Ridley Corporation Limited

Appendix 4E Preliminary final report

ABN 33 006 708 765

Results for announcement to the market

Reporting period:	Financial year ended 30 June 2015
Previous corresponding period:	Financial year ended 30 June 2014
Release date:	20 August 2015

	$A'000
Revenue from continuing operations	Up 4.1% to 909,850
Profit from continuing operations after tax	Up 20.2% to 21,171
Net profit for the period attributable to members	Up 20.2% to 21,171

Dividends	**Amount per security**	**Franked amount per security**
Final dividend	2.0	100%
Interim dividend	1.5	100%

After the balance sheet date, a 2015 final dividend of 2.0 cents per share, fully franked and payable on 30 October 2015 was declared by the directors.

Record date for determining entitlements to the final dividend	26 October 2015

	30 June 2015	30 June 2014
Net tangible asset backing per ordinary share	0.49	0.45

Brief Explanation

See pages 2 to 8.

Audit statement

This report is based on accounts which are in the process of being audited. There is not expected to be any dispute or qualification to the Company's financial report. The audit report will be made available with the Company's financial report.

RIDLEY DELIVERS A 20% UPLIFT IN EARNINGS

Ridley Corporation Limited (**Ridley**) has reported EBIT from continuing operations and before non-recurring costs for the year of $35.2 million, an increase of $6.3 million on the $28.9 million prior year equivalent.

Results

	2015	2014
Table 1	**$'000**	$'000
Profit from continuing operations before income tax	**31,082**	**22,043**
Income tax expense	(9,911)	(4,430)
Net profit attributable to members of Ridley Corporation Limited	**21,171**	**17,613**

OPERATING RESULT

A consolidated profit after tax of $21.2 million (**m**) has been recorded for the 2015 financial year, an increase of $3.6m (20.2%) on the prior year. Within the consolidated result, the Ridley agribusiness recorded an EBIT of $50.4m, a second successive record and $10.3m up on the prior year's record of $40.1m.

The full year consolidated EBIT of $35.2m before non-recurring items comprises the Ridley agribusiness result, Corporate costs of $8.9m, Dry Creek net operating costs of $3.6m, and Non-Dry Creek Property costs of $2.7m.

Net finance costs for the year of $5.0m reflect interest on bank debt and the trade payables facility plus amortisation of establishment and other fees.

The tax expense for the current year of $9.9m after non-recurring items includes an under provision in the prior year of $0.3m and an impairments add back of $0.7m, without both of which the underlying effective tax rate would be 28.6%.

There were favourable, non-recurring, after tax items of $0.3m recorded for the year, which have been segregated from ongoing activities in the following table.

PROFIT AND LOSS ACCOUNT

Table 2 in $ million

Earnings from operations before finance income and expense and tax expense (EBIT):	**2015**	**2014**	**Movement**
Ridley AgriProducts	50.4	40.1	10.3
Corporate	(8.9)	(8.6)	(0.3)
Property - Dry Creek	(3.6)	(0.4)	(3.2)
- Other	(2.7)	(2.2)	(0.5)
EBIT from operations before non-recurring costs	**35.2**	**28.9**	**6.3**
Net Finance costs	(5.0)	(5.4)	0.4
Income tax expense	(9.3)	(4.4)	(4.9)
Net profit from continuing operations after tax before non-recurring costs	**20.9**	**19.1**	**1.8**
Other non-recurring items (# net of tax expense of $0.6m)	0.3 #	(1.5)	1.8
Reported net (loss) / profit	**21.2**	**17.6**	**3.6**
Earnings per share (cents):			
(i) continuing	6.9	5.7	1.2
(ii) reported	6.9	5.7	1.2

The profit and loss summary with a prior period comparison provided in Table 2 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS profit and loss summary in Table 2 is useful for users as it reflects the underlying profits of the business.

Sales revenue and gross profit

Agribusiness sales revenue for FY15 of $909.8m was up $36.2m (4.1%) on last year's $873.6m, and reflects 1.90 (2014: 1.89) million tonnes of stockfeed sold. Consolidated Gross Profit from continuing operations was $77.6m, $11.7m (17.7%) above last year's $65.9m equivalent.

Corporate and property costs

Corporate costs of $8.9m are consistent with the prior year, only increasing by $0.3m (3.5%).

A net loss of $3.6m has been recorded in respect of the maintenance and closure of the former salt field at Dry Creek in South Australia. The prior year figure includes the benefit of $2.5m of profits from sales of land, whereas there were no Dry Creek land sales in FY15. We are aiming to finalise current discussions, negotiations and the due diligence phase to develop a commercial solution for the entire Dry Creek site which optimises Ridley shareholder returns.

The Other Property costs of $2.7m are $0.5m higher than the prior period due to an increase in consulting and advisory activity for the Nelson Cove project. We will be looking to provide some guidance on the process and timing for the Nelson Cove development once we have clarification from the Victorian state government following its review of the Corio Bay peninsula.

Net finance costs

The net finance costs of $5.0m are $0.4m lower than the prior period, which reflects the continuing low interest rates and a slight reduction in debt over the course of the year.

Income tax expense

The Table 2 tax expense of $9.3m excludes $0.6m of tax on non-recurring items, and incorporates $0.3m of under provision from the prior year and an add back on revenue account of $0.7m for impairments booked during the year, without which the effective tax rate on the increased taxable profits would have been 28.6%.

Non-recurring costs and discontinued operations

There have been a number of non-recurring items during the year which have been segregated from ongoing operating activities and which in aggregate have generated a positive after tax contribution of $0.3m.

BALANCE SHEET

There have been the following material movements in the Balance Sheet over the last twelve months:

(i) The reclassification of $33.5m of Dry Creek assets from Non-current Investment Property to Current Assets held for sale, with an impairment of $1.4m recognised in the Consolidated Statement of Comprehensive Income and against the carrying value to reflect the best estimate of the underlying value expected to be crystallised from the conclusion of the current sale process, as well as the expected realisation timeframe.

(ii) A $15.7m increase in cash and cash equivalents reflects the timing of cash receipts versus application to tranches of Borrowings, which have increased by $12.1m, for a net sum gain of $3.6m.

(iii) Increases in Receivables ($4.7m), Inventory ($17.0m) and Payables ($29.2m), which reflect the higher level of sales activity and inventory holding levels required to keep the mills operating at capacity.

(iv) A $20.9m increase in property, plant and equipment, which reflects a strong year of investment, including the investment in the potential feedmill site at North East Geelong (announced in August 2014), a new Dairy blending and storage facility constructed during the year at Terang in Western Victoria, and the strategic acquisition of land and storage facilities adjacent to the existing rendering site at Laverton.

(v) With the product trials in feedstock applications still in progress, and with definitive supply agreements to source raw materials and any project proposals yet to be developed, during the year ending 30 June 2015, an impairment loss of $1,084,000 has been included in the Consolidated Statement of Comprehensive Income against the available for sale asset.

CASH FLOW AND WORKING CAPITAL

The operating cash inflow for the year as shown in Table 3 after working capital movements and maintenance capital expenditure was $45.2m, an increase of $21.1m from the $24.1m recorded in the prior year.

The Company has invested $20.6m in development projects during the year, the three largest of which are noted above in the Balance Sheet analysis. Maintenance capital expenditure of $12.8 million remains below the $14.9m aggregate charge for depreciation and amortisation.

Payments for Intangible assets of $0.4m reflects Novacq research and development costs while the prior year balance of $5.2m included $4.5m relating to the acquisition of a long term poultry supply agreement which has contributed incremental poultry earnings and volumes.

Dividends paid during the year comprise the final dividend in respect of the prior financial year paid on 31 October 2014 of 2.0 cents and the interim dividend of 1.5 cents per share paid on 30 April 2015.

Net proceeds of $3.5m from sales of assets comprise the sale of the Dalby site plus $2.7m of proceeds received on 1 July 2014 from the prior year Dry Creek surplus land sales.

Tax instalment payments of $6.6m were made during the year compared to a net prior year refund of $1.6m.

Table 3 in $ million

	Year ended	
Cash flows for the year	**30 June 2015**	**30 June 2014**
EBIT from operations after transaction costs and before Discontinued Operation & non-recurring costs	35.2	28.9
Net cash flow from Discontinued Operation & non-recurring items	0.9	(1.5)
Depreciation and amortisation	14.9	13.6
EBITDA	**51.0**	**41.0**
(Increase)/Decrease in working capital	7.0	(5.5)
Maintenance capital expenditure	(12.8)	(11.4)
Operating cash flow	**45.2**	**24.1**
Development capital expenditure	(20.6)	(2.3)
Payment for intangibles	(0.4)	(5.2)
Dividends paid	(10.6)	(4.6)
Capital return	-	(23.1)
Share-based payments	(2.0)	(3.3)
Net proceeds from sale of property assets	3.5	1.4
2014: Investment in Bluewave and contingent consideration	-	(1.4)
Net finance cost payments	(4.9)	(4.8)
Net tax refund/(payments)	(6.6)	1.6
Movement in other balance sheet items	-	(0.9)
Cash flow for the period	**3.6**	**(18.5)**
Opening net debt balance at 1 July	(36.3)	(17.8)
Closing net debt balance at 30 June	**(32.7)**	**(36.3)**

The cash flow summary with a prior period comparison provided in Table 3 above, has been sourced from the audited accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS cash flow summary in Table 3 is useful for users as it reflects the underlying cash flows of the business.

SEGMENTS

The ongoing reportable segments are as follows:

AgriProducts Australia's leading supplier of premium quality, high performance animal nutrition solutions.

Property Realisation of opportunities in respect of surplus property assets and sales of residual property site assets.

RISKS

The following is a summary of some of the continuing significant operational risks facing the business and the way in which Ridley manages these risks.

- Cyclical fluctuations - by operating in several business sectors within the domestic economy, (namely poultry and pig, dairy, aqua, beef and sheep, packaged products and rendering) some of which have a positive or negative correlation with each other, Ridley is not dependent upon a single business sector and is able to spread the sector and adverse event risk across a diversified portfolio.

- Influence of domestic harvest - through properly managed procurement practices and many of our customers retaining responsibility for the supply of raw materials, the impact of fluctuations in raw material prices associated with domestic and world harvest cycles is mitigated.

- Influence of natural pasture on supplementary feed decision making - whilst not being able to control the availability of natural pasture, Ridley believes there is a compelling commercial justification for supplementary feeding in each of its sectors of operation, whether that be measured in terms of milk yield and herd well-being or feed conversion ratios in poultry and aquafeed.

- Impact on domestic and export markets in the event of disease outbreak - Ridley has a strategy of mill segregation in place to effectively manage its own risk of product contamination across the various species sectors. Ridley also has a footprint of mills dispersed across the eastern states of Australia that provides a geographical segregation of activities. The risk to Ridley is therefore more of a third party market risk, such as what happened with the outbreaks of Avian Influenza two years ago which effectively closed most of the export markets for poultry meal products.

- Customer concentration and risk of regional consolidation - Ridley endeavours to enter into long term sales and supply contracts with its customers and suppliers. This provides surety of volumes required to plan appropriate shift structures, procurement and supply chain activities, and capital expenditure programs and actively manages the risk of stranded assets and backward integration into feed production by significant customers.

- Property holdings - Ridley has a dedicated property team who manage the maintenance of non-operating sites, secure appropriate redevelopment approvals and optimise the realisation of shareholder value from surplus property.

- Corporate - risks such as safety, recruitment and retention of high calibre employees, inadequate innovation and new product development, customer credit risk, interest rate, foreign exchange and inappropriate raw material purchases are actively managed through the company's risk management framework which includes review and monitoring by the executive lead team.

EARNINGS PER SHARE

The underlying earnings per share of 6.9 cents reflects the result on a stable equity platform following the FY13 financial impact of sale of Cheetham Salt and the non-recurring pre-tax write downs, impairments and transaction costs of $37.2m.

Earnings per share (cents)	**2015**	2014
Basic earnings per share	**6.9**	5.7

GEARING

Gearing is reported as debt to equity in accordance with the covenants of the Group banking facility.

Gearing	2015 $'000	2014 $'000
Gross debt	**67,693**	55,584
Less: cash	**(34,991)**	(19,241)
Net debt	**32,702**	36,343
Total equity	**229,834**	219,774
Gearing ratio	**14.2%**	16.5%

CAPITAL MOVEMENTS

During FY15, a total of 1,870,969 (FY14: 3,822,834) shares were acquired by the Company on market for an outlay of $2.0m (FY14: $3.3m) in satisfaction of:

(i) the issue of 1,100,713 (FY14: 2,889,054) shares allocated to Ridley employees under the Ridley Long Term Incentive Plan; and

(ii) 770,256 (FY14: 933,780) shares allocated under the Ridley Employee Share Scheme.

There were no new issues of capital during either financial year.

DIVIDEND

The Board paid an interim dividend of 1.5 cents per share on 30 April 2015, franked to 100%. Ridley does not have a formal dividend policy but its intention is to adopt a consistent dividend profile in the future which reflects the earnings and cash flow conversion of the business and the growth opportunities prevalent and foreseeable at the time of dividend declaration.

After the balance sheet date, a 2015 final dividend of 2.0 cents per share, fully franked and payable on 30 October 2015 was declared by the directors. The final dividend has not been provided for and there are no income tax consequences. The financial effect of this dividend has not been brought to account in the consolidated financial statement for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

OUTLOOK

The 79% uplift in core business EBIT from $28.1m in 2013 to $50.4m in FY15 has been achieved essentially from our existing asset base without the benefit of any external acquisitions, acknowledging the additional poultry volume acquired through the prior year long term poultry supply agreement. The rate of growth over the last two years is unsustainable in the long term, however we do believe that there is further growth that can be extracted from the current portfolio of assets in the coming years.

To augment the expected organic growth, we are continuing to develop the concepts and plans for the modernisation of our feedmills in a number of key regions. The replacement of an older mill with a newer, more energy and staffing efficient feedmill is capable of returning the cost of capital. What is needed to generate a return which meets Ridley’s internal hurdle rates is a combination of incremental volume and freight/logistics savings or arbitrages. In order to de-risk the capital outlay associated with any major new project, these profit enhancing factors need to be underwritten by way of contractual commitments. We are continuing our discussions to secure the requisite commitments for a number of potential new feedmill projects and hope to be able to announce approval for one or more of these projects in the coming year.

OUTLOOK (CONTINUED)

We are aiming to finalise current negotiations and the due diligence phase to develop a commercial solution for the entire Dry Creek site which optimises Ridley shareholder returns and which will provide clarity on the carrying value and future site maintenance costs. We will also be looking to provide some guidance on the process and timing for the Nelson Cove development once we have clarification from the Victorian state government on the scope of its review of the Corio Bay peninsula.

In addition to organic growth through a program of mill modernisation, Ridley continues to actively pursue acquisition opportunities consistent with its long term strategy to be Australia's leading producer of premium quality, high performance animal nutrition solutions.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Revenue from continuing operations	4	**909,850**	873,625
Cost of sales		**(832,253)**	(807,744)
Gross profit		**77,597**	65,881
Finance income		**272**	230
Other income	4	**4,649**	5,972
Expenses from continuing operations:			
Selling and distribution		**(12,252)**	(10,432)
General and administrative		**(31,479)**	(33,543)
Finance costs	5	**(5,331)**	(5,622)
Business restructuring	5	**(2,480)**	(466)
Share of net profits from equity accounted investments		**106**	23
Profit from continuing operations before income tax expense		**31,082**	22,043
Income tax expense		**(9,911)**	(4,430)
Profit from continuing operations after income tax expense		**21,171**	17,613
Net profit after tax attributable to members of Ridley Corporation Limited		**21,171**	17,613
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit superannuation		**-**	123
Other comprehensive income for the year, net of tax		**-**	123
Total comprehensive income for the year		**21,171**	17,736
Total comprehensive income for the year attributable to:			
Ridley Corporation Limited		**21,171**	17,736
Earnings per share			
Basic earnings per share	2	**6.9c**	5.7c
Diluted earnings per share	2	**6.9c**	5.7c

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents		**34,991**	19,241
Receivables		**101,037**	96,371
Inventories		**81,703**	64,539
Assets held for sale	6	**34,133**	1,370
Total current assets		**251,864**	181,521
Non-current assets			
Inventories		**-**	120
Investment properties		**3,153**	37,177
Property, plant and equipment		**139,543**	118,602
Intangible assets		**78,194**	80,491
Investments accounted for using the equity method	9	**2,323**	2,217
Available for sale financial asset		**-**	1,084
Deferred tax asset		**1,476**	1,879
Total non-current assets		**224,689**	241,570
Total assets		**476,553**	423,091
Current liabilities			
Payables		**158,725**	129,417
Provisions		**12,766**	13,134
Tax liability		**7,148**	4,233
Total current liabilities		**178,639**	146,784
Non-current liabilities			
Borrowings		**67,693**	55,584
Provisions		**387**	949
Total non-current liabilities		**68,080**	56,533
Total liabilities		**246,719**	203,317
Net assets		**229,834**	219,774
Equity			
Share capital		**214,445**	214,445
Reserves		**853**	375
Retained earnings	8	**14,536**	4,954
Total equity		**229,834**	219,774

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**962,930**	945,171
Payments to suppliers and employees		**(907,459)**	(913,416)
Interest received		**272**	230
Other income received		**3,118**	2,804
Interest and other costs of finance paid		**(5,209)**	(5,045)
Income tax net refund/(payment)		**(6,593)**	1,605
Net cash inflow from operating activities		**47,059**	31,349
Cash flows from investing activities			
Payments for property, plant and equipment		**(33,827)**	(13,717)
Payments for intangibles		**(446)**	(5,205)
Proceeds from sale of non-current assets		**3,472**	1,421
Acquisition of business operations		**-**	(350)
Acquisition of available for sale financial asset		**-**	(1,084)
Net cash (outflow) from investing activities		**(30,801)**	(18,935)
Cash flows from financing activities			
Share based payment transactions		**(1,970)**	(3,264)
Drawdown of borrowings		**12,109**	20,813
Dividends paid	3	**(10,647)**	(4,572)
Capital return		**-**	(23,086)
Net cash (outflow) from financing activities		**(508)**	(10,109)
Net increase in cash held		**15,750**	2,305
Cash at the beginning of the financial year		**19,241**	16,936
Cash at the end of the financial year		**34,991**	19,241

There were no non-cash financing and investing activities during the years ended 30 June 2015 and 2014.
The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 1 – Basis of preparation of preliminary financial report

This report has been prepared in accordance with Australian Accounting Standards relevant to the preparation of the Appendix 4E and other mandatory professional reporting requirements for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The report is presented in Australian dollars.

The accounting policies have been applied consistently to all periods presented in the consolidated financial report. The financial report has been prepared on the basis of historical cost, except for derivative financial instruments and cash settled share-based payment arrangements which have been measured at fair value. A full description of the accounting policies adopted by the Group may be found in the Group's full financial report.

Note 2 – Earnings per share

	2015		2014	
	Earnings per share		Earnings per share	
	Basic $'000	**Diluted $'000**	Basic $'000	Diluted $'000
Earnings used in calculating earnings per share:				
Profit after income tax	**21,171**	**21,171**	17,613	17,613
Weighted average number of shares	**Basic**	**Diluted**	Basic	Diluted
Weighted average number of shares used in calculating basic and diluted earnings per share	**307,817,071**	**307,817,071**	307,817,071	307,817,071

Note 3 – Dividends

				2015 $'000	2014 $'000
Year ended 30 June 2015					
Interim dividend in respect of the current financial year	Fully franked	30 April 2015	1.5 cents	**4,618**	-
Final dividend in respect of the prior financial year	Fully franked	31 October 2014	2.0 cents	**6,156**	-
				10,774	-
Year ended 30 June 2014					
Interim dividend in respect of the current financial year	50% franked	30 April 2014	1.5 cents	-	4,617
Paid in cash				**10,647**	4,572
Non-cash dividends paid on employee in-substance options				**127**	45
				10,774	4,617

Since the end of the financial year, the directors declared the following dividend:

2015 final dividend of 2 cents per share, fully franked, payable on 30 October 2015.	**6,156**	**-**

Dividend franking account

Amount of franking credits available at 30 June to shareholders of Ridley Corporation Limited for subsequent financial years	**2,132**	156

No foreign conduit income is attributed to the dividend.

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 4 – Revenue and Other income

	2015 $'000	2014 $'000
Revenue from continuing operations		
Sale of goods	**909,850**	873,625
Other income from continuing operations		
Foreign exchange gains – net	**1,531**	-
Business services	**911**	1,456
Profit from sales of residual property site assets	**824**	764
Rent received	**724**	19
Insurance proceeds	**-**	361
Profit on sale of land	**-**	2,675
Other	**659**	697
	4,649	5,972

Note 5 – Expenses

Profit from continuing operations before income tax is arrived at after charging the following items:

	2015 $'000	2014 $'000
Depreciation and amortisation (i)		
Buildings	**1,097**	981
Plant and equipment	**10,823**	9,939
Software	**1,839**	1,736
Intangible assets	**1,161**	920
	14,920	13,576

(i) The depreciation and amortisation charge is included within General and Administrative expenses in the Consolidated Statement of Comprehensive Income.

	2015 $'000	2014 $'000
Finance costs		
Interest expense	**5,212**	5,296
Amortisation of borrowing costs	**119**	326
	5,331	5,622
Employee benefits expense	**75,743**	68,611
Operating lease expense	**3,343**	3,484
Bad and doubtful debt expense – net of recoveries	**7**	211
Write off of Penrice debt	**-**	971
Business restructuring		
Impairment of available for sale financial asset - Bluewave	**1,084**	-
Impairment of asset held for sale – Dry Creek	**1,396**	-
Acquisition related costs	**-**	466
	2,480	466

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 6 – Assets held for sale

	2015	2014
	$'000	$'000
Assets held for sale	**34,133**	1,370

At 30 June 2015
The Group has classified $33,463,000 of assets as being held for sale which relate to the Dry Creek site. The fair value for the Dry Creek site has been reassessed through the conduct of a competitive tender sale process currently in the negotiation and due diligence phase to develop a commercial solution for the entire Dry Creek site.

The Group has also classified $670,000 of assets as being held for sale which relate to the proposed sale of the Ridley AgriProducts site at Dandenong. In April 2015, a contract for the sale of Dandenong was executed for $3.0 million. The settlement is expected to be completed on 30 November 2015.

At 30 June 2014
The Group classified $1,370,000 of assets as being held for sale which related to the proposed sale of the Ridley AgriProducts sites at Dalby and Dandenong. This disclosure followed management's commitment to sell these sites. The feed mill at Dalby in Queensland was closed during FY14 and the majority of the stockfeed volume transferred to the neighbouring Ridley feed mill at Toowoomba. Agreement to sell the site was reached in early June 2014 subject to the Purchaser receiving financier approval. The purchaser received such approval to satisfy the condition precedent to completion which occurred on 11 August 2014.

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 7 – Segment reporting

2015 financial year	AgriProducts	Property	Unallocated	Consolidated Total
	$'000	**$'000**	**$'000**	**$'000**
Sales – external (Note 4)	909,850	-	-	909,850
Total sales revenue	**909,850**	**-**	**-**	**909,850**
Other revenue (Note 4)	970	824	2,855	4,649
Total revenue	**910,820**	**824**	**2,855**	**914,499**
Share of profits of equity accounted investments	106	-	-	106
Depreciation and amortisation expense (Note 5)	(14,406)	(14)	(500)	(14,920)
Impairment of available for sale financial asset – Bluewave (Note 5)	(1,084)	-	-	(1,084)
Impairment of asset held for sale – Dry Creek (Note 5)	-	(1,396)	-	(1,396)
Interest income	-	-	272	272
Finance costs (Note 5)	-	-	(5,331)	(5,331)
Reportable segment profit/(loss) before income tax	**50,371**	**(7,503)**	**(11,786)**	**31,082**
Segment assets	399,036	36,957	38,237	474,230
Investments accounted for using the equity method (Note 9)	2,323	-	-	2,323
Total segment assets	401,359	36,957	38,237	476,553
Segment liabilities	168,653	385	77,681	246,719
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	34,273	-	-	34,273

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 7 – Operating segments (continued)

2014 financial year	**AgriProducts**	**Property**	**Unallocated**	**Consolidated Total**
	$'000	**$'000**	**$'000**	**$'000**
Sales – external (Note 4)	873,625	-	-	873,625
Total sales revenue	**873,625**	**-**	**-**	**873,625**
Other revenue (Note 4)	664	3,439	1,869	5,972
Total revenue	**874,289**	**3,439**	**1,869**	**879,597**
Share of profits of equity accounted investments	23	-	-	23
Depreciation and amortisation expense (Note 5)	(13,297)	(21)	(258)	(13,576)
Write off of Penrice debt (Note 5)	-	-	(971)	(971)
Interest income	-	-	230	230
Finance costs (Note 5)	-	-	(5,622)	(5,622)
Reportable segment profit/(loss) before income tax	**40,086**	**(2,633)**	**(15,410)**	**22,043**
Segment assets	352,362	41,101	27,411	420,874
Investments accounted for using the equity method (Note 9)	2,217	-	-	2,217
Total segment assets	354,579	41,101	27,411	423,091
Segment liabilities	133,049	3,814	66,454	203,317
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets (excluding the impact of business combinations)	18,193	-	729	18,922

Extract of notes to the financial statements
For the year ended 30 June 2015

Note 8 – Retained earnings

	2015 $'000	2014 $'000
Opening balance at 1 July	**4,954**	(8,379)
Net profit for the year	**21,171**	17,613
Dividends paid	**(10,774)**	(4,617)
Share based payments reserve transfer	**(815)**	214
Actuarial profits on defined benefit superannuation – net of tax	**-**	123
Closing balance at 30 June	**14,536**	4,954

Note 9 – Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest		Carrying Amount	
			2015	2014	**2015**	2014
Associate:			**%**	%	**$'000**	$'000
Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust	Feed production	Australia	**25**	25	**2,323**	2,217
Joint venture entities:						
Ridley Bluewave Pty Ltd[1]	Animal protein production	Australia	**50**	50	**-**	-
Nelson Landholdings Pty Ltd as Trustee for Nelson Landholdings Trust[2]	Property realisation	Australia	**50**	50	**-**	-
Investments accounted for using the equity method					**2,323**	2,217

1 Ridley Bluewave Pty Ltd did not conduct any activity during the financial year.

2 The Company and Unit trust are the corporate structure through which any ultimate development of the Moolap site will be managed. There are a number of restrictions for this entity to protect the interests of each party, (being Ridley and development partner Sanctuary Living) which cause the entity to be reported as a joint venture rather than controlled entity. Despite this classification for reporting purposes, Ridley retains full control of the value and use of the land at Moolap until such time as Ridley resolves to commit the land to the project.

Note 10 – Events occurring after the balance sheet date

No other matters or circumstances have arisen since 30 June 2015 that have significantly affected, or may significantly affect:

(i) the Group's operations in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the Group's state of affairs in future financial years.