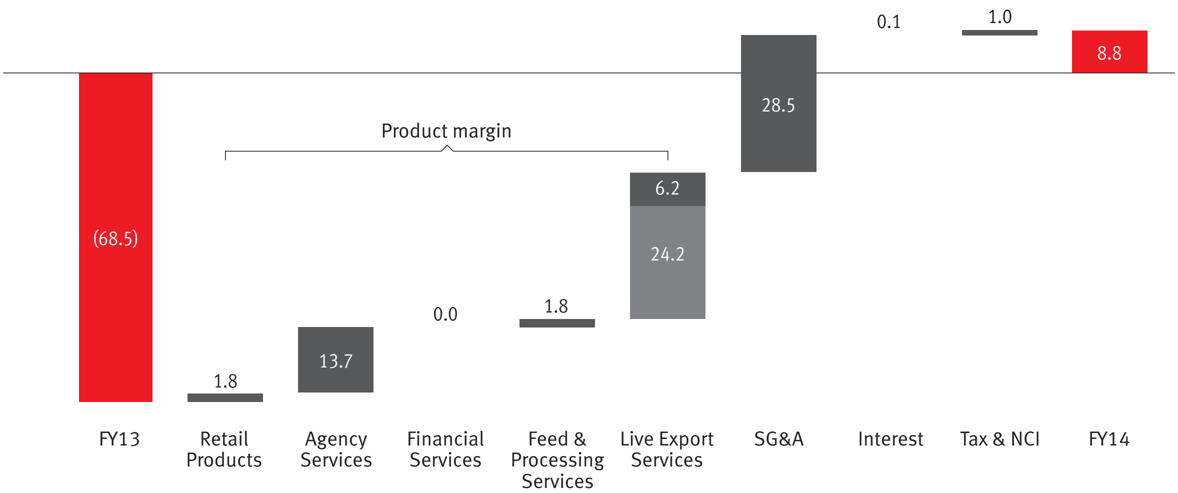
Items excluded from underlying profit

$m after tax 12 months ended 30 September:	2014	Explanation of items
AWH divestment	(16.5)	Net impact on divestment of AWH
Other divestments	(1.0)	Net impact of other divestments during the year
Forestry related	(2.1)	Relates to operating losses for the period
Tax	15.6	Reassessment and recognition of previously impaired tax balances on temporary differences based on Elders improvement in profitability
Other	(1.8)	
Items excluded from underlying profit	(5.8)	

Underlying Profit

Underlying profit by product

$ million



Elders improved underlying profit by $77.3 million from a loss of $68.5 million in FY13 to a profit of $8.8 million in FY14. This significant improvement resulted from:

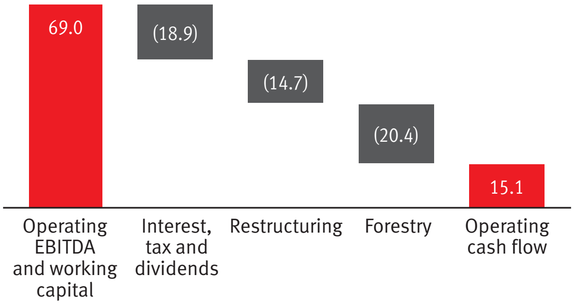
- Retail Products: Despite a very hot and dry start to the financial year, solid autumn rainfall provided a positive start to the winter cropping season in Southern and Western Australia. This provided farmers with confidence to sow their full winter seeding program. The Northern zone remained dry with reduced demand for farm inputs in 2014. In addition, benefits were also realised through reduced warehousing and freight costs from decentralisation of retail management.
- Agency Services: FY14 saw strong performance by Livestock and Real Estate agency businesses. Strengthening of sheep and cattle prices and volumes through drought induced turnoff and robust live export demand contributed to improved earnings across all zones.
- Financial Services: Earnings from Banking distribution has remained steady with significant new lending levels offsetting strong seasonal inflows to existing clients across southern Australia and a generally subdued Northern market.
- Feed and Processing Services: Uplift from improvement in Killara occupancy, offset by lower margins from Indonesia due to increasing competitive pressures.
- Live Export Services: There was strong demand from short and long haul destinations in FY14. In addition, $24.2 million of improvement relates to balance sheet adjustment in FY13.
- Costs: Costs have reduced by 10% through benefits realised from the FY13 restructure. Savings have been made through decentralisation of retail management, restructure of network and corporate support and continued focus on discretionary spending.

Cash Flow

Cash Flow

$m 12 months ended 30 September:	**2014**	2013	Change
Operating cash flow	**15.1**	(81.6)	96.7
Investing cash flow	**93.7**	84.6	9.1
Financing cash flow	**(126.2)**	(55.1)	(71.1)
Total cash flow	**(17.4)**	(52.0)	34.7

2014 operating cash flow
$ million



Highlights from FY14 operating cash flows are:

- $69.0 million cash flow generation from core Elders business. This was partly driven by lower working capital levels and a stronger bias in less capital intensive revenue streams in the Agency segment.
- $18.9 million outflows relating to payments for interest and tax offset by dividends received from investments.
- $14.7 million outflows associated with restructuring initiated in FY13.
- $20.4 million outflows associated with the discontinuing Forestry operation. This includes lease, grower and redundancy payments made during the year. A small number of rural property leases, with varying maturities, remain with an annual aggregate lease and cost payments of approximately $2 million per annum.

Cash flow of $93.7 million from investing activities mainly relates to proceeds from disposal of non-core assets during the year. These proceeds were used to repay term debt. Financing cash flows also include $22.7 million outflow resulting from lower working capital facilities usage, offset by $10.2 million placement proceeds from capital raising completed in September 2014.

Balance Sheet

Balance Sheet: key items

$m as at end:	**Sep 14**	Sep 13	Change
Inventory	**84.8**	116.3	(31.5)
Livestock	**41.1**	36.7	4.4
Trade and other receivables	**302.1**	345.4	(43.3)
Trade and other payables	**(249.6)**	(255.1)	5.5
Working capital	**178.4**	243.3	(64.9)
Investments	**7.1**	82.2	(75.1)
Provisions	**(47.1)**	(81.5)	34.4
Borrowings: term debt	**(34.1)**	(143.8)	109.7
Borrowings: working capital and other facilities	**(126.1)**	(150.9)	24.8
Debt related financial derivatives	**-**	(0.4)	0.4
Cash and cash equivalents	**22.5**	39.9	(17.4)
Net debt	**(137.6)**	(255.2)	117.6
Shareholders' equity	**57.0**	46.2	10.8

Working capital

Working capital has decreased 27% from last year. Main reasons for the decrease are:

- Reduced Retail working capital usage by $40 million through lower debtors and inventory.
- Divestment of non-core businesses during the year reducing working capital by approximately $36 million.
- Offset by $12 million increase in Live Export working capital with the restocking in this business during the year.

Investments

During the year, as part of the non-core asset divestment strategy, Elders has successfully divested its investments in Kilcoy Pastoral, AWH, Elders Insurance and Australian Fine China; and disposed of its Charlton feedlot, New Zealand network and wool trading businesses. The non-core asset divestment program is now completed.

Provisions

Reduction in provisions during the year were for payments relating to the Forestry exit program and project Horizon restructure announced in 2013.

Net debt

Net debt as at 30 September 2014 of $137.6 million is lower by $117.6 million (46%) from last year. This has been driven by the amortisation of debt using proceeds from divestment activities. Remaining term debt of $34.1 million has subsequently been repaid through recapitalisation proceeds received in October 2014, resulting in a pro-forma drawn net debt of $92.6 million at balance date.

Elders completed its refinance on 21 October 2014. The new finance package comprises $308 million working capital facilities with zero term debt.

Shareholders' equity

Elders undertook a capital raising in September 2014 with a $10.2 million placement and $47.1 million 3-for-5 shares non-renounceable entitlement offer. The placement was completed prior to year end with the net proceeds of $9.8 million recorded in shareholders' equity at balance date. New shares for the entitlement offer, with net proceeds of $45.0 million, were issued post balance date on 14 October 2014 and have not been reflected in equity.

Pro-forma balance sheet reflecting the receipt of the placement proceeds as at 30 September 2014 is as follows:

Pro-forma Balance Sheet

$m as at end:	Sep 14	Entitlement offer	Pro-forma Sep 14
Cash and cash equivalents	22.5	11.0	33.5
Other assets	492.5	-	492.5
Total assets	**515.0**	**11.0**	**526.0**
Borrowings: term debt	(34.1)	34.1	-
Borrowings: working capital and other facilities	(126.1)	-	(126.1)
Other liabilities	(297.9)	-	(297.9)
Total liabilities	**(458.0)**	**34.1**	**(424.0)**
Issued capital	1,277.8	45.0	1,322.8
Other equity	(1,220.8)	-	(1,220.8)
Total equity	**57.0**	**45.0**	**102.0**
Gearing	*241%*		*91%*

Operational Review

1. Workplace Health, Safety and Environmental Performance Regulation

1.1 Workplace Health and Safety

Safety has been identified as the most important operational priority for the business, with an aspirational goal of a zero injury workplace. During the year, there were 20 lost time injuries reported in the business, down from 33 in the prior year. In March, Elders conducted its first national safety survey to gauge the safety culture in the business. The results of this survey were prioritised and will be used to improve poor performance and benchmark future surveys.

1.2 Environmental Performance Regulation

Elders' operations are subject to a range of environmental legislation across the areas in which it operates. Detail of Elders' performance in relation to the various regulations and our operations are as follows.

Feedlots

Elders operates a feedlot in Killara (New South Wales) having divested its Victorian feedlot at Charlton in July 2014. Feedlots are subject to local and state government environmental as well as animal welfare legislation, and are subject to a quality assurance program under the National Feedlot Accreditation Scheme (NFAS). The NFAS is independently administered and audited annually by Aus-Meat. In addition, the operations are conducted under the provisions of the Australian Model Code of Practice for the Welfare of Animals – Cattle (2004).

No breaches of any relevant Act, code of practice or accreditation scheme under which Killara or Charlton feedlots are approved and operate were reported during the year ended 30 September 2014 or to the date of this report.

Saleyards

Saleyards owned and/or operated by Elders are subject to various State, Territory and local government regulations particularly in relation to effluent management, dust and noise. These regulations vary from state to state and generally only apply to saleyards above a prescribed size.

No breaches of these environmental regulations were reported during the year ended 30 September 2014 or to the date of this report.

Retail Products

Elders' retail operations are subject to state environmental regulations governing the storage, handling and transportation of dangerous goods such as agricultural and veterinary chemicals and fertilisers. The majority of Elders' retail operations are accredited under the Agsafe co-regulatory accreditation program. The program provides accreditation for premises and training and accreditation for individuals in the safe transport, handling and storage of agricultural and veterinary chemicals.

The regulatory environment for the transporting, handling, storage, sale and use of dangerous goods and chemicals is complex and subject to the legislation and regulatory oversight separately applied in each state or territory. Agsafe provides assistance through the provision of accredited training and safety programs.

No material incidents were reported in relation to the handling and storage of dangerous goods during the year or to the date of this report.

Live Export Services

Elders is engaged in the export of cattle to international markets, namely the supply of feeder and slaughter cattle in Indonesia and Vietnam as well as long haul live export of dairy and breeding cattle to distant markets seeking to supplement their local herds. All live export operations are subject to Australian Government regulation and standards including:

- The Australian Standards on the Export of Livestock (ASEL version 2.3) which provides comprehensive and detailed standards on the sourcing, preparation, management and transportation of livestock through the supply chain to the point of disembarkation, including various aspects relating to the environment.
- The Exporter Supply Chain Assurance System (ESCAS) which requires exporters to demonstrate they have control and traceability throughout the supply chain to the point of slaughter in the destination country.

Other than minor breaches of ESCAS self-reported by Elders (and in connection with which no action was taken by regulators), no breaches of regulatory or legislative environmental requirements were recorded by Elders' live export operations in the year to 30 September 2014 or to the date of this report.

2. Operational Review

2.1 Retail Products

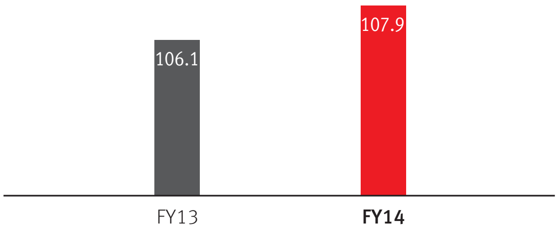
Gross margin for Retail increased by 2% in FY14. The Retail product had a slow start for the remainder of calendar year 2013 with very dry weather conditions across Australia. Lack of weed and disease pressure over summer resulted in decreased demand for agricultural chemicals. Livestock turnoff in the North also reduced the demand for animal health inputs during this period.

Good rainfalls in late autumn and winter provided a solid start to the winter cropping season in the West and South zones. This allowed farmers in the area to sow their full program, improving fertiliser and seed sales. Dry conditions through summer and winter in the cropping areas of Queensland and Northern New South Wales continue to subdue sales and margin in the North. A lack of water allocation and rainfall resulted in lower than average cotton and sorghum plantings this year.

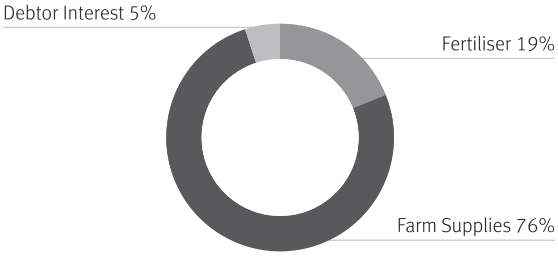
Strategy To improve the business model of our farm supplies and fertiliser products.

Strategy	Plan
Capital light	• Review business model • Rationalise product lines
Focus on return on capital	• Improve margin controls • Renegotiate supplier terms and purchase models

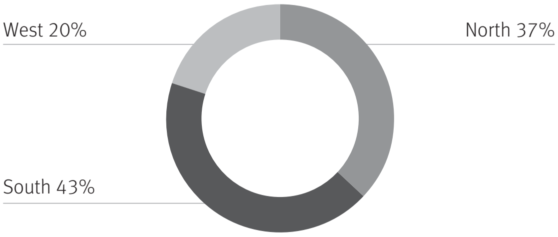
Retail Products Margin



Margin by Product



Margin by Geography



2.2 Agency Services

Agency services delivered a significant improvement from FY13 with an increase in earnings of 13%. This was predominantly attributable to recovery of sheep and cattle prices during the financial year driven by strong live export demand. Livestock volumes also increased with dry weather turnoff and increased supply to international markets. Livestock contributed an increase of $14.3 million in earnings for the year.

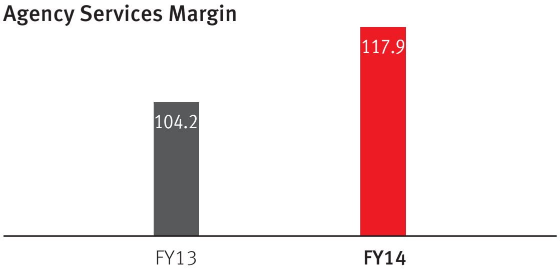
Real Estate earnings remained stable during the year, with good economic conditions having a positive impact on consumer confidence in the rural and residential property markets.

Wool clip size continued to decline, impacted by dry conditions and increased slaughter rates. Price was also softer, particularly for finer wools, resulting in a $1.3 million decline in earnings compared to last year.

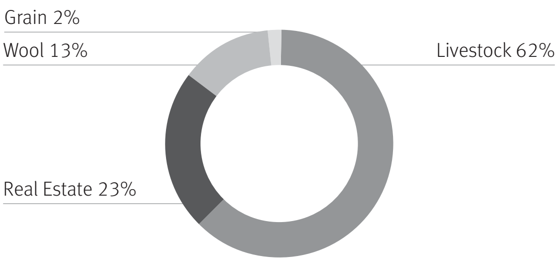
Strategy To strengthen and expand our wool, livestock, real estate and grain products.

Strategy	Plan
Operating model	• Development and implementation of innovative and mutually beneficial operating models across all products
Recruitment	• Develop strategies to retain high performing staff • Identify and recruit for talent gaps across products
Remuneration	• Development and implementation of an innovative and mutually beneficial remuneration model

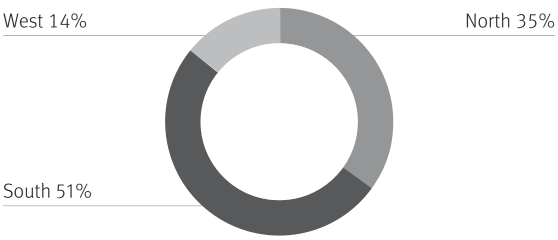
Agency Services Margin



Margin by Product



Margin by Geography



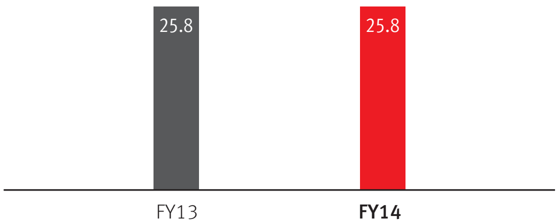
2.3 Financial Services

Financial services generated steady earnings in FY14. The significant investment in our banking team in recent years saw excellent results with a strong uplift in new lending activities. Whilst the loan book increased only marginally, the new business result in fact has been critical in maintaining the loan book as strong seasonal returns across southern Australia saw significant reductions of existing borrowings as clients consolidated their positions.

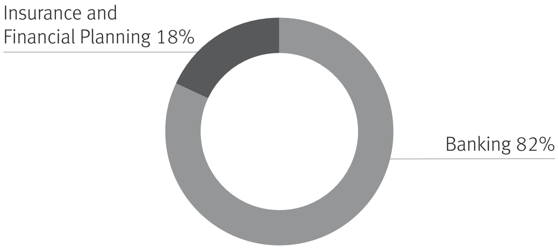
Strategy To strengthen and expand our banking, insurance and financial planning products.

Strategy	Plan
Operating model	• Refine long term joint venture agreements • Develop and implement innovative operating models
Recruitment	• Development of our teams, identifying gaps and opportunities as they may arise
Cross referrals	• Review current capability and develop cultural shift in this area

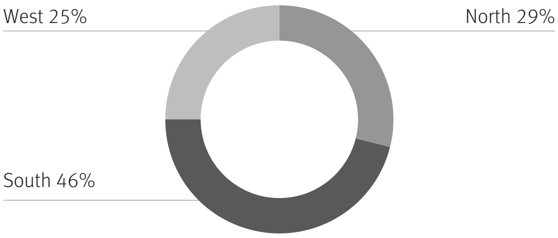
Financial Services Margin



Margin by Product



Margin by Geography



2.4 Feed and Processing Services

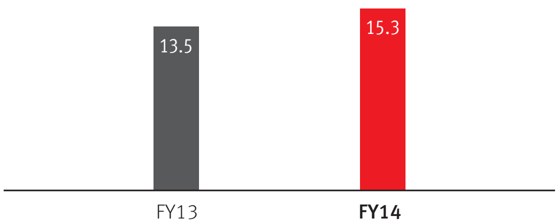
The Killara feedlotting business saw an improvement in performance compared to FY13. Dry conditions drove larger numbers of cattle into the feedlot system, which was well supported by strong export demand. Higher occupancy at Killara feedlot increased overhead efficiencies which in turn resulted in better margins. Killara experienced a 26% improvement in margin for the year.

In Indonesia, favourable market and trading conditions from last year have continued to buoy the demand for beef. However, prices have fallen as supply constraints have eased, resulting in a lower margin of $1.1 million in FY14.

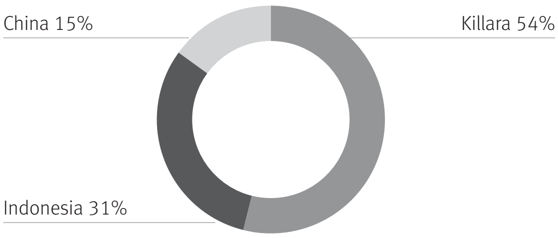
Strategy To improve and expand our feed and processing business.

Strategy	Plan
Robust systems	• Build capability of management team • Operational excellence review of processes and systems
Return on capital focus	• Optimise existing business model • Consider alternative asset ownership options
Integrated red meat supply chain	• Investigate demand and opportunities for integrated supply chain domestically and in Asia

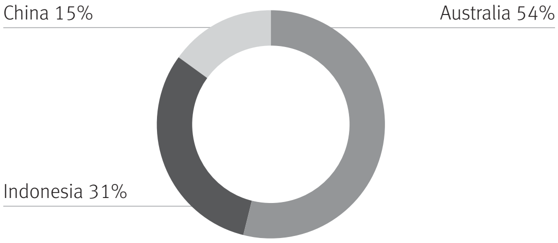
Feed and Processing Services Margin



Margin by Product



Margin by Geography



2.5 Live Export Services

Included in margin improvement for live export services is the impact of the negative $24.2 million balance sheet adjustment recorded in FY13. Notwithstanding this adjustment, live export still saw an improvement of $6.2 million in FY14.

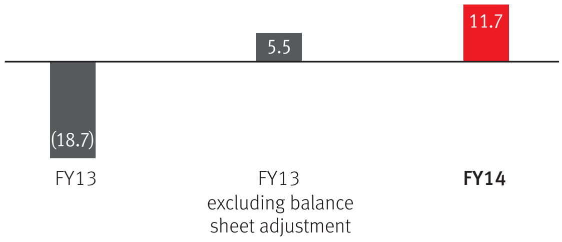
Short haul volumes rose by 87% as a result of Indonesia ending its volume-based import quota restrictions in September 2013. Earnings improved by $2.0 million with supply competition leading to lower margin per head.

Demand for breeding cattle continues to remain strong, particularly diary heifers from Australia and New Zealand for Chinese milk production and herd building. This contributed to higher margins in the long haul business.

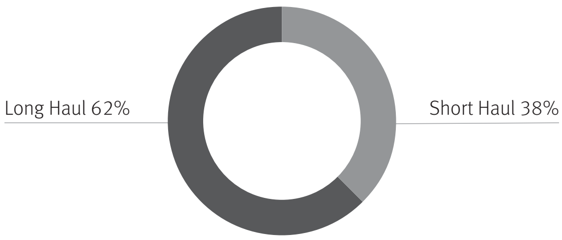
Strategy To maintain controlled growth of our live export business.

Strategy	Plan
Robust systems	• Build capability of management team • Improve inventory management system
Return on capital focus	• Thorough evaluation and approval of live export contracts prior to execution
Customer satisfaction	• Develop shipment based customer satisfaction reviews
New markets	• Comprehensive investigation into growth opportunities for Eastern European and Middle Eastern markets

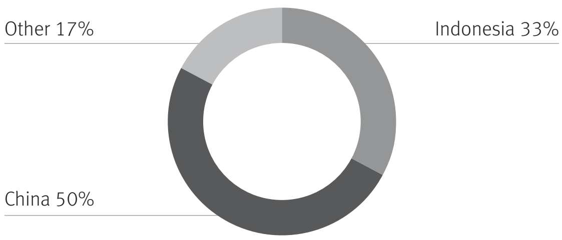
Live Export Services Margin



Margin by Product



Margin by Geography



Outlook

The future financial performance of Elders will, as always, be subject to the influence of seasonal, market and international trade relation factors that affect the Australian farm sector. At the date of this report, the following conditions are forecast:

- Retail Products:
  - Dry spring and summer conditions for most of Australia
  - Assume average winter cropping season
- Agency Services:
  - Upward pressure on cattle prices with tightening supply and robust global demand
  - Increase in sheep flock to support export demand
  - Positive real estate activity driven by local and foreign investment
  - Wool volumes easing driven by weaker pricing and the continuation of high slaughter rates
- Financial Services: Continued uplift in activity within the Banking business and development of long term strategic agendas with joint venture businesses
- Feed and Processing: Feedlot well utilised and growing demand for meat in Indonesia and China
- Live Export: Strong demand for live cattle and sheep from Indonesia, Vietnam and China.

Material Business Risks

Elders is committed to developing a culture where risks that could affect our people, shareholders' value, community, environment, reputation, operating assets, financial and legal status, or prevent the achievement of our objectives are identified and actively managed. The Board is responsible for oversight of the risk management framework. Executive management has responsibility for applying the framework, and is accountable to the Board and Board Audit, Risk and Compliance Committee for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the business. All Elders' people are responsible for identifying and managing risks in their areas of responsibility. A range of strategic, operational and financial risks are outlined below. The risks noted are not exhaustive and are in no particular order.

Strategic Risks

- Reputation and brand: Elders has over 175 years of tradition and the brand is important to the success of the business. General performance issues and other factors could lead to Elders' capabilities and credibility being diminished or lost amongst our key stakeholders. Key stakeholders include employees, clients, shareholders, rural and regional communities, bankers, investors, suppliers, politicians and regulators. This is managed through marketing activities, brand guidelines, client monitoring and disclosure committee.
- Political: The Australian political system, although stable, has regular election cycles that can result in changes in macro policy settings such as climate change, industrial relations and free trade. Elders also operates in a number of foreign jurisdictions where the local political risk can affect business operations.

- Workforce Capability: The attraction and retention of skilled and engaged staff can be affected by competition, shortage of skilled people within industry and ability to engage people during periods of change. Elders actively manages the ongoing development of capability and leadership through workforce planning and a range of formal and informal development activities.

Operational Risks

- Safety: Safety risk is inherent in Elders' business activities. The safety of Elders' people, clients and the general community is our number one priority. Elders has a safety strategy in place to drive continuous improvement and compliance with safety management system.
- Livestock Inventory: The nature of Elders' live export activities includes risk associated with inventory management, leading to an accounting discrepancy in 2013. The business is currently reliant on a number of manual and interim controls, and a whole of Live Export business review is underway to improve systems and processes. Implementation of an end-to-end livestock inventory and traceability system has been approved and will be completed by 2015.
- Live Export: Adverse market conditions created by the quantity and/or quality of stock available impacting upon our forward bought / sold position thus creating a price exposure. Government intervention can also influence the Live Export business. Controls for this risk include effective supply chain relationships, regular contract reviews with suppliers and customers, and maintaining ongoing relationships with regulators.
- Retail: Elders is involved in a number of key parts of the supply chain within its Retail business. To manage supply chain risks, Elders maintains effective relationships with our suppliers and ensures inventory levels in our branches are actively monitored and are a measurable target for management.
- Business Systems: current business systems are custom written, purpose built applications. These applications are serviceable, but require continued investment to keep pace with the commercial applications that leverage large customer bases and new technologies, and drive functional improvements to the user base.
- Legal and Regulatory: Elders operates nationally and internationally and is therefore impacted by various pieces of legislation. Risk arises from the potential of breach of legislation, or failure to abide by contracts/ licences. Elders' compliance framework supports management in the maintenance of these obligations.
- Biosecurity: An outbreak of a systemic animal or plant disease can lead to quarantine conditions in rural Australia and reduce producers' need for goods and services or affect their ability to operate. To limit the impact, Elders has in place employee training and disease management protocols. Elders also has a business continuity framework in place to respond to the risk of disruption.
- Business Interruption: A significant event or incident could affect core operations, including weather event, IT security threat, activist attack, loss of shipping or transport, etc. Elders has established a business continuity framework including crisis management, emergency response and disaster recovery. The aim of the framework is to minimise the extent and duration of any disruption or impairment of services and supply to Elders and our clients.
- Seasonal Weather Conditions: Uncharacteristically high or low rainfall and temperatures can affect our business. Natural events, caused or affected by weather, such as frost, drought, flood and fire can also have impacts. Such conditions can influence the demand for rural products and services provided by Elders, resulting in varied revenue levels. To limit the impact of the above risks Elders maintains both a geographical spread of operations and a diverse product and service range.

Financial Risks

- Working Capital: Elders' operations are subject to a level of working capital volatility against budget which may result from seasonal weather conditions, commodity price fluctuations or variations in the time taken to convert short term assets into cash. Elders classifies this risk as liquidity risk. Liquidity risk is mitigated by a range of management practices including prudent working capital management, active liquidity management and daily cash flow forecasting.
- Capital: Elders' ability to operate its business and effectively implement its strategic plan over time will depend in part on its ability to meet the terms of its financing agreement and maintain ongoing securitisation arrangements. Elders completed a refinance in October 2014 and believes that the new financing facilities provides sufficient capital to grow our business in line with the Eight Point Plan.
- Credit risk: Elders grants credit to approved counterparties to allow them to purchase goods and services from us and may be exposed to losses associated with a client's inability to repay debt. This risk is managed by maintaining policies and procedures, oversight by Credit Committee, stringent debtor monitoring and reporting, trade credit insurance in place for major debtor processors, and high level reviews of significant credit issues by the CEO and CFO.
- Fraud: Fraud is defined as some form of deceit, theft, trickery, false statements, breach of trust and guilty intention with the object of obtaining money or other benefit. Elders is not only exposed to traditional financial fraud, but also to the potential misrepresentation of goods and services. Elders has in place Code of Conduct, compliance policies, procedures and training, reconciliations process, management representation process and Internal Audit program to manage the risk of fraud.
- Market: The performance of Elders is influenced by the business' ability to respond to changes in financial market conditions. This includes movements in financial markets, including foreign exchange, commodity prices and interest rates. Prices of agricultural commodities fluctuate and are affected by a variety of regional and global factors that are beyond the control of Elders. Elders manages Market Risk through the Treasury Department, Financial Risk Management Policy, monitoring of agribusiness indicators and establishment of governance committees.
- Taxation: There are four main areas of tax risk: strategic, operational, compliance, and financial. Tax risks are managed by the tax department in accordance and application of the tax risk management policy and philosophy.

BOARD OF DIRECTORS

Mr James Hutchison (Hutch) Ranck, BS Econ, FAICD

Age 66 – Appointed Chairman in April 2014. Non-executive director of the Board since June 2008. He is also Chairman of the Work Health and Safety Committee and the Nomination and Prudential Committee, and a member of the Remuneration and Human Resources Committee and the Audit, Risk and Compliance Committee. Hutch retired as Managing Director of DuPont (Australia) and Group Managing Director of DuPont ASEAN in May 2010. In his 31 years with DuPont Hutch led businesses in ANZ and Asia Pacific in Agriculture, Pharmaceuticals, and Industrial Chemicals. In the last 10 years Hutch served as a director in a variety of companies and organisations including, The Business Council of Australia, an Australian Government Statutory Authority – APVMA, The Chemical and Plastics Association – PACIA, and The Crop Chemical Association – Crop Life. From 2000 until 2010 Hutch was a member of the Prime Minister's Science, Engineering and Innovation Council – PMSEIC. Currently Mr Ranck is a director of Iluka Resources and the CSIRO. Mr Ranck is a resident of New South Wales.

Mr Mark Charles Allison, BAgrSc, BEcon, GDM, FAICD

Age 53 – Appointed Chief Executive Officer and Managing Director in May 2014. He has extensive experience spanning 30 years in the agribusiness sector. He is a former Managing Director of Wesfarmers Landmark Limited and Wesfarmers CSBP Limited and executive director of GrainGrowers Limited. Prior to his appointment at Wesfarmers in 2001, Mr Allison held senior positions with Orica Limited as General Manager of Crop Care Australasia and with Incitec Limited as General Manager – Fertilisers. Between 1982 and 1996 Mr Allison performed a series of senior sales, marketing and technical roles in the Crop Protection, Animal Health and Fertiliser industries. Mr Allison was the Managing Director of Makhteshim Agan Australasia Pty Ltd from 2005 to 2007 and Managing Director and Chief Executive Officer of Jeminex Limited from 2007 to 2008. Mr Allison is a resident of South Australia.

Mr James Andrew Jackson, B Com, FAICD

Age 52 – Non-executive director and Deputy Chairman of the Board since April 2014. He is also Chairman of the Remuneration and Human Resources Committee and a member of the Work Health and Safety Committee, the Audit Risk and Compliance Committee and the Nomination and Prudential Committee. Mr Jackson has more than 25 years experience in capital markets and agribusiness, both in Australia and overseas. He held a Senior Vice President role with investment bank SG Warburg (now part of UBS) in New York and was a director of MSF Sugar Limited from 2004 to 2012, including being Chairman from 2008. He is currently Chairman of Australian Rural Capital Limited. Mr Jackson owns and operates a beef cattle enterprise in northern New South Wales and is a resident of New South Wales. Mr Jackson brings strong skills and knowledge in capital markets, agricultural production and supply chains, corporate governance, corporate and financial strategy and hands on experience in the rural agency business.

Mr Ian Wilton, FCPA, FAICD, FCCA (UK)

Age 62 – Non-executive director of the Board since April 2014. He is also Chairman of the Audit, Risk and Compliance Committee and a member of the Work Health and Safety Committee, the Nomination and Prudential Committee and the Remuneration and Human Resources Committee. Ian Wilton is a Certified Practising Accountant with senior executive experience across the agricultural sector. He has held Chief Financial Officer positions with the sugar division of CSR Limited, Ridley Corporation and GrainCorp Limited and was President and Chief Executive Officer of GrainCorp Malt. Mr Wilton is currently Chief Financial Officer for Allied Mills Pty Limited, a joint venture between GrainCorp Limited and Cargill. Mr Wilton is a resident of New South Wales.

Company Secretaries

Mr Peter Gordon Hastings
BA LLB GDLP

Mr Hastings was appointed Company Secretary in February 2010. He held the position of Group Solicitor with the Elders Group between 1995 and 1999 and again between 2003 and 2010, and has held the position of General Counsel since February 2010.

Ms Nina Margaret Abbey
Ms Nina Abbey was appointed joint Company Secretary on 20 February 2014. She also holds the position of Head of Risk and Assurance, since August 2012.

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement summarises the key elements of the Company's governance framework and practices.

The Company continues to maintain a robust governance framework and comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition (ASX Recommendations).

The Board strongly believes that the governance arrangements in place for the Company are effective but, because governance practices are dynamic, remains committed to building on the existing framework through regular review. As an example, mindful of the absolute need for ethics and integrity in business, the Board has continued to enhance the Company's Code of Conduct. This Corporate Governance Statement reflects those governance arrangements, including updates made through the year, and describes the current policies and practices of the Company since the Board's last report to shareholders.

A comparison of the Company's governance practices with the ASX Recommendations appears on our website at **www.elderslimited.com** along with other complementary information such as key policies and charters discussed in this governance statement.

On 27 March 2014, the ASX Corporate Governance Council released the 3rd Edition of the Corporate Governance Principles and Recommendations which take effect for a company's first full financial year commencing on or after 1 July 2014. The Company notes that it will adopt the 3rd Edition in its next financial year commencing 1 October 2014.

1. Board Structure and Operation

Relevant policies and charters:
– Board Charter
– Company Constitution
– Prudential Criteria
– Director Independence Policy
– Board Performance Assessment
– Director Induction and Ongoing Education

The Board

The Board is ultimately responsible for the governance of the Company. The key responsibilities of the Board include:

- provide input into, and adopt, the strategic plan and budget of the Company as prepared by management;
- monitor performance against the business plan and budget;
- approve and monitor the progress of all material acquisitions, divestments, contracts and capital expenditure;
- approve debt or equity raisings by the Company;
- oversee the audit, compliance, financial and operational risk management functions of the Company;
- oversee the Company's financial reporting and communication to the Company's shareholders and the investment community and shareholder-relations generally;
- appoint and remove the Chief Executive Officer (CEO) and determine that person's remuneration (including termination benefits);
- review the performance of the Board as a whole and of individual directors; and
- monitor and assess the performance of the CEO and the Company's senior executive team.

The Board has adopted a Board Charter that, in addition to the above main responsibilities, defines those duties reserved for the Board and its Committees and those that are delegated to the CEO.

The Board delegates responsibility for the day-to-day operation and administration of the Company to the CEO, Mr Mark Allison. The Board monitors the CEO's performance on an ongoing basis through regular management reporting and through the reporting of the various Board Committees. The Company has in place comprehensive Delegations of Authority under which the CEO and executive management operate. The Board regularly reviews the obligations set out in the Board Charter and the delegations of authority.

The Chairman

The Board Charter prescribes that the Chairman of the Board should be an independent director and details his responsibilities. Hutch Ranck was elected Chairman on 1 May 2014 having replaced Mark Allison who was appointed CEO on the same day. Mr Ranck is a non-executive and has been determined by the Board to be independent.

The Chairman's role includes:

- providing effective leadership to the Board in all Board matters;
- publicly representing the Board's views to stakeholders;
- promoting effective relations between the Board and management;
- leading the process of review of the performance of the Board, Committees and individual directors;
- guiding the setting of agenda items and conduct of Board and shareholder meetings; and
- overseeing succession of non-executive directors and the CEO.

Board Composition

The composition of the Board is determined by the Company's Constitution and by Board policy, which includes the following requirements:

- the number of directors may not be less than 3 and not more than 12;
- the majority of directors must be independent non-executive directors;
- the Chairman should be an independent director; and
- the Board be comprised of directors who are financially literate and who together have an appropriate mix and depth of skills, experience and knowledge.

There are currently four directors on the Board, comprising three non-executive directors and the CEO. The qualifications, experience, special responsibilities and period of office of each director can be found on page 25 of this report. FY14 saw several changes to Board membership. Malcolm Jackman resigned as CEO and Managing Director on 27 November 2013. Mark Allison resigned as Chairman and was appointed CEO on 1 May 2014. Hutch Ranck was elected Chairman on 1 May 2014. Josephine Rozman retired as a non-executive director on 25 March 2014 and two new non-executive directors, Ian Wilton and James Jackson, were appointed to the Board on 13 April 2014.

Appointment of Directors and re-election

The composition of the Board is reviewed on an annual basis coinciding with the Annual General Meeting (AGM) cycle to ensure that the Board has the appropriate mix of expertise and experience.

At each AGM of the Company, one third of directors (other than the managing director and directors who have been appointed since the previous AGM) and any other director who will at the conclusion of the meeting have been in office for 3 or more years and AGMs since they were last elected to office are required to retire and may stand for re-election. There were no directors obliged to retire under this rule in financial year 2014.

When a vacancy exists, or when it is considered that the Board would benefit from the services of a new director with particular skills, the Nomination and Prudential Committee selects candidates with appropriate expertise and experience for consideration by the full Board. The Committee also takes into account the prudential criteria and may seek advice from external consultants if necessary in selecting candidates for board positions. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders and re-election at three yearly intervals. Both non-executive directors Ian Wilton and James Jackson having been appointed since the last AGM will stand for election in 2014.

Formal letters of appointment setting out key terms and conditions of appointment are in place for all directors.

Fit and Proper Person Policy

The Company continues to adopt and comply with its fitness and propriety regime given its distribution arrangements with Rural Bank Limited (a prudentially regulated Authorised Deposit Taking Institution) and its two Australian Financial Services Licences, which ensures a robust selection process for directors generally consistent with the standards set by APRA. The criteria set down in the Company's Fit and Proper Policy are available on the Company's website at **www.elderslimited.com.**

The Company's Fit and Proper Person Policy and process provide the Company with assurance that existing and potential directors and persons appointed to senior executive positions within the Company are able to satisfy appropriate fitness and propriety standards that will enable them to discharge their governance responsibilities throughout the term of their appointment.

Director Induction and Training

All new directors are given a detailed briefing on key board issues, including appropriate background documentation coordinated by the Company Secretary and by the CEO on the nature of the Company's business and its key drivers.

Directors undertake training and development on an "as needs" basis. Directors are also regularly briefed on the Group's businesses and on industry, technical and legislative issues impacting the Group. Directors aim to have at least one meeting a year in conjunction with a tour of one of the Company's operations. At all other times, non-executive directors are encouraged to visit the Company's operations. In FY14, directors conducted board meetings (outside of its traditional Adelaide head office) at several of the Company's branches and client operations in Western Australia.

Director Independence

The Company has adopted an Independence Policy that is published on the Company's website. The Policy states that the majority of the Board must comprise independent directors.

In determining whether or not a director is considered independent, the Board will have regard to whether the director:

- is a substantial shareholder in the Company;
- within the last 3 years, has been an employee of the Company, a material adviser to the Company or a principal or employee of any material adviser to the Company;
- is a material supplier to, or a material customer of, the Company;
- is directly or indirectly associated with any of the above persons;
- is otherwise free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- is of independent character and judgment.

Materiality is assessed on a case-by-case basis, taking a qualitative approach rather than setting strict quantitative thresholds from the perspective of both the Company and the relevant director.

Each of the current non-executive directors is considered by the Board to be independent.

Access to Management and Independent Professional Advice

All directors have complete access to senior management through the Chairman, CEO and Company Secretary at all times and may seek information from the Company's External and Internal Auditors provided that all such enquiries are first advised to the Chairman and the CEO.

Directors may obtain independent, professional advice, at the Company's expense, on matters relevant to the Company's affairs to assist them in carrying out their duties as directors, subject to providing prior notice to the Chairman.

Board Performance Assessment

The Board reviews its own performance and that of its Committees on an ongoing basis. The Chairman also holds individual discussions with each director to discuss their performance on a needs basis. The non-executive directors are responsible for evaluating the performance of the CEO, who in turn evaluates the performance of all other senior executives. The evaluations are based on specific criteria, including the Company's business performance, whether long-term strategic objectives are being achieved and the attainment of individual performance objectives.

A formal review was not conducted in FY14 due to the restructuring of the Board during the year. A review is planned for the second quarter of financial year 2015.

The Board Charter prescribes that before a director is recommended for re-election, the Chairman consults with the other directors regarding the director's effectiveness. Based upon the outcome of these consultations, the Board then determines whether or not to recommend the director for re-election.

The Nomination and Prudential Committee assists in this review process.

Company Secretary

The Company Secretary is accountable to, and reports directly to, the Board (through the Chairman where appropriate) on all governance matters. All Directors have unfettered access to the Company Secretary.

The Board is supported in governance and administration matters by the Company Secretary. During the financial year, Nina Abbey was appointed Joint Company Secretary.

Board meetings

During the financial year, Directors held 20 Board meetings. The attendance of Directors at Board meetings is set out in the table on page 29.

Where directors are unable to attend meetings either in person or by telephone (e.g. if they are overseas) the Chairman or the CEO endeavours to canvass their views on key matters prior to the meeting in order to represent their views at the meeting.

The CFO has a standing invitation to attend all Board meetings with relevant senior executives and management invited on occasion to give presentations and inform the Board of important issues and developments within their area of responsibility.

The Chairman sets the agenda for each meeting, in conjunction with the Company Secretary and CEO. All directors are welcome to suggest to the Chairman that particular items of business be included in the agenda. Standing items at all full scheduled Board meetings include Non-Executive Director only and Non-Executive Director and CEO only sessions. Papers are distributed to all Directors in advance of the meetings.

2. Board Committees

Relevant policies and charters:

- **Nomination and Prudential Committee Charter**
- **Remuneration and Human Resources Committee Charter**
- **Audit, Risk and Compliance Committee Charter**
- **Work Health and Safety Committee Charter**

Purpose

To increase the effectiveness of the Board's functioning and to allow the Board to spend additional and more focused time on specific issues, the Board has four principal standing committees, being the Nomination and Prudential Committee, the Remuneration and Human Resources Committee, the Audit, Risk and Compliance Committee and the Work Health and Safety Committee.

Membership and attendance

Each of the Board Committees, other than the Nomination and Prudential Committee (which includes the CEO as a member), is comprised solely of independent Non-Executive Directors. The CEO has a standing invitation to attend all Board Committee meetings – except where the relevant Committee is discussing the CEO's employment arrangements or non-executive director only sessions are being held – and may participate in discussions on matters concerning the main Board but has no voting rights with respect to such matters. Other senior executives are regularly invited to attend Board Committee meetings where the Committee Chairman believes that person's attendance would be useful and relevant.

The members of each Board Committee during the financial year are set out below.

Committee membership

	Audit, Risk and Compliance Committee	Remuneration and Human Resources Committee	Nomination and Prudential Committee	WHS Committee
J H Ranck	Member	Member	Chairman	Chairman
M C Allison[1]	-	-	Member	-
I Wilton	Chairman	Member	Member	Member
J A Jackson	Member	Chairman	Member	Member
J M Rozman[2]	-	-	-	-
M G Jackman[3]	-	-	-	-

1 Mr Allison was a member of each Committee up until his appointment as CEO and Managing Director on 1 May 2014. He remains a non-voting member of the Nomination and Prudential Committee on Board matters.

2 Ms Rozman retired during FY14. She was Chairman of the Audit, Risk and Compliance Committee and a member of the remaining board committees.

3 Mr Jackman retired as CEO during FY14.

Each Board Committee has a formal Charter which details the Committee's role and responsibilities.

The main responsibilities of each Board Committee are detailed further in this report, commencing on page 30.

Board Committee meetings

Board Committee meetings are held at scheduled intervals during the year, with additional meetings convened as required. The number of meetings and attendance at those meetings is set out below.

Following each Committee meeting, the Board receives a report from that Committee Chairman on its deliberations, conclusions and recommendations. Minutes of each Board Committee meeting are included in the papers provided to the subsequent Board meeting.

Other ad hoc committee meetings are convened as and when required to consider matters of special importance or to aid the efficient functioning of the Board.

Attendance at meetings by Directors

Attendance by directors at Board and Committee meetings held during the financial year is detailed below. Attendance in the table is only recorded where a director is a member.

	Board of Directors		WHS Committee		Audit, Risk and Compliance Committee	
	Attended	No. of meetings held during relevant period	Attended	No. of meetings held during relevant period	Attended	No. of meetings held during relevant period
J H Ranck	20	20	4	4	6	6
M C Allison	19	20	2	2	3	3
I Wilton	11	11	2	2	4	4
J A Jackson	11	11	3	3	3	3
J M Rozman	9	9	1	1	2	2
M G Jackman	4	5	-	-	-	-

	Remuneration and Human Resources Committee		Nomination and Prudential Committee	
	Attended	No. of meetings held during relevant period	Attended	No. of meetings held during relevant period
J H Ranck	4	4	1	1
M C Allison	1	1	1	1
I Wilton	3	3	0	0
J A Jackson	4	4	0	0
J M Rozman	0	0	0	0
M G Jackman	-	-	0	0

Work Health and Safety Committee

The Board continued its commitment to the Company's vision that nothing is so important it cannot be done safely. The Work Health and Safety Committee (WHS Committee) exists to assist the Board in meeting this vision.

Role

The Committee's objectives are to:

- ensure the appropriate policies and procedures are in place to assist the Company to meet its statutory obligations and the Board's commitment to health and safety;
- ensure appropriate policies, procedures and systems are in place to effectively manage, measure and improve WHS activities; and
- oversee the provision by management of a healthy and safe working environment and culture for all employees, contractors, clients and other visitors to the Company's work premises.

The Committee meets its objectives by discharging the responsibilities set out in its charter, namely reviewing and making recommendations to the Board on:

- the plans and targets for WHS management;
- cultural initiatives designed to build and foster WHS leadership and demonstration of appropriate WHS behaviours consistently at all levels;
- Company performance in relation to WHS matters;
- the adequacy, integrity and effectiveness of management processes and procedures used to manage WHS as well as the performance of the Company's WHS function and management;
- the adequacy, integrity and effectiveness of Company management's processes for ensuring and monitoring compliance with WHS statutory and reporting obligations;
- the internal process for determining and managing key WHS risk areas, particularly compliance with laws, regulations, standards and best practice guidelines;
- the impact of changes and emerging issues in WHS legislation, community expectations, research findings and technology;
- reports by Company management on WHS performance and issues including reports on material WHS issues associated with the Company's operations; and
- WHS issues associated with the operations on Company controlled sites (including, if feasible, visits to those sites).

Key Activities During the Year

The Committee oversaw the following significant activities during the reporting period:

- development and implementation of Safety Strategy FY14
- continued analysis of the Company's obligations under harmonised WHS laws; and
- continued focus on high risk activities undertaken throughout the Group.

Nomination and Prudential Committee

Objective

The Board's objective in relation to Board nomination and review is to ensure that:

- the Company has adopted selection, appointment and review practices that result in a board:
  - › with an effective composition, size, mix of skills and experience and commitment to adequately discharge its responsibilities and duties and add value to the Company and its shareholders;
  - › that has a proper understanding of, and competence to deal with, the current and emerging issues of the businesses of the Company; and
  - › that can effectively review and challenge the performance of management and exercise independent judgement.
- shareholders and other stakeholders understand and have confidence in the Company's selection, appointment and review practices.

Responsibilities

The Committee's principal responsibilities are to regularly review and make recommendations to the Board on:

- the necessary and desirable competencies of members of the Board of the Company and its committees;
- appropriate processes for the review of the performance of the Board of the Company and its committees;
- appropriate policies with respect to the maximum period of service and retirement age for directors;
- appropriate succession plans for directors and the CEO;
- the appropriate size of the Board so as to encourage efficient decision-making;
- recommendations for the appointment (including re-appointment in the case of directors retiring by rotation) and removal of directors of the Company;
- the scope and content of letters of appointment of non-executive directors; skills development and continuing education programs for directors of the Company; and
- appropriate induction procedures designed to allow new directors to participate fully and actively in board decision-making at the earliest opportunity and the effectiveness of those procedures.

Remuneration and Human Resources Committee

Objective

The Board's objective is to ensure that the Company has adopted remuneration and human resources policies that meet the needs of the Company and encourage a performance oriented culture.

A summary of the Company's remuneration policies and practices is set out in the Remuneration Report commencing on page 40.

The CEO has a standing invitation to attend Committee meetings but must leave the meeting during those periods in which consideration is being given to his employment arrangements.

The Company notes that the composition of the Remuneration and Human Resources Committee meets the requirements of Recommendation 8.2 of the 2nd edition of the ASX Recommendations.

Role

The objectives of the Committee are to:

- ensure the appropriate policies and procedures are in place to assess the remuneration levels of the CEO, executive management, the Company's employees generally and the Board;
- ensure the appropriate policies and procedures are in place to attract and retain the Chairman, Non-Executive Directors, Executive Directors, CEO and executive management;
- ensure the Company (which includes all subsidiaries and, as appropriate, associated companies) adopts, monitors and applies appropriate remuneration policies and procedures that align with the creation of shareholder value;
- engage and motivate directors and senior executives to pursue the long-term growth and success of the Company;
- ensure a clear relationship between business performance and the key performance indicators and remuneration of the CEO and executive management;
- align executive incentive awards with the creation of shareholder value;
- ensure that the Company's human resources strategy, policies and procedures are appropriate to the Company's needs and clearly designed and executed; and
- to achieve diversity in the Company's workplaces and on the Board and to achieve equal treatment of employees and Directors regardless of sex, race, age, disability, religion, sexual orientation or family responsibilities.

The Committee meets its objectives by reviewing and making recommendations to the Board on:

- appropriate policies for compensation arrangements for the CEO, executive management, the Company's employees generally and the Board itself;
- the remuneration package for the CEO;
- KPIs relevant to the remuneration of the CEO and the performance of the CEO against those KPIs;
- the CEO's recommendations with respect to the remuneration of executive management;
- the CEO's plans for the remuneration of employees in general;
- the annual remuneration review applying generally across the Company;
- the competitiveness and appropriateness of the Company's remuneration policies and practices;
- remuneration of Company employees by gender;
- human resources policies and procedures to ensure alignment between remuneration and shareholder value creation;
- remuneration of directors;
- employee share, option and rights schemes and other performance incentive programs;
- recruitment, retention, retirement and termination policies and benefits;
- Company superannuation arrangements;
- human resources strategy, policies and procedures (but not work health and safety);
- employment contracts for all directors, the CEO and those executive management contracts which are outside normal parameters;
- organisational development, including training and education;
- succession planning for executive management;
- policies regarding diversity, including measurable objectives for achieving diversity;
- policies regarding equal treatment of employees;
- policies regarding workplace behaviour expected of employees; and
- disclosures in the Company's annual report on remuneration matters.

Key Activities During the Year

The Committee oversaw the following significant activities during the reporting period:

- performance against measurable diversity objectives; and
- ongoing review and simplification of the remuneration arrangements, policy and structure for the Group.

Audit, Risk and Compliance Committee

Objective

The Board is concerned to ensure the integrity of the Company's financial reporting, its management of risk and its legal, regulatory and policy compliance. The Audit, Risk and Compliance Committee assists the Board in achieving this objective.

At least one member of the Committee is required by the Committee Charter to be a qualified accountant or other financial professional with experience of accounting and financial matters. Ms Rozman retired as Chairman of the Committee during the first half of the financial year and was replaced by Ian Wilton. Mr Wilton is a Certified Practicing Accountant with extensive experience in the agricultural sector. His background in running and managing large successful businesses brings a depth of strong financial management skills to the Elders Board with key understanding of agriculture specific risks.

Details of the members' qualifications can be found on page 25 of this report.

The CEO, CFO and the Head of Risk and Assurance all have standing invitations to attend (and are expected to attend) meetings of the Committee. In addition, the audit engagement partner from the Company's auditors also has a standing invitation to attend the meetings of the Committee.

Responsibilities

The Audit, Risk and Compliance Committee assists the Board to meet its oversight responsibilities in relation to:

- the Company's financial statements and financial reporting;
- the Company's financial risk management processes, accounting and control systems;
- the Company's internal and external audit arrangements;
- the Company's compliance with legal, regulatory and internal policy requirements; and
- the Company's risk management programmes.

The Committee does this by discharging its responsibilities set out in its charter, namely:

- monitoring the effectiveness of the Company's financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of financial risks;
- approving the appointment of the head of internal audit;

- approving the terms of reference of the internal audit department, requiring advice of the planned programme of audits and the reason for any change or delay in the programme;
- reviewing the management of financial matters and the freedom allowed to the internal auditors;
- reviewing reports on the Company from the internal auditors;
- considering and making recommendations to the Board about the appointment and retirement of the Company's external auditors, and ensuring that the audit partner from the firm providing audit services is rotated in accordance with all applicable regulation and Company policy;
- meeting with the external auditors (including in the absence of management);
- reviewing any auditor's letters addressed to management and management's responses;
- approving the scope of the audit, the terms of the annual audit engagement letter and audit fees;
- monitoring the independence, objectivity and performance of the External Auditors;
- monitoring the nature and quantum of non-audit services provided by the External Auditor, including the amount of fees paid for such services;
- reviewing any recommendations made by the External Auditor;
- coordinating internal and External Auditors and reviewing and approving any integrated audit plans;
- monitoring the consistency and application of accounting policies;
- reviewing the Company's statutory half and full year financial statements;
- monitoring the effectiveness of the Company's compliance programme;
- reviewing specific policies, systems and processes for addressing compliance with applicable laws and Company policy;
- reviewing the Company's material corporate governance policies including the Delegations of Authority and the Financial Risk Management Policy;
- receiving reports from management regarding compliance with laws;
- receiving recommendations from management on compliance policies, systems and processes relating to significant legal, compliance or regulatory matters;
- overseeing the Company's process for dealing with the reporting of unacceptable conduct;
- overseeing the Company's policies, processes and frameworks for identifying, analysing and addressing complaints and reviewing material complaints;
- assessing the adequacy of the Company's internal risk control systems;
- reviewing and approving the Company's Risk Management Framework, including risk appetite, and processes for identifying and monitoring significant areas of risk for the Company;
- reviewing and assessing management information systems and internal control systems;
- regularly reviewing the Company's risk profile; and
- reviewing the corporate insurance program and risk coverage.

Key Activities During the Year

The Committee provided oversight over the following key activities during the course of the year:

- The preparation of the statutory financial accounts of the company, including the review of those accounts and the application of accounting policies in accordance with Australian Accounting Standards
- The independence of external and internal auditor arrangements
- The approval and performance of the internal audit plan and related assurance activities designed to assess the effectiveness of the Company's internal control environment
- Periodic assessments of the significant risks of the Company
- Review, update and approval of the Risk Management Policy and Framework.

3. External Audit Independence Policy

Relevant policies and charters:
Non-Audit Services Policy

The Company has in place a policy that:

- details the Group's position in respect of the key issues which may impair, or appear to impair, external audit independence;
- details the internal procedures implemented to ensure the independence of auditors; and
- establishes a framework that enables the Audit, Risk and Compliance Committee to evaluate compliance with the policy and report to the Board on compliance.

The key principles of the policy are:

- An auditor is not independent if:
  - › an employment relationship exists or could be deemed to exist, between the Company and the auditor, its officers or former officers, employees or former employees or certain relatives;
  - › a financial relationship exists between the auditor and the Company; and
  - › specific non-audit services (including information technology and human resources services) are provided to the Company by the auditor.
- In relation to the provision of other non-audit services the following guidelines must be followed:
  - › management must consider the actual, perceived and potential impact upon the independence of external audit prior to engaging external audit to undertake any non-audit service;
  - › the outsourcing of any internal audit project to the external auditors or the undertaking of any joint internal/external audit review will require prior Audit, Risk and Compliance Committee approval;
  - › the Audit, Risk and Compliance Committee must consider whether the provision of such non-audit services is compatible with maintaining the external auditor's independence, by obtaining assurance and confirmation that the additional services provided by the external auditor are not in conflict with the audit process. In order to assist with this assessment, management will provide the Audit, Risk and Compliance Committee with details of the amount of non-audit services undertaken by the external auditors as a proportion of all audit and non-audit engagements entered into by the Group for the period; and

› as a general rule, the Company does not utilise external auditors for internal audit purposes or consulting matters, other than services which are in the nature of audit, such as review of tax compliance and acting as independent accountants in connection with prospectuses.

The Audit, Risk and Compliance Committee is responsible for ongoing review of the External Audit Independence Policy and reports to the Board on the continuing suitability of the policy and recommended changes to the existing policy as and when required.

4. Risk Management

Relevant policies and charters:
– Risk Management Policy and Framework
– Management Risk Committee Charter
– Financial Risk Management Policy
– Tax Risk Management Policy

The Board reviews its Risk Management Policy and Framework annually to assist the Company in achieving its risk management objectives. These include ensuring the Group's assets are protected against financial loss, business risks are identified and properly managed, legal and regulatory obligations are satisfied, and business risks are appropriately monitored by the Board.

Under the Risk Management Policy the Board is responsible for oversight of the risk management process and framework. Senior executive management has primary responsibility for identification and management of material risks within the Group's businesses and is accountable to the Board for designing, implementing and monitoring the process of risk management and integrating it into the day to day activities of the Group's businesses. Business Unit Managers are responsible for monitoring and managing key business risks for their respective businesses. All personnel are responsible for managing risks in their respective areas.

The Audit, Risk and Compliance Committee is responsible for assessing the effectiveness of internal processes for determining and managing key risks and compliance obligations while the WHS Committee is responsible for assessing the effectiveness of internal process for determining and managing key WHS risks.

Management Risk Committee

The Management Risk Committee (MRC) meets quarterly and assists the Audit, Risk and Compliance Committee and the Board in the application of the Company's Risk Management Policy and monitoring of compliance with the Policy.

Membership

The MRC comprises the CEO, the Company's senior executives, Company Secretary and senior risk personnel. Specialist support to the committee is provided by internal experts as required, including the General Counsel and General Manager Credit.

The MRC reports to the Board through the Audit, Risk and Compliance Committee. Minutes of each MRC meeting are also included in the papers to the Audit, Risk and Compliance Committee.

Responsibilities

The Committee operates under the Risk Management Policy and is responsible for:

- oversight of the risk management process;
- reviewing and monitoring the Company's risk profile;
- considering and where appropriate making recommendations to the Board with respect to risk appetite, risk framework and policy;
- establishing, approving and reviewing corporate risk management strategy in line with the Risk Management Policy;
- reviewing and monitoring adherence to the Company's risk management framework;
- reviewing credit committee functions of Elders and its subsidiaries;
- monitoring the risk management activities of business divisions and subsidiaries through receipt and consideration of risk reports from the Company;
- overseeing compliance by the Company with applicable regulatory obligations and significant related internal policies;
- providing regular advice to the Audit, Risk and Compliance Committee about MRC activities and making appropriate recommendations;
- approving the corporate insurance program; and
- providing an escalation point for identification of matters (material business risks) to be drawn to the attention of the CEO, Board Audit, Risk and Compliance Committee or Board.

During 2014 the MRC reviewed Elders' top material business risks and reported to the Audit, Risk and Compliance Committee and the Board on the effectiveness of the Company's management of those material business risks.

Management Certificates

In connection with the financial reports of the Company for the financial year ended 30 September 2014, the Board received from the CEO and the CFO a certificate stating that:

- the declaration provided under section 295A of the Corporations Act is based on a sound system of risk management and internal control; and
- that the system is operating effectively in all material respects in relation to financial reporting risks.

Financial Risk Management Policy

The Company has a formal Financial Risk Management Policy for management of liquidity and funding, commodity, currency, interest rate and basis risks.

The primary objective of this Policy is to manage the risk of financial loss to Elders measured in terms of impact on earnings arising from unfavourable movements in the financial and commodity markets.

The Board is provided with reports on compliance with the Policy, including on an immediate basis in the case of material breaches.

5. Conduct and Ethics

Relevant policies:
- Code of Conduct
- Securities Dealing Policy
- External Disclosure and Market Communications Policy
- Fraud Policy
- Whistleblower Policy
- Diversity Policy
- Discrimination, Bullying and Harassment Policy
- Workplace Health & Safety Policy

Copies of each of these documents may be found on the Company's website, www.elderslimited.com

Code of Conduct

The Board has adopted a code of conduct that details standards for acceptable practices by Elders and Elders People, and the behaviour and responsibilities expected of them.

The Code exists to ensure that all Elders People act in the best interests of Elders, manage any potential conflicting interests, act in the best interests of their customers and colleagues (absent any conflict with their duties to Elders), ensure all business is undertaken safely, fairly, honestly, and ethically, maintain confidentiality, comply with company policy and behave in accordance with the underpinning values of Elders.

The Board is committed to promoting conduct and behaviour that is honest, fair, legal and ethical and respects the rights of the Company's shareholders and other stakeholders, including clients and customers, suppliers, creditors and employees.

The Board has also adopted a Whistleblower Policy to encourage and facilitate disclosure of unacceptable conduct, including fraud or illegal activity, occurring in the Company. The Policy and the associated reporting process address the issues associated with alleged improper conduct including reporting, responsibility, confidentiality and effective investigation. The Fraud Policy also underpins the Whistleblower Policy and processes, and the Code.

Securities Dealing Policy

The Board believes non-executive directors and employees should own the Company's securities to further align their interests with the interests of other shareholders. Details of directors' shareholdings in the Company can be found on page 52 of this Report.

The Company's Securities Dealing Policy prescribes trading windows during which directors and employees may trade in the Company's securities. Trading windows run for 6 weeks from announcement of the Company's full year results and half year results, 6 weeks from the Company's AGM and for the duration of an offer period of any pro-rata issue of securities by the Company.

Directors or staff must not deal in the Company's securities during any periods other than a trading window or at any time when that staff member or director is in possession of unpublished information that, if generally available, might materially affect the price of the Company's securities. Prior to dealing in a window, a director or senior executive must seek clearance from the Company Secretary, or if the Company Secretary wishes to trade, the Chairman.

The Securities Dealing Policy also prohibits contractors from trading in the Company's securities if they are in possession of price-sensitive information.

Continuous Disclosure and Communication with Shareholders

The Board is committed to timely disclosure of information and communicating effectively with its shareholders. The External Disclosure and Market Communications Policy is designed to implement effective communication strategies to enable timely disclosure of both market sensitive information and other information enabling both shareholders and prospective new investors to make informed investment decisions. The policy includes processes to ensure that Directors and management are aware of, and fulfil, their obligations.

The Company communicates with its shareholders and the investment markets through a number of channels, including the ASX announcements platform and its website. The website in particular is useful in assisting shareholders to easily access information relating to:

- briefings on Company developments and events;
- information released to the ASX by way of an announcement;
- historical market announcements, annual reports and briefings of half and full year results for a limited number of years; and
- electing to receive ASX and media announcements electronically as they are posted on the Company's website.

Further engagement with the investment community occurs by way of:

- interaction by senior management with members of the investment community and financial and business media through a variety of forums including results briefings, 'one on one' meetings and discussions; and
- provision of background and technical information to institutional investors, market analysts and the financial and business media to support announcements made to the ASX and announcements made about the Company's on-going business activities.

Each of the above means of engagement takes place in the context of the Company's External Disclosure and Market Communications Policy described below.

External Disclosure and Market Communications Policy

Under this Policy the Company has instituted (and monitors) procedures designed to ensure:

- the Company's compliance with continuous disclosure obligations contained in applicable ASX Listing Rules and the Corporations Act 2001. Procedures followed to achieve this include the maintenance of a Disclosure Committee comprised of senior management to consider disclosure issues (where circumstances permit, in conjunction with the Chairman of the Board), the communication of disclosure requirements and procedures to senior management together with procedures to facilitate the timely flow of relevant information to the Disclosure Committee;

- the timely release and dissemination of information (within the requirements of continuous disclosure obligations) necessary for the formation of an informed and balanced view of the Company;
- information disclosed in investor or media briefings is not “market sensitive”. If market sensitive information is inadvertently disclosed during a briefing it will immediately be released to the market at large through the ASX; and
- that stakeholders have equal opportunity, subject to reasonable means, to access information issued externally by the Company. This is addressed through a broad range of media including the Company’s website, audio, audio-visual or slide webcasts of the Company’s AGM and full year and half year results briefings (which are announced in advance to the market and also archived and available for viewing or listening on the Company’s website).

Significant investor briefings (other than the AGM and the half and full year result briefings which are webcast and stored as video or audio on the Company’s website) are generally held by recorded telephone conference which requires registration so that attendees’ details can be recorded.

The Company generally allows investors to access the recorded facility by telephone for a short period after the event (usually 7 days) and thereafter to obtain a copy of the transcript or digital audio recording.

The Board is also concerned to ensure that shareholders participate effectively in general meetings and to this end:

- the Company has adopted in all substantial respects the ASX Recommendations for communication with shareholders and improving shareholder participation at general meetings; and
- it is a term of engagement of the Company’s external auditors that they attend the Company’s AGM and are available to answer questions about the conduct of the audit of the Company and the preparation and content of the auditor’s report in respect of the relevant reporting period.

Diversity

Our Diversity Policy sets out the key elements of what makes a diverse organisation as well as the values and benefits that stem from incorporating diversity into business practices. The Board endorsed measurable diversity objectives in FY12, and our progress in achieving them is detailed below.

Objective 1:
Increase the representation of women in management positions as follows:

	FY14 Target	Actual Sept 14	FY15 Target	FY16 Target
Senior Executives	12%	15%	15%	15%
Senior Managers	15%	22%	25%	25%
Middle Managers	10%	7%	12%	15%
Managers	12%	7%	13%	15%

DIRECTORS' REPORT

The directors present their report for the year ended 30 September 2014.

Directors

Current Directors

The directors of the Company in office during the financial year and until the date of this report were:

Non-Executive Directors:

James Hutchison Ranck (elected Chairman on 1 May 2014)

Ian Wilton (appointed 13 April 2014)

James Andrew Jackson (appointed 13 April 2014)

Executive Director:

Mark Charles Allison (retired as Chairman, and appointed Chief Executive Officer and Managing Director on 1 May 2014)

Ceased Directors:

The following directors ceased to be a director during the financial year:

Malcolm Geoffrey Jackman, Chief Executive Officer and Managing Director since 29 September 2008, retired on 27 November 2013.

Josephine Mary Rozman, a non-executive director since 15 November 2011, retired on 25 March 2014.

Company Secretaries:

Peter Gordon Hastings

Nina Margaret Abbey, appointed joint Company Secretary on 20 February 2014.

A summary of the experience, qualifications and special responsibilities of each Director and Company Secretary is provided on page 25 of this annual report.

Principal Activities

The principal activities of Elders during the year were:

(a) the provision of livestock, real estate and wool agency services to rural and regional customers;
(b) the provision of services and farm inputs to the rural sector;
(b) the provision of financial services to rural and regional customers;
(c) real estate franchisor;
(d) live export trading operations;
(e) feedlotting of cattle; and
(f) red meat supply chains in Indonesia and China

Results and Review of Operations

The Group recorded a profit for the year, after tax and non-controlling interests, of $3.0m (2013: loss of $505.2m). A review of the operations and results of the consolidated entity and its principal businesses during the year is contained in pages 15 to 24 of this report.

Significant Changes in the State of Affairs

There were a number of significant changes in the state of affairs of the consolidated entity during the year. These are referred to on pages 15 to 24 of this report.

Events Subsequent to Balance Date

On 14 October 2014, Elders issued 313,967,179 new shares under a 3 for 5 non renounceable entitlement offer announced by Elders to the ASX on 15 September 2014. The total number of shares on issue following completion of the entitlement offer is 837,232,507. Total funds raised from this offer were approximately $47 million (before costs).

On 22 October 2014, Elders completed the refinance of its existing senior debt arrangements with a new syndicated working capital facility provided by ANZ, NAB and Rabobank. The new facilities include, in addition to the syndicated lines, bilateral contingent and transactional lines and an extension of the retail debtor funding facility. Gross debt immediately following the refinance close was comprised entirely of debtor funding facilities.

The facility limits are structured to meet the anticipated working capital requirements of Elders over the tenor of the facilities which range between 12 and 36 months.

There is no other matter or circumstance that has arisen since 30 September 2014 which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

Likely Developments and Future Results

Discussion of likely developments in the operations of the consolidated entity and the expected results for those operations in future financial years is included in the information on page 23 of this report.

Share and Other Equity Issues During the Year

No employee options were granted over unissued shares or unissued interests during the year.

No ordinary shares were issued under the Company's employee share plans during the year.

68,251,999 ordinary shares were issued to sophisticated investors during the year pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Dividends and Other Equity Distributions

No dividends or hybrid distributions were declared or paid during the 12 months to 30 September 2014.

Share Options

No options over unissued shares in the entity exist.

Directors' Interests

At the date of this report, the relevant interests of the directors in shares and other equity securities of the Company are:

	No. of ordinary shares	No. of hybrids	No. of performance rights
Non-Executive Directors			
J H Ranck	1,000,000	-	-
I Wilton	800,000	-	-
J A Jackson	300,000	-	-
Executive Director			
M C Allison	160,000	-	-

At the date of this report, there are no options on issue to directors.

Directors' Meetings

Details of the number of meetings held by the Board of Directors and Board committees and the attendance at those meetings is provided in the Corporate Governance section of this report on page 26.

Indemnification of Officers and Auditors

Insurance arrangements established in previous years concerning officers of the consolidated entity were renewed during the period.

The consolidated entity paid an insurance premium in respect of a contract insuring each of the directors of the Company named earlier in this report and each full time executive officer, director and secretary of Australian Group entities against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of the policy prohibit the disclosure of the premiums paid.

Each director and other officer has entered into a Deed of Access, Insurance and Indemnity which provides:

- that the Company will maintain an insurance policy insuring the officer against any liability incurred by the officer in the officer's capacity as an officer of the Company to the maximum extent allowed by law;
- for indemnity against liability as an officer, except to the extent of indemnity under the insurance policy or where prohibited by law; and
- for access to company documents and records, subject to undertakings as to confidentiality.

The consolidated entity has provided a limited indemnity to its auditor, Ernst & Young, for loss suffered by Ernst & Young from claims by a third party related to the audit service provided by Ernst & Young, excluding losses resulting from the proven negligent, wrongful or wilful acts or omissions of Ernst & Young.

No payments have been made to indemnify Ernst & Young during or since the financial year.

Remuneration of Directors and Senior Executives

Details of the remuneration arrangements in place for directors and senior executives of the Group are set out in the Remuneration Report commencing on page 40. In compiling this report the Group has met the disclosure requirements prescribed in the Australian Accounting Standards and the Corporations Act 2001.

Environmental Performance Regulation

Details of the Company's environmental performance is provided on page 20 of the Operating and Financial Review section of this report.

Rounding of Amounts

The parent entity is a Group of the kind specified in Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Non-Audit Services

Non-audit services provided by the Group's auditor, Ernst & Young, to the Group during the course of the financial year are disclosed below. Based on advice received from the Audit, Risk and Compliance Committee the Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed under the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact on the impartiality or objectivity of the auditor; and
- the nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or is due to receive the following amounts for the provision of non-audit services:

Tax services (primarily compliance)	$131,764
Other compliance and assurance services	$161,472

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

This report has been made in accordance with a resolution of directors.

J H Ranck
Chairman
17 November 2014

M C Allison
Managing Director

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Auditor's Independence Declaration to the Directors of Elders Limited

In relation to our audit of the financial report of Elders Limited for the financial period ended 30 September 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Mark Phelps
Partner
Adelaide
17 November 2014

ELDERS LIMITED
REMUNERATION REPORT 2014

The Directors of Elders Limited present the Remuneration Report for the consolidated entity for the year ended 30 September 2014. The information provided in this report has been audited, unless otherwise indicated, as required by the Corporations Act 2001 (Cth) and forms part of the Directors' Report.

Chief Executive Officer and Senior Executive remuneration outcomes for 2014

Figure 1 below sets out certain items of remuneration paid or payable to the Chief Executive Officer and Managing Director (CEO) and Senior Executives in respect of the 2014 financial year. The information in Figure 1 is unaudited and is different from and additional to that required by Accounting Standards and statutory requirements.

Table 6 on page 51 provides the audited remuneration disclosures as required under Accounting Standards and statutory requirements. Elders however believes that the information provided in Figure 1 is useful to investors as it provides a simple overview of the remuneration paid or payable to the CEO and Senior Executives, and is consistent with the Productivity Commission's recommendation in its Report on Executive Remuneration in Australia.

Figure 1 includes information on base salary, STI, superannuation, other monetary benefits, other non-monetary benefits and termination benefits identical to that contained in Table 6, but omits the information on the issue of shares, share rights and options and long-term payments contained in Table 6. Additionally, Figure 1 provides information on LTI based on rights vesting or options exercised during the financial year, which is not provided in Table 6.

Figure 1. Remuneration outcomes for 2014 (unaudited and non-IFRS)

$	Base Salary	STI[2]	LTI[3]	Superannuation	Other (monetary)	Other (non-monetary)[5]	Termination benefits[6]	Total
M G Jackman[1]	164,085	290,000[8]	0	4,444	0	418	1,117,740	1,576,686
M C Allison[1]	334,132	300,000	0	7,658	0	0	0	641,790
H S Browning[1]	74,322	0	0	4,444	0	632	0	79,398
R I Davey	355,047	28,000	0	18,027	0	2,640	0	403,714
J H Cornish[1]	105,597	11,667	0	6,177	0	440	0	123,880
G I Dunne[1]	113,597	10,000	0	6,177	0	1,218	0	130,992
D W Goodfellow[1]	567,290	0	0	18,027	27,500[4]	0	648,441	1,261,259
C C Hall[1]	237,003	0	0	12,939	25,000[7]	1,722	0	276,665
M L Hunt[1]	113,946	16,667	0	6,177	0	7,969	0	144,759

1 Figures relate to part-year service as a KMP. Jackman, Browning and Goodfellow ceased employment 27 November 2013, 27 December 2013 and 29 August 2014 respectively. Allison and Hall commenced employment 1 May 2014 and 15 January 2014 respectively. Cornish, Dunne and Hunt became KMP from 2 June 2014.

2 STI that will be paid for performance in the 2014 financial year. For Cornish, Dunne and Hunt the STI amount relates to period of service as a KMP.

3 Value of any performance rights that vested during the 2014 financial year based on the closing share price on the date of vesting, and options that were exercised during the 2014 financial year based on the difference between the exercise price and the closing share price on the date of exercise. This figure does not represent the value of rights or options granted during the 2014 financial year.

4 Travel allowance.

5 Provision of leased car parking and company leased vehicle.

6 These benefits comply with Part 2D.2 of the Corporations Act 2001 (Cth).

7 Qualifying payment subject to completion of probation period as at 15 April 2014.

8 The STI paid to Mr Jackman in respect of the 2014 financial year was for achievement of company divestments and was 29% of his FY14 maximum STI opportunity.

Section 1. Key Management Personnel

The disclosure in this Remuneration Report relates to the remuneration of Key Management Personnel (KMP) of both the Company and the consolidated entity (being those persons with authority and responsibility for planning, directing and controlling the activities of the Company during the financial year).

Key Management Personnel for the purposes of this report include the following persons who were Non-executive Directors and Senior Executives during the financial year:

Name	Position held	Period held in 2014 (if not full year)
Non-executive Directors		
J H Ranck	Chairman	Non-executive Director from 1 October 2013 to 30 April 2014 Chairman from 1 May 2014
M C Allison	Chairman	1 October 2013 to 30 April 2014
J A Jackson	Director	From 13 April 2014
J M Rozman	Director	1 October 2013 to 25 March 2014
I Wilton	Director	From 13 April 2014
Executive Director and Senior Executives		
M G Jackman	Chief Executive and Managing Director	1 October 2013 to 27 November 2013
M C Allison	Chief Executive and Managing Director	From 1 May 2014
H S Browning	General Manager Trading	1 October 2013 to 27 December 2013
R I Davey	Chief Financial Officer	
J H Cornish	Zone General Manager West	From 2 June 2014
G J Dunne	Zone General Manager North	From 2 June 2014
D W Goodfellow	Group General Manager Australian Network	1 October 2013 to 29 August 2014
C C Hall	GM Elders International	From 15 January 2014
M L Hunt	Zone General Manager South	From 2 June 2014

Section 2. Remuneration governance and strategy

A. Role of Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee assists the Board in ensuring that the Company establishes and maintains remuneration strategies and policies aligned with the Company's overall objectives and in accordance with the practice set out in the ASX Corporate Governance Principles and Recommendations. The role and responsibilities of the Remuneration and Human Resources Committee are set out in the Corporate Governance Statement on page 30 of this Annual Report and the Committee's Charter is published on the Company's website at **www.elderslimited.com.**

The Committee is comprised entirely of Non-executive Directors.

B. Independent remuneration advice

The Remuneration and Human Resources Committee is briefed by management, but makes all decisions free of the influence of management. To assist in its decision-making, the Committee may, from time to time, seek independent advice from remuneration consultants, and in so doing will directly engage with the consultant without management involvement.

In the year ending 30 September 2014, the Committee engaged AON Hewitt to provide recommendations in respect of Executive long term incentive plan design. These recommendations also covered key management personnel. Under the terms of the engagement, AON Hewitt was paid $11,660 for these services.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- AON Hewitt was engaged by, and reported directly to, the Chairman of the Remuneration and Human Resources Committee. The agreement for the provision of remuneration consulting services was executed by the Chairman of the Remuneration and Human Resources Committee under delegated authority on behalf of the Board.
- The report containing the remuneration recommendations was provided by AON Hewitt directly to the Chairman of the Remuneration and Human Resources Committee; and AON Hewitt was permitted to speak to management throughout the engagement to understand Company processes, practices and other business issues and obtain management perspectives. However, AON Hewitt was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

No other remuneration recommendations from any other external party were sought or received or fees paid during the year.

C. Remuneration strategy

Elders remuneration strategy seeks to encourage a performance-orientated culture that will:

- provide competitive reward opportunities to attract and retain high calibre executives and to motivate them to pursue sustainable long-term growth and success for the Company, its employees and shareholders;
- align the rewards and interests of Directors and Senior Executives with the long-term growth and success of the Company within an appropriate control framework;
- demonstrate a clear relationship between Senior Executive performance and remuneration; and
- be consistent and responsive to the needs of each business unit and Elders as a whole.

Section 3. Non-executive Director remuneration

A. Board policy

Non-executive Directors are remunerated by way of fees in the form of cash and superannuation, and generally in accordance with Recommendation 8.2 of the ASX Corporate Governance Principles and recommendations.

Executive Directors do not receive director's fees.

Non-executive Directors do not participate in the Company's cash or equity incentive plans and do not receive retirement benefits other than superannuation contributions disclosed in this report.

Non-executive Directors have formal letters of appointment with the Company. Length of tenure is governed by the Company's Constitution and the ASX Limited Listing Rules, which provides that all Non-executive Directors are subject to re-election by shareholders in the manner set out in the Corporate Governance Statement on page 27 of this Annual Report.

Non-executive Director fees are reviewed by the Board on an annual basis, taking into consideration the accountability and time commitment of each Director, supported, where appropriate and necessary, by advice from external remuneration consultants.

The Board believes Elders' Non-executive Directors should own securities in the Company to further align their interests with the interests of other shareholders. Details of Non-executive Directors' shareholdings in the Company can be found in Table 7a(i) of this Report.

B. Non-executive Director remuneration in 2014

Total fees for the financial year ended 30 September 2014 remain well within the aggregate fee limit of $1,800,000 per annum approved by shareholders at the Company's 2006 Annual General Meeting. Statutory superannuation guarantee contributions are included in the aggregate fee limit.

At the Company's 2013 Annual General Meeting the Company made a commitment to reduce the aggregate fee limit to a level aligned to current business requirements. In line with that commitment the Board has reduced the aggregate fee limit to $1,200,000 per annum (excluding superannuation costs). Current fees remain within this limit.

Each Non-executive Director was entitled to an annual base fee of $100,000, except the Chairman who was entitled, for the period 1 October 2013 to 30 April 2014, to an annual composite fee of $300,000. The Chairman's composite fee was reduced to $240,000 effective 1 May 2014. All amounts exclude superannuation paid up to the maximum contribution base inline with Superannuation Guarantee legislation.

During the financial year ended 30 September 2014, as compensation for time spent on committee business, the following fees applied:

- Each member of the Audit, Risk and Compliance Committee was entitled to $16,000 per annum; except for the Committee Chair who was entitled to $30,000 per annum to reflect the significant workload associated with this position.
- Each member of the Occupational Health and Safety Committee was entitled to $10,000 per annum.
- Each member of the Remuneration and Human Resources Committee was entitled to $10,000 per annum.

Actual Committee fees paid are provided as “Board Committee Fees” in Table 3 below.

Table 3: Non-executive Director remuneration details

		Short Term Payments			Post Employment		Total
		Base Board Fee	Board Committee Fees	Subsidiary Fees and Other Fees	Superannuation	Other	
M C Allison	**2014**[1]	**175,000**	**0**	**0**	**10,369**	**0**	**185,369**
	2013	151,667	25,071	0	13,477	0	190,215
J C Ballard	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	225,000	0	0	12,421	0	237,421
J A Jackson	**2014**[1]	**46,591**	**15,985**	**0**	**5,873**	**0**	**68,449**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
I G MacDonald	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	16,667	4,333	0	1,890	0	22,890
J H Ranck	**2014**	**158,333**	**21,000**	**0**	**15,001**	**0**	**194,334**
	2013	100,000	33,394	0	12,090	0	145,484
J M Rozman	**2014**[1]	**50,000**	**70,000**[2]	**0**	**7,912**	**0**	**127,912**
	2013	100,000	48,371	0	13,447	0	161,818
I Wilton	**2014**[1]	**46,591**	**22,311**	**0**	**6,467**	**0**	**75,369**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
Total	**2014**	**476,493**	**129,318**	**0**	**45,622**	**0**	**651,433**
	2013	593,334	111,169	0	53,325	0	757,828

1 Figures relate to part year service (see Section 1).

2 Includes temporary increase to Chair of Audit, Risk and Compliance Committee fee from $30,000 to $75,000.

Section 4. Executive Director and Senior Executive remuneration

A. Board policy

The Board seeks to align employee remuneration with the strategic objectives of the Company and the commercial needs and performance of each business unit.

The Board has delegated oversight of the Company’s remuneration policies and practices to the Remuneration and Human Resources Committee. Remuneration policies and practices are benchmarked to the market by independent external consultants to ensure that remuneration for Executives meets a range of criteria, including:

- that executives are appropriately rewarded having regard to their roles and responsibilities;
- an appropriate balance between fixed and at-risk remuneration components is maintained; and in relation to the at-risk component, that there is an appropriate balance between short and long-term incentives;
- that performance measures reflect long-term drivers of shareholder value;
- paying for performance, where superior or upper quartile remuneration is only paid for demonstrable superior performance; and
- that remuneration is competitive when compared to both internal and external relativities.

On an annual basis the Board reviews and approves the performance and remuneration plans and outcomes for the CEO on the recommendation of the Chairman and the Remuneration and Human Resources Committee. The plans and outcomes for the CEO’s direct reports are reviewed and approved annually by the Committee on the recommendation of the CEO, and the CEO approves the plans and outcomes for positions reporting to his direct reports. The Committee reviews the key elements of Senior Executive employment contracts as well as the CEO’s recommendations for equity incentives to Senior Executives and other senior managers in the Company. The Committee also reviews major remuneration policies and programs applying to the Company.

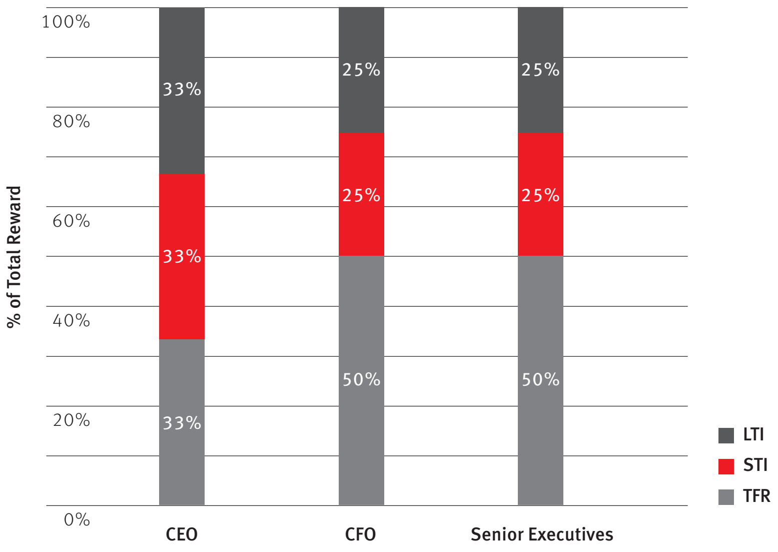
B. Remuneration structure

The remuneration structure has been designed to support the Board’s remuneration policy. Executive remuneration is made up of three elements:

- Total Fixed Remuneration (TFR);
- Short-term incentives (STI); and
- Long-term incentives (LTI).

A description of each component is set out below. Remuneration packages are structured to ensure a portion of an Executive’s reward depends on meeting individual, business unit or Company targets and objectives, including maximising returns for shareholders.

Remuneration structure



The above assumes the at-risk remuneration components are at their maximum, and represents the Company's intended policy in respect of remuneration structure.

C. Total Fixed Remuneration

Total Fixed Remuneration (TFR) is made up of base salary, superannuation and any other benefits (including Fringe Benefits Tax) that the Executive has nominated to receive as part of his or her package. These benefits may include motor vehicle leases, car parking and any additional superannuation contributions beyond the statutory maximum.

The level of TFR is set by reference to market activity for like positions and is determined by the level of knowledge required to perform the position, the problem solving complexities of the position, level of autonomy to make decisions and the particular capabilities, talents and experience the individual brings to the position.

TFR is reviewed annually and is adjusted according to market relativity, Company performance and the executive's performance over the previous year, as assessed through the Company's Performance and Development Planning (PDP). PDP assesses employee performance against a number of agreed key performance indicators, including measures for safety, operational performance, capital management, people and Company values.

D. Short-term incentive

The key features of the STI plan applying to Executive Director and Senior Executives during the year are set out in the table below:

		Plan	
KMP participants and maximum STI opportunity as % of TFR	M G Jackman (86%)	M C Allison (100%)	D W Goodfellow, C C Hall (80%) R I Davey, H S Browning (60%) J H Cornish, G J Dunne, M L Hunt (40%)
Performance measure(s)	Nine financial and non-financial Key Performance Indicators related to: Budgeted EBIT Working Capital Company Divestments	Nine financial and non-financial Key Performance Indicators namely; Safety Underlying EBIT SG&A Reduction Net Working Capital Term Debt Strategic Development Business Refinancing Recapitalisation Business Engagement	Key Performance Indicators namely; Net Profit After Tax Return on Funds Employed Safety Operational Performance Capital Management People
Governance	Assessment of Mr Jackman's performance against the relevant KPIs is assessed by the Chairman with recommendation for STI payment referred to the Board for approval.	Assessment of Mr Allison's performance against the relevant KPIs is assessed by the Chairman with recommendation for STI payment referred to the Board for approval.	Assessment of performance against the above measures and individual KPIs is assessed by the CEO with recommendation for STI payment referred to the Board for approval.

	Plan (continued)
Exercise of discretion	The CEO, in conjunction with the Chairman, may recommend discretionary bonus payments to Executives (except himself) for approval by the Remuneration and Human Resources Committee.
Service condition	Any STI payable to Executives who become eligible to participate in STI during the course of the year, either through joining the Company or being promoted within the Company, will be pro-rated accordingly.
Payment	Payments are made in cash which participants may elect to sacrifice to acquire the Company's shares in the Deferred Employee Share Plan.

STI outcomes for 2014

All STI payments for 2014 performance were paid according to plan performance measures.

Of the KMP participants who received an STI payment in 2014:

	Incentive payment as a % of Maximum STI opportunity
M C Allison	88%[1]
J H Cornish	26%
R I Davey	12%
G J Dunne	21%
M L Hunt	35%

1 % of maximum STI opportunity is based on period of service as CEO & MD

E. Long-term incentive

The Company has a number of Long-term Incentive (LTI) and equity participation plans in place. These plans are summarised below.

E1. Current Equity Schemes

Name of Plan	Description	Eligibility Criteria	Number of participants as at 30 September 2013	Number of participants as at 30 September 2014	Number of shares /options/rights outstanding as at 30 September 2013	Number of shares /options/rights outstanding as at 30 September 2014
Elders Long Term Incentive Rights Plan (ELTIRP)	Rights to Elders shares are granted to selected eligible Executives at the 10-day Volume Weighted Average Price subject to a minimum of 12 months' service and performance conditions (see below) determined by the Board at the time of grant. This plan replaced the EESOP and the ELSP described below.	CEO (M G Jackman)	1	0	1,706,270	0
		Senior Executives by invitation.	12	10	3,111,412	1,381,293

E2. Discontinued Equity Schemes in which one or more past or present KMP participates

Name of Plan	Description	Eligibility Criteria	Number of participants as at 30 September 2013	Number of participants as at 30 September 2014	Number of shares /options/rights outstanding as at 30 September 2013	Number of shares /options/rights outstanding as at 30 September 2014
Elders Loan Share Plan (ELSP)	The ELSP was designed to provide an equity participation opportunity for all selected eligible employees. Shares were provided and paid for by way of a non-recourse, interest-free loan. Dividends are used to repay the loan. Shares vest three years after issue once loan is fully repaid. There are no performance conditions once issued. No shares were issued under the ELSP during the financial year.	By invitation. The ELSP was suspended in 2009 and will be discontinued.	986	659	630,394	441,326

Note: The Elders Employee Share Option Plan (EESOP) previously disclosed in 2013 was discontinued once all options lapsed in 2013.

E3. Current equity saving schemes in which one or more KMP participates

Name of Plan	Description	Eligibility Criteria	Number of participants as at 30 September 2013	Number of participants as at 30 September 2014	Number of shares /options/rights outstanding as at 30 September 2013	Number of shares /options/rights outstanding as at 30 September 2014
Deferred Employee Share Plan (DESP)	This plan enables participants to salary sacrifice remuneration of up to $5,000 to acquire restricted shares. Tax can be deferred up to 7 years. Elders makes no contribution to this plan other than funding the costs of administration. No shares were issued under the DESP during the financial year.	All permanent employees.	48	38	1,082,410	727,763

Note: There are no current retention schemes in operation, the previously disclosed retention schemes were finalised in 2013, with the applicable service rights vesting as shares and cash retention incentives paid in 2013.

E4. Discussion of long-term incentive plans

(a) General

The ELTIRP is the Company's principal long-term incentive plan. The ELTIRP is based on the performance rights scheme for the CEO approved by shareholders at the AGM of the Company on 18 December 2009.

Participation in ELTIRP is at the Board's discretion through individual invitation to KMP and other selected senior managers up to certain percentages of TFR (which differ by position). During the 2014 financial year, no award under the ELTIRP was made while the Company reset as a pure play agribusiness and recapitalised.

(b) Dealing in securities

KMP are not permitted to deal in the Company's securities without prior permission from the Company and only during trading windows and are required to disclose all dealings on an annual basis. The measures are designed principally to manage insider trading risk, but also go some way to aligning the interests of KMP with the Company's security holders generally.

(c) Performance Hurdles

The Company has adopted a relative Total Shareholder Return (TSR) performance hurdle to align the interests of senior management with those of shareholders. This performance measure was selected following consultation with external remuneration experts as being the most appropriate and widely used measure of shareholder value.

Summaries of LTIP grants are provided below.

Issue Date	Number of performance rights granted	Denominator	Hurdle description
Senior Executive grants			
10 November 2010	5,546,587	$0.646	Performance rights granted to Senior Executives as at 10 November 2010 will be tested as set out below. **Tranche 1 (2010 Allocation)** TSR performance is measured over the two years from 10 November 2010 to 10 November 2012. This tranche has been tested and resulted in nil vesting. **Tranche 2 (2010 Allocation)** TSR performance is measured over the three years from 10 November 2010 to 10 November 2013. This tranche has been tested and resulted in nil vesting (see below). **Tranche 3 (2010 Allocation)** TSR performance is measured over the four years from 10 November 2010 to 10 November 2014. The vesting of these performance rights depend on the Company's Total Shareholder Return (TSR) performance relative to the ASX/S&P 200 Accumulation Index, as determined by the following schedule: **Relative TSR** — **% of Tranche that vests** Below 50th percentile — Nil At 50th percentile — 50% 50th to 74th percentile — Pro-rata 75th percentile and above — 100%
10 November 2011	4,525,000	$0.269	Performance rights granted to Senior Executives as at 10 November 2011 will be tested as set out below: **Tranche 1 (2011 Allocation)** TSR performance is measured over the two years from 10 November 2011 to 10 November 2013. This tranche has been tested and resulted in nil vesting (see below). **Tranche 2 (2011 Allocation)** TSR performance is measured over the three years from 10 November 2011 to 10 November 2014. **Tranche 3 (2011 Allocation)** TSR performance is measured over the four years from 10 November 2011 to 10 November 2015. These performance rights will vest according to the same performance condition applying to the 2010 allocations.

Note: All rights granted to the prior CEO (M G Jackman), and previously disclosed, lapsed when he ceased employment on 27 November 2013.

Performance testing of Tranche 2 of 2010 Senior Executive grant and Tranche 1 of 2011 Senior Executive grant

Following completion of their measurement periods, Tranche 2 of the 2010 Senior Executive grant and Tranche 1 of the 2011 Senior Executive grant were tested against their performance hurdles, resulting in nil vesting and lapsing of 1,199,962 performance rights valued at $137,996 (number of rights multiplied by closing share price of $0.115 as at 11 November 2013).

E5. Relationship between Elders' financial performance and Executive reward

(a) Short-term incentive

STI payments are awarded to executives on achievement of a range of financial and non-financial performance targets. The following table shows the Company's performance in relation to a number of financial and operational performance measures over a five-year period.

Performance measure ($ millions)	2014	2013	2012	2011	2010
Sales revenue	1,431.1	1,422.1	2,157.9	2,358.7	2,154.4
Underlying EBIT	27.3	(48.9)	38.8	33.7	34.0
Statutory profit	3.0	(505.3)	(60.6)	(395.3)	(217.6)
Cashflow from operating activities	15.1	(81.6)	2.5	(23.8)	(110.5)

Note: Details of KMP STI outcomes for 2014 are provided on page 46.

(b) Long-term incentive

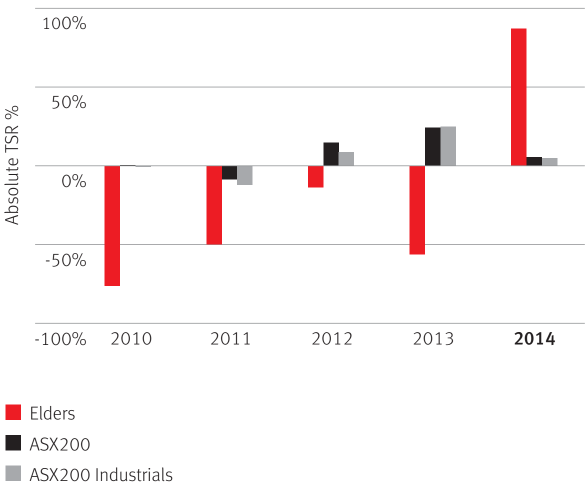
LTIs only vest when the Company achieves superior returns for shareholders as measured by relative TSR.

Relative Total Shareholder Return (TSR)

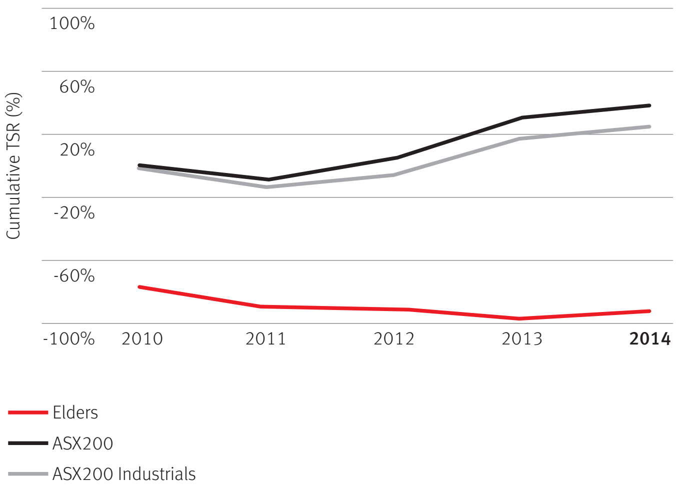
Elders' TSR has underperformed the ASX/S&P 200 Accumulation Index (All and Industrials) over the 2014 financial year and on a cumulative basis over the period from 2010 to 2014.

Elders' relative TSR performance against these two comparator groups is as follows:

Absolute TSR %



Cumulative TSR %



Source: Thomson Reuters

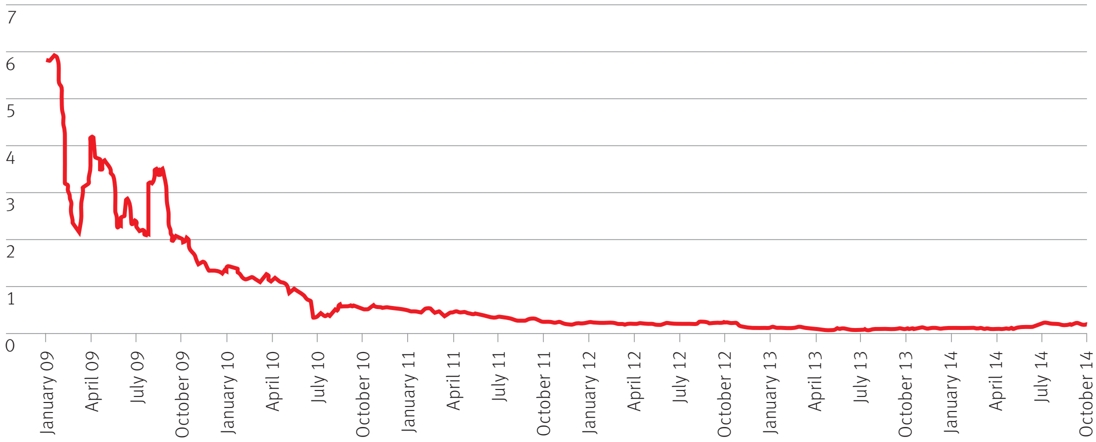
The method used to calculate the cumulative TSR is on a compound basis.

Factors contributing to the calculation of TSR include dividends and share price. The history of both for the last five years is set out below:

Dividend history

No dividends have been declared or paid (interim or final) over the last five years from 2010 to 2014.

Elders Share price history 2009-2014



Section 5. Executive Director and Senior Executive contract terms

In 2014, the Company had employment agreements with the Executive Director and Senior Executives. The agreements are ongoing until terminated by either party.

In a Company-initiated termination:

- the company is required to give Mr M C Allison notice as follows:
  - six (6) months where less than or equal to one (1) year of service has been completed;
  - nine (9) months where greater than one (1) years' service but less than or equal to two (2) years of service has been completed; and
  - twelve (12) months where greater than 2 years of service has been completed:
- the Company is required to give the Senior Executive 6 months' notice, and Mr M L Hunt has an additional contractual termination condition where the Company will provide him 12 month's notice if Ruralco Holdings Limited or a Related Body Corporate of Ruralco Holdings Limited obtains control of Elders Limited or Elders Rural Services Australia Limited within the first three years of his employment with Elders which commenced 2 July 2012.
- the Company may make a payment in lieu of notice equivalent to the remuneration the Senior Executive would have received over the notice period;
- for serious misconduct, the Company may terminate immediately whereupon no payment in lieu of notice or other termination payments are payable under the employment agreement;
- due to genuine redundancy, as defined by the Fair Work Act 2010, the Senior Executive is entitled to a retrenchment payment in accordance with Company policy. This payment is also subject to the rules and limitations specified in the Corporations Act 2001 and Corporations Regulations;
- the Senior Executive may be entitled to a payment under a short-term or long-term incentive plan in accordance with plan rules.

If Mr M C Allison initiates termination of employment he is required to give the Company six months notice, all other Senior Executives are required to provide three months' notice.

With the exception of Messrs Hall and Allison, in the event of a Change of Control or Disposal of Business (i.e. a shareholder gains voting power greater than 50% or a sale of substantially all of the Company occurs) resulting in a material diminution in the roles and responsibility of the Senior Executive, the Senior Executive may terminate his contact on three months' notice. If the Senior Executive exercises that right of termination, the Company will pay the equivalent of up to 12 months' TFR except for Mr Hunt who will be paid the equivalent of 3 months base salary.

Section 6. Executive Director and Senior Executive remuneration details

Table 6. Details of Executive Director and Senior Executive remuneration for the 2013 and 2014 financial years

		Short-term payments			Post employment	Share-based payments	Long-term payments					
		Base salary	STI	Other[2]	Superannuation	Options	Share Rights	Long Service Leave	Other[3]	Termination benefits[4]	Total	% performance - related[5]
M C Allison	**2014[1]**	**334,132**	**300,000**	**0**	**7,658**	**0**	**0**	**0**	**0**	**0**	**641,790**	**47%**
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M G Jackman	**2014[1]**	**164,085**	**290,000**	**418**	**4,444**	**0**	**(75,884)**	**(93,889)**	**0**	**1,117,740**	**1,406,913**	**15%**
	2013	1,146,536	0	2,640	16,796	0	43,475	41,120	0	0	1,250,567	3%
H S Browning	**2014**	**74,322**	**0**	**632**	**4,444**	**0**	**(31,548)**	**(43,617)**	**0**	**0**	**4,233**	**0%**
	2013[1]	42,031	0	362	2,437	0	73,830	7,729	0	0	126,389	58%
J H Cornish	**2014[1]**	**105,597**	**11,667**	**440**	**6,177**	**0**	**3,933**	**2,403**	**0**	**0**	**130,217**	**12%**
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A T Dage	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013[1]	572,061	0	1,927	16,796	0	127,447	(4,827)	0	669,456	1,382,860	9%
R I Davey	**2014**	**355,047**	**28,000**	**2,640**	**18,027**	**0**	**5,196**	**7,893**	**0**	**0**	**416,803**	**8%**
	2013[1]	237,127	0	101,760	11,306	0	9,804	37,300	0	0	397,297	2%
M G De Wit	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	610,964	0	0	23,467	0	0	22,458	115,038	0	771,927	0%
G J Dunne	**2014[1]**	**113,597**	**10,000**	**1,218**	**6,177**	**0**	**3,819**	**2,451**	**0**	**0**	**137,261**	**10%**
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D W Goodfellow	**2014[1]**	**567,290**	**0**	**27,500**	**18,027**	**0**	**0**	**(2,271)**	**0**	**648,441**	**1,258,988**	**0%**
	2013	615,511	23,500	30,000	16,796	0	0	2,271	0	0	688,078	3%
C C Hall	**2014[1]**	**237,003**	**0**	**26,722**	**12,939**	**0**	**0**	**0**	**0**	**0**	**276,665**	**0%**
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M G Hosking	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013[1]	227,366	0	880	5,490	0	259,883	(16,714)	0	715,000	1,191,905	22%
M L Hunt	**2014[1]**	**113,946**	**16,667**	**7,969**	**6,177**	**0**	**0**	**219**	**0**	**0**	**144,978**	**11%**
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**2014**	**2,065,019**	**656,333**	**67,538**	**84,070**	**0**	**(94,484)**	**(126,811)**	**0**	**1,766,181**	**4,417,848**	
	2013	3,451,596	23,500	137,569	93,088	0	514,439	89,337	115,038	1,384,456	5,809,023	

1 Figures relate to part-year service (see Section 1).

2 Comprising the provision of leased car parking (Jackman, Browning, Cornish, Dage, Davey, Dunne, Hall, Hosking, Hunt), company leased vehicle (Hunt), completion bonus (Davey), travel allowance (Goodfellow), qualifying payment (Hall).

3 Expense relating to participation in the Futuris Automotive Exit Incentive Plan, being a cash-based long-term incentive plan to retain key employees critical to the sale of the business as well as to provide an incentive for increasing the market value of the business over the period to 30 September 2013. This payment was paid when the sale of Futuris Automotive Interiors was finalised on 30 August 2013.

4 These benefits, which comprise redundancy payments under the Company's redundancy policy and payments in lieu of notice, comply with Part 2D.2 of the Corporations Act 2001 (Cth).

5 Performance related remuneration consists of STI and Share Rights as a percentage of total remuneration. Share Rights includes Performance Rights disclosed in Table 7b(i).

Section 7. Equity instruments, loans to and transactions in relation to Key Management Personnel

Table 7a(i). Non-executive Director share movements

		Shares held at start of year	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period	Balance of shares held at date of signing Remuneration Report (see Note)
J H Ranck	**2014**	**430,000**	**312,000**	**742,000**	**1,000,000**
	2013	430,000	0	430,000	430,000
J A Jackson	**2014**	**0**	**240,000**	**240,000**	**300,000**
	2013	n/a	n/a	n/a	n/a
I Wilton	**2014**	**0**	**500,000**	**500,000**	**800,000**
	2013	n/a	n/a	n/a	n/a
J M Rozman[1]	**2014**	**20,000**	**0**	**20,000**	**20,000**
	2013	20,000	0	20,000	20,000
J C Ballard	**2014**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	**1,000,000**	0	1,000,000	1,000,000
I G MacDonald	**2014**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	52,668	0	52,668	52,668
Total	**2014**	**550,000**	**1,052,000**	**1,602,000**	**2,280,000**
	2013	1,602,668	0	1,602,688	1,602,688

Note: No other changes occurred during the year.

1 Cessation dates were used for Non-executive Directors who retired or resigned before the date the Remuneration Report was signed, as follows:

J M Rozman 25 March 2014

Table 7a(ii). Executive Director and Senior Executive share movements

		Shares held at start of year	Shares acquired during the year as part of remuneration	Shares acquired during the year through the vesting of LTIP	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period	Balance of shares held at date of signing Remuneration Report
M C Allison	**2014**	**100,000**	**0**	**0**	**0**	**100,000**	**160,000**
	2013	100,000	0	0	0	100,000	100,000
R I Davey[1]	**2014**	**2,530**	**0**	**0**	**0**	**2,530**	**2,530**
	2013	2,530	0	0	0	2,530	2,530
J H Cornish	**2014**	**260,241**	**0**	**0**	**0**	**260,241**	**260,241**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
G J Dunne	**2014**	**345,328**	**0**	**0**	**0**	**345,328**	**405,328**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
C C Hall	**2014**	**35**	**0**	**0**	**0**	**35**	**35**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
M L Hunt	**2014**	**25**	**0**	**0**	**0**	**25**	**25**
	2013	n/a	n/a	n/a	n/a	n/a	n/a
M G Jackman[2]	**2014**	**221,755**	**0**	**0**	**0**	**221,755**	**221,755**
	2013	188,676	0	0	33,079	221,755	221,755
D W Goodfellow[2]	**2014**	**173,356**	**0**	**0**	**0**	**173,356**	**173,356**
	2013	173,356	0	0	0	173,356	173,356
H S Browning[2]	**2014**	**290,667**	**0**	**0**	**0**	**290,667**	**290,667**
	2013[1]	1,081	0	289,586	0	290,667	290,667
A T Dage	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	90,000	0	1,214,391	0	1,304,391	1,304,391
M G De Wit	**2014**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
	2013	18,537	0	0	0	18,537	18,537
Total[1]	**2014**	**1,293,937**	**0**	**0**	**0**	**1,293,937**	**1,353,937**
	2013	474,180	0	1,503,977	33,079	2,011,236	2,011,236

1 The 2013 number has been restated to reflect the number of shares only, and not performance rights as previously included.

2 Cessation dates were used for Executive Director and Senior Executives who ceased employment with Elders before the date the Remuneration Report was signed, as follows:

M G Jackman	27 November 2013
D W Goodfellow	29 August 2014
H S Browning	27 December 2013

Note: No other changes occurred during the year. No shares were issued on exercise of options or performance rights during the 2014 financial year.

Table 7b(i). Current long-term Incentive plan opportunities (by offer) – Performance Rights

2014	Granted Performance Rights (number)	Vested Performance Rights (number)	Grant date	Tranche(s)	Value per right at grant date ($)	Total value at grant date ($)	Vesting, last exercise and expiry date	Expensed at 30 September 2014 ($)	Performance Rights % of remuneration
M G Jackman	285,603	0	10 November 2009	3	0.12	34,130			
	292,951	0	10 November 2009	2	0.12	33,836			
	292,951	0	10 November 2009	3	0.12	35,008			
	278,255	0	10 November 2009	1	0.11	30,052	(see note)	(75,884)	0%
	278,255	0	10 November 2009	2	0.12	32,138			
	278,255	0	10 November 2009	3	0.12	33,251			
H S Browning	200,000	0	23 December 2011	2,3	0.15 to 0.16	30,267	(see note)	(31,548)	0%
	305,551	0	29 June 2011	3	0.21 to 0.24	45,833			
J H Cornish	150,000	0	23 December 2011	2,3	0.15 to 0.16	15,150	9 November 2014 to 9 November 2015	11,800	7%
	307,607	0	29 June 2011	3	0. 21 to 0.24	46,141	10 November 2014		
R I Davey	75,000	0	23 December 2011	2,3	0.15 to 0.16	11,350	9 November 2014 to 9 November 2015	5,196	1%
	122,630	0	29 June 2011	3	0.21 to 0.24	18,395	10 November 2014		
G J Dunne	150,000	0	23 December 2011	2,3	0.15 to 0.16	15,150	9 November 2014 to 9 November 2015	11,458	7%
	292,456	0	29 June 2011	3	0. 21 to 0.24	43,868	10 November 2014		
D W Goodfellow	0	0	0	0	0		0	0	0%
C C Hall	0	0	0	0	0		0	0	0%
M L Hunt	0	0	0	0	0		0	0	0%

Table 7b(i). Current long-term Incentive plan opportunities (by offer) – Performance Rights (continued)

2013	Granted Performance Rights (number	Vested Performance Rights (number)	Grant date	Tranche(s)	Value per right at grant date ($)	Total value at grant date ($)	Vesting, last exercise and expiry date	Expensed at 30 September 2013 ($)	Performance Rights % of remuneration
M G Jackman	285,603	0	10 November 2009	3	0.12	34,130	10 November 2013		
	292,951	0	10 November 2009	2	0.12	33,836	10 November 2013	43,475	3%
	292,951	0	10 November 2009	3	0.12	35,008	10 November 2014		
	278,255	0	10 November 2009	1	0.11	30,052	10 November 2013		
	278,255	0	10 November 2009	2	0.12	32,138	10 November 2014		
	278,255	0	10 November 2009	3	0.12	33,251	10 November 2015		
	278,255	0	10 November 2009	2	0.12	32,138	10 November 2014		
	278,255	0	10 November 2009	3	0.12	33,251	10 November 2015		
H S Browning	200,000	0	23 December 2011	1,2,3	0.15 to 0.16	30,267	9 November 2013 to 9 November 2015	25,145	20%
	305,551	0	29 June 2011	2,3	0. 21 to 0.24	45,833	10 November 2013 to 10 November 2014		
A T Dage	600,000	0	23 December 2011	1,2,3	0.15 to 0.16	90,800	(see note)	(76,713)	0%
	603,482	0	29 June 2011	2,3	0.21 to 0.24	124,720			
R I Davey	75,000	0	23 December 2011	1,2,3	0.15 to 0.16	11,350	9 November 2013 to 9 November 2015	9,804	2%
	122,630	0	29 June 2011	2,3	0.21 to 0.24	18,395	10 November 2013 to 10 November 2014		
M G De Wit	0	0	0	0	0		0	0	0%
D W Goodfellow	0	0	0	0	0		0	0	0%
M G Hosking	700,000	0	23 December 2011	1,2,3	0.15 to 0.16	105,933	(see note)	(88,890)	0%
	696,325	0	29 June 2011	2,3	0.21 to 0.24	143,907			

Note:

Details of the performance rights in Tranche 2 of the 2010 Senior Executive grant and Tranche 1 of the 2011 Senior Executive grant that lapsed are provided in Section 4.E4(c). No other performance rights lapsed and no performance rights were exercised during the 2014 financial year.

All unvested Performance Rights held by Messrs Jackman, Browning, Dage, and Hosking lapsed when they ceased employment with Elders.

7b(ii) Long Term Incentive Rights held by Directors and Senior Executives

(Number) 2014	Balance at beginning of period	Rights exercised	Rights granted	Rights lapsed/ forfeited	Balance at end of period	Vested at end of period
M G Jackman	1,706,270	-	-	(1,706,270)	-	-
H S Browning	403,700	-	-	(403,700)	-	-
J H Cornish	355,073	-	-	(152,534)	202,539	-
R I Davey	156,754	-	-	(65,875)	90,879	-
G J Dunne	344,972	-	-	(147,484)	197,488	-
Total	**2,966,769**	**-**	**-**	**(2,475,863)**	**490,906**	**-**

7(c) Loans to and transactions with Directors and other executives

2014	Type of Transaction	Aggregate Amount
C Hall	Purchase of Product through Elders	$407
	Purchase of Property through Elders Real Estate	$9,091 excl GST
	Providing agistment services of cattle to Elders International as Director of Tazach Trading Pty Ltd	$15,500 excl GST
D W Goodfellow	Purchase of Product through Elders under DW & AM Goodfellow and Koranui Pty Ltd	$99,983

Note:

All of the above transactions were provided under normal terms and conditions on arm's length terms.

No other loans were granted to, and no other transactions were entered into with, KMP in either the 2013 or 2014 financial years.

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Consolidated Statement of Comprehensive Income
For the Year ended 30 September 2014

	Note	2014 $000	2013 $000
Continuing operations			
Sales revenue	4	**1,431,515**	1,422,056
Cost of sales		**(1,153,383)**	(1,191,432)
Gross profit from continuing operations		**278,132**	230,624
Other revenues	4	**493**	245
Distribution expenses		**(217,961)**	(238,599)
Administrative expenses		**(33,343)**	(41,164)
Finance costs	4	**(23,342)**	(30,490)
Other expenses	4	**3,967**	(204,915)
Profit/(loss) from continuing operations before income tax expense		**7,946**	(284,299)
Income tax (expense)/benefit	5	**14,703**	(64,440)
Profit/(loss) from continuing operations after income tax expense		**22,649**	(348,739)
Net profit/(loss) of discontinued operations, net of tax	32	**(17,294)**	(153,131)
Net profit/(loss) for the period		**5,355**	(501,870)
Items that may be reclassified to profit and loss			
Foreign currency translation		**(2,310)**	2,869
Net gains/(losses) on cash flow hedges		**399**	1,423
Income tax on items of other comprehensive income		**(128)**	(53)
Other comprehensive income/(loss) for the period, net of tax		**(2,039)**	4,239
Total comprehensive income/(loss) for the period		**3,316**	(497,631)
Profit/(loss) for the period is attributable to:			
Non-controlling interest		**2,373**	3,385
Owners of the parent	19	**2,982**	(505,255)
		5,355	(501,870)
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interest		**2,497**	4,225
Owners of the parent		**819**	(501,856)
		3,316	(497,631)
Reported operations			
Basic earnings per share (cents per share)	29	**0.6¢**	(99.6)¢
Diluted earnings per share (cents per share)	29	**0.2¢**	(99.6)¢
Continuing operations			
Basic earnings per share (cents per share)	29	**4.2¢**	(69.1)¢
Diluted earnings per share (cents per share)	29	**1.5¢**	(69.1)¢
Discontinued operations			
Basic earnings per share (cents per share)	29	**(3.6)¢**	(30.4)¢
Diluted earnings per share (cents per share)	29	**(1.3)¢**	(30.4)¢

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

Consolidated Statement of Financial Position
As at 30 September 2014

	Note	2014 $000	2013 $000
Current assets			
Cash and cash equivalents	21(b)	**22,477**	39,927
Trade and other receivables	6	**302,137**	345,353
Livestock	7(a)	**41,123**	36,671
Inventory	8	**84,817**	116,311
Non current assets classified as held for sale	32	**-**	6,100
Current tax assets	5	**743**	1,363
Total current assets		**451,297**	545,725
Non current assets			
Receivables	6	**-**	4,175
Plantations	7(b)	**4,588**	-
Other Financial Assets	9	**1,269**	19,538
Equity Accounted Investments	10	**5,877**	62,700
Property, plant and equipment	11	**25,750**	35,096
Brand Name	12	**5,615**	5,615
Deferred tax assets	5	**20,616**	8,068
Total non current assets		**63,715**	135,192
Total assets		**515,012**	680,917
Current liabilities			
Trade and other payables	13	**249,677**	255,023
Interest bearing loans and borrowings	14	**159,982**	268,116
Provisions	15	**36,572**	73,630
Total current liabilities		**446,231**	596,769
Non current liabilities			
Interest bearing loans and borrowings	14	**121**	26,569
Deferred tax liabilities	5	**1,116**	3,468
Provisions	15	**10,514**	7,911
Total non current liabilities		**11,751**	37,948
Total liabilities		**457,982**	634,717
Net assets		**57,030**	46,200
Equity			
Contributed equity	16	**1,277,813**	1,269,153
Hybrid equity	17	**145,151**	145,151
Reserves	18	**(20,069)**	(21,825)
Retained earnings	19	**(1,347,225)**	(1,350,520)
Total parent entity equity interest		**55,670**	41,959
Non-controlling interests		**1,360**	4,241
Total equity		**57,030**	46,200

The accompanying notes form an integral part of this consolidated statement of financial position.

Consolidated Statement of Cash Flows
For the Year ended 30 September 2014

	Note	2014 $000	2013 $000
Cash flow from operating activities			
Receipts from customers		**4,949,295**	5,534,358
Payments to suppliers and employees		**(4,912,289)**	(5,570,544)
Dividends received		**4,901**	16,344
Interest and other costs of finance paid		**(22,649)**	(32,653)
GST (paid)/refunded		**(3,076)**	(27,588)
Income taxes (paid)/refunded		**(1,127)**	(1,503)
Net operating cash flows	21(a)	**15,055**	(81,586)
Cash flow from investing activities			
Payment for property, plant and equipment		**(2,455)**	(13,622)
Purchase of equity accounted investments		**-**	(280)
Payment for controlled entities, net of cash acquired		**-**	(1,261)
Payment for design and development capitalised		**-**	(14,994)
Proceeds from sale of other financial assets held at cost		**18,454**	-
Proceeds from sale of non current assets held for sale		**38,271**	63,298
Proceeds from sale of equity accounted investments		**10,994**	27,390
Proceeds from sale of property, plant and equipment		**97**	413
Proceeds from sale of intangibles		**-**	566
Proceeds from disposal of controlled entity		**24,067**	15,597
Payment for acquisition of non-controlling interest		**-**	(189)
Repayment of loans by associated entities		**4,282**	2,917
Loans repaid by growers		**-**	4,813
Net investing cash flows		**93,710**	84,648
Cash flow from financing activities			
Proceeds from issue of shares		**10,238**	-
Share issue costs		**(408)**	-
Proceeds from sale of reserved shares		**-**	10
Proceeds from borrowings		**13,158**	62,333
Repayment of borrowings		**(145,904)**	(113,847)
Principal repayments of lease liabilities		**(457)**	(430)
Partnership profit distributions/dividends paid		**(2,842)**	(3,170)
Net financing cash flows		**(126,215)**	(55,104)
Net increase/(decrease) in cash held		**(17,450)**	(52,042)
Cash at the beginning of the financial year		**39,927**	91,969
Cash at the end of the financial year	21(b)	**22,477**	39,927

The accompanying notes form an integral part of this consolidated statement of cash flows.

Consolidated Statement of Changes in Equity
For the Year ended 30 September 2014

$000	Issued capital	Hybrid equity	Reserves	Retained earnings	Non-controlling interest	Total equity
As at 1 October 2013	**1,269,153**	**145,151**	**(21,825)**	**(1,350,520)**	**4,241**	**46,200**
Profit/(loss) for the period	**-**	**-**	**-**	**2,982**	**2,373**	**5,355**
Other comprehensive income/(loss):						
Foreign currency translation	**-**	**-**	**(2,434)**	**-**	**124**	**(2,310)**
Net gains/(losses) on cash flow hedges	**-**	**-**	**399**	**-**	**-**	**399**
Income tax on items of other comprehensive income	**-**	**-**	**(128)**	**-**	**-**	**(128)**
Total comprehensive income/(loss) for the period	**-**	**-**	**(2,163)**	**2,982**	**2,497**	**3,316**
Transactions with owners in their capacity as owners:						
Shares issued	**10,238**	**-**	**-**	**-**	**-**	**10,238**
Transaction costs on share issue (net of tax)	**(408)**	**-**	**-**	**-**	**-**	**(408)**
Tax effect on share issue costs	**(1,170)**	**-**	**-**	**-**	**-**	**(1,170)**
Partnership profit distributions/dividends paid	**-**	**-**	**-**	**-**	**(2,842)**	**(2,842)**
Amounts derecognised on sale of controlled entity	**-**	**-**	**4,285**	**-**	**(2,536)**	**1,749**
Cost of share based payments	**-**	**-**	**(53)**	**-**	**-**	**(53)**
Reallocation of equity	**-**	**-**	**(313)**	**313**	**-**	**-**
As at 30 September 2014	**1,277,813**	**145,151**	**(20,069)**	**(1,347,225)**	**1,360**	**57,030**
As at 1 October 2012	1,270,323	145,151	(27,310)	(844,029)	7,647	551,782
Profit/(loss) for the period	-	-	-	(505,255)	3,385	(501,870)
Other comprehensive income/(loss):						
Foreign currency translation	-	-	2,029	-	840	2,869
Net gains/(losses) on cash flow hedges	-	-	1,423	-	-	1,423
Income tax on items of other comprehensive income	-	-	(53)	-	-	(53)
Total comprehensive income/(loss) for the period	-	-	3,399	(505,255)	4,225	(497,631)
Transactions with owners in their capacity as owners:						
Tax effect on share issue costs	(1,170)	-	-	-	-	(1,170)
Proceeds from sale of reserved shares	-	-	10	-	-	10
Partnership profit distributions/dividends paid	-	-	-	-	(3,170)	(3,170)
Derecognition of subsidiary	-	-	-	-	(4,461)	(4,461)
Excess paid for purchase of non-controlling interest	-	-	12	-	-	12
Cost of share based payments	-	-	818	-	-	818
Reallocation of equity	-	-	1,246	(1,236)	-	10
As at 30 September 2013	1,269,153	145,151	(21,825)	(1,350,520)	4,241	46,200

The accompanying notes form an integral part of this consolidated statement of changes in equity.

Notes to the Consolidated Financial Statements
For the Year ended 30 September 2014

Note 1. Corporate Information

The consolidated financial report of Elders Limited for the year ended 30 September 2014 was authorised for issue in accordance with a resolution of the Directors on 17 November 2014.

Elders Limited (the Parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors' Report and note 24. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

Note 2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report has also been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value, and biological assets that are measured at fair value less costs to sell.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated. The financial report has been prepared on a going concern basis.

(b) Compliance with IFRS

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) New accounting standards and interpretations

(i) New and Revised Accounting Standards
A number of new amendments to standards and interpretations became operative for the financial year ended 30 September 2014 and have been applied in preparing these consolidated financial statements. None of these have materially impacted Elders and its policies:
- AASB 10 Consolidated Financial Statements introduces a new definition of control and addresses whether an entity should be included in the consolidated financial statements of the parent company.
- AASB 11 Joint Arrangements introduces only two forms of joint arrangements, a joint venture or joint operation.
- AASB 12 Disclosure of Interests in Other Entities relates to disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 introduce new guidance on fair value measurement and disclosure requirements when fair value is permitted by accounting standards.
- The amendments to AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 introduces changes to the presentation of employee benefits.
- AASB 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to AASB 7 provides new guidance on offsetting financial assets and liabilities.

The Company has not elected to early adopt any new standard, interpretation or amendment that has been issued but is not yet effective.

(ii) Accounting Standards and Interpretations issued but not yet effective
Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 30 September 2014 but are available for early adoption and have not been applied in preparing this report. None are expected to have a significant effect to Elders and its policies. The impact of AASB 9 Financial Instruments and IFRS 15 Revenue Recognition has not yet been fully assessed.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Elders Limited and its subsidiaries as at 30 September 2014. Control is achieved when Elders is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Elders controls an investee if and only if Elders has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When Elders has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Elders voting rights and potential voting rights

Elders re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Elders obtains control over the subsidiary and ceases when it loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date Elders gains control until the date Elders ceases to control the subsidiary.

Note 2. Summary of Significant Accounting Policies (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of Elders and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Elders' accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Elders are eliminated in full on consolidation.

(e) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Elders elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When Elders acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of AASB 139, it is measured in accordance with the appropriate AASB standard.

(f) Foreign currency translation

(i) Functional and presentation currency
Both the functional and presentation currency of Elders Limited and its Australian subsidiaries is Australian dollars (AUD). Subsidiaries incorporated in countries other than Australia (see note 26), which have a functional currency other than Australian Dollars, are translated to the presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded by subsidiaries at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(iii) Translation of Subsidiary Companies' functional currency to presentation currency
The results of subsidiaries incorporated in countries other than Australia, are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of net investments in overseas subsidiaries are taken to the foreign currency translation reserve. If such a subsidiary was sold, the proportionate share of exchange differences would be transferred out of equity and recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash deposits as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payment or debts greater than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Note 2. Summary of Significant Accounting Policies (continued)

(i) Inventory

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Biological assets

Elders holds biological assets in the form of livestock and plantations. Livestock is measured at fair value, which has been determined based upon various assumptions, including livestock prices, less costs to sell. These assumptions reflect the different categories of livestock held. The market value increments or decrements are recorded in profit and loss. Plantations are measured at anticipated fair value less point of sale costs. These assumptions forecast plantation growth and yields at the current average annual growth rates, prices based on the current price plus indexation and forecast of the net present value of future net cash flows from harvest and costs of maintaining plantations to maturity.

(k) Derivative financial instruments and hedging

Elders uses forward currency contracts to hedge risks associated with foreign currency rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Derivative assets and liabilities are classified as non-current in the statement of financial position when the remaining maturity is more than 12 months, or current when the remaining maturity is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss.

(l) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction instead of use. This condition is regarded as met when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group). A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income and the assets and liabilities are presented separately on the face of the statement of financial position.

(m) Investments and other financial assets

Investments and financial assets are categorised as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit and loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that Elders commits to purchase or sell the asset.

Subsequent measurement
(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) Loans and receivables
This category is most relevant to Elders as it refers to loans and receivables which are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Elders has not designated any investments or financial assets as held to maturity investments.

Note 2. Summary of Significant Accounting Policies (continued)

(n) Investments in associates and joint ventures

Elders' investments in its associates (equity accounted investments) are accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. Associates are entities over which Elders has significant influence and that are neither subsidiaries nor joint ventures. Elders generally deem they have significant influence if they have over 20% of the voting rights. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Under the equity method, equity accounted investments are carried in the consolidated financial statements at cost plus post acquisition changes in Elders share of net assets of the investment. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects Elders' share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, Elders recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Elders and the associate are eliminated to the extent of the interest in the associate. The share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, Elders determines whether it is necessary to recognise any impairment loss with respect to an additional impairment loss on its net investment in its associate. Elders determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Elders calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

Upon loss of significant influence over the associate, Elders measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

The reporting dates of the equity accounted investments are disclosed in note 10 and the equity accounted investment accounting policies conform to those used by Elders for like transactions and events on similar circumstances.

(o) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, Elders recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment, excluding freehold land and assets under construction, are depreciated over the estimated useful economic life of specific assets as follows:

	Life	Method
Buildings	50 years	Straight line
Leasehold improvements	Lease term	Straight line
Plant and equipment – owned	3 to 10 years	Straight line and units of production
Plant and equipment – leased	Lease term	Straight line
Network infrastructure	5 to 25 years	Straight line

The useful lives are consistent with those of the prior period. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate at each financial year end.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

(p) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Note 2. Summary of Significant Accounting Policies (continued)

(i) Elders as a lessee
Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

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

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Elders as a lessor
Leases in which Elders retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(q) Impairment of non financial assets other than goodwill and indefinite life intangibles

Non financial assets other than goodwill and indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. At each reporting date, Elders conducts an internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that impairment may be reversed.

(r) Brand Name

The Brand Name intangible is deemed to have an indefinite useful life and is not amortised. The Brand Name is tested for impairment at each reporting date. Impairment is determined by assessing the recoverable amount of the group of cash-generating units, to which the Brand Name relates. When the recoverable amount of the group of cash-generating units is less than the carrying amount, an impairment loss is recognised.

The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

(s) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided by Elders prior to the end of the financial year that remain unpaid and arise when Elders becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within supplier terms.

Financial guarantees
Financial guarantee contracts issued by Elders are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial Guarantee contracts are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(t) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless Elders has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 2. Summary of Significant Accounting Policies (continued)

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(u) Provisions and employee benefits

Provisions are recognised when Elders has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When Elders expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits
(i) Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.
(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Restructuring and redundancy
Provisions are only recognised when general recognition criteria provisions are fulfilled. Additionally, Elders needs to follow a detailed formal plan about the business or part of the business concerned, the location and the number of employees affected, a detailed estimate of the associated costs, and appropriate time line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

Make Good (Restoration)
Where Elders has entered leasing arrangements that require the leased asset to be returned at the end of the lease term in its original condition, an estimate is made of the costs of restoration or dismantling of any improvements and a provision is raised.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of complying with the contract. Before a provision is established, Elders recognises any impairment loss on the assets associated with that contract.

(v) Contributed equity

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

(w) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

(x) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to Elders and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods
Revenue from the sale of goods is recognised when there has been a transfer of risks and rewards to the customer (through the execution of a sales agreement at the time of delivery of the goods to the customer), no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed (for shipped goods this is the bill of lading).

Note 2. Summary of Significant Accounting Policies (continued)

(ii) Rendering of services
Revenue from the rendering of services is recognised as the service is provided.

(iii) Interest income
Revenue is recognised as it accrues using the effective interest rate method.

(iv) Dividend income
Revenue is recognised when Elders' right to receive the payment is established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(y) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:
- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary difference is associated with investments in subsidiaries or associates and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:
- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

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

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

Note 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which forms the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgement, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

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

Elders assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews of asset values, which is used as a source of information to assess for any indicators of impairment. Assets have been tested for impairment in accordance with the accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Impairment of Brand Name

Elders determines whether the Brand Name is impaired on a bi-annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the Brand Name is allocated. The assumptions used in this estimation of recoverable amount are discussed in note 12.

Classification of assets and liabilities as held for sale

Elders classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and Elders must be committed to selling the asset either through entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience as well as lease terms (for leased assets). In addition, the condition of assets is assessed bi-annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Note 4. Revenue and Expenses

	Note	2014 $000	2013 $000
Sales revenue			
Sale of goods and biological assets		**1,203,041**	1,235,263
Debtor interest associated with sales		**5,578**	7,069
Commission and other selling charges		**222,896**	179,724
		1,431,515	1,422,056
Discontinued operations	32	**138,289**	486,730
		1,569,804	1,908,786
Other revenues			
Share of profit of associates		**493**	245
		493	245
Discontinued operations	32	**4,342**	9,126
		4,835	9,371
Other expenses			
Forestry fair value adjustments		**(1,125)**	(7,422)
Gain on divested assets		**(2,243)**	-
Impairment of assets retained		**-**	154,628
Restructuring, redundancy and other write offs		**(599)**	57,709
		(3,967)	204,915
Discontinued operations	32	**20,363**	181,839
		16,396	386,754
Finance costs			
Interest expense		**17,645**	26,244
Other finance costs		**5,697**	4,246
		23,342	30,490
Discontinued operations	32	**(183)**	2,731
		23,159	33,221
Specific expenses: depreciation and amortisation			
Depreciation and amortisation		**3,245**	5,501
		3,245	5,501
Discontinued operations		**461**	13,683
		3,706	19,184
Specific expenses: employee benefit expense			
Salaries and wages		**128,811**	158,537
Superannuation and other employee costs		**24,829**	28,268
Share based payments		**(53)**	818
		153,587	187,623
Discontinued operations		**9,831**	73,687
		163,418	261,310
Operating lease expenditure		**47,880**	74,207
Foreign exchange net gains/(losses)		**1,428**	1,160
Provision for doubtful debts expense - trade debtors		**2,591**	13,028
Provision for doubtful debts expense - associate entities and other receivables		**14**	11,711

Note 5. Income Tax

(a) Major components of income tax expense are:

	2014 $000	2013 $000
Income statement		
Current income tax expense/(benefit)	**1,537**	3,099
Adjustments in respect of current income tax of previous years	**104**	(3,414)
Deferred income tax expense/(benefit)	**(16,197)**	40,131
Income tax expense/(benefit) reported in the statement of comprehensive income	**(14,556)**	39,816
Statement of changes in equity		
Deferred income tax		
Income tax expense/(benefit) reported in equity	**1,298**	1,223

(b) Reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

Accounting profit/(loss) before tax from:		
- Continuing operations	**7,946**	(284,299)
- Discontinued operations	**(17,147)**	(177,755)
Total Accounting profit/(loss) before tax	**(9,201)**	(462,054)
Income tax expense/(benefit) at 30% (2013: 30%)	**(2,760)**	(138,616)
Adjustments in respect of current income tax of previous years	**104**	(3,415)
Share of associate (profits)/losses	**(1,110)**	(2,081)
Non assessable (profits)/losses	**(6,995)**	19,376
Non deductible other expenses	**984**	5,606
Impairment expense	**6,332**	48,826
Non assessable dividends	**(341)**	(325)
Capitalised research and development	**-**	(1,702)
Losses available not otherwise brought to account	**3,316**	87,807
(Recognition)/derecognition of deferred tax assets on previously unrecognised/recognised temporary differences	**(10,875)**	22,150
Other	**(3,211)**	2,190
Income tax expense/(benefit) as reported in the statement of comprehensive income	**(14,556)**	39,816
Aggregate income tax expense/(benefit) is attributable to:		
- Continuing operations	**(14,703)**	64,440
- Discontinued operations	**147**	(24,624)
	(14,556)	39,816
Current tax receivable	**743**	1,363

Note 5. Income Tax (continued)

	Statement of Financial Position		Statement of Comprehensive Income	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Deferred income tax liabilities				
Revaluations of investment properties to fair value	**(740)**	(1,074)	**(334)**	(182)
Shares in associated entities	**-**	(1,259)	**(1,259)**	430
Exchange rates to fair value	**-**	(355)	**(355)**	(89)
Non assessable accrued income	**-**	-	**-**	(14,042)
Forestry assets (standing timber)	**(81)**	-	**81**	(580)
Plant and equipment temporary differences	**-**	-	**-**	(1,463)
Research and development	**-**	-	**-**	(8,597)
Other debtors	**-**	-	**-**	(5,658)
Other	**(295)**	(780)	**(485)**	(1,073)
Gross deferred income tax liabilities	**(1,116)**	(3,468)	**(2,352)**	(31,254)
Deferred income tax assets				
Losses available to offset against future taxable income	**-**	-	**-**	52,000
Provision for employee entitlements	**10,481**	10,759	**278**	4,893
Other provisions	**4,159**	8,038	**3,879**	4,050
Accrued expenditure	**1,112**	2,027	**915**	(192)
Deferred borrowing costs	**377**	2,584	**2,207**	2,411
Other capitalised expenses	**14,709**	4,398	**(10,311)**	(1,886)
Plant and equipment temporary differences	**798**	2,330	**1,532**	(2,330)
Derecognition of deferred tax assets	**(11,275)**	(22,150)	**(10,875)**	22,150
Other	**255**	82	**(173)**	411
Gross deferred income tax assets	**20,616**	8,068	**(12,548)**	81,507
Deferred income tax charge			**(14,900)**	50,253

Tax losses
Elders has tax losses for which no deferred tax asset is recognised in the statement of financial position of $250.6 million (2013: $232.1 million) which are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

Unrecognised temporary differences
At 30 September 2014, there are no unrecognised temporary differences associated with investment in subsidiaries, associates or joint ventures, as Elders would have no additional tax liability.

Tax Consolidation
Elders and its 100% owned Australian resident subsidiaries are in a tax consolidated group. Elders Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Wholly owned Australian subsidiaries are required to make contributions to the head entity for tax liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidations. The contributions are calculated as a percentage of taxable income as if each subsidiary is a stand alone entity. Contributions are payable following payment of the liabilities by Elders. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to income tax expense or benefit.

Note 6. Receivables

	2014 $000	2013 $000
Current		
Trade debtors	**298,552**	328,712
Allowance for doubtful debts	**(6,631)**	(9,214)
	291,921	319,498
Amounts receivable from associated entities	**331**	5,261
	331	5,261
Other receivables	**9,885**	21,007
Allowance for non-recovery	**-**	(413)
	9,885	20,594
Total current receivables	**302,137**	345,353
Non current		
Total non current receivables	**-**	4,175
Movements in the allowance for doubtful debts – trade debtors		
Opening balance of allowance for doubtful debts	**9,214**	12,710
Trade debts written off	**(5,174)**	(14,924)
Amounts derecognised as part of sale of business	**-**	(1,600)
Trade debts provided for during the year	**2,591**	13,028
Closing balance of allowance for doubtful debts	**6,631**	9,214
Movements in allowance for non-recovery – amounts receivable from associated entities and other receivables		
Opening balance of allowance for non-recovery	**413**	1,910
Amounts written off	**(427)**	(13,208)
Amounts provided for during the year	**14**	11,711
Closing balance of allowance for non-recovery	**-**	413

(i) Included in trade debtors is $62.6 million (2013: $38.9 million) which is subject to credit insurance with various terms and conditions.

Trade receivables are generally on 30 to 90 day terms with the exception of livestock receivables which are on 10 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss of $2.6 million (2013: $13 million) has been recognised by Elders. During the period, no individual amount within the impairment allowance is considered material.

Note 6. Receivables (continued)

	2014	2013
	$000	$000
The ageing analysis of trade debtors is as follows:		
0-30 days	280,327	298,901
Trade debtors past due but not considered impaired		
31-60 days	3,554	4,392
61-90 days	2,046	1,223
+91 days	5,994	14,982
	11,594	20,597
Trade debtors past due and considered impaired		
31-60 days	-	337
61-90 days	-	61
+91 days	6,631	8,816
	6,631	9,214
Total trade debtors	298,552	328,712

The ageing analysis of other current receivables is as follows:		
0-30 days	9,885	20,594
Other current receivables past due and considered impaired		
+91 days	-	413
Total other current receivables	9,885	21,007

Related party receivables
For terms and conditions of related party receivables refer to note 28.

Fair value and credit risk
Due to the short term nature of trade and other current receivables, their carrying value is assumed to approximate their fair value. For other receivables the carrying amount is not materially different to their fair values. The maximum exposure to credit risk is the fair value of each class of receivables. Details regarding credit risk exposure are disclosed in note 30.

Foreign exchange and interest rate risk
Details regarding the foreign exchange and interest rate risk exposure are disclosed in note 30, including those relating to derivative related balances.

Note 7. Biological Assets

(a) Livestock

Current	2014 $000	2013 $000
Fair value at the end of the period	**41,123**	36,671

The below table discloses the fair value of livestock assets in their fair value hierarchy:

		2014		2013	
Fair Value Input	**Cattle Type**	**$000**	**Head**	**$000**	**Head**
Level 1	None	-	-	-	-
Level 2	None	-	-	-	-
Level 3	All	41,123	34,507	36,671	44,440
		41,123	**34,507**	**36,671**	**44,440**

All Elders' cattle are valued at fair value, using Level 3 Price Inputs. Cattle are held for live export and feedlotting purposes, which means that quoted prices in active markets for identical cattle are not available, nor are there other input prices other than quoted prices which are available.

Fair Value Inputs are summarised as follows:
- Level 1 Price Inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 Price Inputs – are input prices other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Price Inputs – are unobservable inputs for the asset or liability.

At balance date 34,507 head of cattle (2013: 44,440) are included in livestock. This includes:
- 16,321 cattle held in Australia and New Zealand destined for the Chinese and Indonesian live export markets;
- 18,186 cattle held in Australia and Indonesia for feedlotting purposes.

Cattle are held for short term trading and feeding purposes, and at period end an unrealised $1.7 million (2013: $1.5 million) fair value increment was recognised.

In regard to Live Export cattle, as Elders has access to different active markets, Elders has used the most relevant one, being the market that is going to be used, in determining fair value. Fair value has been determined internally by Elders based on the estimated selling price of cattle (allowing for breed and specifications of the cattle), less costs to sell, including associated shipping and transportation costs.

Feedlot cattle are valued internally by Elders as there is no observable market for them. The value is based on the estimated exit price per kilogram and the value changes for the weight of each animal as it progresses through the feedlot program. The key factors affecting the value of each animal are price/kg, days on feed and the feed conversion ratio. The average daily gain of weight is in the range of 1.5kgs to 2.0kgs. The value is determined by applying the average weight gain per day by the number of days on feed from induction to exit at which point the cattle are delivered to market. The value per animal is based on the breed and specifications of the animal and the market it is destined for.

Significant increases/(decreases) in any of the significant unobservable valuation inputs for feedlot cattle in isolation would result in significantly lower/(higher) fair value measurement.

The group is exposed to a number of risks related to its livestock:

Regulatory and environmental risks
Elders is subject to laws and regulations and has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and ensure systems in place are adequate to manage those risks.

Supply and demand risk
Elders is exposed to financial risk in respect of livestock activity. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase and ultimately receiving cash from the sale to third parties. Elders' strategy to manage this financial risk is to actively review and manage its working capital requirements. Elders is exposed to risks arising from fluctuations in price and sales volumes. Where possible, Elders manages these risks by aligning volumes with market supply and demand.

Other risks
Elders' livestock are exposed to the risk of damage from disease and other natural forces. Elders has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections and industry pest and disease surveys.

Note 7. Biological Assets (continued)

(b) Plantations

As at 1 April 2014, the remaining forestry assets were reclassified as held for use after it became apparent that efforts to exit certain associated leases were unsuccessful.

	2014 $000	2013 $000
Non current	**4,588**	-
Fair value at classification as held for use	**4,101**	-
Costs incurred in respect of forestry plantations	**217**	-
Unrealised fair value increment in period	**270**	-
Fair value at the end of the period	**4,588**	-

The below table discloses the fair value of plantation assets in their fair value hierarchy:

Fair Value Input		
Level 1	**-**	-
Level 2	**-**	-
Level 3	**4,588**	-
	4,588	-

Plantations are valued at fair value, using Level 3 Price Inputs. Fair Value Inputs are summarised as follows:

- Level 1 Price Inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 Price Inputs – are input prices other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Price Inputs – are unobservable inputs for the asset or liability.

Physical quantity of forestry plantation timber at the end of the 2014 year was 2,699ha. Residual lease obligations are estimated to be $1.6 million a year and these costs have been fully provided for. The fair value methodology for forestry assets is detailed in note 2(j). The assumptions used in the valuation model to determine fair value less costs to sell are as follows:

CPI:	2.5% to 4%
Discount rate:	14.5%
Period to harvest:	Between 5 to 7 years, depending upon year of establishment and current harvest schedule for the individual property.
Current woodchip FOB price:	$170 per BDMT (Bone Dry Metric Tonne)

Elders is exposed to a number of risks related to its plantations:

Regulatory and environmental risks
Elders is subject to laws and regulations and has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and ensure systems in place are adequate to manage those risks.

Supply and demand risk
Elders is exposed to financial risk in respect of forestry activity. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of the plantations and ultimately receiving cash from the sale of timber to third parties. Elders' strategy to manage this financial risk is to actively review and manage its working capital requirements.

Elders is exposed to risks arising from fluctuations in price and sales volumes. Where possible, Elders manages these risks by aligning harvest volumes with market supply and demand.

Climate and other risks
Elders' plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. Elders conducts regular plantation health inspections and is involved in industry pest and disease surveys.

Note 8. Inventory

	2014 $000	2013 $000
Current		
Inventory – at net realisable value	**84,817**	116,311

Inventories recognised as an expense for the year ended 30 September 2014 totalled $856.0 million (2013: $1,259.6 million). This expense has been included in the cost of sales line item as a cost of inventories. In addition inventory write-downs recognised as an expense totalled $2.7 million (2013: $6.6 million).

Note 9. Other Financial Assets

Non current		
Unlisted investments	**1,269**	19,538

On 8 May 2014, the Company sold its remaining 10% shareholding in Elders Insurance (Underwriting Agency) for $18.5 million, resulting in an immaterial gain on sale.

Note 10. Equity Accounted Investments

Name of equity accounted investment	Balance date	Ownership interest		Consolidated entity investment		Contribution to net profit/(loss)	
		2014	2013	**2014**	2013	**2014**	2013
		%	%	**$000**	$000	**$000**	$000
AWH Pty Ltd	30 Jun	**-**	50	**-**	49,671	**2,378**	4,278
Kilcoy Pastoral Company Limited	30 Jun	**-**	20	**-**	7,120	**828**	1,435
Elders Financial Planning Pty Ltd	30 Sep	**49**	49	**5,151**	5,278	**(126)**	(65)
Elders Insurance (Underwriting Agency) Pty Limited	31 Dec	**-**	10	**-**	-	**-**	5,517
Auctions Plus	30 Jun	**50**	50	**726**	631	**619**	310
Agricultural Land Trust	30 Jun	**-**	52	**-**	-	**-**	(2,968)
Other investments				**-**	-	**-**	(137)
				5,877	62,700	**3,699**	8,370
Share of profit of investments:							
Continuing operations						**493**	245
Discontinued operations						**3,206**	8,125
						3,699	8,370

All equity accounted investments are Australian resident companies. During the period, a $2.4 million profit on sale of Elders' investment in Kilcoy Pastoral Company was recognised.

On 8 May 2014, Elders sold its 10% equity holding in Elders Insurance (Underwriting Agency) Pty Ltd (refer to note 9).

The Company's investment in AWH Pty Ltd was impaired at 31 March 2014 by $20.4 million and subsequently sold, resulting in a gain on sale of $3.9 million. Elders' investment in Agricultural Land Trust was classified as held for sale at 30 September 2013 and impaired to nil value in this period as part of the divestment of Forestry related assets. Due to the nature of this sales transaction Elders still holds an immaterial ownership interest in Agricultural Land Trust which will be cancelled in the near future.

Note 10. Equity Accounted Investments (continued)

(a) Share of Associates and Joint Ventures

	2014	2013
	$000	$000
Share of associates' and joint ventures' statement of financial position		
Current assets	**2,088**	50,628
Non current assets	**6,188**	31,689
	8,276	82,317
Current liabilities	**1,363**	37,758
Non current liabilities	**1,036**	4,618
	2,399	42,376
Share of net assets of associates	**5,877**	39,941
Share of associates' and joint ventures' profit or loss		
Revenue	**47,625**	183,861
Profit before income tax	**5,144**	12,810
Income tax (expense)/benefit	**(1,445)**	(4,440)
Profit after income tax	**3,699**	8,370
Share of net results of associates	**3,699**	8,370
Share of associates' and joint ventures' commitments and contingent liabilities		
Capital expenditure commitments (contracted)	**-**	10,028
Operating lease commitments	**617**	27,415

Note 11. Property, Plant and Equipment

Reconciliation of carrying amounts at beginning and end of period:

Non current	Freehold land	Buildings	Leasehold improve-ments	Plant and equipment (owned)	Plant and equipment (leased)	Assets under construction	Total
	$000	$000	$000	$000	$000	$000	$000
2014							
Carrying amount at beginning of period	**6,425**	**11,434**	**5,471**	**10,731**	**834**	**201**	**35,096**
Additions	**-**	**316**	**129**	**1,772**	**432**	**238**	**2,887**
Disposals	**-**	**(9)**	**(98)**	**(168)**	**(51)**	**-**	**(326)**
Disposals through entities sold	**(592)**	**(3,093)**	**(10)**	**(1,161)**	**-**	**-**	**(4,856)**
Depreciation expense	**-**	**(798)**	**(1,050)**	**(1,701)**	**(157)**	**-**	**(3,706)**
Impairment	**(812)**	**(1,096)**	**(1,085)**	**(869)**	**-**	**-**	**(3,862)**
Exchange fluctuations	**60**	**30**	**-**	**88**	**-**	**-**	**178**
Transfers from assets under construction	**-**	**-**	**-**	**201**	**-**	**(201)**	**-**
Other	**-**	**339**	**-**	**233**	**(233)**	**-**	**339**
Carrying amount at end of period	**5,081**	**7,123**	**3,357**	**9,126**	**825**	**238**	**25,750**
Cost	**5,081**	**13,551**	**9,232**	**29,210**	**1,022**	**238**	**58,334**
Accumulated depreciation and impairment	**-**	**(6,428)**	**(5,875)**	**(20,084)**	**(197)**	**-**	**(32,584)**
	5,081	**7,123**	**3,357**	**9,126**	**825**	**238**	**25,750**
2013							
Carrying amount at beginning of period	6,669	14,722	10,928	50,227	1,412	11,726	95,684
Additions	-	83	852	1,698	387	10,602	13,622
Disposals	(113)	(44)	(67)	(238)	-	-	(462)
Disposals through entities sold	-	(2,883)	(475)	(25,777)	(443)	(6,362)	(35,940)
Depreciation expense	-	(950)	(2,029)	(10,696)	(197)	-	(13,872)
Impairment	(18)	(103)	(3,975)	(17,833)	-	(1,208)	(23,137)
Exchange fluctuations	(25)	30	18	32	-	101	156
Transfers from assets under construction	-	486	224	12,993	-	(13,703)	-
Other	(88)	93	(5)	325	(325)	(955)	(955)
Carrying amount at end of period	6,425	11,434	5,471	10,731	834	201	35,096
Cost	6,443	20,315	11,411	39,149	1,009	201	78,528
Accumulated depreciation and impairment	(18)	(8,881)	(5,940)	(28,418)	(175)	-	(43,432)
	6,425	11,434	5,471	10,731	834	201	35,096

The impairments in 2014 relate to writedowns to the New Zealand Network prior to its disposal. This was recognised in the operating segment titled 'Other'. Refer to note 32 for details relating to discontinued operations.

All Property, plant and equipment is pledged as security, refer to note 14 for interest bearing loans and borrowings.

Note 12. Brand Name

	2014	2013
	$000	$000
Brandname	**5,615**	5,615

(a) Description of Elders Brand Name

The Brand Name value represents the value attributed to the Elders Brand when acquired through business combinations and is carried at cost less accumulated impairment losses. The Brand Name has been determined to have an indefinite useful life due to there being no foreseeable limit to the period over which it is expected to generate net cash inflows, given the strength and durability of our Brand and the level of marketing support. The Brand has been in the rural and regional Australian market for many years, and the nature of the industry Elders operates in is such that Brand obsolescence is not common, if appropriately supported by advertising and marketing spend. The Brand Name is not amortised but is subject to impairment testing on an bi-annual basis or whenever there is an indication of impairment.

Expenditure incurred in developing, maintaining or enhancing the Brand Name is expensed in the year that it occurred.

(b) Impairment test for the Brand Name

For the purposes of impairment testing, the Brand Name has not been allocated to individual CGU's but rather assessed against all CGU's expected to benefit from it. The recoverable amount of the cash generating units to which the Elders' Brand Name has been allocated to have been determined based on a value in use calculation using cash flow projections approved by management that covers a period of 5 years. Future cash flows are based on budgets and forecasts taking into account current market conditions and known future business events that will impact cash flows. The discount rate applied to the cash flow projections is 13.2% pre-tax (2013: 13.7% pre-tax) which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the cash generating units identified.

Management has determined that there is no impairment loss in the current year in relation to the brand name. In 2013 $54.8m of Brand Name was impaired, along with a further $189.5m relating to goodwill associated with the Branch Network and Automotive cash generating units. In 2013, a further impairment of $25.5 million was recognised as a result of the cancellation of the Elders IT modernisation project.

The calculation of value in use for the cash generating units expected to benefit from the Brand Name was based on the following key assumptions:

Gross margins
Gross margins are expected to increase as a result of:

- Increased livestock agency commission driven through increases in livestock pricing and volumes.
- A return to normal summer rainfall patterns improving sales of agricultural chemicals, seed and fertiliser, and likely restoration of margins to historic levels as demand increases.
- Continued strong demand for cattle in overseas markets.

Selling, general and administrative expenses
Significant cost savings were achieved in the 2014 financial year as a result of the successful implementation of the reorganisation plan and new business model focused on agribusiness. Further cost saving initiatives which offset inflationary pressure are expected over the next 3 years.

Growth rate estimates
Year 1-3 cash flows are based on a forecast model. No EBIT growth for years 4 to 5 has been incorporated in the discounted cash flow.

Discount rates
Discount rates reflect management's estimate of the time value of money and the risk specific to each unit that are not already reflected in the cash flows.

With regard to the assessment of the value in use of the cash generating units which benefit from the Brand Name, there are reasonably possible changes in key assumptions that could cause the carrying value of the unit to materially exceed its recoverable amount:

- a decrease in expected future cash flows in excess of 11% across all years of the discounted cash flow model could result in an impairment; or
- an increase in the discount rate by more than 1.7%, could result in impairment.

Note 13. Trade and Other Payables

	2014 $000	2013 $000
Current		
Trade creditors	**226,583**	220,398
Other creditors and accruals	**23,094**	31,744
Payables to associated companies	**-**	2,881
	249,677	255,023

Fair Value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
Financial guarantees
Information regarding financial guarantees is set out in note 23 and 30.
Related party payables
For terms and conditions of related party payables refer to note 28.
Interest rate, foreign risk and liquidity risk
Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 30, including those relating to derivative forward contracts.

Note 14. Interest Bearing Loans and Borrowings

	2014	2013
Current		
Secured loans	**34,050**	118,449
Trade receivables funding	**125,631**	149,380
Lease liabilities	**301**	287
	159,982	268,116
Non current		
Secured loans	**-**	24,720
Unsecured loans	**-**	1,733
Lease liabilities	**121**	116
	121	26,569
Total current and non current	**160,103**	294,685

(a) Financing arrangements

The Company has access to the following financing facilities with a number of financial institutions:

	Accessible $000	Drawn $000	Unused $000
2014			
Secured loans - term debt	**34,050**	**34,050**	**-**
Trade receivables funding	**197,100**	**125,631**	**71,469**
Lease liabilities	**422**	**422**	**-**
Total	**231,572**	**160,103**	**71,469**
2013			
Secured loans - term debt	143,169	143,169	-
Trade receivables funding	207,216	149,380	57,836
Unsecured loans and lease liabilities	2,136	2,136	-
Total	352,521	294,685	57,836

The Company also has an ancillary facility in relation to contingent funding, such as bank guarantees, of $45.0 million. As at 30 September 2014, $32.2 million had been issued. The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in note 23. However the Directors do not expect those potential financial liabilities to crystallise into obligations and therefore financial liabilities disclosed in the above table are the Directors' estimate of amounts that will be payable by Elders. No material losses are expected and as such, the fair values disclosed are the Directors' estimate of amounts that will be payable by Elders.

Note 14. Interest Bearing Loans and Borrowings (continued)

(b) Assets pledged as security

Secured loans are secured by various fixed and floating charges over all the assets of Elders Limited (either directly or indirectly). Lease liabilities are secured by a charge over the leased assets.

(c) Fair value

The carrying value of interest bearing liabilities approximates fair value.

Note 15. Provisions

Reconciliation of carrying amounts at beginning and end of period:

	Employee entitlements $000	Restructuring and redundancy $000	Make good $000	Onerous contracts $000	Other $000	Total $000
2014						
As at beginning of period	**39,563**	**30,009**	**4,469**	**6,531**	**969**	**81,541**
Arising during year	**17,130**	**600**	**-**	**-**	**3,479**	**21,209**
Utilised	**(20,476)**	**(23,610)**	**(100)**	**(2,995)**	**(1,086)**	**(48,267)**
Unused amounts reversed	**(300)**	**(3,275)**	**(2,829)**	**(2,463)**	**-**	**(8,867)**
Discount rate adjustment	**369**	**-**	**229**	**281**	**-**	**879**
Provisions transferred to held for sale assets	**-**	**750**	**-**	**-**	**-**	**750**
Disposals of controlled entities	**(1,342)**	**-**	**-**	**-**	**-**	**(1,342)**
Other	**-**	**(3,874)**	**-**	**7,974**	**(2,917)**	**1,183**
	34,944	**600**	**1,769**	**9,328**	**445**	**47,086**
Disclosed as:						
Current	**31,699**	**600**	**440**	**3,388**	**445**	**36,572**
Non current	**3,245**	**-**	**1,329**	**5,940**	**-**	**10,514**
Total	**34,944**	**600**	**1,769**	**9,328**	**445**	**47,086**
2013						
As at beginning of period	52,838	17,702	13,100	59,212	3,122	145,974
Arising during year	25,031	26,607	707	6,641	1,613	60,599
Utilised	(23,704)	(23,147)	(3,861)	(24,053)	(954)	(75,719)
Unused amounts reversed	(214)	(563)	(5,246)	(22,026)	(384)	(28,433)
Discount rate adjustment	(350)	-	376	521	-	547
Provisions allocated to other assets	-	(400)	-	-	-	(400)
Disposals of controlled entities	(14,038)	(1,218)	(547)	(2,796)	(2,428)	(21,027)
Other	-	11,028	(60)	(10,968)	-	-
	39,563	30,009	4,469	6,531	969	81,541
Disclosed as:						
Current	36,712	30,009	2,088	3,852	969	73,630
Non current	2,851	-	2,381	2,679	-	7,911
Total	39,563	30,009	4,469	6,531	969	81,541

Note 16. Contributed Equity

	2014 $000	2013 $000
Issued and paid up capital		
523,265,328 ordinary shares (September 2013: 455,013,329)	**1,277,813**	1,269,153

The movement in the dollar balance of share capital is a result of:

- A $1.2 million decrease due to the unwinding of the tax effect of the equity raising costs incurred in the 2010 financial year; and
- A $9.8 million increase as a result of placement of 68,251,999 shares at $0.15c per share on 18 September 2014. Gross proceeds were $10.2m with associated costs totalling $0.4m.

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued capital.

Capital management

The Company considers both capital and net debt as relevant components of funding, hence, part of its capital management. When managing capital and net debt, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Note 17. Hybrid Equity

Issued and fully paid up	**145,151**	145,151

1,500,000 perpetual, subordinated, convertible unsecured notes ("Hybrids") were issued in April 2006 at $100 each. If the Board resolves to pay them, distributions will be paid quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year. Distributions are frankable. Until 30 June 2011 (the first remarketing date) the distribution rate was the 3 month bank bill swap rate plus a margin of 2.20% pa. On 30 June 2011, Elders accepted a one-off step up of 250bps in margin.

No distributions were declared or paid during the year.

The Hybrids may, on the occurrence of certain events, be converted or resold by Elders at its election or pursuant to a request of holders. The terms of such conversion or resale can be found in the Futuris Hybrids Prospectus dated 28 February 2006, which is available on Elders' website.

Hybrid holders rank after all creditors but before ordinary shareholders on a winding up to the face value of the Hybrids plus unpaid Hybrid distributions for the prior 12 months.

Note 18. Reserves

Reconciliation of carrying amounts at beginning and end of period:

2014	Business combination reserve $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Net unrealised gains reserve $000	Reserved shares reserve $000	Total $000
Carrying amount at beginning of period	(16,503)	627	(5,678)	(271)	-	(21,825)
Foreign currency translation	-	-	(2,310)	-	-	(2,310)
Non-controlling interest share of movement	-	-	(124)	-	-	(124)
Amount derecognised on sale of controlled entity	275	-	4,010			4,285
Net gains/losses in cash flow hedges	-	-	-	399	-	399
Income tax on items taken directly or transferred to equity	-	-	-	(128)	-	(128)
Cost of share based payments	-	(53)	-	-	-	(53)
Transfer to retained earnings	-	(313)	-	-	-	(313)
Carrying amount at end of period	(16,228)	261	(4,102)	-	-	(20,069)

Note 18. Reserves (continued)

2013	Business combination reserve $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Net unrealised gains reserve $000	Reserved shares reserve $000	Total $000
Carrying amount at beginning of period	(16,169)	397	(7,707)	(1,641)	(2,190)	(27,310)
Foreign currency translation	-	-	2,869	-	-	2,869
Non-controlling interest share of movement	-	-	(840)	-	-	(840)
Net gains/losses in cash flow hedges	-	-	-	1,423	-	1,423
Income tax on items taken directly or transferred to equity	-	-	-	(53)	-	(53)
Sale of reserved shares	-	-	-	-	10	10
Excess paid for purchase of non-controlling interest	12	-	-	-	-	12
Cost of share based payments	-	818	-	-	-	818
Transfer to retained earnings	(346)	(985)	-	-	2,577	1,246
Transfers to reserved shares reserve	-	397	-	-	(397)	-
Carrying amount at end of period	(16,503)	627	(5,678)	(271)	-	(21,825)

Nature and purpose of reserves

(i) Business combination reserve
The reserve is used to record the differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.

(ii) Employee equity benefits reserve
This reserve is used to record the value of equity benefits provided to employees, including key management personnel as part of their remuneration.

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

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

(v) Reserved Shares Reserve
This reserve represents shares that have been forfeited by employees that were issued under the discontinued employee share loan plan.

Note 19. Retained Earnings

	2014 $000	2013 $000
Retained earnings at the beginning of the financial year	**(1,350,520)**	(844,029)
Net profit/(loss) attributable to owners of the parent	**2,982**	(505,255)
Transfer from business combinations reserve	**-**	346
Transfer from employee equity benefits reserve	**313**	985
Transfer from reserved shares reserve	**-**	(2,577)
Other	**-**	10
Retained earnings at the end of the financial year	**(1,347,225)**	(1,350,520)

Note 20. Dividends

(a) Dividends proposed

	2014 $000	2013 $000
No final dividend will be paid (2013: Nil)	**-**	-

(b) Dividends paid during the year

Current year interim		
- No interim dividend was be paid (2013: Nil)	**-**	-
Previous year final		
- No final dividend paid (2013: Nil)	**-**	-
Subsidiary equity dividends on ordinary shares:		
Dividends paid to non-controlling interests during the year	**2,842**	3,170

(c) Franking credit balance

Franking credits available to the parent for subsequent financial years based on tax rate of 30% (2013: 30%)	**19,690**	16,570

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

Note 21. Cash Flow Statement Reconciliation

(a) Reconciliation of net profit/(loss) after tax to net cash flows from operations

Profit/(loss) after income tax expense	**5,355**	(501,870)
Adjustments for non cash items:		
Depreciation	**3,706**	19,184
Share of associates earnings	**(3,699)**	(8,370)
Dividends from associates	**3,765**	15,237
Fair value adjustments to financial assets	**(15)**	2,923
Other fair value adjustments	**(1,508)**	-
Fair value adjustments and impairments	**24,307**	309,576
Movement in provision for:		
- doubtful debts	**2,605**	24,739
- employee entitlements	**17,199**	24,467
- other provisions	**(3,978)**	8,246
Other write downs	**2,688**	6,638
Net (profit)/loss on sale of non-current assets	**(5,967)**	(23,569)
Net (profit)/loss on sale of controlled entity	**(328)**	37,908
Deferred tax asset	**(12,781)**	72,140
Deferred income tax	**(2,352)**	(30,425)
Provision for tax	**620**	(2,731)
Other non cash items	**(1,223)**	(1,565)
	28,394	(47,472)
- (Increase)/decrease in receivables and other assets	**14,119**	89,944
- (Increase)/decrease in inventories	**9,874**	(612)
- Increase/(decrease) in payables and provisions	**(37,332)**	(123,446)
Net cash flows from operating activities	**15,055**	(81,586)

Note 21. Cash Flow Statement Reconciliation (continued)

(b) Cash and cash equivalents

	2014 $000	2013 $000
Cash at bank and in hand	**22,477**	39,927

Cash includes $5.1 million (2013: $4.3 million) of cash held in trust on behalf of certain controlled entities.

(c) Non cash financing and investing activities

During the financial year, and the previous financial year, there were no non cash financing and investing transactions.

Note 22. Expenditure Commitments

Operating lease commitments – Elders as a lessee
Elders' operating lease commitments relate to property leases associated with the branch network, the remaining forestry leases, and vehicle and shipping leases. The lease commitments comprise base amounts adjusted where necessary for escalation clauses primarily based on inflation rates. Leases generally provide the right of renewal at the end of the lease term.

	2014	2013
Operating lease commitments:		
- Within one year	**43,404**	59,417
- After one year but not later than five years	**47,722**	117,255
- After more than five years	**9,522**	57,530
Total minimum lease payments	**100,648**	234,202
Property, plant and equipment commitments		
Capital expenditure contracted for but not otherwise provided for in these accounts:		
- Within one year	**324**	-
Total property, plant and equipment commitments	**324**	-

Note 23. Contingent Liabilities

	2014	2013
Contingent liabilities at balance date, not otherwise provided for in the financial statements, are as follows:		
Guarantees issued to third parties arising in the normal course of business	**32,237**	39,638

There are potential legal matters that occur in the ordinary course of business that are being considered by Elders' legal advisors. Based on the current information available, the following applies:

Unquantifiable contingent liabilities

- Elders has contingent obligations in respect of real property let or sub-let by subsidiaries of Elders.
- Elders has contingent obligations in respect of real property sub-let to the purchaser of Elders' former Sandalwood estate.
- Benefits are payable under service agreements with executive Directors and other employees of Elders under certain circumstances such as achievement of prescribed performance hurdles, occurrence of certain events or termination of employment for reasons other than serious misconduct.
- Elders has provided a guarantee to a third party in relation to certain obligations of Caversham Property Developments Pty Limited, a former subsidiary of Elders Limited. The Directors are of the view that Elders' liability under the guarantee is unquantifiable and remote.
- A wholly owned subsidiary of Elders is party to a put option in connection with a third party's holding in B&W Rural Pty Ltd, an incorporated joint venture in which Elders is the 75% shareholder. If exercised, Elders will own all the issued capital in B&W Rural Pty Ltd. It is not known whether the third party will exercise its rights pursuant to that put option, nor is it presently ascertainable what the consideration for the option shares might be.
- Subsidiaries of Elders have, from time to time and in the ordinary course, provided parent company guarantees in respect of certain contractual obligations of their subsidiaries.
- Subsidiaries of Elders have from time to time provided warranties and indemnities in connection with the disposal of assets. The Directors are not aware at the present time of any material exposures under the warranties or indemnities.
- Various legal claims for damages resulting from the use of products or services of Elders are in existence for which no provision has been raised as it is not currently probable that these claims will succeed or it is not practical to estimate the potential effect of these claims. The Directors are of the view that none of these claims based on the net exposure are likely to be material.
- Elders is assisting certain regulators in connection with enquiries either specific to the activities of Elders or to certain markets in which Elders operates. The Directors are of the view that it is not yet known what the outcome of the enquiries will be and it is not presently ascertainable whether any liabilities will arise from these enquiries.

Note 23. Contingent Liabilities (continued)

Other guarantees
As disclosed in note 26, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity and certain subsidiaries of Elders are parties to various guarantees and indemnities pursuant to bank facilities and operating lease facilities extended to Elders.

Note 24. Segment Information

Identification of reportable segments
Elders has identified its operating segments to be Network, Feed and Processing, Live Export, Forestry, Automotive Components (divested during the period up to 30 September 2013) and Other. This is the basis on which internal reports are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service
- Network includes the provision of a range of agricultural products and services through a common distribution channel.
- Feed and Processing includes the Australian cattle feedlot near Tamworth in New South Wales (Killara Feedlot), the Indonesian cattle feedlot near Lampung (PT Elders Indonesia), and Elders Fine Foods which is involved in the importation and distribution of Australian and New Zealand food products throughout China.
- Live Export facilitates principle position trades of dairy, beef feeder, beef slaughter and beef breeding cattle from Australia and New Zealand to international markets by sea or air freight.
- Forestry includes the Group's interests in forestry plantations and forestry related investments.
- Automotive Components include the manufacturing and sales of automotive components of which the key components are seating, interior trim, and insulation packages. The Automotive segment was divested during the period up to 30 September 2013.
- The Other segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities.

Accounting policies and intersegment transactions
The accounting policies used by the company in reporting segments internally are the same as those contained in note 2 to the accounts. Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense. Changes have been made to the composition of the Rural Services and Investment & Other segments to reflect changes in internal reporting. The comparative segment information has been restated to reflect these changes.

Note 24. Segment Information (continued)

2014	Network $000	Feed and Processing $000	Live Export $000	Forestry $000	Other $000	Total $000
External sales	1,111,289	188,843	205,982	-	63,690	1,569,804
Other revenues	1,136	-	-	-	-	1,136
Share of profit of associates	2,871	828	-	-	-	3,699
Total revenue	1,115,296	189,671	205,982	-	63,690	1,574,639
Earnings before interest, tax, depreciation & amortisation	41,629	11,722	(1,053)	(1,973)	(32,661)	17,664
Depreciation & amortisation	(1,934)	(1,121)	-	-	(651)	(3,706)
Segment result	39,695	10,601	(1,053)	(1,973)	(33,312)	13,958
Corporate net interest expense						(23,159)
Profit/(loss) from ordinary activities before tax						(9,201)
Segment result	39,695	10,601	(1,053)	(1,973)	(33,312)	13,958
Discontinued operations results	12,799	(6,250)	-	2,543	8,238	17,330
Continuing profit/(loss) before net borrowing costs and tax expense	52,494	4,351	(1,053)	570	(25,074)	31,288
Corporate net interest expense						(23,342)
Continuing profit/(loss) before tax expense						7,946
Segment assets	377,801	41,184	35,088	4,588	56,351	515,012
Segment liabilities	208,974	1,458	12,074	7,765	227,711	457,982
Net assets	168,827	39,726	23,014	(3,177)	(171,360)	57,030
Carrying value of equity investments	5,877	-	-	-	-	5,877
Acquisition of non current assets	1,761	822	92	-	212	2,887
Non cash income/(expense) other than depreciation and amortisation	(25,617)	1,738	-	(230)	(15,966)	(40,075)
Profit/(loss) on sale of non current assets and controlled entities	6,145	5,843	-	(130)	(5,563)	6,295

Note 24. Segment Information (continued)

2013	Network $000	Feed and Processing $000	Live Export $000	Forestry $000	Automotive Compon-ents $000	Other $000	Total $000
External sales	1,147,860	206,733	171,478	1,412	304,130	77,173	1,908,786
Other revenues	-	-	-	1,001	-	-	1,001
Share of profit of associates	10,040	1,435	-	(2,968)	(137)	-	8,370
Total revenue	1,157,900	208,168	171,478	(555)	303,993	77,173	1,918,157
Earnings before interest, tax, depreciation & amortisation	62,034	5,452	(28,897)	(17,414)	(186,883)	(243,941)	(409,649)
Depreciation & amortisation	(3,034)	(1,743)	(4)	-	(12,654)	(1,749)	(19,184)
Segment result	59,000	3,709	(28,901)	(17,414)	(199,537)	(245,690)	(428,833)
Corporate net interest expense							(33,221)
Profit/(loss) from ordinary activities before tax							(462,054)
Segment result	59,000	3,709	(28,901)	(17,414)	(199,537)	(245,690)	(428,833)
Discontinued operations results	(53,109)	(2,549)	-	24,635	199,537	6,510	175,024
Continuing profit/(loss) before net borrowing costs and tax expense	5,891	1,160	(28,901)	7,221	-	(239,180)	(253,809)
Corporate net interest expense							(30,490)
Continuing profit/(loss) before tax expense							(284,299)
Segment assets	482,162	70,098	21,884	6,112	-	100,661	680,917
Segment liabilities	194,471	1,870	13,435	21,003	-	403,938	634,717
Net assets	287,691	68,228	8,449	(14,891)	-	(303,277)	46,200
Carrying value of equity investments	55,580	7,120	-	-	-	-	62,700
Acquisition of non current assets	(3,935)	(445)	-	-	(25,676)	(103)	(30,159)
Non cash income/(expense) other than depreciation and amortisation	(193,878)	(3,260)	-	11,457	(180,189)	(9,278)	(375,148)
Profit/(loss) on sale of non current assets and controlled entities	24,543	262	116	(2,594)	(37,684)	1,018	(14,339)

Note 25. Auditors' Remuneration

The auditor of Elders Limited is Ernst & Young.

	2014 **$**	2013 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- auditing or review of financial statements	**860,296**	1,222,176
- tax services (primarily compliance)	**131,764**	361,413
- other compliance and assurance services	**161,472**	631,824
	1,153,532	2,215,413
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
- auditing or review of financial statements	**-**	140,015
- other services	**-**	25,532
	-	165,547

Note 26. Investment in Controlled Entities

(a) Schedule of controlled entities

	Country of Incorporation		% Held by Group 2014	2013
Acehill Investments Pty Ltd	Australia	(f)	**100**	100
Agricultural Land Management Limited	Australia	(h)	**-**	100
Agsure Pty Ltd	Australia	(a)	**100**	100
AI Asia Pacific Operations Holding Limited	Hong Kong SAR		**100**	100
Air International Asia Pacific Operations Pty Ltd	Australia	(f)	**100**	100
Air International Vehicle Air Conditioning (Shanghai) Co Ltd	China		**100**	100
Albany Woolstores Pty Ltd	Australia	(f)	**100**	66
APO Administration Limited	Hong Kong SAR	(e)	**100**	100
APT Finance Pty Ltd	Australia	(c)	**100**	100
APT Forestry Pty Ltd	Australia	(c)	**100**	100
APT Land Pty Ltd	Australia	(h)	**-**	100
APT Nurseries Pty Ltd	Australia	(c)	**100**	100
APT Projects Ltd	Australia	(f)	**100**	100
Argo Trust No. 2	Australia	(g)	**100**	100
Ashwick (Vic) No 102 Pty Ltd	Australia	(f)	**100**	100
Australian Plantation Timber Pty Ltd	Australia	(c)	**100**	100
Australian Retirement Managers Pty Ltd	Australia	(h)	**-**	100
Australian Topmaking Services Pty Ltd	Australia	(h)	**-**	100
B & W Rural Pty Ltd	Australia		**75.5**	75.5
BWK Australia Pty Ltd	Australia	(h)	**-**	100
BWK Holdings Pty Ltd	Australia	(c)	**100**	100
Carbon Bid Co Pty Ltd	Australia	(f)	**100**	100
Charlton Feedlot Pty Ltd	Australia	(c)	**100**	100
E Globulus Pty Ltd	Australia	(h)	**-**	100
Elders Automotive Group Limited	Australia	(c)	**100**	100
Elders Burnett Moore WA Pty Ltd	Australia	(f)	**100**	100
Elders Card Ltd	New Zealand	(h)	**-**	50
Elders China Trading Company	China		**100**	100
Elders Communications Pty Ltd	Australia	(f)	**100**	100
Elders Direct Ltd	New Zealand	(h)	**-**	50
Elders Esperance Woodchip Terminal Pty Ltd	Australia	(f)	**100**	100
Elders Finance Pty Ltd	Australia	(a)	**100**	100
Elders Financial Services Group Pty Ltd	Australia	(h)	**-**	100
Elders Fine Foods (Shanghai) Company	China		**100**	100
Elders Forestry Finance Pty Ltd	Australia	(c)	**100**	100
Elders Forestry Holdings Pty Ltd	Australia	(c)	**100**	100
Elders Forestry Land Holdings	Australia	(c)	**100**	100
Elders Forestry Management Ltd	Australia		**100**	100
Elders Forestry Pty Ltd	Australia	(c)	**100**	100
Elders Global Wool Holdings Pty Ltd	Australia	(c)	**100**	100
Elders Insurance Limited	New Zealand	(h)	**-**	50
Elders International Australia Pty Ltd	Australia	(a)	**100**	100
Elders Management Services Pty Ltd	Australia	(f)	**100**	100
Elders Meat Processing Pty Ltd	Australia	(h)	**-**	100
Elders Merchandise Limited	New Zealand	(h)	**-**	50
Elders Mortgage Brokers Pty Ltd	Australia	(f)	**100**	100

Note 26. Investment in Controlled Entities (continued)

	Country of Incorporation		% Held by Group 2014	2013
Elders Primary Wool Limited	New Zealand	(h)	-	25
Elders PT Indonesia	Indonesia		**100**	100
Elders Real Estate (NSW) Pty Ltd	Australia	(h)	-	100
Elders Real Estate (Qld) Pty Ltd	Australia	(f)	**100**	100
Elders Real Estate (Tasmania) Pty Ltd	Australia	(f)	**100**	100
Elders Real Estate (WA) Pty Ltd	Australia	(f)	**100**	100
Elders Real Estate Franchise (Vic) Pty Ltd	Australia	(h)	-	100
Elders Real Estate Ltd	New Zealand	(h)	-	50
Elders Rural Holdings Limited	New Zealand		**100**	50
Elders Rural Services Australia Limited	Australia		**100**	100
Elders Rural Services Limited	Australia	(a)	**100**	100
Elders Services Company Pty Ltd	Australia	(f)	**100**	100
Elders Stock (SI) Ltd	New Zealand	(h)	-	35
Elders Tasmanian Fibre Pty Ltd	Australia	(c)	**100**	100
Elders Telecommunications Infrastructure Pty Ltd	Australia	(f)	**100**	100
Elders Webster Pty Ltd	Australia	(f)	**100**	100
Elders Wool International Pty Ltd	Australia	(c)	**100**	100
Elderstock Limited	New Zealand	(h)	-	35
EVIA Rural Finance Ltd	New Zealand		**100**	50
Family Hospitals Pty Ltd	Australia	(f)	**100**	100
Fares Exports Management Mexico, S.A. de C.V.	Mexico		**100**	100
Fares Exports Pty Ltd	Australia	(f)	**100**	100
Fares Exports Trading Mexico, S.A. de C.V.	Mexico		**100**	100
Geelong Wool Combing Pty Ltd	Australia	(h)	-	100
Gisborne Farmers Ltd	New Zealand		**100**	50
Hollymont Pty Ltd	Australia	(h)	-	100
ITC Portland Woodchip Terminal Pty Ltd	Australia	(f)	**100**	100
ITC Timerlands Pty Ltd	Australia	(c)	**100**	100
JS Brooksbank Pty Ltd	Australia	(f)	**100**	100
JS Brooksbank & Co Australasia Ltd	New Zealand		**100**	100
JSB New Zealand Limited	New Zealand		**100**	100
Keratin Holdings Pty Ltd	Australia	(c)	**100**	100
Killara Feedlot Pty Ltd	Australia	(a)	**100**	100
Manor Hill Pty Ltd	Australia	(f)	**100**	100
Marybrook Development Company Pty Ltd	Australia	(h)	-	100
Masterfund (WA) Pty Ltd	Australia	(f)	**100**	100
Milltoc Pty Ltd	Australia	(h)	-	100
Mutual Benefit Consulting Pty Ltd	Australia	(h)	-	100
New Ashwick Pty Ltd	Australia	(f)	**100**	100
North Australian Cattle Company Pty Ltd	Australia	(a)	**100**	100
Pitt Son & Keene Pty Ltd	Australia	(h)	-	100
Prestige Property Holdings Pty Ltd	Australia	(c)	**100**	100
Primac Exports Pty Ltd	Australia	(f)	**100**	100
Primac Holdings Pty Ltd	Australia	(f)	**100**	100
Primac Pty Ltd	Australia	(f)	**100**	100
Rachid Fares Enterprises of Australia Pty Ltd	Australia	(h)	-	100
Redray Enterprises Pty Ltd	Australia	(f)	**100**	100

Note 26. Investment in Controlled Entities (continued)

	Country of Incorporation		% Held by Group 2014	2013
SA Bid Co Pty Ltd	Australia	(h)	-	100
Seed Production Limited	New Zealand	(h)	-	50
Sydney Woolbrokers Limited	Australia	(f)	**53**	53
Treecrop Pty Ltd	Australia	(h)	-	100
Ultrasound Australia Pty Ltd	Australia	(a)	**100**	100
Victorian Producers Co-operative Company Pty Ltd	Australia	(f)	**100**	100
Vockbay Pty Limited	Australia	(h)	-	100
WA Bid Co Pty Ltd	Australia	(f)	**100**	100
Wool Exchange (WA) Pty Ltd	Australia	(h)	-	67
Wool Marketing Enterprises Pty Ltd	New Zealand	(h)	-	25

- The parties that comprise the Closed Group are denoted by (a). Parties added to the Closed Group during the year are denoted by (b). Parties removed from the Closed Group during the year are denoted by (c).
- Entities acquired or registered during the period are denoted by (d).
- Entities exempted from audit requirements due to overseas legislation or non-corporate status are denoted by (e).
- Entities classified by the Corporations Act as small proprietary companies relieved from audit requirements are denoted by (f).
- Entity denoted by (g) is a controlled special purpose entity related to trade receivable financing program.
- Entities denoted by (h) are entities that were disposed of, deregistered or liquidated during the year.

(b) Deed of cross guarantee

Pursuant to Australian Securities and Investments Commission Class Order 98/1418 (as amended) dated 13 August 1998, relief has been granted to these controlled entities of Elders Limited from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports. As a condition of the Class Order, Elders Limited, and the controlled entities subject to the Class Order, entered into a Deed of Cross Guarantee. The effect of the deed is that Elders Limited has guaranteed to pay any deficiency in the event of the winding up of any member of the Closed Group, and each member of the Closed Group has given a guarantee to pay any deficiency, in the event that Elders Limited or any other member of the closed group is wound up.

Certain members of the Closed Group, in addition to certain controlled entities, are guarantors in connection with the consolidated entity's borrowings facilities disclosed at note 14. A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and the controlled entities which are a party to the deed, after elimination of all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 September is set out as follows:

	2014 $000	2013 $000
Statement of comprehensive income and retained earnings of the Closed Group		
Profit/(loss) from continuing operations before income tax	**(27,511)**	(1,606,459)
Income tax benefit/(expense)	**3,121**	4,672
Profit/(loss) after income tax from continuing operations	**(24,390)**	(1,601,787)
Profit/(loss) after tax from discontinued operation	-	399,812
Net profit for the period	**(24,390)**	(1,201,975)
Other comprehensive income	-	645
Total comprehensive income for the period	**(24,390)**	(1,201,330)
Retained earnings at the beginning of the period	**(1,369,468)**	(958,147)
Impact of entities exiting or joining closed group	**27,350**	792,246
Transfers to and from reserves	**313**	(1,592)
Retained earnings at the end of the period	**(1,366,195)**	(1,369,468)

Note 26. Investment in Controlled Entities (continued)

	2014 $000	2013 $000
Consolidated statement of financial position of the Closed Group		
Current assets		
Cash and cash equivalents	**4,503**	4,894
Trade and other receivables	**26,505**	21,286
Livestock	**18,957**	13,585
Inventories	**6,317**	6,687
Non current asset classified as held for sale	**-**	17,247
Total current assets	**56,282**	63,699
Non current assets		
Receivables	**-**	902
Other financial assets	**60,682**	108,017
Investments in associates	**-**	51,973
Property, plant and equipment	**6,672**	13,829
Total non current assets	**67,354**	174,721
Total assets	**123,636**	238,420
Current liabilities		
Trade and other payables	**18,980**	32,723
Interest bearing loans and borrowings	**46,215**	120,448
Provisions	**1,411**	14,329
Total current liabilities	**66,606**	167,500
Non current liabilities		
Interest bearing loans and borrowings	**-**	24,720
Total non current liabilities	**-**	24,720
Total liabilities	**66,606**	192,220
Net assets	**57,030**	46,200
Equity		
Contributed equity	**1,277,813**	1,269,153
Hybrid equity	**145,151**	145,151
Reserves	**261**	1,364
Retained earnings	**(1,366,195)**	(1,369,468)
Total equity	**57,030**	46,200

Note 27. Key Management Personnel

Remuneration of specified Directors and other Key Management Personnel

For information on the Remuneration Policy, Structure and the relationship between remuneration payment and performance please refer to the Remuneration Report.

	2014 $	2013 $
Short term	**3,394,703**	4,317,168
Long term	**(126,811)**	204,375
Post employment	**129,692**	146,413
Termination benefits	**1,766,181**	1,384,456
Share based payments	**(94,484)**	514,439
	5,069,281	6,566,851

Note 28. Related Party Disclosures

(a) Ultimate controlling entity

The ultimate controlling entity of the Group is Elders Limited.

(b) Transactions between Elders Limited (Parent Entity) and related parties in the wholly owned group

	2014 $000	2013 $000
Transactions with related parties in the wholly owned group:		
Recharges – other	-	1,500
Impairment of intercompany loans	-	283,987

There are no balances between the parent entity and related parties in the wholly owned group.
Transactions with related parties in the wholly owned group are made in arms length transactions both at normal market prices and on normal commercial terms.

(c) Transactions between controlled entities wholly owned and controlled entities not wholly owned

Details of entities not wholly owned are set out in note 26.

	2014	2013
Transactions with controlled entities not wholly owned:		
Intercompany loan movements	(3,937)	10,802
Dividends received	2,917	4,683
Amounts relating to loan balances to entities which were disposed of during the period	-	(2,033)
Balances with controlled entities not wholly owned:		
Owing to the Group	4,056	4,989
Owing from the Group	(654)	(567)
	3,402	4,422

Transactions with controlled entities not wholly owned are made in arms length transactions both at normal market prices and on normal commercial terms.

(d) Transactions between controlled entities and partly owned entities (associates)

Details of associates are set out in note 10.

	2014	2013
Transactions with partly owned entities:		
Loan movements	(4,494)	(2,898)
Interest charged	-	1,414
Dividends received	3,765	13,561
Entity no longer partly owned	-	(213)
Impairment of loans	(436)	(10,084)
Balances with partly owned entities:		
Owing to the Group	331	5,261
Owing from the Group	-	(2,881)
	331	2,380

Loans made to partly owned entities are priced on an arms length basis. None of the balances are secured.

Transactions with partly owned entities are made in arms length transactions both at normal market prices and normal commercial terms.

Note 29. Earnings Per Share

	2014	2013
Weighted average number of ordinary shares ('000) used in calculating basic EPS	**509,352**	507,521
Dilutive share options ('000)	**779,853**	1,425,161
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	**1,289,205**	1,932,682

On 14 October 2014, Elders issued 313,967,179 shares under a 3 for 5 non renounceable entitlement offer announced by Elders to the ASX on 15 September 2014. After this issue, the number of ordinary share on issue is 837,232,507. The weighted average number of ordinary shares as described above has been adjusted to incorporate the effects of this issue.

The following reflects the net profit/(loss) and share data used in the calculations of earnings per share (EPS):

	2014 $000	2013 $000
Reported operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**2,982**	(505,255)
Dilutive		
Net profit/(loss) attributable to members (after tax)	**2,982**	(505,255)
Reported operations earnings per share:		
Basic earnings per share (cents per share)	**0.6 ¢**	(99.6)¢
Diluted earnings per share (cents per share)	**0.2 ¢**	(99.6)¢
Continuing operations		
Basic		
Net profit/(loss) attributable to members (after tax)	**2,982**	(505,255)
Less: Net loss/(profit) of discontinued operations (net of tax)	**18,275**	154,491
Net profit/(loss) of continuing operations (net of tax)	**21,257**	(350,764)
Dilutive		
Net profit/(loss) of continuing operations (net of tax)	**21,257**	(350,764)
Continuing operations earnings per share:		
Basic earnings per share (cents per share)	**4.2 ¢**	(69.1)¢
Diluted earnings per share (cents per share)	**1.5 ¢**	(69.1)¢
Discontinued operations		
Net profit/(loss) of discontinued operations (net of tax)	**(18,275)**	(154,491)
Discontinued operations earnings per share:		
Basic earnings per share (cents per share)	**(3.6)¢**	(30.4)¢
Diluted earnings per share (cents per share)	**(1.3)¢**	(30.4)¢

Note 30. Financial Instruments

The Company's principal financial instruments comprise cash, receivables, payables, interest bearing loans and borrowings, and derivatives.

Risk exposures and responses
Elders manages its exposure to key financial risks, including interest rate and currency risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of financial targets while protecting future financial security. The main risks arising from Elders financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

(a) Interest rate risk

Elders' exposure to market interest rates relates primarily to short term debt obligations. The level of debt is disclosed in note 14. At balance date, Elders had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2014	2013
	$000	$000
Financial assets		
Cash and cash equivalents	**22,477**	39,927
Amounts receivable from associated entities	**331**	-
	22,808	39,927
Financial liabilities		
Secured loans	**(159,681)**	(172,549)
Unsecured loans	**-**	(1,733)
	(159,681)	(174,282)
Net exposure	**(136,873)**	(134,355)

Elders constantly analyses its interest rate exposure so as to manage its cash flow volatility arising from interest rate changes. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 30 September 2014, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit/equity Higher/(Lower)	
	2014	2013
	$000	$000
+ 100 basis points	**(1,369)**	(1,344)
- 100 basis points	**1,369**	1,344

Note 30. Financial Instruments (continued)

(b) Liquidity risk

Liquidity risk arises from Elders' financial liabilities and the subsequent ability to meet our obligations to repay their financial liabilities as and when they fall due. Elders' objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and committed available lines of credit. The Company manages its liquidity risk by monitoring the total cash inflows and outflows expected on a weekly basis. Elders has established comprehensive risk reporting covering its business units that reflect expectations of management of the expected settlement of financial assets and liabilities.

A. Non derivative financial liabilities
The following liquidity risk disclosures reflect all contractually fixed pay-offs, repayments and interest resulting from the recognised financial liabilities and financial guarantees as of 30 September 2014. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which we can be required to pay. When Elders is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which we are required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments.

	Carrying amount $000	Contractual cash flows $000	6 months or less $000	6-12 months $000	1-5 years $000
2014					
Non derivative financial assets:					
Cash and cash equivalents	**22,477**	**22,477**	**22,477**	**-**	**-**
Trade and other receivables	**308,768**	**308,768**	**308,768**	**-**	**-**
	331,245	**331,245**	**331,245**	**-**	**-**
Non derivative financial liabilities:					
Interest bearing loans and borrowings	**(160,103)**	**(160,757)**	**(160,485)**	**(151)**	**(121)**
Trade and other payables	**(249,545)**	**(249,545)**	**(249,545)**	**-**	**-**
Financial guarantees	**-**	**(32,237)**	**(32,237)**	**-**	**-**
	(409,648)	**(442,539)**	**(442,267)**	**(151)**	**(121)**
Net inflow/(outflow)	**(78,403)**	**(111,294)**	**(111,022)**	**(151)**	**(121)**
2013					
Non derivative financial assets:					
Cash and cash equivalents	39,927	39,927	39,927	-	-
Trade and other receivables	357,935	357,935	347,170	6,590	4,175
	397,862	397,862	387,097	6,590	4,175
Non derivative financial liabilities:					
Interest bearing loans and borrowings	(294,685)	(304,433)	(200,074)	(77,199)	(27,160)
Trade and other payables	(254,530)	(254,530)	(254,530)	-	-
Financial guarantees	-	(39,638)	(39,638)	-	-
	(549,215)	(598,601)	(494,242)	(77,199)	(27,160)
Net inflow/(outflow)	(151,353)	(200,739)	(107,145)	(70,609)	(22,985)

B. Derivative financial instruments
Due to the unique characteristics and inherent risks to derivative instruments, Elders separately monitors liquidity risk arising from transacting in derivative instruments. The table below details the liquidity risk arising from derivative financial liabilities held by the Company at balance date. Net settled derivative liabilities comprise forward exchange and interest rate hedges.

Note 30. Financial Instruments (continued)

	Carrying amount $000	Contractual cash flows $000	6 months or less $000	6-12 months $000	1-5 years $000
2014					
Derivative liabilities – net settled	**(132)**	**(132)**	**(132)**	**-**	**-**
Total inflow/(outflow)	**(132)**	**(132)**	**(132)**	**-**	**-**
2013					
Derivative assets – net settled	1,220	1,220	1,220	-	-
Derivative liabilities – net settled	(493)	(493)	(493)	-	-
Total inflow/(outflow)	727	727	727	-	-

(c) Credit risk

Credit risk arises from Elders' financial assets, which comprise cash and cash equivalents, trade and other receivables, and derivative instruments. The Company's exposures to credit risk arise from potential default of the counterparty, with the maximum exposure equal to the carrying amount of the financial assets. The ageing of trade and other receivables at balance date is reported at note 6. The credit risk associated with cash and derivatives is located primarily in Australia.

Elders minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various locations. The credit risk amounts do not take into account the value of any collateral or security. The creditworthiness of counterparties is regularly monitored and subject to defined credit policies, procedures and limits. The amounts disclosed do not reflect expected losses and are shown gross of provisions. The maximum exposure to credit risk at the reporting date was:

	2014 $000	2013 $000
Cash and cash equivalents	**22,477**	39,927
Trade and other receivables	**308,768**	359,155
	331,245	399,082
Location of credit risk		
Australia	**302,455**	328,365
New Zealand	**-**	25,357
Asia	**6,313**	5,433
Total gross receivables	**308,768**	359,155

(d) Foreign currency risk

Elders is exposed to movements in the exchange rates of a number of currencies. The predominant exposure is to movements in the AUD/USD exchange rates. These are primarily generated from the following activities:

- Purchase and sale contracts written in foreign currency,
- Receivables and payables denominated in foreign currencies;
- Commodity cash prices that are partially determined by movements in exchange rates;
- Costs of sale such as transportation and commission denominated in foreign currency; and

Foreign exchange risk is managed within Board approved limits using forward foreign exchange and foreign currency contracts. Where possible, exposures are netted off against each other to minimise the cost of hedging. Hedge accounting is not applied, with foreign currency contracts fair valued at balance date with gains and losses recognised immediately through the statement of comprehensive income. At 30 September 2014, the Company had the following AUD exposures to foreign currencies that were not designated in cash flow hedges:

Note 30. Financial Instruments (continued)

	2014 $000	2013 $000
Financial assets		
Cash and cash equivalents – USD	**72**	297
Cash and cash equivalents – CNY	**319**	981
Cash and cash equivalents – IDR	**446**	338
Cash and cash equivalents – other	**155**	9,476
Receivables – USD	**12,928**	2,621
Receivables – CNY	**3,356**	1,453
Receivables – IDR	**2,957**	1,360
Receivables – other	**-**	25,357
	20,233	41,883
Financial liabilities		
Payables – USD	**(3,229)**	(7,790)
Payables – CNY	**(587)**	(136)
Payables – IDR	**(906)**	(582)
Payables – other	**(98)**	(20,560)
Interest bearing loans and borrowings – USD	**(12,166)**	(1,342)
Interest bearing loans and borrowings – NZD	**-**	(2,831)
	(16,986)	(33,241)
Net exposure	**3,247**	8,642

Given the foreign currency balances included in the Statement of Financial Position at balance date, if the Australian dollar at that date strengthened by 10% with all other variables held constant, then the impact on post tax profit/(loss) arising on the balance sheet exposure would be as follows:

	Post Tax Profit Higher/(Lower)	
	2014 $000	2013 $000
USD	**240**	621
CNY	**(309)**	(230)
IDR	**(250)**	(230)
Other	**(6)**	(112)

A 10% weakening of the Australian dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables are held constant.

Note 30. Financial Instruments (continued)

(e) Fair value of financial assets and liabilities

Elders use various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All forward exchange derivative contracts were measured at fair value using the level 2 method. Fair value of derivative instruments approximates the carrying value. The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The fair value of financial instruments as well as the method used to estimate the fair values are summarised in the table below:

	2014			2013		
	Quoted market price (Level 1) $000	**Valuation technique – market observable inputs (Level 2) $000**	**Valuation technique – non market observable inputs (Level 3) $000**	Quoted market price (Level 1) $000	Valuation technique – market observable inputs (Level 2) $000	Valuation technique – non market observable inputs (Level 3) $000
Financial assets						
Derivatives	**-**	**-**	**-**	-	1,220	-
Financial liabilities						
Derivatives	**-**	**(132)**	**-**	-	(493)	-
	-	**(132)**	**-**	-	727	-

Note 31. Business Combinations – Changes in the Composition of the Entity

(a) Controlled entities acquired

During the current and prior period no entities were acquired.

(b) Controlled entities disposed

Elders' investments in Charlton Feedlot, New Zealand Network, Wool Trading and Vet Supplies were disposed of during the period.

	2014 $000	2013 $000
Proceeds received on disposal of assets/shares:		
Cash	**28,469**	43,633
The carrying amounts of assets and liabilities disposed of by major class are:		
Cash	**4,402**	28,036
Trade and other receivables	**19,595**	120,193
Inventories	**18,932**	44,969
Investments	**8**	674
Property, plant and equipment	**4,856**	35,940
Intangibles	**-**	1,041
Tax assets and liabilities	**233**	8,340
Trade and other payables	**(18,481)**	(89,304)
Provisions	**(1,342)**	(21,027)
Interest bearing loans and liabilities	**(1,811)**	(39,200)
Net assets/(liabilities) of entity sold	**26,392**	89,662
Non-controlling interests	**(2,536)**	(4,461)
Reclassification of other comprehensive income	**4,285**	(3,660)
Total profit/(loss) on disposal of controlled entities	**328**	(37,908)

Note 31. Business Combinations – Changes in the Composition of the Entity (continued)

Prior period disposals

Elders disposed of the Futuris Automotive group of Companies on 31 July 2013 to affiliates of Clearlake Capital Group, L.P. Futuris Feltex (Proprietary) Limited was also disposed of in the period, for which the assets and liabilities disposed, and the cash proceeds were of an immaterial amount.

Note 32. Discontinued Operations

Financial period 30 September 2014

Elders' investments in Kilcoy Pastoral, AWH Pty Ltd, Elders Insurance (Underwriting Agency) Pty Ltd, Charlton Feedlot, New Zealand Network, Wool Trading, Australian Fine China and Agricultural Land Trust were disposed of during the period. The Forestry divestment was largely completed, with all the assets previously classified as held for sale sold.

As required by AASB 5 Non-current Assets Held for Sale and Discontinued Operations the 2013 comparative discontinued operations disclosed below have been re-presented to show the effects of this classification.

Financial period 30 September 2013

Elders' investment in the Futuris Automotive segment was disposed of during the period. Additionally the Group's investment in Australian Fine China and Agricultural Land Trust were classified as held for sale. The prior year balance of $6.1 million represented the Groups investment in Forestry, Australian Fine China and Agricultural Land Trust.

	Cont 2014 $000	**Disc 2014 $000**	**Total 2014 $000**	Cont 2013 $000	Disc 2013 $000	Total 2013 $000
Sales revenue	**1,431,515**	**138,289**	**1,569,804**	1,422,056	486,730	1,908,786
Cost of sales	**(1,153,383)**	**(111,093)**	**(1,264,476)**	(1,191,432)	(424,494)	(1,615,926)
Gross profit	**278,132**	**27,196**	**305,328**	230,624	62,236	292,860
Other revenues	**493**	**4,342**	**4,835**	245	9,126	9,371
Distribution expenses	**(217,961)**	**(26,840)**	**(244,801)**	(238,599)	(23,876)	(262,475)
Administration expenses	**(33,343)**	**(1,665)**	**(35,008)**	(41,164)	(40,671)	(81,835)
Other expenses	**3,967**	**(20,363)**	**(16,396)**	(204,915)	(181,839)	(386,754)
Profit/(loss) before borrowing costs and tax expense	**31,288**	**(17,330)**	**13,958**	(253,809)	(175,024)	(428,833)
Finance costs	**(23,342)**	**183**	**(23,159)**	(30,490)	(2,731)	(33,221)
Profit/(loss) before tax expense	**7,946**	**(17,147)**	**(9,201)**	(284,299)	(177,755)	(462,054)
Income tax benefit/(expense)	**14,703**	**(147)**	**14,556**	(64,440)	24,624	(39,816)
Net profit/(loss) for year	**22,649**	**(17,294)**	**5,355**	(348,739)	(153,131)	(501,870)
Net profit/(loss) attributable to non-controlling interest	**1,392**	**981**	**2,373**	2,025	1,360	3,385
Net profit/(loss) attributable to members of the parent entity	**21,257**	**(18,275)**	**2,982**	(350,764)	(154,491)	(505,255)

Revenue and expenses						
Sales revenue:						
Sale of goods and biological assets	**1,203,041**	**131,424**	**1,334,465**	1,235,263	475,344	1,710,607
Debtor interest associated with sales	**5,578**	**371**	**5,949**	7,069	554	7,623
Commission and other selling charges	**222,896**	**6,494**	**229,390**	179,724	10,832	190,556
	1,431,515	**138,289**	**1,569,804**	1,422,056	486,730	1,908,786
Other expenses:						
Forestry fair value adjustments	**1,125**	**-**	**1,125**	7,422	6,664	14,086
Write down of assets to be divested or discontinued	**-**	**(24,645)**	**(24,645)**	-	(173,213)	(173,213)
Gain/(loss) on divested assets	**2,243**	**4,282**	**6,525**	-	(14,290)	(14,290)
Impairment of assets retained	**-**	**-**	**-**	(154,628)	-	(154,628)
Restructuring, redundancy and other writeoffs	**599**	**-**	**599**	(57,709)	(1,000)	(58,709)
	3,967	**(20,363)**	**(16,396)**	(204,915)	(181,839)	(386,754)

Note 32. Discontinued Operations (continued)

The net cash flow of the discontinued operations is as follows:	**2014**	2013
	$000	$000
Operating activities	**(16,815)**	(33,259)
Investing activities	**93,703**	61,515
Financing activities	**(913)**	1,268
Net cash inflow / (outflow)	**75,975**	29,524

Note 33. Parent Entity

Information relating to the parent entity of the Group, Elders Limited:

Results:		
Net profit/(loss) for the period after income tax expense	**2,223**	(530,744)
Total comprehensive income/(loss)	**2,223**	(530,744)
Financial position:		
Current assets	**3,053**	2,145
Non current assets	**55,942**	48,407
Total assets	**58,995**	50,552
Current liabilities	**1,965**	4,352
Total liabilities	**1,965**	4,352
Net assets	**57,030**	46,200
Issued capital	**1,277,813**	1,269,153
Hybrid equity	**145,151**	145,151
Retained earnings	**(1,366,195)**	(1,368,731)
Employee equity reserve	**261**	627
Total equity	**57,030**	46,200

Guarantees
As disclosed in note 26, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity is a party to various guarantees and indemnities pursuant to bank facilities and operating lease facilities extended to the Group.

Note 34. Subsequent Events

On 14 October 2014, Elders issued 313,967,179 new shares under a 3 for 5 non renounceable entitlement offer announced by Elders to the ASX on 15 September 2014. The total number of shares on issue following completion of the entitlement offer is 837,232,507. Total funds raised from this offer were approximately $47 million (before costs).

On 22 October 2014, Elders completed the refinance of its existing senior debt arrangements with a new syndicated working capital facility provided by ANZ, NAB and Rabobank. The new facilities include, in addition to the syndicated lines, bilateral contingent and transactional lines and an extension of the retail debtor funding facility. Gross debt immediately following the refinance close was comprised entirely of debtor funding facilities.

The facility limits are structured to meet the anticipated working capital requirements of Elders over the tenor of the facilities which range between 12 and 36 months.

There is no other matter or circumstance that has arisen since 30 September 2014 which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

Directors' Declaration

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

1. In the opinion of the Directors:

   (a) the financial statements and notes of Elders Limited for the financial year ended 30 September 2014 are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of its financial position as at 30 September 2014 and of its performance for the year ended on that date; and

   (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b)

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 September 2014.

3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 26 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.

On behalf of the Board

J H Ranck
Chairman

M C Allison
Managing Director

Adelaide
17 November 2014

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Independent auditor's report to the members of Elders Limited

Report on the financial report

We have audited the accompanying financial report of Elders Limited, which comprises the consolidated statement of financial position as at 30 September 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Elders 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 September 2014 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 40 to 56 of the directors' report for the year ended 30 September 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Elders Limited for the year ended 30 September 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Mark Phelps

Mark Phelps
Partner
Adelaide
17 November 2014

ASX Additional Information

(a) Distribution of Equity Securities as at 31 October 2014

	No of Shares	No. of Holders	No. of Hybrids	No. of Holders
1 - 1,000	3,898,358	15,474	296,199	1,245
1,001 - 5,000	14,145,486	5,265	174,369	87
5,001 - 10,000	18,409,114	2,375	89,502	12
10,001 - 100,000	154,391,444	4,909	449,724	11
100,001 - Maximum	646,388,105	892	490,206	2
	837,232,507	**28,915**	**1,500,000**	**1,357**

	Ordinary Shares	Hybrids
The number of holders holding less than a marketable parcel	18,599	4

(b) Voting rights

(i) Ordinary Shares: all ordinary shares carry one vote per share without restriction.
(ii) Elders Hybrids: Hybrids do not carry any voting rights under the Company's Constitution.

(c) Stock Exchange quotation

The Company's ordinary shares and Elders Hybrids are listed on the Australian Securities Exchange. The Home Exchange is Melbourne.

(d) Twenty Largest Shareholders as at 31 October 2014

The twenty largest holders of Elders Ordinary Shares were as follows:	No. of Shares	% of Shares
Citicorp Nominees Pty Limited	68,957,643	8.24
J P Morgan Nominees Australia Limited	42,377,322	5.06
RBC Investor Services Australia Nominees Pty Limited	34,787,787	4.16
HSBC Custody Nominees (Australia) Limited	30,595,209	3.65
Bell Securities Pty Limited	23,946,741	2.86
Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	21,261,661	2.54
National Nominees Limited	19,418,080	2.32
AMP Life Limited	18,773,318	2.24
HSBC Custody Nominees (Australia) Limited - A/C 2	16,549,524	1.98
BNP Paribas Noms Pty Ltd	15,386,053	1.84
Merrill Lynch (Australia) Nominees Pty Limited	15,218,396	1.82
UBS Nominees Pty Ltd	14,232,989	1.70
Venn Milner Superannuation Pty Ltd	10,000,000	1.19
CS Fourth Nominees Pty Ltd	7,201,937	0.86
HSBC Custody Nominees (Australia) Limited - A/C 3	6,123,791	0.73
Hishenk Pty Ltd	6,000,000	0.72
Tintern (Vic) Pty Ltd <A & P Miller Family A/C>	5,839,511	0.70
National Nominees Limited	4,976,902	0.59
Hyecorp Property Fund No 1 Pty Ltd	3,500,000	0.42
Pacific Agrifoods Investments Pty Ltd	3,354,557	0.40
Total	**368,501,421**	**44.01**

Total held by twenty largest ordinary shareholders as a percentage of this class is 44.01%

The twenty largest holders of Elders Hybrids were as follows:	No. of Hybrids	% of Hybrids
J P Morgan Nominees Australia Limited	281,652	18.78
Citicorp Nominees Pty Limited	208,554	13.90
HSBC Custody Nominees (Australia) Limited - A/C 2	95,917	6.39
Mr Robert Lee Petersen	72,256	4.82
National Nominees Limited	67,520	4.50
The Australian National University	50,000	3.33
BNP Paribas Noms Pty Ltd	37,416	2.49
Brazil Farming Pty Ltd	27,000	1.80
HSBC Custody Nominees (Australia) Limited	26,791	1.79
ABN Amro Clearing Sydney Nominees Pty Ltd	22,073	1.47
Ayersland Pty Ltd	22,004	1.47
Luton Pty Ltd	18,000	1.20
Mr Giuseppe Pulitano + Mrs Verona Pulitano	10,747	0.72
Mr Guthrie John Williamson	10,000	0.67
Wyllie Funds Management Pty Ltd	10,000	0.67
Equitas Nominees Pty Limited	9,081	0.61
Di Iulio Homes Pty Limited <Di Iulio Super Fund A/C>	9,000	0.60
Sidmouth Pty Limited	8,000	0.53
Mr Kui She Hung	7,171	0.48
Leithner & Company Pty Ltd	7,000	0.47
Total	**1,000,182**	**66.68**

Total held by twenty largest hybrid holders as a percentage of this class is 66.68%

(e) There were no substantial shareholders listed on the Company's register of substantial shareholders as at 31 October 2014.

Shareholder Information

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street,
Adelaide, South Australia, 5000
Telephone: 1300 55 61 61
Facsimile: +61 (0)8 8236 2305
Website: www.computershare.com.au

Enquiries

Shareholders with enquiries about their shareholdings should contact the Company's share registry, Computershare Investor Services on the above contact details.

Online shareholder information

Shareholders can obtain information about their holdings or view their account instructions online, as well as download forms to update their holder details. For identification and security purposes, you will need to know your Holder Identification Number (HIN/SRN), Surname/Company Name and Post/Country Code to access. This service is accessible via the Investor Centre on the Company's website or direct via the Computershare website at www.investorcentre.com

Tax and dividend/interest payments

Elders is obliged to deduct tax from dividend/interest payments (which are not fully franked) to holders registered in Australia who have not quoted their Tax File Number (TFN) to the Company. Shareholders who have not already quoted their TFN can do so by contacting Computershare. A notification form is available from either the Company's or Computershare's website.

Change of address

Shareholders who have changed their address should advise Computershare in writing. Written notification can be mailed or faxed to Computershare at the address given above and must include both old and new addresses and the security holder reference number (SRN) of the holding.

Change of address forms are available for download from either the Company's or Computershare's website. Alternatively, holders can amend their details on-line via Computershare's website. Shareholders who have broker sponsored holdings should contact their broker to update these details.

Annual Report mailing list

Shareholders who wish to vary their annual report mailing arrangements should advise Computershare in writing. Electronic versions of the report are available to all via the Company's website. Annual Reports will be mailed to all shareholders who have elected to be placed on the mailing list for this document. Report election forms can be downloaded from either the Company's or Computershare's website.

Forms for download

All forms relating to amendment of holding details and holder instructions to the Company are available for download from either the Company's or Computershare's website.

Investor information

Information about the Company is available from a number of sources:

- Website: www.elderslimited.com
- Subscribe: Shareholders can nominate to receive company information electronically. This service is hosted by Computershare and holders can register via the Investor Centre on the Company's website or direct via Computershare's website.
- Publications: the annual report is the major printed source of company information. Other publications include the Half-yearly report, company press releases, presentations and Open Briefings. All publications can be obtained either through the Company's website or by contacting the Company.

Notes

Company Directory

Directors
Mr James H Ranck, BS Econ, FAICD, Chairman
Mr Mark C Allison, BAgrSC, BEcon, GDM, FAICD
Mr James A Jackson, BCom, FAICD
Mr Ian Wilton, FCPA, FAICD, FCCA(UK)

Secretaries
Mr Peter G Hastings, BA LLB GDLP
Ms Nina M Abbey

Registered Office
Level 3, 27 Currie Street
Adelaide, South Australia, 5000
Telephone: (08) 8425 4000
Facsimile: (08) 8410 1597
Email: information@elders.com.au
Website: www.elderslimited.com

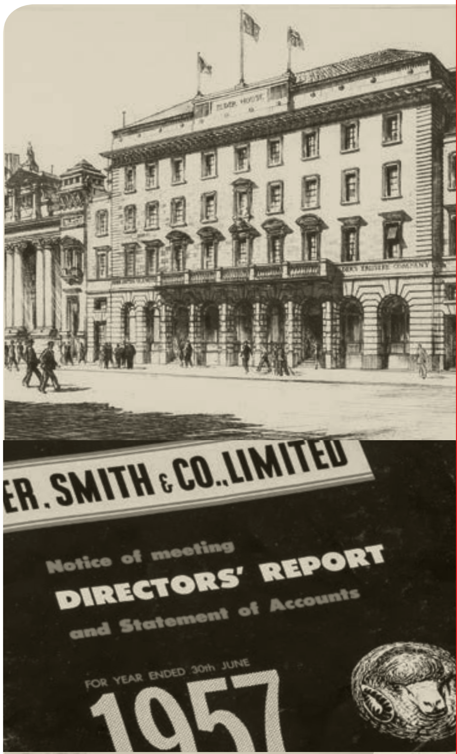
Share Registry
Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia, 5000
Telephone: 1300 55 61 61
Facsimile: +61 (0)8 8236 2305
Website: www.computershare.com.au

Auditors
Ernst & Young

Bankers
Australia & New Zealand Banking Group
National Australia Bank
Coöperative Centrale Raiffeisen –
Boerenleenbank (Rabobank Australia)

Stock Exchange Listings
Elders Limited ordinary shares and subordinated convertible unsecured notes (Elders Hybrids) are listed on the Australian Securities Exchange under the ticker codes “ELD” and “ELDPA”

Trustee for Elders Hybrids
The Trust Company (Australia) Limited
Level 3, 530 Collins Street
Melbourne, Victoria, 3000



CELEBRATING 175 YEARS

Since 1839 Elders has been an integral part of Australia's rural landscape and in 2014 has celebrated 175 years of knowledge, experience and advice.

In celebrating this special milestone we've recognised our proud history and contribution to Australian rural life and have also looked to the future, reinforcing our ongoing commitment to Australian agriculture.

We thank our loyal employees, clients, shareholders and all those who have joined us on our journey over the last 175 years. We look forward to the future.