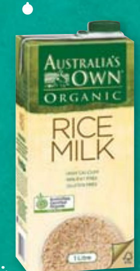
freedom FOODS GROUP LIMITED
Making food better

2018 ANNUAL REPORT

GROWING THROUGH CAPABILITIES & BRAND

FREEDOM FOODS - offering healthy choices from Australian farms to your plate.

MAKING FOOD BETTER



what's inside

CHAIRMAN'S LETTER

Dear Shareholders,

I am very pleased to report on another successful year in the building of the Company into a major global food and beverage business in key markets in Australia, China, South East Asia and North America.

The Group continues to experience strong demand across all markets to match the significant capital expenditure recently undertaken.

The 2018 financial year was the peak of a significant investment cycle in building our manufacturing capabilities to meet growth and demand across our key platforms of dairy and plant based beverages and cereals and snacks. Further investment in expanding capability will continue in FY 2020 including key projects in dairy nutritionals, yoghurt and UHT bottle formats. Sales and earnings from these new product streams are projected to impact in FY 2020 and beyond.

During the year, a number of initiatives were undertaken across our business activities, with the highlights including:

- Successful transfer of operations from Taren Point Sydney to the Ingleburn site with minimal disruption, with the formal closure of Taren Point in December 2017.
- Successful integration of the FY 2017 Vital Strength acquisition, with revenue growth from increased retailer distribution and new product launches.
- Completion of 10% equity ($4.7 million) investment into Australia's Own Dairy Group China (AO China), operating the Australia's Own branded Kid's Milk products in China.
- Shepparton operations upgrading to volume capacity of 500 million litres per annum, aligned to investment in new Nutritionals capability.
- Investment to realign Leeton operation towards snacking capability for extruded snacks and popcorn as well as nut based bar capability.

The Company also completed a $200 million equity raising in March 2018 to fund acceleration of incremental capacity expansion programs and provide balance sheet flexibility for growth including working capital requirements and potential acquisitions and alliances.

The underlying operating EBITDA for the year was $39.2 million, an increase of 50% on the previous corresponding period (PCP). Net sales revenue increased by 35% over PCP to $353 million. The reported net profit after tax increased by $5.2 million to $12.7 million.

The Board has recommended payment of a partially franked final dividend of 2.75 cents per ordinary share in November 2018, taking total dividends for FY 2018 to 5.0 cents per share.

On behalf of the Board, I would like to thank my fellow directors and all our employees for their dedication and hard work again this year.

I retain a great deal of confidence about Freedom Foods Group prospects. Our operating profits will increase through the Company's investment cycle with the Group expecting net sales revenue in FY 2019 to be in the range of $500 million to $530 million.

I encourage you to read the Managing Directors review of operations, which provides further details of the year's activities and the Company's future.

Perry Gunner
Chairman

HIGHLIGHTS

ANNUAL NET SALES
increases 34.5% to $353 million, in line with revised guidance (issued July 2018).

OPERATING EBDITA
rises 49.5% to $39.2 million, operating EBDITA margins increased to 11.1% from 10.0%.

OPERATING NET PROFIT
increases 96.9% to $19.4 million, statutory net profit up 68.7% to $12.7 million.

FINAL DIVIDEND
increased to 2.75 cents per share from 2.25 cps.

FY 2019 NET SALES
guidance unchanged at $500 million to $530 million.

Full benefit of increased demand and capital expenditure initiatives expected to further grow sales and earnings into **FY 2020 & BEYOND.**

Continued transformation now driving growth through iconic brands including Freedom Foods and Australia's Own in retail and food service channels in key markets of Australia, SE Asia and China:

» **LAUNCH OF OVER 70 NEW PRODUCT FORMATS** into retail grocery, food service and export markets, supported by increased marketing expenditure

» Strong growth in new brands including MilkLab and Almond Breeze Barista in the food service beverage category and Messy Monkeys, Crafted Blends, Arnold's Farm and Barley+ in the cereals and snacks category

» Launch of new brands in retail grocery channel in the 4th quarter including Australia's Own into the UHT dairy category and Heritage Mill in the mainstream cereal and snacks category

» Total sales from Group brands **INCREASED TO 60% OF TOTAL REVENUES FROM 53% IN FY 2017**

» Growth achieved in all key categories and channels, with retail grocery performance in Australia above category average growth rates and strong demand for dairy and cereals in China and SE Asia

Freedom Foods is one of Australia's leading investors in state-of-the-art food and beverage manufacturing capability, investing more than $129.4 million in plant and equipment in FY 2018:

- Major capital expenditure projects across the Group completed in the second half of FY 2018, including a new state-of-the-art UHT dairy and plant-based beverage processing facility at Ingleburn in South West Sydney, which will drive material ongoing earnings benefits over the medium term
- Successful transfer of operations from Taren Point Sydney to the Ingleburn site with minimal disruption, with the formal closure of Taren Point in December 2017
- Shepparton operations upgrading to volume capacity of 500 million litres per annum, aligned to investment in new Nutritionals capability
- Investment to realign Leeton operation towards snacking capability for extruded snacks and popcorn as well as nut based bar capability

Successful integration of the FY 2017 Vital Strength acquisition, with revenue growth from increased retailer distribution and new product launches

Completion of 10% equity ($4.7 million) investment into **AUSTRALIA'S OWN DAIRY GROUP CHINA** (AO China), operating the Australia's Own branded Kid's Milk products in China

Successful completion in March 2018 of a $200 million equity raising to fund acceleration of incremental capacity expansion programs and provide balance sheet flexibility for growth including working capital requirements and potential acquisitions and alliances

OUTLOOK

Rory Macleod, Managing Director and Chief Executive Officer, commented:

"The Group is increasingly well positioned to strategically build into a major global food and beverage business with scale in key food and beverage platforms.

"As outlined in July 2018, based on the current portfolio, product range and new contracts with key customers coming on stream in the first half of FY 2019, the Group expects net sales revenue in FY 2019 to be in the range of $500 million to $530 million.

"The Group continues to experience strong demand across its business activities in Australia, China and SE Asia. This growing demand in dairy, plant-based beverage, cereal and snacks reflects the positive impacts of structural change within the Australian dairy industry, demand from customers for the Group's expanded operational footprint and increasing brand penetration providing for increased market share in key channels and categories in Australia, SE Asia and China.

"Major capital expenditure projects including the upgrade to the Shepparton UHT operation, nutritionals, yoghurt and UHT bottle capabilities are generally on plan.

"New product revenue streams from these major capital expenditure projects are expected to materially positively impact sales and earnings into FY 2020 and beyond".


freedom FOODS
GLUTEN FREE WHEAT FREE NUT FREE
RICE PUFFS
crispy, crunchy & delicious
freedom
Supports Digestive Health
Barley+
PORRIDGE Traditional
whole grain barley flakes & oats
HERITAGE MILL
PORRIDGE SACHETS MAPLE, DATE & PECAN
AUSTRALIA'S OWN
99% SUGAR FREE
ALMOND MILK
DARK CHOCOLATE
AUSTRALIA'S OWN
LOW FAT
Delicious Aussie MILK
AUSTRALIA'S OWN ORGANIC
COCONUT MILK
UNSWEETENED
1 Litre
RIPPED PROTEIN
new
define
LO CARB PROTEIN BAR

FINANCIAL SUMMARY

"Increased investment in innovation, brand and market development assisted in growth in each of the key business divisions and markets."

The Group delivered an increased financial performance with substantial improvements in sales revenue, earnings and cash generation.

The Group recorded Net Sales Revenue of $353 million, an increase of 34.5% on the previous corresponding period. Comparable Net Sales Revenues (net of impact of the Vital Strength acquisition) increased 30% to $338.5 million.

Operating EBDITA rose 49.5% to $39.2 million and was ahead of top line sales growth performance. Operating EBDITA margins increased to 11.1% from 10.0%.

The result reflects a positive operating performance within a period of significant change for the Group, with the completion of the new state-of-the-art UHT dairy and plant-based beverage processing facility at Ingleburn, the transfer of operations from the Taren Point site to Ingleburn, expansion of capabilities at Shepparton and Leeton, and investment in expanding packaging formats and technology platforms.

Investment in brand building and marketing increased by $5.0 million to $8.8 million.

The Group achieved an operating net profit before tax of $19.4 million, a gain of 96.9%, reflecting increased operating EBDITA, offset by higher depreciation costs as compared to the previous corresponding period.

The statutory net profit after tax for the period was $12.7 million. This included unrealised foreign exchange losses and restructuring costs including costs and provisions relating to discontinued operations. During FY 2018, the Group ceased production of plant-based beverages at Taren Point, with operations relocated to its new UHT facility at Ingleburn progressively from September to December 2017. The restructuring costs provision covers factory closure costs, staff redundancy costs and write down of inventory on discontinued product formats.

The statutory result also included a pre-tax gain on the sale of the Ingleburn land and buildings of $3.3 million.

The income tax expense reflects an operating tax rate of approximately 13%, primarily relating to an upfront deduction being claimed for new product development costs, which have increased in the latest period. The Group expects the future tax rate to be broadly in line with the Australian corporate tax rate.

- Plant-Based Beverage operations (including six months of production at Taren Point during the period) delivered increased sales, reflecting growth in retail and food service brands, with operating contribution ahead of the prior year. The result reflected increased margins in food service and improved operating cost at Ingleburn compared to the Taren Point operation.
- Dairy operations at Shepparton achieved significant sales growth, reflecting increasing demand in Australia, China and SE Asia. Total contribution improved through increased sales and higher factory utilisation during the period, with

higher pricing for cream and sales of milk protein concentrates positively impacting margins from January 2018.

- Nutritionals contribution reflected increased sales of high margin Vital Strength powder based branded products. New product launches in bar and beverage formats during the year contributed to sales with contribution margin lower compared to powders, reflecting sourcing from contract manufacturers. These products will be manufactured internally during calendar 2019.
- The Cereal and Snacks operations delivered increased operating earnings reflecting growth in sales in branded and non-branded activities in Australia and China.
- Specialty Seafood achieved strong sales growth with margin offset by unfavourable cost of goods and exchange rate impacts on purchasing canned salmon and sardines from Canada.
- With increasing focus on building the Group's brands, investment in brand building and marketing increased by $5.0 million to $8.8 million.
- Group Services costs increased during the latest fiscal year, primarily reflecting a significant investment in sales capability in Australia (retail, food service), SE Asia and China necessary to manage the growth of the Group.

Set out below is a reconciliation of statutory EBDITA to underlying Operating EBDITA.

12 MONTHS TO 30TH JUNE 2018 (A$ MILLION)	2018	2017	MOVEMENT (A$ MILLION)	MOVEMENT (%)
Underlying Operating EBDITA(1)	39.2	26.2	+ 13.0	+49.5%
Gain on sale of Ingleburn	3.3	-	+ 3.3	
Other costs not representing underlying performance(2)	(9.7)	(2.4)	- 7.3	
Employee Share Option Expense (non cash)(3)	(1.3)	(0.4)	- 0.9	
Statutory EBDITA	31.5	23.3	+ 8.2	+34.8%

Note:

1. *Operating EBDITA (Earnings before depreciation, interest, tax and amortisation) is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Operating EBDITA is used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments.*
2. *FY 2018 other costs not representing underlying performance includes once off unrealised foreign exchange loss of $206k and restructuring costs of $8.6m including costs relating to discontinued operations at Taren Point, acquisition costs of $217k and bank facility fee of $685k.*
3. *Non cash employee share option expense of $1.3 million in FY 2018.*

SEGMENT FINANCIALS

12 MONTHS TO 30TH JUNE 2018 (A$ MILLION)	CEREAL SNACKS	PLANT	DAIRY	SEAFOOD	NUTRITIONAL	OTHER	TOTAL
Net Sales Revenue	103.3	81.2	139.2	15.0	14.4	-	353.0
Trading EBDITA	14.0	18.7	16.9	1.4	3.6	-	54.7
Equity Associates[1]	-					0.5	0.5
Corporate Costs[2]	-					(15.9)	(15.9)
Operating EBDITA	14.0	18.7	16.9	1.4	3.6	(15.4)	39.2
Net Sales Change (YOY %)	+ 15.3%	+ 26.4%	+ 49.4%	+ 8.4%	+ 698%		+ 34.5%
Net Sales Change (YOY $ million)	13.7	17.0	46.0	1.2	12.6		90.5

Note:

1. Equity Associates is share of NPAT of Australian Fresh Milk Holding (10% equity interest held by Freedom Foods Group).

2. Shared Services costs includes sales and group services, it excludes non-cash employee share option expenses of $1.3 million.

12 MONTHS TO JUNE 2018	2018 $'000	2017 $'000	CHANGE
Net Sales Revenue	352,987	262,481	+34.5%
EBDITA (Underlying Operating)[1]	39,180	26,240	+49.5%
EBDITA (Statutory)	31,501	23,375	+34.8%
Equity Associates Share of Profit[2]	480	480	-
Pre Tax Profit (Operating)	22,297	12,213	+82.6%
Pre Tax Profit (Reported)	14,617	9,348	+56.4%
Income Tax (Operating)	2,899	2,363	+22.7%
Net Profit (Operating)	19,399	9,850	+96.9%
Net Profit (Reported)	12,715	7,539	+68.7%
Final Ordinary Dividend (cps)	2.75	2.25	+0.50
Final CRPS Dividend (cps)	1.35	1.35	-
Full Year Ordinary Dividend (cps)	5.00	4.25	+0.75
EPS (cents per share) (Fully Diluted for CRPS)	6.33	4.01	+57.6%
EPS Operating (cents per share) (Fully Diluted)	9.25	6.51	+42.0%
Shareholder Equity	529.9	321.4	+64.2%
Net Debt / Equity	6.8%	56.3%	
Net Assets per Share (cents)	217.2	160.0	+35.7%
Net Tangible Assets per Share (cents)	171.6	108.9	+57.5%

Notes:

1. *FY 2018 other costs not representing underlying performance includes once off unrealised foreign exchange loss of $206k and restructuring costs of $8.6m including costs relating to discontinued operations at Taren Point, acquisition costs of $217k and bank facility fee of $685k.*
2. *Equity Associates is share of NPAT of Australian Fresh Milk Holdings (10% equity interest held by Freedom Foods Group).*

PLANT BASED BEVERAGE BUSINESS GROUP


AUSTRALIA'S OWN
NUTRITIOUS PLANT ALTERNATIVE
LIKE MILK
[BUT NOT MILK]
UNSWEETENED
FORMULATED WITH PEA PROTEIN
GOOD SOURCE OF CALCIUM
1L
AUSTRALIA'S OWN
99% SUGAR FREE
ALMOND MILK
SALTED
CARAMEL
Organic almonds
GLUTEN FREE
NO DAIRY. NO SOY.
1L

BRANDED PORTFOLIO

Strong growth in Australia's Own, MilkLab and Blue Diamond brands in Plant-based beverages

Plant-based branded beverage sales continued to grow, with volume and sales growth compared to the previous fiscal year, reflecting strong growth in the Australia's Own and MilkLab range and also the Blue Diamond Almond Breeze brand in retail and food service channels.

The trend towards plant-based food and beverages is increasing in Australia and global markets, driven by a desire for healthier and "cleaner" lifestyles which is motivating consumers to focus on fruits, vegetables, nuts, seeds, grains and other botanicals.

In retail grocery, the Group remains the largest supplier of almond beverages, including products under the Australia's Own brand, our licensed Blue Diamond Almond Breeze brands and private label offers.

Consistent with its strategy to be a leading innovator in plant-based beverages, during the second half of FY 2018 the Group successfully launched the first pea protein milk in Australia, "Like Milk", as well as 99% sugar free flavoured almond milks in 1 litre plastic bottle formats.

The Group continued to experience strong growth in the high margin food service channel with both MilkLab and Almond Breeze Barista having established a clear market leadership in the almond segment of the milk for coffee market.

Increased channel penetration and consumer demand is expected to continue to drive growth, with the Group expanding the range of nut based beverage products under the MilkLab brand.

During the period, the Group invested in sales and distribution to develop new channels in SE Asia and the Middle East, with increasing sales of the Australia's Own range and MilkLab. MilkLab has secured ranging in key coffee chains including Starbucks in Malaysia.

The MilkLab brand is experiencing strong demand across existing markets in Australia and new markets into SE Asia and the Middle East and has the potential to be a leading global plant-based beverage brand in the milk for coffee markets.

Australia's Own liquid stocks increased sales and distribution during FY 2018. The business is also a significant supplier of liquid stocks to retailers and other brand owners.

NEW WORLD CLASS UHT FACILITY

AT INGLEBURN, SOUTH WEST SYDNEY

One of Australia's leading investors in UHT technology and capacity in Australia

During the first half of FY 2018, the Group relocated its Plant-Based Beverage operations from Taren Point to the new state-of-the-art UHT facility at Ingleburn in South West Sydney.

The commissioning process and transfer of operations to the Ingleburn site was undertaken with minimal disruption, with the formal closure of Taren Point in December 2017.

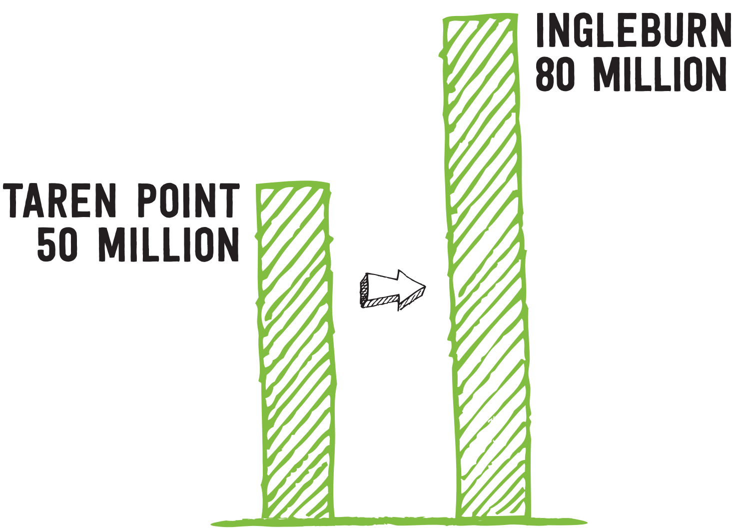
The first stage installed UHT filling capacity at Ingleburn of approximately 80 million litres per annum compared to capacity at Taren Point at closure of approximately 50 million litres per annum. To provide for increased demand in both plant-based and dairy categories, the Group is installing additional filling capacity at Ingleburn, including fillers upgraded from the Taren Point site. During the second half of FY 2018, the Group installed 2 litre format capability for both dairy and plant-based applications and will install additional 1 litre format capability by December 2018. Capabilities for yoghurt processing will be completed by September 2018. Expanded filling capacity as at March 2019 is expected to be approximately 170 million litres per annum.

In addition, a state-of-the-art PET plastic bottle capability for both long life (UHT) and short shelf life (ESL) formats will be installed during 2019.

The Ingleburn facility has been established with the capability to process dairy products. During the second half of FY 2018, the Ingleburn site processed dairy formats to provide additional dairy packaging capability ahead of upgrades at the Shepparton facility.

Ongoing, Ingleburn will process dairy primarily for high value-added products including yoghurt and PET bottle based formats.

The site is in the process of obtaining Chinese government export registration to facilitate the export of dairy products to China and has export accreditation for all other export markets.



APPROX. FILLING CAPACITY
LITRES/PER ANNUM


AUSTRALIA'S OWN
99% SUGAR FREE
ALMOND MILK
ICED ARABICA
COFFEE
Organic almonds
GLUTEN FREE
NO DAIRY. NO SOY.
1L
MILKLAB
ALMOND MILK
MILK FOR COFFEE
AN AUSTRALIAN COLLABORATION DESIGNED TO TEXTURE AND STRETCH WITH COFFEE
1 LITRE

DAIRY BEVERAGE BUSINESS GROUP

During the period, the Group established itself as the largest supplier of UHT dairy products in Australia, following new brand launches and the addition of new customer contracts in Australia and export markets.

BRANDED PORTFOLIO

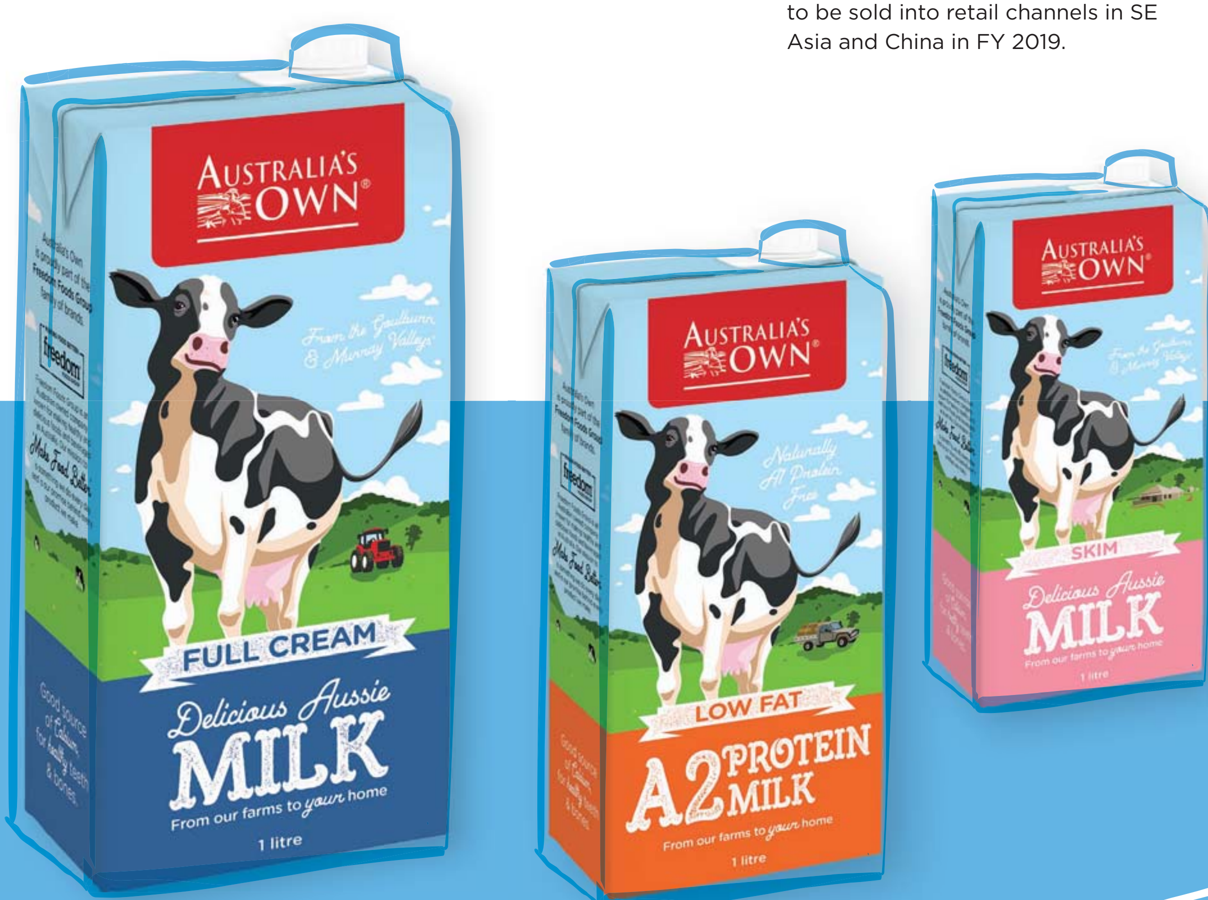
Dairy based branded beverage sales continued the upward sales and profit trend from FY 2017, reflecting increased sales of Australia's Own Kid's Milk and the So Natural and Vitalife brands in domestic food service and export markets.

AUSTRALIA'S OWN DAIRY RANGE

As part of its strategy to build the Australia's Own brand as a leading beverage brand in Australia and key export markets, the Group launched late in FY 2018 a range of Australia's Own UHT dairy milk products, including full fat, lite and skim milk products in 1 litre and 2 litre formats for sale in Australia and export markets.

The launch was led by Australia's Own branded A2 Protein Milk variants and included, from July 2018, UHT cooking cream in portion and 1 litre formats. The Group intends to launch additional A2 Protein Milk products in 1 Litre and portion pack formats, including yoghurt.

Australia's Own Dairy products were stocked on the shelves of major Australian retailers and are expected to be sold into retail channels in SE Asia and China in FY 2019.



AUSTRALIA'S OWN KIDS MILK

Largest imported kid's milk brand in China

The Group commenced production of "Australia's Own" branded "Kid's Milk" to support its launch in China in February 2015 under a long-term brand licensing arrangement with our Chinese partner, Shenzhen JiaLiLe Food Co. Ltd (JLL).

With significant ongoing marketing investment including point of sale promotion, sampling and sponsorship of leading China (CCTV) national children's TV programmes, the product has continued its strong growth trajectory, with the product now the largest imported kid's milk brand in China.

The brand is well established in key cities and provinces in China including Hunan, Hubei, Zhejiang, Jiangsu and Guangdong. The business continues to build distribution and expand into provinces in Northern China.

During FY 2018, the Group installed high speed 200ml capacity at its Shepparton operation to provide for volume demand forecast in excess of 60 million packs in calendar year 2018. Additional capacity will be available at Ingleburn into 2019.

The Group expects the Kid's Milk product and other new product formats to be a significant contributor to growth and profitability.

The AO Kid's Milk product is utilising milk sourced from the Group's Australian Fresh Milk Holdings (AFMH) Moxey Farms operation.

MADE & OWNED

AUSTRALIA'S OWN DAIRY COMPANY CHINA

In May 2018, the Group completed its investment into JLL, to be operated as AO China.

The Group subscribed for an initial 10% investment in AO China for a consideration of RMB22 million (AUD$4.7 million). It retains an option to subscribe for up to an additional 20% of AO China within 3 years from the date of the initial subscription.

The new structure is the first major overseas investment for the Group into an existing Group, providing a stronger strategic link between the existing local managed brand operations in China (sales, marketing, and distribution) and brand production in Australia (R&D, sourcing, processing, and manufacturing). The structure follows similar models established for successful cooperation between Chinese operations and Western companies.

The AO China business has continued to grow strongly since its inception, with sales in calendar 2018 estimated to be upwards of RMB300 million (AUD$60 million). The business has invested significantly in sales and marketing and is expected to be at a break-even profit at the end of calendar year 2018.

AO China will continue to grow Australia's Own branded Kid's Milk products in China, as well as launching other dairy products later in 2018, including a value-added A2 Protein Milk product.

The Group and AO China will work together to utilise sales and merchandising resources to cross-promote their product portfolios, including utilising common distributor relationships in key cities and provinces. As part of this, a jointly operated Tmall flagship store will be established to sell Australia's Own branded dairy including A2 Protein Milk variants and infant formula branded products.

Although the Group holds less than 20% of the equity shares of AO China, the Group exercises significant influence by virtue of its available call option to increase its potential voting rights to 30%. As a result, the Group will recognise in future years its equity share of profit or loss contribution at the current 10% shareholding level.

SO NATURAL & VITALIFE

Fastest growing dairy brands in online and offline channels in China

The Group continues to distribute the So Natural and Vitalife brands in the China market. Sales of So Natural and Vitalife UHT products have continued to grow through cross border ecommerce channels with the major online retailers JD.com and Tmall and through offline channels, including into coffee chains.

SHEPPARTON UHT OPERATIONS

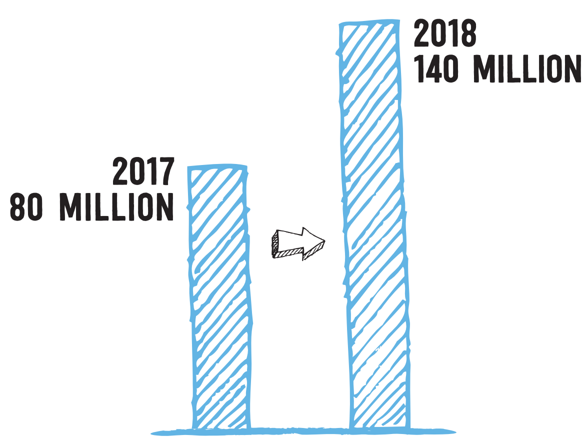
Largest supplier of contract packed milk brands to China and private label milk in Australia

In Australia, the Group supplies a number of long term retail customers that provide a strong base of underlying volume and earnings support.

The Group continues to supply a number of key relationship customers in China including major dairy manufacturers and brand owners. In SE Asia, the Group has also developed other customer relationships in markets such as Hong Kong, Singapore, Philippines and Vietnam.

During the second half of FY 2018, volume throughput at the Shepparton site increased substantially as additional retail, other contract customers and Group branded product supply commenced. Additional volumes will commence during the first half of FY 2019, reflecting demand in Australia, SE Asia and China.

Total dairy milk volume processed for FY 2019 is currently estimated in excess of 250 million litres, a significant increase from volume processed of approximately 140 million litres in FY 2018 and 80 million litres in FY 2017. Sales of dairy based components including cream and milk protein concentrate will also increase.



APPROX. DAIRY MILK PROCESSED
LITRES/PER ANNUM

NEW CAPACITY

Largest investor in UHT dairy technology and capacity in Australia

The Shepparton UHT operations continue to be well placed to benefit from the significant changes occurring in the production structure of the Australian dairy market and the increasing demand from export markets in SE Asia, China and the Middle East.

During FY 2018, the Group finalised installation at Shepparton of additional 1 litre format capacity as well as upgrading processing capability and downstream packaging.

As announced in May 2018, the Group is progressing with a significant capacity upgrade to its Shepparton dairy facility, with a total investment of approximately $33 million (was 29m in May statement). The upgrade of its dairy processing capabilities at Shepparton will increase total dairy milk processing capacity to 500 million litres per annum, up from the current processing capability of approximately 300 million litres per annum.

This significant increase in processing capacity will align and support growth in UHT filling capability at Shepparton to meet demand in domestic and export markets including SE Asia, China and the Middle East. The expanded processing capability will provide flexibility to further increase UHT filling capacity as market demand increases.

Importantly, the expanded processing capability will provide increased flexibility to meet increasing demand for other value-added products streams including functional and medical grade dairy-based beverages, drinking yoghurt and cream (packaged pouring and whipping cream) based on standardised milk formats, to be packaged at Shepparton and Ingleburn.

The planned capital expenditure will include upgrades to site services, raw milk storage, standardising and processing equipment installations. The Group expects the total 500 million litres of processing capability to be fully on stream from July 2019, with increased processing capability available in stages over the next 11 months.

The ability to process increased dairy milk flows, and separate various dairy components, will provide important component streams for the Group's specialised nutritionals platform.

DAIRY SUPPLY - AFMH

Australia's largest single site dairy milking operation

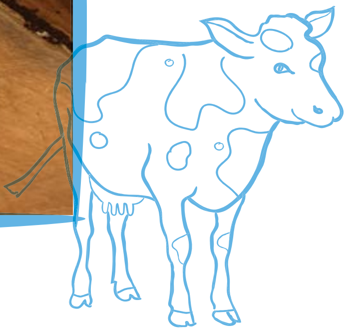
AFMH operates Moxey Farms, a fully integrated dairy farming operation located in the Lachlan Valley, New South Wales, 340 km west of Sydney. Collectively, the combined Moxey and Perich Group's Leppington Pastoral dairy milk production is the largest dairy milking operation in Australia.

FNP has a 10% shareholding in AFMH, with the balance held by the Perich Group's Leppington Pastoral Group Pty Limited (LPC), New Hope Dairy Holdings Co Ltd and the Moxey family. The Group equity accounted 10% of the net profit of AFMH in the period.

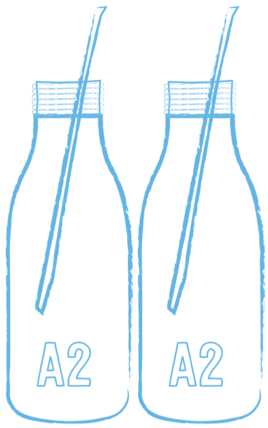
AFMH is currently completing an expansion project at Moxey Farms that began two years ago, allowing carrying capacity to increase from 3,500 to 8,000 milking cows. Milk production has increased from 50 million to 83 million litres and, following completion of the last stage of this project, is expected to increase to 110 million litres per annum. This is part of a long-term plan by AFMH to increase production by a further 100 million litres from additional sites in the Lachlan Valley and elsewhere. The Group intends to utilise a growing proportion of this expanded and new output from Moxey Farms for its Australia's Own Kid's Milk and other dairy product formats.

During the year, the Group invested an additional $4.4 million in equity in AFMH as part of the shareholders contribution to the expansion plans.

The total investment in AFMH at 30th June 2018 was $12.4 million.



DIRECT DAIRY MILK SUPPLY



During the year, the Group expanded its "Freedom Farmers" sourcing strategy, establishing direct supply contracts with dairy farmers in Victoria and Southern New South Wales that produce consistent high-quality dairy milk.

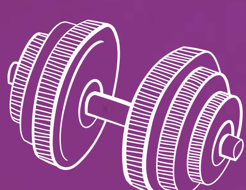
The first direct supply farm commenced supply in August 2017. By August 2018, the Group had more than 40 direct suppliers supplying in excess of 150 million litres per annum. The direct supply strategy seeks to align a multi-year volume, quality and pricing relationship that supports the growth demands of the Group and provides our farmer partners with certainty and a stable revenue basis to invest in their farms.

The Group intends to expand this direct supply strategy to provide for growing milk demand.

The Group is establishing a number of these direct supply farms relationships as A2 protein milk designated suppliers, providing A2 protein milk volume for increasing demand in Australia and export markets, including value added capabilities in cream, yoghurt and nutritional products.

NUTRITIONALS BUSINESS GROUP

The Group is leveraging its significant and growing dairy capabilities to build a branded high margin product portfolio in specialty nutritional products with the potential for a material contribution to sales and earnings from FY 2020.



As part of this, the Group is well progressed on the construction of the first stage of a specialised nutritionals platform aligned to the dairy UHT operations at Shepparton, that will provide for protein standardisation and the ability to manufacture high grade protein components for use in our branded products and for sale to key strategic customers.

The new product and revenue streams will be derived from a milk input already accounted for in the UHT operations.

With a significant opportunity for sales and earnings contribution from this new area of business, the Group is investing in dedicated capabilities including sales, marketing, product development and technical resources.

The first stage protein fractionation and drying capability will be commissioned later in calendar year 2018, with a potential for a material contribution to sales and earnings in FY 2020.

The ability to add value to our existing nutrition brands and expand further across the nutritional products spectrum is a key part of the Group's strategy.

PERFORMANCE NUTRITION BRANDS

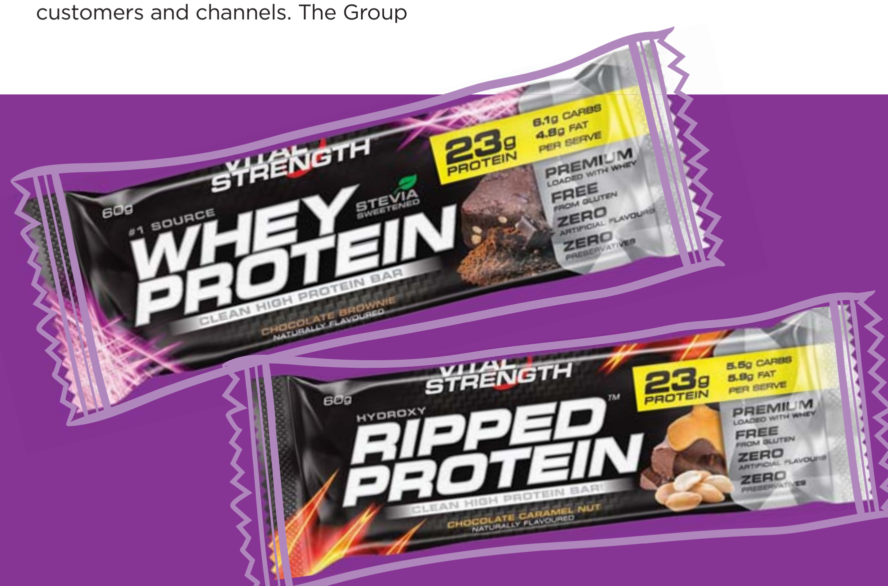
Following acquisition in May 2017, the Group has operated the Vital Strength and UProtein brands that market a range of performance and adult nutrition products. The Vital Strength brand is recognised as a leader in high quality nutrition products, sold through retail grocery, pharmacy and fitness retailers in Australia.

The Group manufactures all its protein powders at its own blending and packing facility in Marrickville, Sydney.

The Vital Strength business activities provide the Group with a strong base to expand its brand and category segment offering into the performance and adult nutrition market in Australia, China and SE Asia, leveraging existing retail customer and distribution capabilities. Importantly, it provides a unique vertical integration to the Group's dairy nutritional capabilities.

During the year, the Vital Strength brand increased sales in all key customers and channels. The Group also successfully launched a range of snacks and beverages to complement the existing Vital Strength range of protein powders and supplements. The products are performing well and are expected to gain increased ranging and distribution during calendar year 2018. While contributing to sales, these new products in bar and beverage formats had a lower contribution margin compared to powders, reflecting current sourcing arrangements with contract manufacturers. The Group expects the new products will be manufactured internally during calendar year 2019.

In the medium term, the business will benefit from sourcing internally key dairy protein ingredients from the dairy nutritionals platform at Shepparton. This will lead to significant cost improvements and further efficiencies, including additional product claims not available to other competitors.



CRANKT PROTEIN BRAND

In February 2018, the Group entered into an exclusive distribution agreement for the Crankt Protein brand for a minimum period of three years, with rights to acquire the brand based on sales performance. Following discussions with the brand owner and based on growth in sales since commencement of the distribution arrangement, the Group announced in August this year that it decided to bring forward the acquisition of the brand.

The Crankt Protein brand markets a range of mainstream nutrition products, including beverages and snack bars. The Crankt Protein range is sold through petrol and convenience, fitness retailers and retail grocery in Australia and New Zealand.

The Crankt brand provides for an everyday mainstream consumer proposition, aligned to the Freedom Foods Vital Strength brand which is positioned as a premium brand in the sports and nutrition category.

The Crankt brand has strong distribution into petrol and convenience chains which provides an opportunity for Freedom Foods to leverage distribution of its expanding product range into this growing channel. In FY 2018, petrol and convenience channels in Australia accounted for 50% of total Crankt brand sales.

Importantly, the Crankt brand provides a unique vertical integration opportunity to the Group's expanding packaging capabilities in beverage and bar formats and sourcing of protein ingredients from internal dairy nutritional capabilities coming online at Shepparton in early 2019.

The acquisition consideration was a gross value of $3.6 million. After deductions for working capital loans and other offsets, the net cash consideration payable was $2.4 million. The gross purchase value of $3.6 million is estimated to equate to a price to gross sales multiple of 0.5x on FY 2019 forecast sales.

INFANT NUTRITION

The Group launched in July 2018 a new range of early stage nutrition products in Australia and within its existing distribution base in SE Asia.

Australia's Own Diamond pro+ Premium Infant Formula, Follow-On Formula and Toddler Milk Drink have been formulated based on the latest nutritional and scientific evidence within early stage nutrition.

The range includes a unique combination of both probiotics and prebiotics – the good bacteria in the gut and the food they need to thrive – as well as a wide range of vitamins, minerals and other nutrients.

Australia's Own Diamond pro+ Premium range (Stage 1, 2 and 3) was launched exclusively in Coles Supermarkets across all stores nationwide from August 2018.

Based on early sales data, the Australia's Own Diamond pro+ Premium range is achieving higher sales rates over comparable new entrants in the last 24 months.

In Singapore, Australia's Own "Diamond" Infant Formula was launched exclusively with the largest supermarket chain in Singapore, FairPrice, in June 2017. Strong support for the launch from FairPrice and the Singapore government has seen a strong consumer response, with repeated orders over the past 12 months. The new Australia's Own Diamond pro+ range (Stage 1, 2 and 3) will be distributed into Singapore, with registrations underway for new markets in SE Asia expected to provide increased distribution opportunities.

The Group is working with AO China to formulate launch plans for China over the next 12 months.

BLENDING & PACKING CAPABILITIES

Aligned to the Group's investment in value added protein capabilities, the Group will commence construction in early 2019 of a blending and packing facility at its Shepparton site to package product formats in performance, adult and infant nutrition.

Aligned to these capabilities, the Group is well progressed with one of its China based partners for potential cooperation on certification of the proposed facility once completed with the China Food and Drug Administration (CFDA) for the sale of infant and other products to China.

With these capabilities established, the Group's site at Shepparton would comprise a unique vertically integrated dairy processing facility, with capability to package milk and speciality powder products utilising the value chain derived from its core milk supply.

CEREALS & SNACKS BUSINESS GROUP

Changing the face of healthy cereals & snacking

AUSTRALIA

Number 1 health food cereal brand and growing

Freedom Foods branded products delivered sales growth in its Cereal and Snacks segments compared to the prior year period.

Further innovation in value added cereals and snacks, including products developed for on the go channels in food service were launched from August 2017. These include the Messy Monkeys kids snacking range, Barley+ cereals and snacks, and Crafted Blends snacks.

Messy Monkeys is the No 1 selling “new” brand in the health food section of supermarkets and is expanding through popcorn and extruded snacks variants. Expanded distribution across general merchandise stores is expected in the first half of FY 2019.

Growth in traditional format products following product and format renovation, as well as stronger engagement with retailer customers, saw the business grow its share of the Health Cereal category, with a +40% market share.

The Freedom Foods Arnold’s Farm brand achieved growth in its oat based cereal products through its exclusive distribution in Woolworths supermarkets.

The Freedom Foods business is the category leader in the Health Food section of retail supermarkets. Our expanding innovation, product range and formats through our manufacturing capabilities provides a unique opportunity to continue to build the Freedom Foods brand as a leading and trusted brand for healthier tasty cereal and snacks options.

In June 2018, the Group launched an expanded range of Freedom Foods branded cereals and snacks in the mainstream retail channels in Coles Supermarkets under the brands Heritage Mill and Brekky Heroes. These brands provide a range of great tasting “better for you” oat based cereals and snacks. Since introduction, the products have performed well and above Group expectations. The Group expects the range of products and formats to be expanded into FY 2019.

CHINA & SOUTH EAST ASIA

Fastest growing Australian cereal brand on Alibaba's Tmall

Within the online cereal category, sales have progressed well, with further growth achieved and increasing brand recognition in this small but growing category in China.

The Freedom Foods Arnold's Farm brand remains one of the top three oat cereals on Tmall International. In offline distribution, the Arnolds Farm brand is now sold in more than 4,000 outlets across China.

The market for oat based cereal products in China, including cluster and premium muesli porridge formats, is expected to grow, driven by demand for better quality oats in existing consumption formats, and also changing consumption patterns. The Group believes its sourcing and conversion capabilities uniquely position it to build a significant branded business in high quality imported oat based cereal and snacks.

The Group has increased its investment in building direct sales representation to expand distribution of its key brands, including Arnold's Farm in traditional offline distribution channels in key tier 1 and tier 2 cities. Since December 2017, the Group has built its direct sales team in China to 50 personnel from 12 as at June 2017.

NORTH AMERICA

Emerging specialty food and beverage capability in the USA

Effective 1 January 2018, the Group restructured its business operations in North America to provide for an acceleration of its sales and earnings base.

The Group's partnership with North American group AFT Holdings has been established through a new entity that will form part of the Specialty Cereal and Snacks Business Group. Via this entity, AFT Holdings acquired a 25% equity ownership of the Group's North American operations. The Group holds the remaining 75% equity ownership with rights to acquire AFT Holdings's interest over a 3 to 5 year period.

The Group and AFT are investing together in building a stronger local experienced team in sales, operations and finance. AFT Holdings will provide back office administrative resources. Under the new ownership arrangements, the Group will expand the offering of the Group's branded products, going beyond the traditional allergen free base, and leveraging its unique global position in healthy cereals and snacks.

As part of this strategy, the Group launched the Barley+ cereal range in retail grocery in the USA from July 2017. Additional business has also been secured in both branded and private label supply with Trader Joe's, ranging a number of cereal products from March 2018. The Group also intends to launch its Messy Monkey range over the next 12 months.

FREEDOM FARMERS

Building a fully integrated paddock to plate provider

Australian sourcing of all key grain-based ingredients including oats, barley and maize, and Australian manufacturing, is expected to be a key source of competitive advantage for the Group.

As part of ensuring best quality and growth in supply of key grains to the Group's cereal and snack production facilities, the business expanded its Freedom Farmers grains supply platform, with a number of key farmer groups engaged to build the Group's specialised grains supply platform over the coming years that will guarantee our strategy of being a high quality integrated paddock to plate provider.

The Group has sufficient supply of key grain raw materials for the balance of FY 2019. The Group continues to monitor any potential impact on supply for FY 2020 from current dry growing conditions in NSW and parts of Victoria.

SPECIALTY SEAFOOD

Number 1 sardine brand in Australasia and growing salmon sales

Brunswick Sardines maintained its No. 1 brand leadership position in Australia and New Zealand.

The Paramount Salmon brand performed well during the period, with strong growth in market share (24% share in 1 retailer +26% growth on prior year period) across red and pink salmon segments.

As a result of this growth, the Group has also been successful in securing re-ranging of the Paramount Salmon brand in Coles Supermarkets from the second half of FY 2019.

The benefit of strong sales growth in the period was partially offset by unfavourable cost of goods and exchange rate on purchasing in salmon and sardines, which adversely impacted net contribution during the year.

The business remains focused on positioning for growth in calendar year 2018 through category leadership of the Specialty Seafood channel, including a number of new products to be launched under the Brunswick brand and increases in retail distribution.

During the period, the Group established a dual supply base for Atlantic sourced sardines to reduce exposure to a single fishing area. As part of its relationship with AFT Holdings, the Group will utilise the Freedom Foods North America structure to set up a direct procurement capability for all seafood sourcing.

HEALTH CARE PRACTITIONER NETWORK

To support the Group's expanding nutritional product capabilities, it has continued to invest in a health care practitioner education program, led by Dr Sonja Kukuljan PhD, Group Nutrition Manager. The strategy includes promoting strong scientific credentials behind the Group's key products to the health care practitioner network in Australia and North America, with plans to expand further into China and SE Asia in the medium term. This capability is being leveraged for key products including Australia's Own infant formula range, Barley+, Messy Monkeys and other key nutritional products in the future.

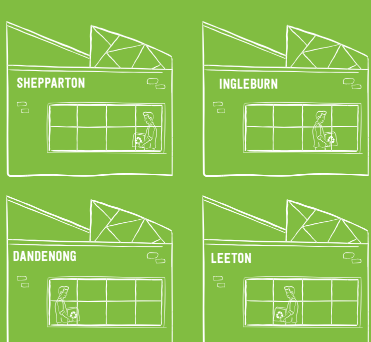
INNOVATION CAPABILITIES

The Group will continue to be a leading innovator in its chosen product and channel segments.

As part of this, the Group continues to invest significantly in its innovation capabilities across its business groups, including the appointment of product development personnel. This investment, aligned to its significant capital investment in manufacturing capabilities, provides a strong base to accelerate new product development pipelines.

A total of 70 products were launched from August 2017. Approximately 40 new branded products will be launched across the business groups from October 2018. Further innovation is being developed for Australia, China and SE Asian markets.

CAPITAL EXPENDITURE



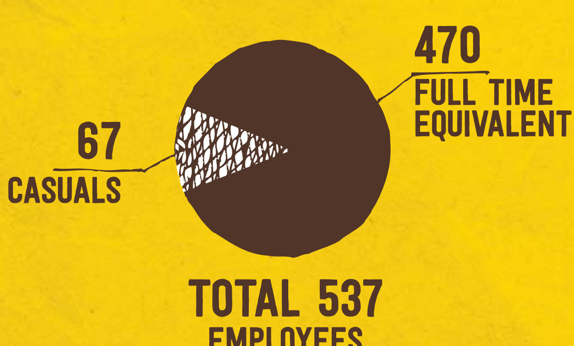
The Group has substantially completed a capital expenditure program of $370 million over the last three years. This has included construction of two greenfields sites at Shepparton (nutritionals) and Ingleburn and incremental development of our two other sites at Leeton and Dandenong as well as investment in supporting technology platforms.

The capital expenditure now provides a strong operational platform to significantly increase the Group's sales and operating financial returns.

The expenditure in FY 2018 is expected to be the high point in a major program expected to be largely completed by the end of FY 2019. Ongoing operational capital expenditure through FY 2019 will relate to new capability and/or product format expansion within our key operating sites at Ingleburn and Shepparton. The Group will continue to build on these sites as our primary operating platforms for the future, providing operating efficiencies through maximising common overhead and expense base.

CORPORATE & GROUP MANAGEMENT

OUR TEAM



As at 30 June 2018, the Company has seen an increase in employees tracking in line with the growth of the Company. The Company has 537 employees, compromising of 470 full time equivalent employees and 67 casual employees across Australia, China, South East Asia and North America.

EMPLOYEE IN FOCUS 2018

Jelica Topalovic AND Maria Makris

(featured below)

Each year Freedom Foods recognises the extraordinary contribution of staff members to the success of the business whom have exceeded expectations and gone above and beyond to help the Company achieve the successes to date.

We are fortunate to have people throughout the Company that are committed to our mission and every day make an extraordinary contribution.

This years "Employee in Focus" is a joint award to Jelica Topalovic and Maria Makris.

They have both delivered in a significant way this past 12 months, including driving implementation of a new ERP system at our Dandenong site, managed 24/7 plant requirements, identified significant cost savings from strategic partnerships with key suppliers and assisted the Shepparton management team in a period of significant growth and much more. They have never once complained that they have had to work away from home, work long hours and have been prepared to take on more. All in the name of helping build a great Company.

Jelica and Maria both exhibit those characteristics of what we call the "Freedom Way".

DIVERSITY & INCLUSION

> **"...increase of 4% of females in senior management positions"**

The Company is committed to diversity across the Group and recognises how diversity contributes to the Company's growth, capabilities and attracting and retaining high performance talent. The Company is dedicated to providing an inclusive culture, irrespective of gender, age, ethnicity, race, religion or sexual orientation.

The Company is dedicated to:

- actively managing diversity as a means of enhancing performance by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees; and
- a high performance culture that accepts, recognises and promotes a diverse workforce.

The Company's Diversity Policy is located on the Company website http://ffgl.com.au/our-business/corporate-governance/.

As at 30 June 2018, females represent 34% of the Company's workforce (2017: 38%). During the year, there has been an increase of 4% of females in senior management positions across the Company representing 42% of the Company's workforce (2017: 38%).

Representation of females as at 30 June 2018

POSITION	NUMBER	% FEMALES
Key Management Personnel	0	0%
Senior Management positions	9	42%

QUALITY & FOOD SAFETY

Quality and food safety is the foundation for the ongoing success of the Group.

The Group strives to achieve quality across the business through the products, services and people. Quality and food safety is intrinsic to the business philosophy and culture. The quality and safety of the products, as well as meeting the requirements of the customers, are of the highest priority to the Group.

The Group is committed to the ongoing review of the food safety and quality objectives and has a focus on continuous improvement by constantly reviewing and challenging the Quality and Food Safety Management Systems, as well as utilising improvement methodologies to ensure delivery on the Group's quality commitment.

The Group has a range of certification and regulatory bodies independently auditing our sites regularly to the following standards but not limited to:

- Regulatory audits: State based Food Authority audits and Export Registered Facilities audit via the Department of Agriculture;
- Global Food Safety Initiative (GFSI) Standards such as Safe Quality Food (SQF) and British Retail Consortium (BRC);
- HACCP Certification complying with requirements of Codex Alimentarius Alinorm: 2003/13A
- Retailer and Customer standards;
- Product specific standards: Australian Certified Organics and Gluten-Free Certification program;
- Registered and Compliant with FDA (Food and drug administration) for sites exporting into North America;
- We continue to review our certification requirements specifically for requirements for export markets. We have also achieved British Retail Consortium (BRC) certification for our newly commissioned Ingleburn facility.

We have now completed phase 1 of our Cloud Based Quality Management System "Qumulus" including:

1. Document control
2. Certification and specification document management
3. Corrective and preventative action management
4. Internal Audit program and monitoring
5. Vendor Assurance
6. Quality Key measures and monitoring
7. Quality Control
8. Management of consumer enquiries

This has provided a solid foundation for our Quality Management System framework allowing us to use objective data to implement continuous improvement strategies.

We will continue to review and implement further enhancements moving forward to our systems.

TALENT & TECHNOLOGY

The Group continued to make investments in people and capability to ensure the Group can implement and manage growth. During the period, we invested in talent and capability in sales and innovation across beverage, cereal and snacks capability as well as operations, finance, legal and compliance.

For our expanding capital project initiatives, we increased our capability to manage and install our key pieces of equipment, an investment that will provide for ongoing capability at our sites, reducing reliance on 3rd party providers. All our major installations, including the Ingleburn operation, have been managed by our own teams, with no external builders or project managers. This provided a significant time and cost saving to the Group.

We are developing our people and talent identification processes to align with the Group's rapidly expanding sales and operational platform.

During FY 2018, the Group further progressed on the transformation of its IT/ERP systems. Further investments in technology will be made to ensure we increase efficiency and productivity.

CAPITAL MANAGEMENT

Liquidity and Finance Facilities

The Group held cash of $98.1 million at 30th June 2018, with total borrowings of $134.2 million, comprising term facilities, equipment finance leases and working capital facilities. Net debt at 30th June 2018 was $36.1 million, with a net debt to equity ratio of 6.8%.

Cash generated from operations was $37.0 million, an increase of $26.2 million from the prior year period. Cash receipts included the impact of changes to the working capital financing structure of the Group at December.

As outlined at December 2017, the Group funded a significant increase in working capital requirements to allow for the smooth transition of production from Taren Point to Ingleburn, including raw materials, packaging, labour, associated costs and the cost of discontinued operation. The Company invested in working capital for new product launches in the fourth quarter of FY 2018.

During the period, the Group invested $129.4 million in capital expenditure relating to the balance of construction and equipment payments, commissioning and related costs for the new facilities at Ingleburn, capital expenditure on plant and equipment at Shepparton and Leeton, technology platform development, and deposits for committed capital expenditure relating to expanded capital projects committed to in the second half of FY 2018.

In December 2017, the Group completed the sale and leaseback of the Ingleburn land and buildings and the entering into of a new syndicated banking facility. Ownership of plant and equipment at Ingleburn remains with the Group. Following shareholder approval of the sale and leaseback of the Group's Ingleburn land and buildings for a net consideration of $74.9 million, the transaction was completed contemporaneously with the Group entering into a new three year $236 million syndicated banking facility with its long-term banking partners HSBC and NAB. The facility creates a more flexible group finance and liquidity structure that will provide for the working capital and capital expenditure needs of the business that will be required to support continued revenue growth.

Dividends

Consistent with the positive forward outlook for the Group's performance, the Group will pay a partially franked final dividend of 2.75 cents per ordinary share in November 2018, an increase of $0.50 cents per share from the final dividend per ordinary share paid in November 2017.

The Group intends to pay only a 50% franked dividend for any dividends relating to FY 2018 and FY 2019. This results from the Group forecasting reduced tax payments as it utilises tax losses from acquisitions and accelerated tax depreciation benefits from current investment phase. The Group anticipates a return to paying fully franked dividends from increased profits from FY 2020.

The record date for determining entitlements is 5th November 2018 and the payment date is 30th November 2018.

The Group's Dividend Reinvestment Plan (DRP) remains open.

The Group will pay a partially franked final convertible redeemable preference share dividend in accordance with the terms of the convertible redeemable preference shares. The record date for determining entitlements is 5th November 2018 and the payment date is 30th November 2018.

There are 101,627 converting preference shares remaining on issue at 30th June 2018.

GROUP OUTLOOK

Building a global food and beverage business based in Australia

The Group is increasingly well positioned to strategically build into a major global food and beverage business with scale in key food and beverage platforms, providing diversification in sales, together with earnings growth, from key markets and channels in Australia/New Zealand, China, SE Asia and North America.

Our key brands Australia's Own and Freedom Foods will be at the forefront of driving our returns from our innovation and manufacturing capabilities in Australia and international markets.

The Group has created a unique supply and manufacturing footprint in its key categories. We believe the ability to control supply and manufacturing inputs, quickly deliver innovation across a range of product formats for our brands and our key customers is a key strategic advantage in the medium to long term, particularly in value adding to Australia's unique agricultural base. While this has required significant capital investment and patience, we are now beginning to see the operating and financial benefits of our $350 million capital expenditure programme and will continue to invest to enhance these outcomes.

The completion of our new plant and dairy beverage capabilities at Ingleburn in Sydney is delivering improvements and will contribute materially to increases in sales and profitability over the medium term, with further growth opportunities through meeting the increasing demands of our brands as well as our private label and other branded customer base.

With a large and significantly increasing base of dairy volume within the Group, the focus is on driving the dairy business towards specialty and high value-added products. The development of a specialised nutritionals platform at Shepparton aligned to the dairy UHT operations will provide for protein standardisation and the ability to separate milk into industrial grade pure protein components for use in our branded products and for sale to key strategic customers. The Vital Strength performance nutrition brand and ability to expand further across the nutritional products spectrum is a key part of this strategy and will materially contribute to sales and earnings in the medium term.

The cereal and snacks business is strategically well positioned to build a significant growth platform in multiple products, channels and distribution across Australia/NZ, China, SE Asia and North America.

Our operating profits will increase through the investment cycle, balanced against a requirement to invest in people, systems and process to manage a scaled and diversified business platform.

As outlined in July 2018, based on the current portfolio, product range and new contracts for key customers coming on stream in the first half of FY 2019, the Group expects net sales revenue in FY 2019 to be in the range of $500 million to $530 million.

The Group continues to experience strong demand across its business activities in Australia, China and SE Asia. This growing demand in dairy, plant-based beverage, cereal and snacks reflects the positive impacts on the Group of structural change in the Australian dairy industry, demand from customers for the products produced via the Group's expanded operational footprint and increasing brand penetration providing for increased market share in key channels and categories in Australia, SE Asia and China.

Major capital expenditure projects, including the upgrade to the Shepparton UHT operation, nutritionals, yoghurt and UHT bottle capabilities are generally on plan.

New product revenue streams from these major capital expenditure projects are expected to materially positively impact sales and earnings into FY 2020 and beyond.

FINANCIAL REPORT

Freedom Foods growing through health & wellness

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Freedom Foods Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

DIRECTORS

The following persons were directors of Freedom Foods Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Perry R. Gunner - Chairman (Non-Executive)

Rory J.F. Macleod - Managing Director and Chief Executive Officer (Executive)

Anthony M. Perich - Deputy Chairman and Director (Non-Executive)

Ronald Perich - Director (Non-Executive)

Trevor J. Allen - Director (Non-Executive)

Michael R. Perich - Alternate Director for Anthony M. Perich and Ronald Perich (Non-Executive)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- sourcing, manufacturing, selling, marketing and distribution of plant and dairy based beverages;
- sourcing, manufacturing, selling, marketing and distribution of nutritional products;
- sourcing, manufacturing, selling, marketing and distribution of specialty cereal and snacks;
- selling, marketing and distribution of canned specialty seafood; and
- investment in large scale dairy farming operations.

The Group operates sales, marketing and distribution activities in Australia, New Zealand, China, South East Asia and North America.

There were no significant changes in the nature of the principal activities during the financial year.

DIVIDENDS

Dividends paid during the financial year were as follows:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Final fully franked dividend for the year ended 30 June 2017 of 2.25 cents per ordinary share paid in cash (2016: 2.25 cents)	1,429	1,048
Dividends reinvested: fully franked at 30% tax rate	3,095	3,050
Interim fully franked dividend for the year ended 30 June 2018 of 2.25 cents per ordinary share paid in cash (2017: 2.00 cents)	1,405	1,560
Dividends reinvested: fully franked at 30% tax rate	3,132	2,439
Final fully franked dividend for the year ended 30 June 2017 of 1.35 cents per convertible redeemable preference share (2016: 1.35 cents)	1	1
Interim fully franked dividend for the year ended 30 June 2018 of 1.35 cents per convertible redeemable preference share (2017: 1.35 cents)	1	1
	9,063	8,099

On 30 August 2018, the directors declared a 50% franked final dividend of 2.75 cents per share to the holders of fully paid ordinary shares in respect of the financial year ending 30 June 2018, which is to be paid to shareholders on 30 November 2018. The record date for determining the entitlement to the final dividend is 5 November 2018. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $6,710,000.

On 30 August 2018, the directors declared a 50% franked final dividend of 1.35 cents per to the holders of the convertible redeemable preference shares in respect of the financial year ending 30 June 2018, which is to be paid to shareholders on 30 November 2018. The record date for determining the entitlement to the final dividend is 5 November 2018. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $1,372.

REVIEW OF OPERATIONS

The profit for the Group after providing for income tax and non-controlling interest amounted to $12,715,000 (30 June 2017: $7,451,000).

Refer to the commentary in the Managing Director's and CEO's Review of Operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 31 July 2018, the Company entered into a share sale agreement to purchase Crankt Protein customers and intellectual property from DNA Brands Pty Ltd, an Australian based distributor and brand owner in the mainstream nutrition products category, including beverages and snacks bars. The Crankt Protein range is sold through retail grocery, petrol and convenience and fitness retailers in Australia. The Company had previously entered into an agreement on 27 February 2018 to be the exclusive distributor of the Crankt Protein brand and with the right to acquire the brand. The cash gross purchase price is approximately $3.5 million.

Apart from the dividend declared as disclosed in Note 23 and the purchase of Crankt Protein, no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In future years, the Group expects to grow further through organic sales development, leveraging its expanding capabilities manufacturing, product development, sales, marketing and distribution in its core business activities. Growth beyond Australia and New Zealand will be targeted through key export markets in Asia (China and South East Asia) and North America, either through group owned capabilities or through strategic alliances and partnerships.

ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulation under the laws and regulations of the Commonwealth, State and local council.

- There were no material breaches of environmental laws, regulations or permits during the year.
- The Group is currently operating in accordance with local councils' consent in regard to hours of operation.

INFORMATION ON DIRECTORS

Name: Mr Perry R. Gunner.

Title: Chairman and Non-Executive Director (Independent).

Qualifications: B.Ag.Sc, Grad Business Administration.

Experience and expertise: Perry is former Chairman and CEO of Orlando Wyndham Wine Group and was appointed Chairman in July 2006.

Other current directorships: Non-Executive Director of Australian Vintage Ltd.

Former directorships (last 3 years): None.

Special responsibilities: Chairman of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee.

Interests in shares: 1,126,452.

DIRECTORS' REPORT

Name: Mr Rory J.F. Macleod.

Title: Managing Director and Chief Executive Officer.

Qualifications: B.Econ (Hons).

Experience and expertise: Rory has been with the group for the past 15 years with direct responsibility for and involvement in the Company's strategic, operational and financial development during this time. He is a former Senior Director, corporate finance for SBC Warburg (now UBS) in Australasia and Europe where he gained extensive experience in strategy and commercial development, mergers and acquisitions and corporate analysis. Prior to his corporate finance background, Rory was an Equities Research Analyst with SBC Warburg (now UBS). Rory was appointed as an Executive Director in 2008 and appointed Managing Director and CEO in August 2012.

Other current directorships: Non-Executive Chairman, Australian Fresh Milk Holdings Pty Limited (AFMH) and its subsidiaries. A director of operating subsidiaries of Freedom Foods Group Limited.

Former directorships (last 3 years): None.

Special responsibilities: None.

Interests in shares: 1,899,806.

Interests in options: Employee Share Options 2,500,000 @ $2.92.

Name: Mr Anthony M. Perich AM.

Title: Deputy Chairman and Non-Executive Director.

Experience and expertise: Anthony is a Member of the Order of Australia. He is joint Managing Director of Arrovest Pty Limited, Leppington Pastoral Company, one of Australia's largest dairy producers, and various other entities associated with Perich Enterprises Pty Limited. He is also a property developer, farmer and business entrepreneur. Outside of the Perich Group, Anthony holds a number of other directorships which include Greenfields Narellan Holdings, East Coast Woodshavings Pty Limited, Breeders Choice Woodshavings Pty Limited, Austral Malaysian Mining Limited and Inghams Health Research Institute. Memberships include Narellan Chamber of Commerce, Narellan Rotary Club, Urban Development Institute of Australia, Urban Taskforce, Property Council of Australia, past President of Narellan Rotary Club and Past President of Dairy Research at Sydney University. He was appointed as a director in July 2006.

Other current directorships: None.

Former directorships (last 3 years): Austral Malaysian Mining Limited, Pulia Mining Sdn Bhd (Malaysia).

Special responsibilities: Deputy Chairman.

Interests in shares: 131,360,058.

Name: Mr Ronald Perich.

Title: Non-Executive Director.

Experience and expertise: Ronald is joint Managing Director of Arrovest Pty Limited, Leppington Pastoral Company, one of Australia's largest dairy producers, and various other entities associated with Perich Enterprises Pty Limited. He is also a property developer, farmer and business entrepreneur. Former Director of United Dairies Limited. He was appointed as a director in April 2005.

Other current directorships: None.

Former directorships (last 3 years): None.

Special responsibilities: Member of the Audit, Risk & Compliance Committee and member of the Remuneration & Nomination Committee.

Interests in shares: 131,360,058.

Name: Mr Trevor J. Allen.

Title: Non-Executive Director (Independent).

Qualifications: B Comm (Hons), CA, FF, FAICD.

Experience and expertise: Trevor has over 40 year's experience in the corporate and commercial sectors, primarily as a corporate and financial adviser to Australian and international public and privately owned companies. Trevor is an independent Non-Executive Director of Peet Limited, where he chairs its Audit and Risk Management Committee and is a member of its Remuneration Committee. He is an independent Non-Executive Director of Eclipx Group Limited, where he also chairs its Audit and Risk Management Committee and is a member of its Remuneration Committee. Trevor has recently been appointed as a Non-Executive Director of TopCo Investments Pte Ltd, a Singapore company which is the holding company of Real Pet Food Company Limited. Trevor also recently resigned his role as a Non-Executive Director of Brighte Capital Pty Ltd as a planned transition following the completion of it's third capital raising.

Prior to Trevor's Non-Executive roles, he had senior executive positions in the investment banking and corporate advisory sector, including Executive Director – Corporate Finance at SBC Warburg (now UBS) for over 8 years, Director at Baring Brothers Australia for one year and as a Corporate Finance Partner at KPMG for nearly 12 years. At the time of his retirement from KPMG in December 2011, he was the lead partner in its National Mergers and Acquisitions group. From 1997 – 2000 he was Director - Business Development for Cellarmaster Wines, having responsibility for the integration and performance of a number of acquisitions made outside Australia in that period. He was appointed as a director in July 2013.

Other current directorships: Non-Executive Alternate Director, Company Secretary and Public Officer of Australian Fresh Milk Holdings Pty Limited and Fresh Dairy One Pty Limited. Non-Executive Director of Peet Funds Management Limited and Peet Flagstone Pty Limited.

Former directorships (last 3 years): Juvenile Diabetes Research Association, AON Superannuation Pty Ltd, Brighte Capital Pty Ltd and Yowie Group Limited and Yowie Hong Kong Holdings Pty Limited.

Special responsibilities: Chairman of the Audit Risk & Compliance Committee and a member of the Remuneration Committee.

Interests in shares: 118,350.

Name: Mr Michael R. Perich.

Title: Alternate Non-Executive Director.

Qualifications: B AppSci (SysAg).

Experience and expertise: Director of Arrovest Pty Limited, Leppington Pastoral Company, one of Australia's largest dairy producers, and various other entities associated with Perich Enterprises Pty Limited. Former Director of Contract Beverages Packers of Australia Pty Limited, a joint venture controlled equally by the Company and Arrovest. Michael is a graduate Member of the Australian Institute of Company Directors post nominals. He was appointed as an alternate director in March 2009.

Other current directorships: Non-Executive Director of Australian Fresh Milk Holdings Pty Limited, Milk Holdings Pty Limited, Fresh Dairy One Pty Limited, Australian Fresh Milk Pty Limited.

Former directorships (last 3 years): None.

Special responsibilities: None.

Interests in shares: 131,360,058.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

DIRECTORS' REPORT

COMPANY SECRETARY

Mr Campbell Nicholas is the Company Secretary and Chief Financial Officer. Campbell has been a Certified Practicing Accountant for 26 years.

Amber Stanley, Group General Counsel and Head of Regulatory Compliance is Assistant Company Secretary.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	FULL BOARD		AUDIT, RISK & COMPLIANCE		REMUNERATION & NOMINATION	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Perry R. Gunner	10	10	3	3	1	1
Rory J.F. Macleod (i)	10	10	3	3	1	1
Anthony M. Perich	9	10	-	-	-	-
Ronald Perich	10	10	1	3	1	1
Trevor J. Allen	10	10	3	3	1	1
Michael R. Perich	9	10	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

(i) Rory J.F. Macleod attended the Audit, Risk and Compliance Committee meetings at the invitation of the Audit, Risk and Compliance Committee.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Group performance, shareholder wealth and directors and key management personnel remuneration
- Additional disclosures relating to key management personnel

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration arrangements for key management personnel of the Company and Group ("the Directors and Executives") are set competitively to attract and retain appropriately qualified and experienced Directors and Executives. As part of its agreed mandate, the Remuneration and Nomination Committee obtains independent advice when required on the appropriateness of remuneration packages given trends in comparable companies and the objectives of the Group's remuneration strategy.

No independent advice was obtained in relation to the FY 2018 year.

The remuneration structures explained below are designed to attract suitably qualified candidates. The remuneration structures take into account:

- The capability and experience of the Directors and Executives;
- The Directors and Executives' ability to control the relevant operational performance; and
- The amount of incentives within each Director and Executive's remuneration.

MANAGING DIRECTOR AND EXECUTIVES

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

The Managing Director and Executives remuneration levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers the overall performance of the Group and the individual.

PERFORMANCE BASED REMUNERATION

Performance based remuneration is at the discretion of the Remuneration and Nomination Committee. These can take the form of share scheme interests or cash bonuses although the Company's preference is to link performance and service to a Long Term Incentive Plan (LTIP). Approval was given at the Annual General Meeting in November 2016 for the adoption and establishment of the Freedom Foods Equity Incentive Plan (EIP) to replace the Company's existing Employee Share Option Plan (ESOP) for any new issue of securities under the LTIP. The ESOP will be terminated once all unexercised options under the ESOP have either exercised or lapsed.

The EIP allows the Company to grant a range of different share scheme interests to all directors (excluding Mr Ronald and Anthony M. Perich) and permanent full time or part time employees, or their respective nominees, of a company in the Group (Group Companies), which includes related bodies corporate of the Company and a body corporate in which the Company has voting power of 20% or more, whom the Board determines to be eligible to participate. The Board believes that share scheme interest grants are appropriate to aligning key executive performance with long term performance and growth of the Company. These share scheme interests include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The Company's preferred method of providing long-term incentives to senior employees is via the issuance of options over unissued shares in the Company. The exercise price of such options will generally reflect the market price of the shares in the Company at the time of the award. For options issued from and including the 2015 options, the options cannot vest until specific performance criteria have been achieved and a defined minimum employment tenure has been served. The details of the performance criteria applied to options issued from 2015 is based upon achievement of predetermined earnings targets and a minimum employment tenure having been served.

The Company's view is that Executives and senior employees should be sufficiently motivated by the number of and terms of the options granted to them. The Company does not currently provide a short-term incentive arrangement to Executives and senior employees. Executive performance and contribution to the operating and financial performance of the Company on an annual basis is reflected in the number of options awarded to them. It is intended that options will now be issued to Executives and senior employees on an annual basis where performance warrants.

Short-term incentives are provided to certain employees other than Executives and senior employees. From time to time the Company at its discretion also makes issues of shares to employees generally under the $1,000 tax concessional treatment.

NON-EXECUTIVE DIRECTORS

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at an Annual or Extraordinary General Meeting. Total fees for all Non-Executive Directors, last voted upon by shareholders in November 2016, was not to exceed $750,000 in total. Total fees paid to Non-Executive Directors for 2018 was $533,750 (2017: $464,055). To align director interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

For the year ended 30 June 2018, the Chairman receives approximately 1.2 times the base fee of Non-Executive Directors. The Deputy Chairman receives approximately 1.1 times the base fee of Non-Executive Directors. Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities including Committee Fees. Other than contributions towards superannuation funds, there are no termination or retirement benefits for Non-Executive Directors.

DETAILS OF REMUNERATION

AMOUNTS OF REMUNERATION

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of Freedom Foods Group Limited:

- Perry R. Gunner - Chairman and Non-Executive Director
- Rory J.F. Macleod - Managing Director and Chief Executive Officer
- Anthony M. Perich - Deputy Chairman and Non-Executive Director
- Ronald Perich - Non-Executive Director
- Trevor J. Allen - Non-Executive Director
- Michael Perich - Alternate Non-Executive Director for Anthony M. Perich and Ronald Perich

EXECUTIVE OFFICERS

- Amine Haddad - CEO - Commercial Operations Australasia
- Timothy Moses - Chief Operations Officer
- Campbell Nicholas - Chief Financial Officer and Company Secretary

In making an assessment of the key management personnel (KMP), a review of the roles performed by various senior management is undertaken each year. This review takes into consideration senior management members' ability to plan, direct and control the principle activities of the Group. As a result of this review in FY 2018 there has been no addition to the key management personnel.

The benefits of each Director who held office and other key management personnel for the year ended 30 June 2018 are as follows:

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
2018	**SALARY $**	**OTHER BENEFITS $**	**DIRECTORS FEES $**	**SUPERANNUATION $**	**LONG SERVICE LEAVE $**	**OPTIONS $**	**TOTAL $**
Non-Executive Directors:							
Perry R. Gunner	-	-	125,571	11,929	-	-	137,500
Anthony M. Perich	-	-	116,438	11,062	-	-	127,500
Ronald Perich	-	-	107,306	10,194	-	-	117,500
Trevor J. Allen	-	-	107,306	10,194	-	-	117,500
Michael Perich (alternate)	-	-	30,822	2,928	-	-	33,750
Executive Directors:							
Rory J.F. Macleod	498,701	-	-	20,049	-	279,369	798,119
Other Key Management Personnel:							
Amine Haddad	408,701	-	-	20,049	-	167,621	596,371
Timothy Moses*	309,507	76,193	-	20,049	-	18,952	424,701
Campbell Nicholas	323,701	-	-	20,049	-	47,380	391,130
	1,540,610	76,193	487,443	126,503	-	513,322	2,744,071

* *Other benefits is employment entitlements paid not reasonably expected to be utilised in the next 12 months.*

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
2017	SALARY $	OTHER BENEFITS $	DIRECTORS FEES $	SUPERANNUATION $	LONG SERVICE LEAVE $	OPTIONS $	TOTAL $
Non-Executive Directors:							
Perry R. Gunner	-	-	110,731	10,519	-	-	121,250
Anthony M. Perich	-	-	101,598	9,652	-	-	111,250
Ronald Perich	-	-	92,466	8,784	-	-	101,250
Trevor J. Allen	-	-	92,466	8,784	-	-	101,250
Michael Perich (alternate)	-	-	26,534	2,521	-	-	29,055
Executive Directors:							
Rory J.F. Macleod	460,384	-	-	19,616	-	279,369	759,369
Other Key Management Personnel:							
Amine Haddad	380,384	-	-	19,616	-	167,621	567,621
Timothy Moses	255,384	-	-	19,616	-	-	275,000
Campbell Nicholas *	253,772	-	-	17,061	-	-	270,833
	1,349,924	-	423,795	116,169	-	446,990	2,336,878

** Campbell Nicholas was appointed on 1 September 2016, therefore the remuneration above represents a 10 month period.*

No bonus payments are payable to Executive Directors or other key management personnel with respect to the financial year ended 30 June 2018. The remuneration is fixed in the above tables.

SERVICE AGREEMENTS

Neither the Managing Director nor any other Executive has a fixed term contract. All senior executive management are employed under contract. The agreements outline the components of the remuneration paid to executives, including annual review. The agreements do not obligate the business to increase fixed remuneration, pay a short term incentive, make termination benefits or offer a long term incentive in any given year. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

The agreements may be terminated by written notice from either party or by the employing entity within the Group making a payment in lieu of notice. The notice periods are 9 months for the Managing Director, 6 months for CEO - Commercial Operations Australasia, 3 months for Chief Operations Officer and 2 months for the CFO and Company Secretary. Other notice periods for other executives are between 1 and 2 months.

SHARE-BASED COMPENSATION

EMPLOYEE SHARE OPTIONS

GRANT DATE	NUMBER OF SHARES UNDER OPTION	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE
1 July 2013	712,000	1 September 2019	$1.65	$0.181
1 July 2015	4,000,000	30 June 2020	$2.92	$1.195
1 October 2017	2,250,000	1 October 2019	$4.50	$0.142
1 October 2017	2,250,000	1 October 2020	$4.50	$0.210

1 JULY 2013 OPTIONS

There is no performance criteria that need to be met in relation to 1 July 2013 series options granted above. These options vest over a period of 3 years and relate to an employee's service period only. The holders of these options do not have the right by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

1 JULY 2015 OPTIONS

At the AGM on 30 October 2014, approval was granted for 2,500,000 options under the Employee Share Option Plan to be issued to Mr Rory J.F Macleod, Managing Director and CEO on 1 July 2015. An additional 1,500,000 options under the Employee Share Option Plan were issued to key management personnel. These options have a 5 year exercise period and will vest based on the achievement of Group Company operating EBDITA performance within the 5 year exercise period per the below:

750,000 on achievement of audited Group operating EBDITA of A$38 million;
750,000 on achievement of audited Group operating EBDITA of A$45 million; and
1,000,000 on achievement of audited Group operating EBDITA of A$57 million.

Operating EBDITA is statutory EBDITA adjusted for the impact of any non-operating costs, ESOP (employee share option plan) expense and any abnormal or extraordinary cost or profit as approved by the Remuneration and Nomination Committee. The audited Group operating EBDITA will also be adjusted for any material acquisition or divestment. Since the grant of the options, the Company acquired Popina Foods, assets associated with the Darlington Point Mill (DP Mill), Pactum Dairy Group and the assets associated with Power Foods. As a result, the Group operating EBDITA performance targets have been adjusted to the following:

750,000 on achievement of audited Group operating EBDITA of A$44.5 million;
750,000 on achievement of audited Group operating EBDITA of A$51.5 million; and
1,000,000 on achievement of audited Group operating EBDITA of A$63.5 million.

The Company expects to make an adjustment to the Group operating EBDITA performance targets in FY 2019, relating to the acquisition of the Crankt brand, acquired by the Company in August 2018.

No other vesting criteria apply.

The vesting achievement is subject to annual approval by the Remuneration and Nomination Committee.

In the final year of the 5 year exercise period for the options granted to Mr Rory J.F. Macleod (and other options issued under the same conditions to key management personnel), any options deemed vested on the basis of a preliminary Group operating EBDITA for 30 June 2020 will be allowed to be exercised based on achievement of an Group operating EBDITA at 30 June 2020 up and until the audited Group operating EBDITA at 30 June 2020 is confirmed no later than 30 September 2020.

The options have been valued using an independent valuation from Ian S. Crichton (BA, FCA, MFTA), Principal, Crichton + Associates Pty Limited. The valuation and annual expense has been reflected in the Statement of profit or loss and comprehensive income.

1 OCTOBER 2017 OPTIONS

On 1 October 2017, two series of options were awarded to senior managers under the EIP, with a key condition for issuance that senior managers serve a minimum employment threshold up to 30 June 2018. Based on the minimum employment threshold having been achieved, the option series for those senior managers remaining employed by the Company as at 30 June 2018 were issued on 30 August 2018. The exercise price of the option series reflected the market price of the shares in the Company at the time of the award. The first series, with an expiry date of 1 October 2019, will vest based on the achievement of Group Company operating EBDITA performance within the exercise period as follows:

30% on achievement of audited Group operating EBDITA of A$34.5 million;
30% on achievement of audited Group operating EBDITA of A$38.5 million;
20% on achievement of audited Group operating EBDITA of A$47.5 million; and
20% on achievement of audited Group operating EBDITA of A$52.5 million;

The second series, with an expiry date of 1 October 2020, will vest based on the achievement of Group Company EBDITA performance within the exercise period as follows:

30% on achievement of audited Group operating EBDITA of A$40.0 million;
30% on achievement of audited Group operating EBDITA of A$50.0 million;
20% on achievement of audited Group operating EBDITA of A$55.0 million; and
20% on achievement of audited Group operating EBDITA of A$60.0 million;

An additional vesting criteria applies to both series. Subject to the achievement of Group Company operating EBDITA performance, a minimum return on funds employed (defined as operating EBDITA to funds employed excluding capital work in progress) of 12% must be achieved for the vesting to be approved.

The vesting achievement is subject to annual approval by the Remuneration and Nomination Committee.

The Company expects to make an adjustment to the Group operating EBDITA performance targets in FY 2019, relating to the acquisition of the Crankt brand, acquired by the Company in August 2018.

These options have been internally valued.

GROUP PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND KEY MANAGEMENT PERSONNEL REMUNERATION

The remuneration policy of the Company and Group is at the discretion of the Remuneration and Nomination Committee.

The earnings of the Group for the five years to 30 June 2018 are summarised below:

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Net sales revenue	352,987	262,481	170,444	91,460	87,856
Operating EBDITA*	39,180	26,240	21,526	16,420	15,289
Operating net profit*	19,399	8,915	10,818	4,970	12,518
Profit after income tax	12,715	7,539	50,631	56,631	12,132
EPS (Fully Diluted for CRPS) on profit after income tax	5%	5%	6%	6%	7%

* *Operating EBDITA (Earnings before depreciation, interest, tax and amortisation) is a non-IFRS measure as contemplated in ASIC Regulatory Guide 230 Disclosing non-IFRS financial information (RG230). Operating EBDITA is used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments. Operating EBDITA/Operating net profit excludes the non-operating charges and gains with an add back of the non-cash employee share option expense of $1.338 million.*

	2018	2017	2016	2015	2014
Share price at financial year end ($)	6.73	4.80	4.06	2.96	2.76
Total dividends declared (cents per share)	5.00	4.25	3.25	3.00	2.50
Basic earnings per share (cents per share)	5.98	3.89	29.52	37.11	8.65
Diluted earnings per share (cents per share)	6.33	4.01	28.54	35.99	8.14

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	RECEIVED ON EXERCISE OF OPTIONS	DIVIDEND REINVESTMENT PLAN	OTHER CHANGES DURING THE YEAR^	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Perry R. Gunner	914,094	-	-	212,358	1,126,452
Rory J.F. Macleod	1,708,795	-	16,717	174,294	1,899,806
Anthony M. Perich*	111,552,094	-	1,142,657	18,665,307	131,360,058
Ronald Perich*	111,552,094	-	1,142,657	18,665,307	131,360,058
Trevor J. Allen	84,079	-	-	34,271	118,350
Michael Perich*	111,552,094	-	1,142,657	18,665,307	131,360,058
Amine Haddad	1,220,112	-	-	8,333	1,228,445
Campbell Nicholas	-	-	-	-	-
Timothy Moses	166,714	-	82	22,722	189,518
	338,750,076	-	3,444,770	56,447,899	398,642,745

* *Anthony M. Perich, Ronald Perich and Michael Perich (as their alternate) are Joint Managing Directors of Arrovest Pty Limited, an entity holding direct interest in the Group.*

^ *Other changes during the year primarily represents increases in holdings from the entitlement offer completed in April 2018.*

EMPLOYEE SHARE OPTIONS IN THE GROUP

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ LAPSED	BALANCE AT THE END OF THE YEAR
Options over ordinary shares					
Rory J.F. Macleod	2,500,000	-	-	-	2,500,000
Amine Haddad	1,500,000	-	-	-	1,500,000
Campbell Nicholas	-	500,000	-	-	500,000
Timothy Moses	-	200,000	-	-	200,000
	4,000,000	700,000	-	-	4,700,0000

All share options issued to key management personnel were made in accordance with the provisions of the ESOP and EIP.

No director or senior management personnel of the Group appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

INDEMNITY AND INSURANCE OF OFFICERS

The group has not, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings; with the exception of the following matter.

During the financial year the Group paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of an officer of the Group. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 35 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in Note 35 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by The Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Perry R. Gunner
Chairman

Rory J.F. Macleod
Managing Director and Chief Executive Officer

30 August 2018
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Freedom Foods Group Limited
80 Box Road
Taren Point NSW 2229

30 August 2018

Dear Board Members

Freedom Foods Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Freedom Foods Group Limited.

As lead audit partner for the audit of the financial statements of Freedom Foods Group Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
A member of Deloitte Touche Tohmatsu Limited.

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

Freedom Foods Group Limited ('the Company') continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website at **www.ffgl.com.au**.

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30 2018

	NOTE	CONSOLIDATED 2018 $'000	2017 $'000
REVENUE			
Revenue from sale of goods	4	352,987	262,481
Cost of sales		(265,754)	(201,308)
Gross profit		87,233	61,173
Gain on disposal of Ingleburn land and buildings		3,330	-
Other income		3,219	3,435
Other gains/(losses)	5	415	(443)
EXPENSES			
Marketing expenses		(9,232)	(3,815)
Selling and distribution expenses		(33,736)	(27,899)
Administrative expenses		(11,636)	(8,132)
Depreciation and amortisation		(13,413)	(11,392)
Restructuring expenses		(6,914)	-
Acquisition costs		(217)	(1,305)
Other expenses		(1,441)	(119)
Net finance costs		(3,471)	(2,635)
Share of profits of associates accounted for using the equity method	12	480	480
PROFIT BEFORE INCOME TAX EXPENSE		14,617	9,348
Income tax expense	19	(1,902)	(1,809)
PROFIT AFTER INCOME TAX EXPENSE FOR THE YEAR		12,715	7,539
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax	24	-	917
Foreign currency translation	24	349	(74)
Other comprehensive income for the year, net of tax		349	843
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,064	8,382
Profit for the year is attributable to:			
Non-controlling interest		-	88
Owners of Freedom Foods Group Limited		12,715	7,451
		12,715	7,539
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	88
Owners of Freedom Foods Group Limited		13,064	8,294
		13,064	8,382

EARNINGS PER SHARE		CENTS	CENTS
Basic earnings per share	7	5.98	3.89
Diluted earnings per share	7	6.33	4.01

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	NOTE	CONSOLIDATED 2018 $'000	2017 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	98,106	4,184
Trade and other receivables	9	62,849	65,920
Inventories	10	81,101	63,388
Derivative financial instruments	11	293	382
Prepayments		2,825	1,757
Total current assets		245,174	135,631
NON-CURRENT ASSETS			
Investments accounted for using the equity method	12	17,428	7,594
Property, plant and equipment	13	388,883	340,356
Intangibles	14	111,130	102,611
Deferred tax	21	2,053	1,835
Loans due from associated entities		-	900
Loans due from other parties		1,182	-
Total non-current assets		520,676	453,296
TOTAL ASSETS		765,850	588,927
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	88,069	65,629
Borrowings	16	9,730	161,763
Derivative financial instruments	18	548	236
Income tax	20	4,893	11,642
Provisions		6,543	4,086
Other liabilities		1,293	39
Total current liabilities		111,076	243,395
NON-CURRENT LIABILITIES			
Payables		-	52
Borrowings	17	124,461	23,395
Provisions		413	649
Total non-current liabilities		124,874	24,096
TOTAL LIABILITIES		235,950	267,491
NET ASSETS		529,900	321,436
EQUITY			
Issued capital	22	453,388	249,954
Reserves	24	(55,019)	(56,397)
Retained profits		131,531	127,879
TOTAL EQUITY		529,900	321,436

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30 2018

	NOTE	CONSOLIDATED 2018 $'000	CONSOLIDATED 2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)	17	361,125	247,782
Payments to suppliers and employees (inclusive of GST)		(324,108)	(237,002)
Cash generated from operations		37,017	10,780
Payment for business acquisition costs		(44)	(1,305)
Payments for restructuring		(2,537)	(119)
Interest received		560	746
Interest and other finance costs paid		(3,143)	(3,340)
Income taxes paid		(7,477)	(1,381)
Net cash from operating activities	33	24,376	5,381
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of business, net of cash acquired		-	(72,671)
Payments for property, plant and equipment	13	(138,348)	(138,506)
Advances to associates		(1,182)	(900)
Proceeds from disposal of assets		74,966	-
Investment in equity interest	12	(8,414)	(953)
Net cash used in investing activities	34	(72,978)	(213,030)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments of the company	22	200,285	76,991
Payment of share issue costs	22	(5,233)	(2,089)
Dividends paid	23	(2,816)	(2,611)
(Repayments)/proceeds of borrowings		(50,966)	81,328
Payment of related party balances		1,254	(5,694)
Net cash from financing activities	34	142,524	147,925
Net increase/(decrease) in cash and cash equivalents		93,922	(59,724)
Cash and cash equivalents at the beginning of the financial year		4,184	63,908
Cash and cash equivalents at the end of the financial year	8	98,106	4,184

The above statement of cash flows should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30 2018

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	NON-CONTROLLING INTEREST $'000	RETAINED PROFITS $'000	TOTAL EQUITY $'000
Balance at 1 July 2016	169,106	(2,274)	(8,234)	128,527	287,125
Profit after income tax expense for the year	-	-	88	7,451	7,539
Other comprehensive income for the year, net of tax	-	843	-	-	843
Total comprehensive income for the year	-	843	88	7,451	8,382
Common control reserve arising from acquisition of 50% of PDG (Note 24)	-	(55,414)	8,146	-	(47,268)
Transactions with owners in their capacity as owners:					
Issue of ordinary shares under employee share option plan (Note 22)	1,313	-	-	-	1,313
Issue of ordinary shares in accordance with the dividend reinvestment plan (Note 22)	5,489	-	-	-	5,489
Issue of ordinary shares from an entitlement offer (Note 22)	75,027	-	-	-	75,027
Share issue costs (Note 22)	(2,091)	-	-	-	(2,091)
Related income tax (Note 22)	461	-	-	-	461
Share based payments (Note 24)	-	448	-	-	448
Issue of ordinary shares held in Escrow to ACM (Note 22)	649	-	-	-	649
Dividends paid (Note 23)	-	-	-	(8,099)	(8,099)
Balance at 30 June 2017	249,954	(56,397)	-	127,879	321,436

CONSOLIDATED	ISSUED CAPITAL $'000	RESERVES $'000	NON-CONTROLLING INTEREST $'000	RETAINED PROFITS $'000	TOTAL EQUITY $'000
Balance at 1 July 2017	249,954	(56,397)	-	127,879	321,436
Profit after income tax expense for the year	-	-	-	12,715	12,715
Other comprehensive income for the year, net of tax	-	349	-	-	349
Total comprehensive income for the year	-	349	-	12,715	13,064
Transactions with owners in their capacity as owners:					
Issue of ordinary shares under employee share option plan (Note 22)	135	-	-	-	135
Issue of ordinary shares in accordance with the dividend reinvestment plan (Note 22)	6,227	-	-	-	6,227
Issue of ordinary shares from an entitlement offer (Note 22)	200,150	-	-	-	200,150
Share issue costs (Note 22)	(5,233)	-	-	-	(5,233)
Related income tax (Note 22)	2,155	-	-	-	2,155
Share based payments (Note 24)	-	1,029	-	-	1,029
Dividends paid (Note 23)	-	-	-	(9,063)	(9,063)
Balance at 30 June 2018	453,388	(55,019)	-	131,531	529,900

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

NOTE 1. GENERAL INFORMATION

The financial statements of Freedom Foods Group Limited ("Group" or "Company") for the year ended 30 June 2018 was authorised for issue in accordance with resolution of Directors on 30 August 2018. The Directors have the power to amend and reissue the financial statements.

Freedom Foods Group Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The Company is trading under the symbol 'FNP'.

The nature of the operations and principal activities of the Group are described in Note 3.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The following accounting policies have been adopted in the preparation and presentation of the financial statements.

(A) STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

(B) BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The Company is of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The financial statements are presented in Australian dollars.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(C) BASIS OF CONSOLIDATION

The Consolidated financial statements incorporate the financial statements of Freedom Foods Group Limited and its subsidiaries as at 30 June each year ('the Group'). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of profit or loss and comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The non-controlling interests in the investments of Freedom Foods North America Inc. are entitled to their proportionate share of that entity's net assets, profits and losses and other comprehensive income during the period.

The amounts attributable to the non-controlling interests are not separately disclosed as the financial statements are rounded to the nearest thousand dollars under Australian Securities and Investments Commission Corporations Instrument 2016/191.

(D) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(E) FINANCIAL INSTRUMENTS

RECOGNITION OF INVESTMENTS

Investments are initially measured at fair value, net of transaction costs. Subsequent to initial recognition these investments are measured as set out below.

LOANS AND RECEIVABLES

Loans and receivables have fixed or determinable payments that are not quoted in an active market and are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate.

AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

FINANCIAL INSTRUMENTS HELD FOR TRADING

Derivative financial instruments such as forward foreign exchange contracts are included under this classification. The Group does not designate any derivatives as hedges in a hedging relationship.

(F) KEY ESTIMATES AND JUDGEMENT AREAS

In applying the Group's accounting policies, the Directors are required to make estimates, judgements and assumptions that affect the amounts reported in the financial report.

The estimates, judgments and assumptions are based on historical experience, adjusted for current conditions and other factors that are believed to be reasonable under the circumstances and reviewed on a regular basis.

The actual results may differ from these estimates.

The estimate and judgements which involve a higher degree of complexity or that have a higher likelihood of causing adjustment to the carrying amounts of assets and liabilities are included in the following notes:

- Note 12: Judgement in determining whether to apply equity accounting to certain investments
- Note 13: Estimates of useful lives of assets, transfer of capital work in progress to property, plant and equipment
- Note 14: Determining the recoverable amounts of assets

Revisions to accounting estimates are recognised in the period in which the estimate is revised.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has adopted all relevant new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") which are effective for annual reporting periods beginning on or after 1 July 2017. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period and they are not likely to significantly affect future periods.

ISSUED STANDARDS AND INTERPRETATIONS NOT EARLY ADOPTED

The below lists the standards and amendments to standards that were available for early adoption and were applicable to the Group.

The reported results and financial position of the Group are not expected to change materially on adoption of any of the amendments to current standards listed below as they do not result in any changes to the Group's existing accounting policies.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

STANDARD/AMENDMENT	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER
AASB 9 Financial Instruments This Standard is applicable to annual reporting periods beginning on or after 1 January 2018. The Standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' model to recognise an allowance. The Group will adopt this standard from 1 July 2018 and given the nature of the Group's trade receivables, the expected credit loss model is not expected to have a material impact. The adoption of AASB 9 is also not expected to have a significant impact of classification or the Group's accounting policies for financial assets and liabilities.	1 January 2018
AASB 15 Revenue from Contracts with Customers The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. This Standard is applicable to annual reporting periods beginning on or after 1 January 2018. The Standard provides a single Standard for revenue recognition. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group will adopt this Standard from 1 July 2018. The impact assessment of this standard is substantially completed. Based on the work performed to date, no material retrospective or prospective impact is expected on the financial statements of the Group for the year ended 30 June 2018; when the Group reports for the first time under this standard in FY 2019.	1 January 2018
AASB 16 Leases AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related interpretations when it becomes effective. AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 and continues to require a lessor to classify a lease either as an operating lease or a finance lease. As at 30 June 2018, the Group has non-cancellable operating lease commitments of $214.6 million.	1 January 2019

STANDARD/AMENDMENT	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER
As a result of AASB 16, deferred tax balances will be adjusted, current lease accounting will be reversed and the opening retained earnings will be restated. There will be no cash flow impact on the Group by the introduction of this standard however, key accounting metrics will be affected including, EBDITA and ROFE (return of funds employed). The Group is in the process of reviewing the impact of this standard on disclosure. AASB 117 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in Note 26. A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16 and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of AASB 16. The new requirement to recognise a right-of use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.	
AASB 17 Insurance Contracts	1 January 2021
AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture [AASB 10 & AASB 128}, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	1 January 2022 (Editorial corrections in AASB 2017-5 apply from 1 January 2018
AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions, AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments and Interpretation 22 Foreign Currency Transactions and Advance Consideration.	1 January 2018
AASB 2017-6 Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation, AASB 2017-7 Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures, AASB 2008-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle, AASB 2008-2 Amendments to Australian Accounting Standards - Plan Amendment, Curtailment or Settlement and Interpretation 23 Uncertainty over Income Tax Treatments.	1 January 2019

NOTE 3. OPERATING SEGMENTS

The Group is organised into five segments which is the basis on which the Group reports and the principal products and services of each of these operating segments are as follows:

Cereal and Snacks	A range of products for consumers including allergen free (ie. gluten free, wheat free, nut free), nutritional oat based, low sugar or salt, highly fortified or functional. The product range covers breakfast cereals, snack bars and other complimentary products. These products are manufactured and sold in Australia and overseas.
Plant Based Beverages	A range of UHT (long life) food and beverage products including liquid stocks, soy, rice and almond beverages. These products are manufactured and sold in Australia and overseas.
Dairy Beverages	A range of UHT (long life) dairy milk beverage products. These products are manufactured and sold in Australia and overseas.
Specialty Seafood	A range of canned seafood covering sardines, salmon and specialty seafood. These products are manufactured and sold in Australia and overseas.
Nutritionals	A range of performance and adult nutritional products. The product range covers powders, bars and drinks. These products are manufactured and sold in Australia.

NOTE 3. OPERATING SEGMENTS (CONT.)

The 'Unallocated Shared Services' group consists of the Group's other operating segments that are not separately reportable as well as various shared service functions.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in its capacity as the chief operating decision maker of the Group in order to allocate resources to the segments and assess their performance.

Intercompany sales are eliminated in the Group's statutory results, however are included in the segment analysis as this is how the Group conducts its business operations.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review, together with prior year comparatives:

CONSOLIDATED - 2018	CEREAL & SNACKING $'000	PLANT BASED BEVERAGES $'000	DAIRY $'000	SPECIALITY SEAFOOD $'000	NUTRITIONALS $'000	UNALLOCATED SHARED SERVICES $'000	TOTAL $'000
Revenue							
Sales to external customers	103,270	81,170	139,228	14,955	14,364	-	352,987
Total revenue	103,270	81,170	139,228	14,955	14,364	-	352,987
EBDITA	14,027	18,730	16,882	1,447	3,589	-	54,675
Convertible loan note and interest income	-	-	-	-	-	560	560
Share of associates profits	-	-	-	-	-	480	480
Other income	-	-	-	-	-	4,054	4,054
Shared services including ESOP	-	-	-	-	-	(17,234)	(17,234)
Depreciation and amortisation	(3,369)	(2,583)	(2,932)	-	(40)	(4,489)	(13,413)
Net finance costs	-	-	-	-	-	(4,716)	(4,716)
Acquisition costs	-	-	-	-	-	(217)	(217)
Other expenditure	-	-	-	-	-	(9,572)	(9,572)
Profit/(loss) before income tax expense	10,658	16,147	13,950	1,447	3,549	(31,134)	14,617
Income tax expense							(1,902)
Profit after income tax expense							12,715
Assets	133,346	166,604	235,515	18,530	24,008	-	578,003
Unallocated assets:							
Shared services						170,419	170,419
Investment in associate						17,428	17,428
Total assets	133,346	166,604	235,515	18,530	24,008	187,847	765,850
Acquisition of businesses	-	-	-	-	-	-	-
Segment assets	133,346	166,604	235,515	18,530	24,008	187,847	765,850
Liabilities	23,164	22,917	49,240	3,346	1,268	-	99,935
Unallocated liabilities:							
Shared services						136,015	136,015
Total liabilities	23,164	22,917	49,240	3,346	1,268	136,015	235,950
Acquisition of businesses	-	-	-	-	-	-	-
Segment liabilities*	23,164	22,917	49,240	3,346	1,268	136,015	235,950

* *The segment liabilities include finance leases, debtor finance facilities and multi advance facilities relevant to the appropriate operating segment.*

The FY 2017 operating segment allocated selling costs across the segments. For consistency between FY 2018 and FY 2017, the operating segment below has selling costs retrospectively allocated to shared services.

CONSOLIDATED - 2017	CEREAL & SNACKS $'000	PLANT BASED BEVERAGES $'000	DAIRY BEVERAGES $'000	SPECIALITY SEAFOOD $'000	NUTRITIONALS $'000	UNALLOCATED SHARED SERVICES $'000	TOTAL $'000
Revenue							
Sales to external customers	89,584	64,123	93,229	13,751	1,794	-	262,481
Intercompany sales elimination	2,602	18,432	891	-	-	(21,925)	-
Total revenue	92,186	82,555	94,120	13,751	1,794	(21,925)	262,481
EBDITA	11,632	14,078	8,605	2,041	503	-	36,859
Convertible loan note and interest income	-	-	-	-	-	1,527	1,527
Share of associates profits	-	-	-	-	-	480	480
Other income	-	-	-	-	-	150	150
Shared services including ESOP	-	-	-	-	-	(11,697)	(11,697)
Depreciation and amortisation	(5,036)	(1,664)	(1,850)	-	(4)	(2,838)	(11,392)
Net finance costs	-	-	-	-	-	(4,162)	(4,162)
Acquisition costs	-	-	-	-	-	(1,305)	(1,305)
Other expenditure	-	-	-	-	-	(1,112)	(1,112)
Profit/(loss) before income tax expense	6,596	12,414	6,755	2,041	499	(18,957)	9,348
Income tax expense							(1,809)
Profit after income tax expense							7,539
Assets	145,111	198,058	151,283	18,644	21,826	-	534,922
Unallocated assets:							
Shared services						46,371	46,371
Investment in associate						7,634	7,634
Total assets	145,111	198,058	151,283	18,644	21,826	54,005	588,927
Acquisition of businesses	-	-	-	-	(21,432)	-	(21,432)
Segment assets	145,111	198,058	151,283	18,644	394	54,005	567,495
Liabilities	51,499	100,071	77,923	2,491	622	-	232,606
Unallocated liabilities:							
Shared services						34,885	34,885
Total liabilities	51,499	100,071	77,923	2,491	622	34,885	267,491
Acquisition of businesses	-	-	-	-	-	-	-
Segment liabilities*	51,499	100,071	77,923	2,491	622	34,885	267,491

* *The segment liabilities include finance leases, debtor finance facilities and multi advance facilities relevant to the appropriate operating segment.*

All operating segments are conducted in Australia, with the exception of Freedom Foods North America, which operates in North America.

Revenue generated by equity accounted associates from external sales is not consolidated, instead under the equity method of accounting the carrying amounts of interest in joint venture entities are increased or decreased to recognise the Group's share of post-acquisition profits or losses and other changes in net assets of the joint venture/ minority interest.

86% of total sales (excluding intercompany) of the Consolidated Group are generated in Australia (2017: 81%) and 47% of total sales (excluding intercompany) (2017: 57%) are through major Australian retailers.

NOTE 3. OPERATING SEGMENTS (CONT.)

INFORMATION ABOUT MAJOR CUSTOMERS

Included in revenues arising from external sales of $353.0 million (2017: $262.5 million) (see segment revenue above) are revenues of approximately $156.8 million (2017: $120.7 million) which arose from sales to the Group's two largest customers. One other customer contributed 7% or more to the Group's revenue for 2018 (2017: 10%).

NOTE 4. REVENUE

	CONSOLIDATED	
	2018 $'000	2017 $'000
Revenue		
Revenue from sale of goods	352,987	262,481

SIGNIFICANT ACCOUNTING POLICIES

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for terms, rebates and other similar allowances.

SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the significant risks and rewards of ownership of the goods have been transferred;
- the amount of revenue can be measured reliably;
- it is probable the revenue will be received; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTE 5. OTHER GAINS/(LOSSES)

	CONSOLIDATED	
	2018 $'000	2017 $'000
Net foreign exchange gains/(losses)	670	(564)
Net (losses)/gains on financial assets held at fair value through profit or loss	(255)	121
	415	(443)

NOTE 6. EXPENSES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Profit before income tax includes the following specific expenses:		
Superannuation expenses	2,362	2,217
Share-based payments expense	1,029	448
Employee benefits expense excluding superannuation and share-based payments expense	27,490	24,009

NOTE 7. EARNINGS PER SHARE

	CONSOLIDATED	
	2018 $'000	2017 $'000
Profit after income tax	12,715	7,539
Non-controlling interest	-	(88)
Profit after income tax attributable to the owners of Freedom Foods Group Limited	12,715	7,451
Share-based payments expense	1,029	448
Profit after income tax attributable to the owners of Freedom Foods Group Limited used in calculating diluted earnings per share	13,744	7,899

	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share		
Adjustments for calculation of diluted earnings per share:	212,525,802	191,441,729
CRPS	114,217	114,217
ESOP	4,587,334	5,218,016
Weighted average number of ordinary shares used in calculating diluted earnings per share	217,227,353	196,773,962

	CENTS	CENTS
Basic earnings per share	5.98	3.89
Diluted earnings per share	6.33	4.01

At 30 June 2018, there were 243,983,810 ordinary shares (2017: 200,853,531) on issue and 101,627 convertible redeemable preference shares (2017: 101,627).

At 30 June 2018, there were nil unlisted ordinary share options (2017: nil). There were 9,061,666 employee share options outstanding (2017: 4,643,666), 561,666 exercisable at $1.65 per share (2017: 643,666), 4,000,000 exercisable at $2.92 per share (2017: 4,000,000) and 4,500,000 exercisable at $4.50 per share (2017: nil).

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of Freedom Foods Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, as well as the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Cash	80,106	4,184
Term deposit	18,000	-
	98,106	4,184

NOTE 9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Trade receivables	55,303	57,660
Less: provision for impairment of receivables	(1,228)	(48)
	54,075	57,612
Other receivables	8,774	8,308
	62,849	65,920

The credit period on sales of goods ranges from 30 to 60 days. No interest is charged on trade receivables. No allowance has been made for estimated irrecoverable trade receivable amounts arising from past sale of goods, determined by reference to past default experience. During the current financial year, the allowance for doubtful debts increased by $1,180,000 (2017: decreased by $52,000) in the Group. The allowance for doubtful debts/impaired trade receivables as at 30 June 2018 is $1,228,000 (2017: $48,000). The Group does not hold any collateral over these balances.

Customers with balances past due but without provision for impairment of receivables amount to $34,777,448 (2017: $25,366,000). These relate to a number of customers for whom there is no recent history of default and other indicators of impairment. Management considers that there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The Group does not have significant risk exposure to any one debtor; however 47% (2017: 57%) of sales are concentrated in major supermarkets throughout Australia and 44% of year end receivables are concentrated to the top five customers (2017: 46% year end receivables are concentrated in major supermarkets throughout Australia). Refer to Note 17.

NOTE 10. CURRENT ASSETS - INVENTORIES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Raw materials - at cost	47,567	38,810
Finished goods - at cost	38,636	24,628
Less: provision for impairment*	(5,102)	(50)
	81,101	63,388

** Includes a provision for the shutdown of the Group's Taren Point site.*

All inventories of the Group are expected to be recovered within a 12 month period.

The cost of inventories recognised as an expense during the year in respect of continuing operations was $265,754,170 (2017: $201,308,376).

SIGNIFICANT ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a first in, first out basis.
- Manufactured finished goods: cost of direct materials, direct labour and an appropriate proportion of manufacturing variable and fixed overheads based on normal operating capacity but excluding borrowing costs.
- Purchased finished goods: purchase cost on a weighted average cost basis.
- 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.

NOTE 11. CURRENT ASSETS - DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Forward foreign exchange contracts	293	382

Refer to Note 25 for further information on financial instruments.

NOTE 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

NAME	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2018 %	2017 %
Australian Fresh Milk Holdings Pty Limited (AFMH)	Australia	10.00%	10.00%
Shenzhen JiaLiLe Co. Limited (JLL)	China	10.00%	-

	CONSOLIDATED	
	2018 $'000	2017 $'000
Investment in associate - AFMH	12,427	7,594
Investment in associate - JLL	5,001	-
	17,428	7,594

The Group's interest in joint ventures represent jointly controlled entities which have been measured by applying the equity method of accounting. Under the equity method of accounting the carrying amounts of interests in joint venture entities are increased or decreased to recognise the Group's share of the post-acquisition profits or losses and other changes in net assets of the joint ventures.

AUSTRALIAN FRESH MILK HOLDINGS PTY LIMITED (AFMH)

The consortium comprises Leppington Pastoral Investments Pty Limited (LPI), NewAustralia Holdings Pty Limited, Paul Moxey Family Trust, Quentin Moxey Family Trust and Freedom Foods Group Operations Limited. The Group acquired its 10% of the consortium for $5.7 million. During the year, the Group made an additional investment of $4,353,000, including converting the loan of $900,000 to equity.

The completion of the acquisition ensures AFMH has in place a scalable operating platform to invest in additional greenfield dairy sites, enabling the consortium to become a significant player in the Australian dairy industry.

Although the Company holds less than 20% of the equity shares of AFMH, the Group exercises significant influence as a result of having 25% voting power.

SHENZHEN JIALILE CO. LIMITED (JLL)

During the year, the company entered into a Subscription and Shareholders Deed with JLL to subscribe for an initial investment of 10% for a cash consideration of RMB 22 million (AUD $4.7 million), before associated costs. The company has an option to subscribe for up to 30% of JLL's registered capital within 3 years from the date of the initial subscription. The other shareholder in JLL is Guangzhou Langfeng Investment Co. Limited.

JLL will continue to grow Australia's Own branded Kid's Milk products in China, as well as launch other dairy products, including ambient drinking yoghurt, adult milk and infant formula powder.

Although the Company holds less than 20% of the equity shares of JLL, the Group exercises significant influence by virtue of the currently exercisable call option to increase its potential voting rights to 30%.

NOTE 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT.)

SUMMARISED FINANCIAL INFORMATION

	AFMH 2018 $'000	AFMH 2017 $'000
Summarised statement of financial position		
Current assets	54,108	43,502
Non-current assets	173,821	112,837
Total assets	227,929	156,339
Current liabilities	20,908	19,441
Non-current liabilities	95,583	79,073
Total liabilities	116,491	98,514
Net assets	111,438	57,825
Summarised statement of profit or loss and other comprehensive income		
Revenue	50,180	43,619
Expenses	(48,877)	(40,579)
Profit before income tax	1,303	3,040
Income tax expense	(194)	(1,142)
Profit after income tax	1,109	1,898
Other comprehensive income	-	-
Total comprehensive income	1,109	1,898
Reconciliation of the Group's carrying amount		
Opening carrying amount	7,594	6,163
Share of profit after income tax	480	480
Equity investment	4,353	951
Closing carrying amount	12,427	7,594

	JLL 2018 $'000	AFMH 2017 $'000
Reconciliation of the Group's carrying amount		
Opening carrying amount	-	-
Share of profit after income tax	-	-
Equity investment	5,001	-
Closing carrying amount	5,001	-

RELATED PARTY TRANSACTIONS

Current receivables and loans due from associates - refer to Note 30 to the financial statements.

	CONSOLIDATED	
	2018 $'000	2017 $'000
AFMH loan receivable	-	900

The loan to AFMH attracted interest at 4.5% pa. The loan was converted to equity during the year.

NOTE 13. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2018 $'000	2017 $'000
Freehold land - at independent valuation	5,296	5,296
Buildings - at independent valuation	11,955	11,907
Less: accumulated depreciation	(2,099)	(1,159)
	9,856	10,748
Plant and equipment - at cost	175,172	128,686
Less: accumulated depreciation and impairment	(44,784)	(39,957)
Add: capital work in progress - at cost	243,274	235,471
	373,662	324,200
Motor vehicles	473	468
Less: accumulated depreciation	(404)	(356)
	69	112
	388,883	340,356

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year:

CONSOLIDATED	FREEHOLD LAND $'000	BUILDINGS $'000	PLANT & EQUIPMENT $'000	MOTOR VEHICLES $'000	TOTAL $'000
Balance at 1 July 2016	5,379	9,949	201,564	165	217,057
Additions to plant and equipment*	-	-	1,856	52	1,908
Additions through business combinations	-	-	472	-	472
Additions through capital work in progress (net of transfers to plant and equipment)*	-	-	128,519	-	128,519
Revaluation adjustment	-	1,067	-	-	1,067
Depreciation write back on revaluation	-	243	-	-	243
Disposals	(83)	-	-	-	(83)
Depreciation expense	-	(511)	(8,211)	(105)	(8,827)
Balance at 30 June 2017	5,296	10,748	324,200	112	340,356
Additions to plant and equipment*	-	48	49,933	28	50,009
Additions through capital work in progress (net of transfers to plant and equipment)*	-	-	79,475	-	79,475
Sale of Ingleburn land and buildings	-	-	(71,671)	-	(71,671)
Transfer to intangibles	-	-	(1,091)	-	(1,091)
Disposals	-	-	-	(18)	(18)
Impairment of assets	-	-	(67)	-	(67)
Depreciation expense	-	(940)	(7,117)	(53)	(8,110)
Balance at 30 June 2018	5,296	9,856	373,662	69	388,883

* *Included in additions is $7,597,000 of capitalised interest (July to December 2017: $3,771,000, January to June 2018: $3,826,000) (2017: $3,025,000 being July to December 2016: $610,000, January to June 2017: $2,415,000).*

SIGNIFICANT ACCOUNTING POLICIES

All owned freehold land and buildings are carried at fair value as at 30 June 2018, less any subsequent accumulated depreciation. Fair value is determined on the basis of an independent valuation which is carried out regularly by an external valuer, based on discounted cash flows or capitalisation of net income, as appropriate.

NOTE 13. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (CONT.)

Plant and equipment, motor vehicles and equipment under finance lease are stated at cost less accumulated depreciation and impairment.

Capital work in progress (CWIP) is stated at cost.

CWIP includes all expenditure directly attributable to bringing the asset to its working condition for its intended use, and includes the estimated cost of dismantling and removing the asset and restoring the site (where applicable).

Cost includes installation costs, delivery costs, consultant's costs incurred to install the asset, fit out costs and labour costs of dedicated project staff associated with these projects. Start-up costs and similar pre-production costs do not form part of the cost of an asset unless they are necessary to bring the asset to its working condition. Initial operating losses incurred prior to an asset achieving planned performance must be recognised as an expense.

The costs will be initially recognised as a CWIP asset from the time that it satisfies the general recognition criteria for assets under the accounting standards. The approval (as required by the relevant delegation of authority) to proceed with a project is the point in time when the Group is able to satisfy the recognition criteria.

The Group formally assesses whether project costs are to be reclassified from CWIP. This assessment is done at December and June each year taking into consideration when the Commissioning Phase of each asset has been completed i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. At this point, it is classified as property, plant and equipment, to be depreciated from the date of reclassification over the useful life of the asset.

Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

ACCOUNTING ESTIMATES

The following depreciation rates are used in the calculation of depreciation:

Buildings	2-6%
Plant and equipment	4-25%
Leased plant and equipment	4-20%
Motor vehicles	15-33%
Leased motor vehicles	15-33%

Freehold land is not depreciated.

NOTE 14. NON-CURRENT ASSETS - INTANGIBLES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Goodwill	59,204	59,204
Capitalised development	27,450	13,687
Less: Accumulated amortisation	(7,817)	(2,581)
Less: Impairment	(63)	-
	19,570	11,106
Brand names and trademarks	31,837	31,837
Software acquisition and development	519	464
	111,130	102,611

CONSOLIDATED	GOODWILL $'000	CAPITALISED DEVELOPMENT $'000	BRAND NAMES & TRADEMARKS $'000	SOFTWARE ACQUISITION & DEVELOPMENT $'000	TOTAL $'000
Balance at 1 July 2016	54,854	7,131	16,274	129	78,388
Additions	-	6,556	-	335	6,891
Additions through business combinations	4,350	-	15,563	-	19,913
Amortisation expense	-	(2,581)	-	-	(2,581)
Balance at 30 June 2017	59,204	11,106	31,837	464	102,611
Additions	-	12,672	-	55	12,727
Transfer from property, plant and equipment	-	1,091	-	-	1,091
Impairment of assets	-	(63)	-	-	(63)
Amortisation expense	-	(5,236)	-	-	(5,236)
Balance at 30 June 2018	59,204	19,570	31,837	519	111,130

SIGNIFICANT ACCOUNTING POLICIES

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

- Cereal and snacks (formerly Freedom Foods - including Dandenong and Darlington Point)
- Dairy beverages (formerly Shepparton)
- Nutritionals
- Specialty seafood

GOODWILL

The carrying amount of goodwill is as follows:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Cereal and snacks (formerly Freedom Foods - including Dandenong and Darlington Point)	21,242	21,242
Dairy beverages (formerly Shepparton)	31,630	31,630
Nutritionals	4,350	4,350
Specialty seafood	1,982	1,982
	59,204	59,204

CAPITALISED DEVELOPMENT

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, any only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- the intention to complete the intangible asset and use or sell it.
- the ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

NOTE 14. NON-CURRENT ASSETS - INTANGIBLES (CONT.)

BRAND NAMES AND TRADEMARKS

The Group carries an amount of $31,836,945 referable to brand names with indefinite useful lives allocated between the Cereal and snacks, Dairy beverages, Nutritionals and Specialty seafood cash generating units. The brand names relate to established major brands purchased as part of business combinations and are considered to be market leaders within their market segment. The brand names operate in a stable industry with a strong positioning in the consumer functional foods market.

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the asset's estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

SOFTWARE ACQUISITION AND DEVELOPMENT

The Group carries an amount of $519,000 referable to software acquisition and development.

INTANGIBLES WITH A FINITE LIFE

- Capitalised development such as new product development, is deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.
- Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

Determining whether goodwill or other intangible assets are impaired requires an estimation of the value in use of the cash generating units to which the goodwill or other intangible assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

The value of the goodwill as at the end of the financial year was $59,204,000 (2017: $59,204,000), with no impairment loss charged against goodwill.

The value of other intangible assets as at the end of the financial year was $52,000,000 (2017: $43,407,000), with $63,000 impairment loss charged against the other intangible assets.

ACCOUNTING ESTIMATES

The recoverable amounts of the intangible assets contained in the cash generating units are determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five year period, a terminal value and a discount rate of 8.72% pa post tax and 12.46% pa pre-tax (2017: 8.72% pa post tax and 12.46% pa pre-tax).

Key assumptions used in the value in use calculations for cash generating units:

- Revenue – the projected revenue is based upon financial budgets approved by senior management covering a twelve month period to 30 June 2019 plus a forecast covering a further four years based upon historical actual growth rates.
- Gross margin – the projected gross margin is based upon financial budgets approved by senior management covering a twelve month period to 30 June 2019 plus a forecast gross margin percentage for the further four years based upon the FY 2019 budget.

The discount rate is based on the weighted average cost of capital determined by prevailing or benchmarked market inputs and includes a risk premium considered appropriate to a newly established business in a development phase.

NOTE 15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Trade payables	48,967	43,404
Other payables and accruals	39,102	22,225
	88,069	65,629

Refer to Note 25 for further information on financial instruments.

AMOUNTS NOT EXPECTED TO BE SETTLED WITHIN THE NEXT 12 MONTHS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Payables to related parties - refer Note 30 Related party transactions	1,293	39

Trade payables, including amounts payable for capital expenditure, are paid on average within 74 days of invoice date (2017: 60 days).

NOTE 16. CURRENT LIABILITIES - BORROWINGS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Trade financing facilities	-	87,959
Term loan facilities	4,200	-
Debtor financing facilities	-	18,005
Bank bill facilities	-	48,300
Equipment financing facilities	5,530	7,499
	9,730	161,763

Refer to Note 17 for further information on assets pledged as security and financing arrangements.

Refer to Note 25 for further information on financial instruments.

The loan due dates and facility renewal dates as at 30 June 2018 are summarised as follows:

	DUE DATE	FACILITY RENEWAL DATE	TOTAL $'000
Current term loan facilities	September 2018 (a)	December 2020	4,200
Non-current term loan facilities	(b)	December 2020	92,700
Equipment financing facilities	various	n/a	37,291
			134,191

(a) Current term loan facilities are amortised quarterly.

(b) Non-current term loan facilities with due dates of 3 years.

NOTE 17. NON-CURRENT LIABILITIES - BORROWINGS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Term loan facilities	92,700	-
Equipment financing liabilities	31,761	23,395
	124,461	23,395

Refer to Note 25 for further information on financial instruments.

TOTAL SECURED LIABILITIES

The total secured liabilities (current and non-current) are as follows:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Trade financing facilities	-	87,959
Term loan facilities	96,900	-
Debtor financing facilities	-	18,005
Bank bill facilities	-	48,300
Equipment financing liabilities	37,291	30,894
	134,191	185,158

ASSETS PLEDGED AS SECURITY

The Group's primary bank facilities are arranged with HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB), organised under a Common Terms arrangement and secured by a General Security Deed over all the property of the Group (subject to exceptions for certain asset-backed facilities and low-value subsidiaries). The security comprises first-ranking security over all personal property and mortgages over real property owned by the Group and key property leases. The individual facilities include debtor finance, equipment finance, bilateral agreements (term loan and revolver) and other general transactional banking facilities as required for the operations of the Group's business.

The equipment finance facilities relate to specific equipment operating at the Company's Leeton, Shepparton, Dandenong and Ingleburn facilities. The equipment finance facilities are secured over the assets financed under the relevant facility, and are therefore subject to their own security and excluded from the application of the General Security Deed. The leases are over a period of 2 to 7 years and the final residuals on the current leases will be due between 2019 and 2025.

BANKING FACILITIES RESTRUCTURE

The Group entered into a $201 million syndicated banking facility with its long term banking partners HSBC and NAB in December 2017. The facility provides a more flexible group finance and liquidity structure that provides working capital and capital expenditure funding for the Group as it continues to grow. The term of the facility is for 3 years.

As part of the banking facility restructure, HSBC has provided the Group with a new limited recourse debtor finance facility which is being utilised as a source of working capital. Under this facility, the Group sells receivables of its major grocery retail customers to HSBC in exchange for cash. These receivables are de-recognised as an asset, as the significant risk associated with the collection of the receivables are transferred to HSBC at the time of sale. The amount funded under this facility is not recognised as a liability by the Group. The funded value of this facility was $34.7 million as at 30 June 2018 (2017:nil).

In the statement of cash flows, the funds received from the bank under this facility are included in cash flows from operations as receipts from customers. Prior to the banking facility restructure, funding received from the previous full recourse facility was included in the statement of cash flows under financing activities as proceeds from borrowings. As a consequence of this change, the net cash from operating activities in the year ended 30 June 2018 includes a one off lump sum increase in receipts of $24.1 million due to the change in facility.

FINANCING ARRANGEMENTS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Total facilities		
Trade financing facilities	-	90,500
Term loan facilities	96,900	-
Debtor financing facilities	32,082	24,000
Bank bill facilities	-	50,400
Equipment financing liabilities	42,107	38,132
Revolver facilities	30,000	-
	201,089	203,032
Used at the reporting date		
Trade financing facilities	-	87,959
Term loan facilities	96,900	-
Debtor financing facilities	-	18,005
Bank bill facilities	-	48,300
Equipment financing liabilities	37,291	30,894
Revolver facilities	-	-
	134,191	185,158
Unused at the reporting date		
Trade financing facilities	-	2,541
Term loan facilities	-	-
Debtor financing facilities	32,082	5,995
Bank bill facilities	-	2,100
Equipment financing liabilities	4,816	7,238
Revolver facilities	30,000	-
	66,898	17,874

UNUSED FINANCING FACILITIES

The Group has unused banking facilities relating to debtor financing, revolver and equipment financing facilities requirements amounting to $66.9 million (2017: $17.9 million).

Interest rates are variable and subject to adjustment.

NOTE 18. CURRENT LIABILITIES - DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Forward foreign exchange contracts	280	236
Interest rate swap contracts	268	-
	548	236

Refer to Note 25 for further information on financial instruments.

NOTE 19. INCOME TAX EXPENSE

	CONSOLIDATED	
	2018 $'000	2017 $'000
Income tax expense		
Current tax	(1,854)	1,492
Adjustments recognised in the current year in relation to the current tax of prior years	(1,202)	(1,230)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	4,958	1,547
Aggregate income tax expense	1,902	1,809
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	14,617	9,348
Tax at the statutory tax rate of 30%	4,385	2,804
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of revenue/expenses that are not deductible in determining taxable profit	358	(271)
Effect of tax concessions (research and development)	-	(20)
Over-provision in respect of prior years	(1,202)	(1,230)
Current tax benefit recognised	(1,854)	-
	1,687	1,283
Effect of overseas tax rates	215	-
Franking deficit tax	-	526
Income tax expense	1,902	1,809

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	CONSOLIDATED	
	2018 $'000	2017 $'000
Deferred tax balances		
Deferred tax assets/(liabilities) comprise of temporary differences attributable to:		
Plant and equipment	(5,790)	2,447
Provisions	3,277	(1,565)
Other	3,544	(2,420)
Tax losses	7,430	4,970
Intangibles	(4,013)	-
Finance facilities	(2,395)	(1,597)
Total deferred tax assets	2,053	1,835

SIGNIFICANT ACCOUNTING POLICIES

The Company and its wholly-owned Australian subsidiaries have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Freedom Foods Group Limited. Income tax expense/benefit, current tax liabilities and assets and deferred tax are recognised by the Company (as head entity in the tax consolidated group).

Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Freedom Foods Group Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

CURRENT TAX

Current tax is calculated as the expected amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

DEFERRED TAX

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that is probably that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

CURRENT AND DEFERRED TAX FOR THE PERIOD

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

NOTE 20. CURRENT LIABILITIES - INCOME TAX

	CONSOLIDATED	
	2018 $'000	2017 $'000
Income tax payable attributable to: entities in the tax consolidated group	4,893	11,642

NOTE 21. NON-CURRENT ASSETS - DEFERRED TAX

	CONSOLIDATED	
	2018 $'000	2017 $'000
Deferred tax asset	2,053	1,835
Movements:		
Opening balance	1,835	3,720
Provisions	4,842	(2,723)
Property, plant and equipment	(8,238)	4,611
Other	5,965	(4,012)
Tax losses recognised in PDG since 1 January 2016	-	(327)
Deferred tax liabilities acquired	-	815
Deferred tax assets related to losses acquired	-	(249)
Tax losses	2,460	-
Intangibles	(4,013)	-
Finance facilities	(798)	-
Closing balance	2,053	1,835

NOTE 22. EQUITY - ISSUED CAPITAL

	CONSOLIDATED			
	2018 SHARES	2017 SHARES	2018 $'000	2017 $'000
Ordinary shares - fully paid	243,983,810	200,853,531	453,374	249,940
Convertible redeemable preference shares - fully paid	101,627	101,627	14	14
	244,085,437	200,955,158	453,388	249,954

MOVEMENTS IN ORDINARY SHARE CAPITAL

DETAILS	DATE	SHARES	ISSUE PRICE	$'000
Balance	1 July 2016	181,527,335		169,090
Employee share options exercised		350,000	$0.60	210
Employee share options exercised		668,667	$1.65	1,103
Dividend reinvestment plan ('DRP') shares		680,139	$4.48	3,050
Dividend reinvestment plan ('DRP') shares		598,742	$4.07	2,439
Shares issued under the entitlement offer		16,860,110	$4.45	75,027
Shares issued under Escrow		168,538	$3.85	649
Transaction costs		-	$0.00	(1,628)
Balance	30 June 2017	200,853,531		249,940
Employee share options exercised		82,000	$1.65	135
Dividend reinvestment plan ('DRP') shares		720,773	$4.29	3,095
Dividend reinvestment plan ('DRP') shares		629,518	$4.98	3,132
Shares issued under the entitlement offer		41,697,988	$4.80	200,150
Transaction costs		-	$0.00	(3,078)
Balance	30 June 2018	243,983,810		453,374

ORDINARY SHARES

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Changes to the then Corporation Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1988. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

The DRP provides shareholders with the opportunity to receive ordinary shares, in lieu of cash dividends, at a discount (set by the directors) from the market price at the time of issue.

Ordinary shares are classified as equity.

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

CONVERTIBLE REDEEMABLE PREFERENCE SHARES (CRPS)

The CRPS are perpetual with no maturity, but redeemable after 3 years at the option of the Company. The CRPS are transferable and are convertible at the option of the CRPS holder. The dividend rate is 9.0% p.a. on the issue price of $0.30. It is a preferred, discretionary and non-cumulative dividend and CRPS holders have no claim or entitlement in respect of a non-payment.

Dividends are to be payable half-yearly in arrears. CRPS holders who convert their CRPS prior to a dividend payment date will not be entitled to any dividend for that part period in respect of that CRPS. However, upon conversion to ordinary shares a holder who is on the register on the record date for a dividend payable in respect of ordinary shares will be entitled to the full ordinary dividend for that period. Dividends on the CRPS will be payable in April and November each year until converted or redeemed. CRPS holders are entitled to receive dividends in priority to holders of ordinary shares and equally with the holders of other CRPS that may be issued by Company on these terms.

CRPS are convertible into fully paid ordinary shares in the Company on the basis that each CRPS is convertible at the election of the CRPS holder into one ordinary share, subject to any restrictions imposed by the Corporations Act and ASX Listing Rules. There is no time limit within which CRPS must be converted. No additional consideration is payable on conversion.

Notwithstanding the right of holders of CRPS to convert at any time, all CRPS will convert into ordinary shares automatically on the occurrence of certain trigger events including certain transactions involving a change in control of Company, such as a takeover of Company or a scheme or merger between Company and another body.

The Company may redeem the CRPS, 3 years from the date of issue of the CRPS, being 16 December 2013, at its option for the payment per CRPS of the higher of:

- the issue price of $0.30; and
- an amount determined by the Board of the Company with reference to the value of a CRPS as determined by an independent expert appointed by the Board.

The Company at this time has no plans to redeem the remaining CRPS still on issue due to the expense of the process of redemption being significantly more than the current value of the CRPS on issue.

SHARE OPTIONS GRANTED UNDER THE EMPLOYEE SHARE OPTION PLAN (ESOP) AND EQUITY INCENTIVE PLAN (EIP)

For information relating to the Freedom Foods Group Limited ESOP and EIP, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 32.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

NOTE 23. EQUITY - DIVIDENDS

DIVIDENDS

Dividends paid during the financial year were as follows:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Final fully franked dividend for the year ended 30 June 2017 of 2.25 cents per ordinary share paid in cash (2016: 2.25 cents)	1,429	1,048
Dividends reinvested: fully franked at 30% tax rate	3,095	3,050
Interim fully franked dividend for the year ended 30 June 2018 of 2.25 cents per ordinary share paid in cash (2017: 2.00 cents)	1,405	1,560
Dividends reinvested: fully franked at 30% tax rate	3,132	2,439
Final fully franked dividend for the year ended 30 June 2017 of 1.35 cents per convertible redeemable preference share (2016: 1.35 cents)	1	1
Interim fully franked dividend for the year ended 30 June 2018 of 1.35 cents per convertible redeemable preference share (2017: 1.35 cents)	1	1
	9,063	8,099

On 30 August 2018, the directors declared a 50% franked final dividend of 2.75 cents per share to the holders of fully paid ordinary shares in respect of the financial year ending 30 June 2018, which is to be paid to shareholders on 30 November 2018. The record date for determining the entitlement to the final dividend is 5 November 2018. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $6,710,000.

On 30 August 2018, the directors declared a 50% franked final dividend of 1.35 cents per share to the holders of the convertible redeemable preference shares in respect of the financial year ending 30 June 2018, which is to be paid to shareholders on 30 November 2018. The record date for determining the entitlement to the final dividend is 5 November 2018. The dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $1,372.

FRANKING CREDITS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Franking credits available for subsequent financial years	261	-
Franking debits that will arise from the payment of dividends declared subsequent to the reporting date	(1,437)	(1,356)
Net franking credits available	(1,176)	(1,356)

NOTE 24. EQUITY - RESERVES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Land and buildings revaluation reserve	2,416	2,416
Foreign currency translation reserve	(193)	(542)
Equity-settled employee benefits reserve	3,636	2,607
Common control reserve	(60,878)	(60,878)
	(55,019)	(56,397)

LAND AND BUILDINGS REVALUATION RESERVE

The land and buildings revaluation reserve arises on the revaluation of land and buildings. Where a revalued land or building is sold that portion of the asset revaluation reserve which relates to the asset and is effectively realised, is transferred directly to retained earnings.

FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE

The equity-settled employee benefits reserve arises on the grant of share options to executives and senior employees under the Employee Share Option Plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share based payments to employees is made in Note 33 to the financial statements.

COMMON CONTROL RESERVE

The common control reserve is used to account for the acquisition of Pactum Australia and Pactum Dairy Group by the Group. The difference between the fair value of the consideration paid and the existing book values of the assets and liabilities of Pactum Australia has been debited to a common control reserve ($5,464,000). On 31 January 2017, the reserve was increased due to the additional interest acquired in Pactum Dairy Group. The difference between the fair value of the consideration paid and the non-controlling interest balance on that date has been debited to a common control reserve ($55,414,000). Upon disposal of all interests in Pactum Australia or Pactum Dairy Group by the Group, the applicable reserve would be transferred to retained earnings.

MOVEMENTS IN RESERVES

Movements in each class of reserve during the current and previous financial year are set out below:

CONSOLIDATED	LAND & BUILDINGS REVALUATION RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	EQUITY-SETTLED EMPLOYEE BENEFITS RESERVE $'000	COMMON CONTROL RESERVE $'000	TOTAL $'000
Balance at 1 July 2016	1,499	(468)	2,159	(5,464)	(2,274)
Land and building revaluation	917	-	-	-	917
Foreign currency translation	-	(74)	-	-	(74)
Share-based payments	-	-	448	-	448
In relation to 50% acquisition of PDG	-	-	-	(55,414)	(55,414)
Balance at 30 June 2017	2,416	(542)	2,607	(60,878)	(56,397)
Foreign currency translation	-	349	-	-	349
Share-based payments	-	-	1,029	-	1,029
Balance at 30 June 2018	2,416	(193)	3,636	(60,878)	(55,019)

NOTE 25. FINANCIAL INSTRUMENTS

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in their respective notes. The Company has entered into a new syndicated banking facility with its long term banking partners HSBC and NAB. The facility provides a more flexible group finance and liquidity structure that will provide working capital and capital expenditure funding for the Company as it continues to grow its revenue. The term of the $201 million new secured bilateral and syndicated facility is for 3 years.

Operating cash flows are used to maintain and expand the Group's manufacturing and distribution assets, as well as to make the routine outflows of tax, dividends and repayment of maturing debt. The Group's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

MARKET RISK

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. The Group enters into forward exchange contracts to manage exposure to foreign currency risk for its imports and exports. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

SIGNIFICANT ACCOUNTING POLICES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

FORWARD FOREIGN EXCHANGE CONTRACTS

The Group enters into forward foreign exchange contracts to buy specified amounts of foreign currencies in the future at stipulated exchange rates. The objective of entering into the forward exchange contracts is to protect the Group against unfavourable exchange rate movements for the contracted purchases and sales undertaken in foreign currencies.

The Group had entered into contracts (for terms not exceeding 12 months) to purchase finished goods from suppliers in the United States and Canada, equipment from Europe and for sales receipts denominated in United States dollars from export customers. The contracts related to highly probable forecasted transactions for the purchase of inventory for the Specialty Seafood business (Salmon - USD and Sardines - CAD) and the Freedom Foods business (Spreads - USD and Almond paste - USD) with the purchase consideration being settled in the above currencies and on sales orders from export customers. The Group's objective in entering into forward foreign exchange contracts is to provide certainty to the income and cash flow implications for the designated foreign currency purchase, relating to purchase of inventory or other capital assets. The Group had USD 7,101,020 (Buy), USD 11,524,131 (Sell), CAD 586,958 (Buy) outstanding foreign exchange contracts as at 30 June 2018.

The Group does not adopt hedge accounting.

The following table details the forward foreign exchange contracts outstanding as at reporting date in Australian dollars:

	SELL AUSTRALIAN DOLLARS		AVERAGE EXCHANGE RATES	
	2018 $'000	2017 $'000	2018	2017
Buy US dollars				
Maturity:				
0 - 3 months	7,473	6,088	0.7571	0.7500
3 - 6 months	1,915	1,892	0.7554	0.7481
Buy Canadian Dollars				
Maturity:				
0 - 3 months	602	209	0.9747	0.9963
Buy Euros				
Maturity:				
0 - 3 months	-	9,518	-	0.6774
3 - 6 months	-	3,063	-	0.6869

	SELL US DOLLARS		AVERAGE EXCHANGE RATES	
	2018 $'000	2017 $'000	2018	2017
Buy Australian dollars				
Maturity:				
0 - 3 months	10,691	1,212	0.7541	0.7565
3 - 6 months	4,738	-	0.7386	-

	SELL EURO		AVERAGE EXCHANGE RATES	
	2018 $'000	2017 $'000	2018	2017
Buy Australian dollars				
Maturity:				
0 - 3 months	-	84	-	0.6925

The following table details the forward foreign exchange contracts at fair value as at reporting date in Australian dollars:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Buy US dollars - less than 3 months	231	(153)
Buy CAD dollars - less than 3 months	(2)	-
Buy Euros - less than 3 months	-	248
Buy US dollars - 3-6 months	54	(47)
Buy Euros - 3-6 months	-	90
Sell US dollars - less than 3 months	(241)	11
Sell US dollars - 3-6 months	(29)	-
Sell Euros - less than 3 months	-	(3)
Net fair value	13	146

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

FOREIGN CURRENCY RISK MANAGEMENT

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (in the respective foreign currency):

CONSOLIDATED	ASSETS		LIABILITIES	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
US dollar	9,797	9,756	1,338	3,163
Canadian dollar	3	284	363	208
Euro	-	-	1,442	2,351
Thai baht	-	-	168	-
New Zealand dollar	-	-	57	288
Chinese Yuan	40	13	50	355
Singapore dollars	-	-	10	10

There have been no changes to the Group's exposure to foreign currency risks or the manner in which it manages and measures the risks from the previous period.

NOTE 25. FINANCIAL INSTRUMENTS (CONT.)

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the sensitivity to an increase/decrease in the Australian dollar against the relevant currencies in relation to foreign exchange exposures. Sensitivity rates of 2% (USD), 2% (CAD), 3% (NZD) and 2% (EUR) have been used as these represent management's assessment of a likely maximum change in foreign exchange rates.

A positive number indicates an increase in profit where the Australia Dollar strengthens against the respective currency. For a weakening of the Australia Dollar against the respective currency there would be an equal and opposite impact on the profit and the balances below would be negative.

CONSOLIDATED - 2018	% CHANGE	AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX $'000	EFFECT ON EQUITY $'000	% CHANGE	AUD WEAKENED EFFECT ON PROFIT BEFORE TAX $'000	EFFECT ON EQUITY $'000
US dollar	2%	255	(255)	2%	(245)	245
Canadian dollar	2%	7	(7)	2%	(7)	7
New Zealand dollar	3%	1	(1)	3%	(1)	1
Euro	2%	(54)	54	2%	52	(52)
		209	(209)		(201)	201

CONSOLIDATED - 2017	% CHANGE	AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX $'000	EFFECT ON EQUITY $'000	% CHANGE	AUD WEAKENED EFFECT ON PROFIT BEFORE TAX $'000	EFFECT ON EQUITY $'000
US dollar	4%	(299)	299	4%	322	(322)
Canadian dollar	5%	(4)	4	5%	4	(4)
New Zealand dollar	5%	13	(13)	5%	(14)	14
Euro	3%	99	(99)	3%	(105)	105
Chinese Yuan	4%	2	(2)	4%	(2)	2
		(189)	189		205	(205)

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables at year end in the Group and the parent.

INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposures to interest rate risk, which is the risk that a financial instrument's value, its borrowing costs and interest income will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial instruments are set out below:

CONSOLIDATED	2018		2017	
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	BALANCE $'000	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	BALANCE $'000
Cash and cash equivalents	-	98,106	-	4,184
Term loan facilities	5.61%	(96,900)	-	-
Trade financing facilities and bank bill facilities	-	-	4.54%	(136,259)
Debtor financing facilities	-	-	4.48%	(18,005)
Equipment financing facilities	5.23%	(37,291)	5.49%	(30,894)
		(36,085)		(180,974)

During the financial year there has been no change to the Group's interest rate risk exposure or the manner in which it manages and measures risks.

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has been determined based on the impact of 50 basis point increase in interest rates on exposure to interest rates as detailed in the above table.

The impact of a 50 basis point (2017:100 basis point) interest rate movement during the year with all other variables being held constant would be:

- an increase/(decrease) on the Group's net profit/(loss) of $400,515 (2017: ($621,220)).

This is attributable to the Group's exposure to interest rates on its variable borrowings.

A 50 basis point movement represents management's assessment of the possible change in interest rates.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions concluded are spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with a Board approved policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board on an annual basis and may be updated throughout the year subject to approval of the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at statement of financial position date, to recognised financial assets of the Group which have been recognised on the statement of financial position is the carrying amount, net of any allowance for doubtful debts.

LIQUIDITY RISK MANAGEMENT

Liquidity risk arises from the possibility that the Group may be unable to settle a transaction on the due date. The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Included in Note 17 is a listing of additional undrawn facilities that the Company and the Group has at their disposal to further reduce liquidity risk.

Unused borrowing facilities at the reporting date:

	CONSOLIDATED	
	2018 $'000	2017 $'000
Trade financing facilities	-	2,541
Debtor financing facilities	32,082	5,995
Bank bill facilities	-	2,100
Equipment financing liabilities	4,816	7,238
Revolver facilities	30,000	-
	66,898	17,874

NOTE 25. FINANCIAL INSTRUMENTS (CONT.)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

CONSOLIDATED - 2018	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR $'000	BETWEEN 1 & 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-derivatives				
Non-interest bearing				
Trade payables	-	48,967	-	48,967
Other payables	-	1,293	-	1,293
Interest-bearing - fixed rate				
Term loan facilities	5.61%	4,435	97,898	102,333
Equipment financing liabilities	5.23%	7,446	34,549	41,995
Total non-derivatives		62,141	132,447	194,588

CONSOLIDATED - 2017	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR $'000	BETWEEN 1 & 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-derivatives				
Non-interest bearing				
Trade payables	-	43,404	-	43,404
Other payables	-	39	52	91
Interest-bearing - variable				
Trade financing facilities	4.95%	92,317	-	92,317
Debtor financing facilities	4.48%	18,812	-	18,812
Interest-bearing - fixed rate				
Bank bill facilities	3.79%	50,132	-	50,132
Equipment financing liabilities	5.48%	9,055	24,841	33,896
Total non-derivatives		213,759	24,893	238,652

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivatives instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including forward foreign exchange contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group has not adopted hedge accounting during the financial year or previous corresponding period.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's financial management team provides services to each of the group businesses, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, credit risk and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

	CONSOLIDATED	
	2018 $'000	2017 $'000
Debt (i)	134,191	185,158
Cash and cash equivalents	(98,106)	(4,184)
Net debt	36,085	180,974
Equity (ii)	529,900	321,436
Net debt to equity ratio	7%	56%

(i) Debt is defined as long and short-term borrowings, as detailed in the notes to the financial statements.
(ii) Equity includes all capital and reserves.

NOTE 26. CAPITAL AND LEASING COMMITMENTS

	CONSOLIDATED	
	2018 $'000	2017 $'000
Capital expenditure commitments		
Plant and equipment	16,227	6,690
	16,227	6,690
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	11,688	4,903
One to five years	46,674	20,111
More than five years	156,279	9,548
	214,641	34,562
Lease commitments - finance		
Minimum future lease payments:		
Within one year	7,446	9,055
One to five years	34,549	24,841
Total commitment	41,995	33,896
Less: Future finance charges	(4,704)	(3,002)
Net commitment recognised as liabilities	37,291	30,894
Representing:		
Equipment financing facilities - current (Note 16)	5,530	7,499
Equipment financing liabilities - non-current (Note 17)	31,761	23,395
	37,291	30,894

NOTE 27. INTERESTS IN SUBSIDIARIES

The Consolidated Statement of profit or loss and other comprehensive income and Statement of financial position of the entities party to the deed of cross guarantee is the Consolidated Statement of profit or loss and other comprehensive income and Statement of financial position included in the 2018 financial statements.

NAME	PRINCIPAL PLACE OF BUSINESS/COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2018 %	OWNERSHIP INTEREST 2017 %
Paramount Seafoods Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Group Operations Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Group Financing Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Pty Limited*	Australia	100.00%	100.00%
Pactum Australia Pty Limited*	Australia	100.00%	100.00%
Pactum Dairy Group Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Group IP Pty Limited*	Australia	100.00%	100.00%
Thorpedo Foods Group Pty Limited*	Australia	100.00%	100.00%
Thorpedo Foods Pty Limited	Australia	75.00%	75.00%
Thorpedo Seafoods Pty Limited	Australia	75.00%	75.00%
Freedom Foods North America Inc	North America	80.00%	80.00%
Freedom Foods Group Dandenong Pty Limited (formerly Popina (Vic) Pty Limited)*	Australia	100.00%	100.00%
Freedom Foods Group Ingleburn Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Group Nutritionals Pty Limited*	Australia	100.00%	100.00%
Freedom Foods Group Trading Pty Limited*	Australia	100.00%	100.00%

* *These companies are members of the tax consolidated group.*

NOTE 28. DEED OF CROSS GUARANTEE

The following have entered into a deed of cross guarantee as a condition to obtaining relief under ASIC Class Order 98/1418 from the Corporations Act 2001 requirements to prepare and lodge audited financial statements and a directors' report.

Freedom Foods Group Limited

Paramount Seafoods Pty Limited

Freedom Foods Group Operations Pty Limited

Freedom Foods Group Financing Pty Limited

Freedom Foods Pty Limited

Pactum Australia Pty Limited

Freedom Foods Group IP Pty Limited

Thorpedo Foods Group Pty Limited

Freedom Foods Group Dandenong Pty Limited (formerly Popina (Vic) Pty Limited)

Pactum Dairy Group Pty Limited

Freedom Foods Group Nutritionals Pty Limited

Freedom Foods Group Trading Pty Limited

Each party to the deed of cross guarantee, guarantees to each creditor in the Group payment in full of any debt upon winding up under the provisions of the Corporations Act 2001 or, in any other case, if six months after a resolution or order for winding up, any debt of a creditor that has not been paid in full. The consolidated financial statements of the closed Group would not be materially different from the report of the Group as a whole. The main difference is the Freedom Foods North America result which is disclosed in Note 3 above.

NOTE 29. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	PARENT	
	2018 $'000	2017 $'000
Profit/(loss) after income tax	(1,928)	847
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	(1,928)	847

STATEMENT OF FINANCIAL POSITION

	PARENT	
	2018 $'000	2017 $'000
Total current assets	154	100
Total non-current assets	502,338	288,819
Total assets	502,492	288,919
Total current liabilities	8,954	8,703
Total non-current liabilities	-	(21,578)
Total liabilities	8,954	(12,875)
Net assets	493,538	301,794
Equity		
Issued capital	440,042	236,149
Reserves	4,269	3,241
Retained profits	49,227	62,404
Total equity	493,538	301,794

The Company is able to use the Group's cash to settle its debts when they fall due and therefore continue to operate as a going concern.

NOTE 30. RELATED PARTY TRANSACTIONS

SUBSIDIARIES

Interests in subsidiaries are set out in Note 27.

ASSOCIATES

Interests in associates are set out in Note 12.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 31 and the Remuneration report included in the Directors' report.

TRANSACTIONS WITH RELATED PARTIES

Other related parties include:

- entities with joint control or significant influence over the Group;
- joint ventures in which the entity was a venturer;
- subsidiaries; and
- other related parties.

NOTE 30. RELATED PARTY TRANSACTIONS (CONT.)

The following transactions occurred with related parties:

	CONSOLIDATED	
	2018 $	2017 $
Sale of goods and services:		
Sale of goods to subsidiaries	5,169,751	21,924,811
Payment for goods and services:		
Purchase of goods from Australian Consolidated Milk Pty Limited*	-	39,127,295
Purchase of goods and services from Leppington Pastoral Company	1,434,938	3,976,198
Purchase of goods and services from Fresh Dairy One Pty Limited	9,356,184	-
Payment for other expenses:		
Payment for rent and outgoings under a lease commitment with Perich Property Holdings	4,888,969	2,733,120
Payment of interest to Perich Property Holdings on short term loan facility**	232,641	-
Loans receivable:		
AFMH loan receivable	-	900,000

* *Australian Consolidated Milk Pty Limited ceased to be a related party on 31st January 2017 when the Group acquired the remaining 50% of PDG.*

** *The Company entered into an arm's length transaction with Perich Property Holdings for short term construction funding of $7.1 million for the new nutritionals facility ahead of the banking restructure, sale and leaseback of Ingleburn and the capital raising. This transaction was entered into to bring forward the construction of this plant given the material benefit it will bring to the Company. No principal was outstanding at 30 June 2018.*

These services are provided under normal terms and conditions.

NOTE 31. KEY MANAGEMENT PERSONNEL DISCLOSURES

COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	CONSOLIDATED	
	2018 $	2017 $
Short-term employee benefits	2,104,246	1,773,719
Post-employment benefits	126,503	116,169
Share-based payments	513,322	446,990
	2,744,071	2,336,878

NOTE 32. SHARE-BASED PAYMENTS

Senior employees are eligible to participate in the share scheme under which executives are issued options to acquire shares in the Parent. Each employee share option converts into one ordinary share of the Parent on exercise. No amounts are paid or payable by the recipient on grant of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. There are no vesting conditions attached to these options other than continuing employment within the Group with the exception to the performance based options detailed in the directors' report.

The options granted below on 1 July 2013 and 1 July 2015 expire within five years of their issue, or one year after the resignation of the senior employee, whichever is the earlier. In relation to options issued during the financial year ended 30 June 2014, the options vest in three equal tranches over a period of 3 years. The options issued on 1 October 2017 vest in four tranches over a period over either 2 or 3 years.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the financial year:

2018

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ LAPSED	BALANCE AT THE END OF THE YEAR
01/07/2013	01/09/2019	$1.65	643,666	-	(82,000)	-	561,666
01/07/2015	30/06/2020	$2.92	4,000,000	-	-	-	4,000,000
01/10/2017	01/10/2019	$4.50	-	2,250,000	-	-	2,250,000
01/10/2017	01/10/2020	$4.50	-	2,250,000	-	-	2,250,000
			4,643,666	4,500,000	(82,000)	-	9,061,666
Weighted average exercise price			$2.74	$4.50	$1.65	$0.00	$3.63

2017

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ LAPSED	BALANCE AT THE END OF THE YEAR
30/08/2012	30/08/2017	$0.60	350,000	-	(350,000)	-	-
01/07/2013	01/09/2019	$1.65	1,312,333	-	(668,667)	-	643,666
01/07/2015	30/06/2020	$2.92	4,000,000	-	-	-	4,000,000
			5,662,333	-	(1,018,667)	-	4,643,666
Weighted average exercise price			$2.48	$0.00	$1.29	$0.00	$2.74

The weighted average exercise price during the financial year was $1.65 (2017: $1.29).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.8 years (2017: 2.7 years).

Expected volatility is based on historical share price volatility over the past two years. It is expected that options will be exercised only in the event of the market price exceeding the exercise price.

GRANT DATE	EXPIRY DATE	SHARE PRICE AT GRANT DATE	EXERCISE PRICE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE
01/07/2013	01/09/2019	$1.80	$1.65	5.00%	2.50%	5.00%	$0.181
01/07/2015	30/06/2020	$2.94	$2.92	50.00%	0.49%	2.25%	$1.195
01/10/2017	01/10/2019	$4.04	$4.50	12.50%	1.50%	2.50%	$0.142
01/10/2017	01/10/2020	$4.04	$4.50	12.50%	1.50%	2.50%	$0.210

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

NOTE 33. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2018 $'000	2017 $'000
Profit after income tax expense for the year	12,715	7,539
Adjustments for:		
Depreciation and amortisation	13,413	11,392
Foreign exchange differences	(349)	423
Share based payments	1,338	448
Deferred tax on share issue costs	2,155	461
Share of loss/(profit) of associates	(480)	(480)
Restructuring costs	3,848	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	3,071	(20,336)
Increase in inventories	(22,130)	(17,554)
Decrease/(increase) in deferred tax assets	(218)	1,885
Decrease/(increase) in other operating assets	(1,107)	1,053
Increase in trade and other payables	17,176	20,380
Increase/(decrease) in provision for income tax	(6,749)	74
Increase for provision in employee entitlements	1,732	995
Decrease in other operating liabilities	(39)	(899)
Net cash from operating activities	24,376	5,381

Details of credit standby arrangements available and unused loan facilities are shown in Note 17 to the financial statements.

NON-CASH FINANCING AND INVESTING ACTIVITIES

Refer to Note 34 for non-cash financing and investing activities.

NOTE 34. RECONCILIATION OF LIABILITIES ARISING FROM INVESTING AND FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from investing and financing activities, including both cash and non-cash changes. Liabilities arising from investing and financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

			NON-CASH CHANGES			
	BALANCE 30 JUNE 2017 $'000	FINANCING CASH FLOWS $'000	DRP $'000	RELATED INCOME TAX $'000	OTHER NON-CASH $'000	BALANCE 30 JUNE 2018 $'000
Movements in financing activities:						
Trade financing facilities (Note 17)	(87,959)	87,959	-	-	-	-
Debtor financing facilities (Note 17)	(18,005)	18,005	-	-	-	-
Bank bill facilities (Note 17)	(48,300)	48,300	-	-	-	-
Term loan facilities (Note 17)	-	(96,900)	-	-	-	(96,900)
Equipment financing facilities (Note 17)	(30,893)	(6,398)	-	-	-	(37,291)
Related party balances (Note 15)	(39)	(1,254)	-	-	-	(1,293)
Share capital (Note 22)	(249,940)	(195,052)	(6,227)	(2,155)	-	453,374
Dividends paid (Note 23)	-	2,816	6,227	-	20	9,063
	(435,136)	(142,524)	-	(2,155)	20	326,953

			NON-CASH CHANGES					
	BALANCE 30 JUNE 2017 $'000	INVESTING CASH FLOWS $'000	DEPRECIATION & AMORTISATION $'000	GAIN ON SALE $'000	LOAN CONVERSION TO EQUITY $'000	SHARE OF PROFITS USING EQUITY METHOD $'000	OTHER NON-CASH $'000	BALANCE 30 JUNE 2018 $'000
Movements in investing activities:								
Property, plant, equipment and intangibles (Note 13 & 14)	442,967	63,382	(13,413)	3,363	-	-	3,714	500,013
Associates and other parties	900	1,182	-	-	(900)	-	-	1,182
Investment accounted for using the equity method (Note 12)	7,594	8,414	-	-	900	480	40	17,428
	451,461	72,978	(13,413)	3,363	-	480	3,754	518,623

NOTE 35. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	CONSOLIDATED	
	2018 $	2017 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	392,300	404,100
Other services - Deloitte Touche Tohmatsu		
Research and development advice	31,500	54,092
Tax compliance services	172,013	15,000
	203,513	69,092
	595,813	473,192

NOTE 36. EVENTS AFTER THE REPORTING PERIOD

On 31 July 2018, the Company entered into a share sale agreement to purchase Crankt Protein customers and intellectual property from DNA Brands Pty Ltd, an Australian based distributor and brand owner in the mainstream nutrition products category, including beverages and snacks bars. The Crankt Protein range is sold through retail grocery, petrol and convenience and fitness retailers in Australia. The Company had previously entered into an agreement on 27 February 2018 to be the exclusive distributor of the Crankt Protein brand and with the right to acquire the brand. The cash gross purchase price is approximately $3.5 million.

Apart from the dividend declared as disclosed in Note 23 and the purchase of Crankt Protein, no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION JUNE 30 2018

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 28 to the financial statements.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Perry R. Gunner
Chairman

Rory J.F. Macleod
Managing Director and Chief Executive Officer

30 August 2018
Sydney


For every little
Superhero
freedom
brekky heroes
FRUITY HOOPS
freedom
No Artificial Colours & Flavours
No Preservatives
Source of fibre
brekky heroes
CHOC BOULDERS
260g
freedom
No Artificial Colours & Flavours
No Preservatives
Source of fibre
brekky heroes
HONEY BOLTS

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of Freedom Foods Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Freedom Foods Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Capitalisation of construction costs As at 30 June 2018 the Group capitalised $243.3 million of construction costs as part of the Capital Work in Progress (CWIP) as disclosed in Note 13. The assessment as to the point at which to transfer the asset from CWIP to Property, Plant and Equipment (PPE) and commence depreciation requires judgement by management including determining when assets capitalised are ready for use as intended by management in accordance with the accounting policies in Note 13.	Our procedures included, but were not limited to: • Evaluating management's processes and controls in respect of capitalisation of construction costs and the transfer from CWIP to PPE, • Evaluating on a sample basis, whether projects included in the CWIP register have been commissioned into production, and • Testing on a sample basis, the transfer of completed projects from CWIP to PPE and assessing whether this has taken place in the correct period We also assessed the appropriateness of the related disclosures in Note 13 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman's letter and Managing Director's Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's letter and Managing Director's Report disclosures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 63 to 69 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Freedom Foods Group Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 30 August 2018

SHARHOLDER INFORMATION JUNE 30 2018

The shareholder information set out below was applicable as at 31 July 2018.

20 LARGEST SHAREHOLDERS AS AT 31 JULY 2018

Stock exchanges that have granted quotation to the securities of the Parent quoted in Australia:

All Member Exchanges.

ORDINARY SHAREHOLDERS

	NUMBER HELD	% OF TOTAL ORDINARY SHARES ISSUED
1. Arrovest Pty Limited	131,360,058	53.84
2. HSBC Custody Nominees (Australia) Limited	26,087,719	10.69
3. J P Morgan Nominees Australia Limited	17,707,180	7.26
4. Citicorp Nominees Pty Limited	9,950,555	4.08
5. National Nominees Limited	8,269,249	3.39
6. Netwealth Investments Limited	6,245,179	2.56
7. Australian Foundation Investment Company Limited	6,011,133	2.46
8. BPC Custody Pty Ltd	1,777,871	0.73
9. BNP Paribas Nominees Pty Ltd	1,752,588	0.72
10. Mirrabooka Investments Limited	1,522,906	0.62
11. Mutual Trust Pty Ltd	1,228,445	0.50
12. HSBC Custody Nominees (Australia) Limited	1,122,972	0.46
13. Amcil Limited	1,050,569	0.43
14. Neweconomy Com Au Nominees Pty Limited	776,336	0.32
15. Mr Perry Richard Gunner & Mrs Felicity Jane Gunner	758,173	0.31
16. UBS Nominees Pty Ltd	713,061	0.29
17. Goldacre Investments Pty Limited	690,601	0.28
18. Netwealth Investments Pty Ltd	670,239	0.27
19. BNP Paribas Noms Pty Ltd	651,941	0.27
20. HSBC Custody Nominees (Australia) Limited - A/C 2	582,215	0.24
	218,928,990	89.72

CONVERTIBLE REDEEMABLE PREFERENCE SHARE (CRPS) SHAREHOLDERS

	NUMBER HELD	% OF TOTAL ORDINARY SHARES ISSUED
1. R & M Gugliotta Pty Limited	30,000	29.51
2. Lewis Little River Pty Limited	23,438	23.07
3. Mr Hugh Middendorp & Mr Peter Charles	16,664	16.40
4. Alan Ong Enterprises Pty Limited	8,000	7.87
5. Est John William Hartigan & Mrs Enid May Hartigan	5,000	4.92
6. Mr Craig Sargent	3,394	3.34
7. GWG Investments Pty Limited	3,125	3.08
8. Lokit Investments Pty Limited	2,214	2.18
9. Mr Robert William Russell	1,924	1.89
10. Mr Robert David Napier Nicholls	1,736	1.71
11. Palatine Holdings Pty Limited	1,697	1.67
12. Mr Gerald Millman	1,000	0.98
13. Mr Tjeerd Veenstra & Mrs Susan Lesley Veenstra	963	0.95
14. Mrs Michelle Louise Farrell	640	0.63
15. Mr Andrew Jonathon Achilles	500	0.49
16. Mr Stuart William McDonald	497	0.49
17. Mr Neville Thiele	273	0.27
18. Mrs Dianne Joan Thiele	219	0.22
19. Mr Andrew Macfarlane	200	0.20
20. Mr Kim Wigram Jones	133	0.13
	101,617	100.00

DISTRIBUTION OF CRPS SHAREHOLDERS

	NUMBER OF HOLDERS OF CRPS SHARES
1 - 1,000	10
1,001 - 5,000	7
5,001 - 10,000	1
10,001 - 100,000	3
	21

SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders as listed in the Parent's register as at 31 July 2018 are:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Arrovest Pty Limited	131,360,058	53.84
HSBC Custody Nominees (Australia) Limited	26,087,719	10.69

The Parent's listed ordinary shares are of one class with equal voting rights and all are quoted on a Member Exchange of the Australian Stock Exchange Limited (the home exchange being the Australian Stock Exchange (Sydney) Limited).

CORPORATE DIRECTORY

Directors

Perry R. Gunner - Chairman and Non-Executive Director

Rory J.F. Macleod - Managing Director and Chief Executive Officer

Anthony M. Perich - Non-Executive Director, Deputy Chairman

Ronald Perich - Non-Executive Director

Trevor J. Allen - Non-Executive Director

Alternate Director

Michael R. Perich (for Anthony M. Perich and Ronald Perich)

Company secretary

Campbell Nicholas

Notice of annual general meeting

The details of the Annual General Meeting of Freedom Foods Group Limited are:

29 November 2018 at 12 Noon
PwC
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Registered office

80 Box Road
Taren Point NSW 2229
Tel: +61 2 9526 2555

Principal place of business

80 Box Road
Taren Point NSW 2229
Tel: +61 2 9526 2555

Share register

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Tel: +61 2 8280 7111
Fax: +61 2 9287 0303

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Tel: +61 2 9237 1171

Solicitors

PWC Legal
One International Towers
Barangaroo
Sydney NSW 2000

Bankers

HSBC Australia Limited
Level 37, 100 Barangaroo Ave
Sydney NSW 2000

National Australia Bank Limited
Level 3, 255 George Street
Sydney NSW 2000

Stock exchange listing

Freedom Foods Group Limited shares are listed on the Australian Securities Exchange (ASX code: FNP)

Website

www.ffgl.com.au

ABN

41 002 814 235

Insurance brokers

GSA Insurance Brokers Pty Ltd
'The Old Presbytery'
137 Harrington St
Sydney NSW 2000
Tel: +61 2 8274 8100

freedom FOODS GROUP LIMITED
Making food better

PLANT BASED DAIRY CEREAL SNACKING NUTRITIONALS

MAKING FOOD BETTER

freedom FOODS GROUP LIMITED

Making food better

2018 ANNUAL REPORT

WWW.FFGL.COM.AU