



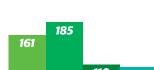


Key Insights

- 1. All-year value philosophy continues: strong financial performance allowing us to lead with price reductions, solid rebate, improved quality and technical advice
- 2. Co-operative moving forward on a variety of measures
- 3. Integration and innovation are keys to success going forward

Financial Highlights

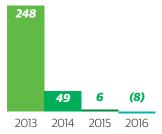
in New Zealand dollars



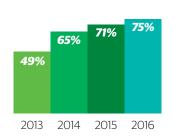
Operating cashflow (\$m)



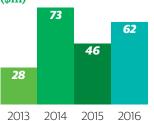
Net bank debt (\$m)



Equity ratio (%)



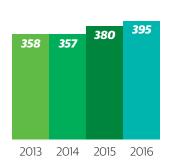
Profit before rebate and tax from continuing operations (\$m)



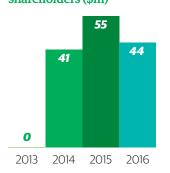
Shareholder return (\$/t) -including tax credits and bonus shares for 2014



Total equity (\$m)



Total distributed to shareholders (\$m)





6 The year in review

The Year In Review

Chairman's Remarks

In my remarks in last year's report, I outlined how well positioned the company had become as a result of our focus on financial and operational fundamentals, customer service and sound scientific advice. In this last financial year, we've seen that momentum build and excellent results ensue.

Thanks to the loyalty of existing shareholders, new shareholders joining the ranks and a lot of hard work from the Ravensdown team, your Board is thrilled to report on the progress made and is excited about the year to come.

Financial highlights

In a year when some agri-sector companies struggled in the face of a challenging trading environment, Ravensdown's strong performance was welcomed by farmers throughout New Zealand.

The company was in a position to return \$44 million in rebates to shareholders which has a "multiplier effect" in rural communities.

While tonnages remained broadly similar to last year, this year we saw our revenue figure fall in comparison. A key reason for this decrease was the reduction in prices we were paying for a number of our key fertiliser inputs. This, combined with our continued drive for efficiencies and elimination of waste throughout our operations, meant we could afford to charge our customers less, with pricing cuts made several times during the year. Revenue growth is not the be-all and end-all for a business such as ours.

After making improvements in each of the past three years, our continuing operations contributed a healthy profit before rebate and tax of \$62 million.

Due to this strong operating performance and our effective financial systems there was scope to return a \$41 per tonne rebate to purchasing shareholders. For the first time this took two forms. An interim cash rebate of \$21, which was paid in early June and a further rebate - the cash component of which will be paid dependent on the qualifying tonnes held by a particular shareholder.

The strong positive cashflows generated from our operating activities meant that over \$33 million was able to be invested back into key infrastructure such as new loaders, re-roofing, upgraded laboratory facilities and high-precision blending equipment.

It is important we continue to reinvest in our co-operative as we seek to provide quality assets that benefit our shareholders into the future.

For a co-operative focused on being sustainable it makes sense that debt levels should be low as the financial year draws

to a close and winter sets in. It's therefore pleasing that we were actually cash positive at year end and able to start another financial year on a strong footing with the ability to draw on our working capital facilities as we re-stock for the spring season.

You'll also note that this year we've streamlined the presentation of our financial statements to present a document that is more concise and user-friendly whilst of course meeting our reporting obligations.

We've also taken the opportunity to cease stating both Group and Parent figures as the Group result presents the ultimate and therefore more meaningful result for our shareholders.

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Investments in the land

As I stated earlier, fertiliser tonnages were broadly similar to the previous year, which in itself is a healthy sign that all farming sectors continue to invest long-term in soil fertility. Our dairy customers were focusing on their cost of dry matter production and returning to a pasture-first model. Farm-grown grass and clover can be the cheapest feed available, but the nutrients that nourish the pasture do need to be replaced.

Board changes

Patrick Willock left the Board at our last annual meeting. Patrick had been on the Board since 2000 and served as Deputy Chairman from September 2005 to February 2014. His contribution to Ravensdown was significant. For a number of years leading up to his retirement, Patrick was Chairman of our Remuneration Committee. During the

period, that Committee dealt with a number of issues that have had significant long-term benefits for our company. Patrick played an integral role in those decisions and acquitted his tasks with skill and professionalism. I would like to take this opportunity to thank Patrick for his contribution to our company and wish him well for the future.

The Board welcomed Hawkes Bay sheep and beef farmer, Bruce Wills, who was elected by shareholders in Area 5. Bruce is known to many through his time as a former president of Federated Farmers. He cares deeply about the co-operative's performance and has already brought his insights and experience to bear.

Constitution

As part of the constitutional review that we initiated at our 2014 annual meeting, last year shareholders voted to reduce the number of elected directors required to retire each year to one quarter of the board which extended the tenure of the directors from three years to four. For a Board of

eight elected directors, this brings stability and reduces administration costs.

Our constitutional review has been progressing incrementally since 2014 and will continue in the coming year when we will be considering issues relating to our capital structure and shareholders'

rights and entitlements. During the past 12 months, the Board commissioned independent research in relation to aspects of our future capital structure requirements. That research is currently being considered by the Board who will explore those questions over the next 12 months.

Acknowledgements

As well as thanking my fellow Board members for their contributions in the past year, I would like to acknowledge the efforts and hard work of Ravensdown's executive leadership team led by CEO Greg Campbell and all of the staff who work for the business directly or in our joint ventures. Additionally, we are grateful to all our shareholders whose loyalty has contributed to the company's ongoing prosperity.

Outlook

While our subsidiaries and associates, including Aerowork, C-Dax, Ravensdown Shipping Services and our ground spreading ventures all performed strongly, there remain opportunities for even further improvement in performance and we look forward to seeing further progress with those businesses.

Ravensdown is now a financially resilient company, providing valuable returns to shareholders, developing its people, innovating across the business and continuing to self-fund its capital improvement programme. Your Board intends to remain faithful to its proven strategy and is confident that by maintaining

that focus, your co-operative will be well positioned to continue to deliver value to its shareholders into the future.

Thank you

John Henderson | Chairman



The year in review 9

Safety is paramount

There is no greater priority for Ravensdown than safety. We want everyone who works for us, comes on to our sites or is connected with the products and services we supply to go home unharmed.

This is why we were all so shocked and saddened by the recent death of a contractor who had suffered burns as a result of an electrical incident at one of our sites. The individual was a valued member of the team whose experience and insights were appreciated by his colleagues. While the investigation is ongoing, this terrible incident has galvanised the entire team to do even more to keep themselves and every person they work with safe. It is a reminder to us all that no matter how much focus, or how many processes and systems are in place, an incident like this can still occur.

This year, we developed a network of health and safety champions which is chaired

by one of our store workers. We also commissioned a new reporting system so potential hazards and incidents can continue to be captured and the appropriate lessons learned. We can always do more to change the culture, so we will continue investing the time, effort and energy needed. For me as CEO, nothing is more important than safety and this will remain our key focus into the future.

Building resilience through financial strength

The financial performance of an organisation is not the only measure of success, but it is an important indicator. Over this past financial year, our balance sheet continued to strengthen. Our equity ratio at 75% was the highest for a decade and this is the fourth year in a row that Ravensdown has achieved more than \$100 million in operating cashflow.

This has enabled us to return another strong rebate to our shareholders in addition to passing on all-year value in the form of technical advice, product quality and competitive pricing.

During the year, Ravensdown led core product price reductions four times and we capped our superphosphate prices for the spring season.

For urea and superphosphate, these price initiatives were worth millions to New Zealand farming in challenging times.

In addition to continued infrastructure investment, we committed \$4 million into research and development. We have retained earnings of \$10 million in order to keep building a resilient business, better able to serve our shareholders over the long term.

Focus on quality and technology

We're really proud that 98% of our recently surveyed customers rated our fertiliser quality as good-to-excellent, evidence of our commitment to quality product. We are also focused on providing high quality services to our customers and we are now the largest employer of certified nutrient advisors in New Zealand.

Sales volumes this year were higher for our agrichemicals and seeds businesses showing that our full agronomy offer is valued. However the volumes of our animal health products were down in the same period, influenced by industry-wide contractions in dairy herd sizes.

The coming year is clearly hard to forecast, both for our customers and for Ravensdown.

From a global fertiliser supply perspective, we are seeing significant production capacity coming on stream around the world. We can use this supply-side benefit for the good of New Zealand's agri-sector.

The technology side of our solutions strategy will also increase value for our shareholders in the years ahead. This includes developments such as soil testing from the sky, predictive feed wedge tools, whole-farm soil analysis, custom-blended formulations and improved mapping capabilities.

We also expect to see further growth in our Environmental Consultancy as more and more farmers seek our help on environmental mitigations, consenting and compliance issues.

Ravensdown has the business model, strategy, people and momentum to continue delivering better value. It is exciting to see how far the co-operative has come and I'm grateful to the leadership team and our staff who have all lifted the company's performance for the benefit of our shareholders. Thanks also to the members of the Board for their strategic insights and governance throughout the year.

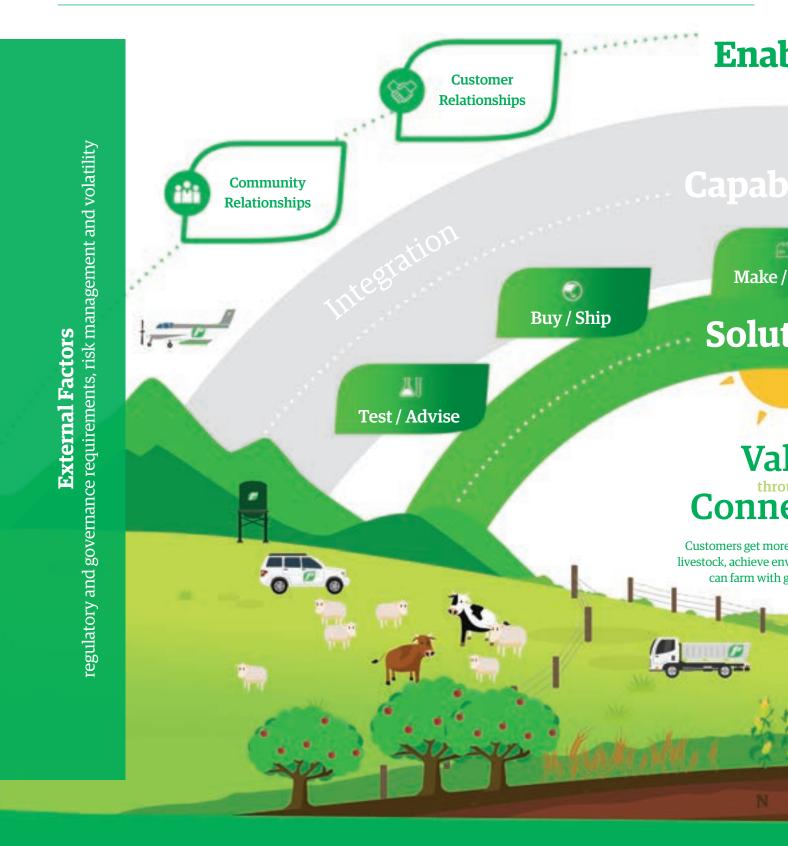
Whatever your connection with Ravensdown, thank you for taking an interest in our journey.



Greg Campbell | Chief Executive









Test / Advise

- Accredited Laboratory
- Agri-science Investment
- Research Collaborations
- Trained and Certified Advisors
- Agronomic Recommendations
- Environmental Consultancy
- Animal Health Guidance
- Accessible Customer Centre



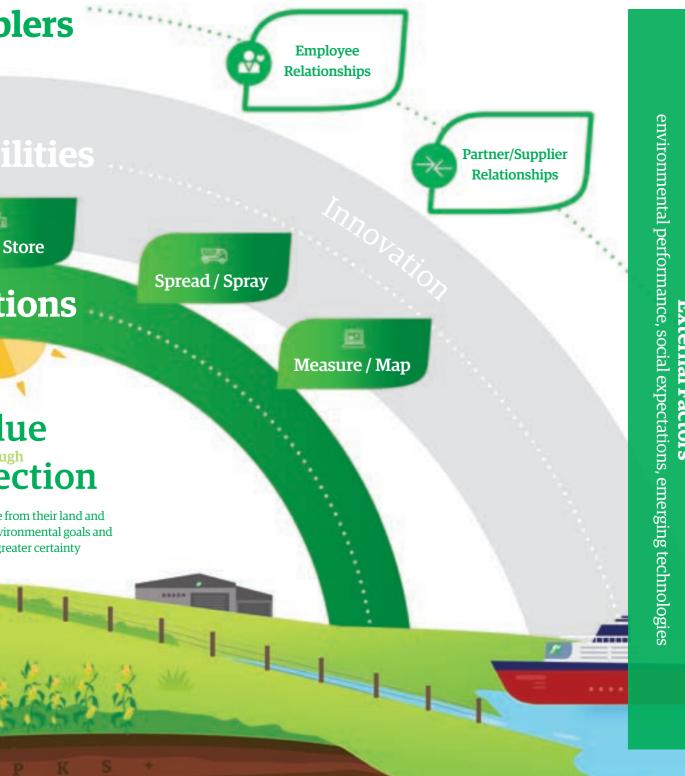
Buy / Ship

- Global Sourcing
- Local Delivery
- Procurement System
- Physical and Chemical Testing
- Biosecurity Screening
- Shipping Venture



Make / Sto

- Stores Networ
- Manufacturing
- Lime Quarries
- Precision Blend
- Convenient Or
- Fertiliser, Agch **Animal Health**



ore

Capability

ding

-farm Silos

em, Seeds and

Products



Spread / Spray

- Ground and Aerial Spreading
- Farmer Spreading and **Spraying System**
- Precision Application
- Placement Verification (under development)
- Aerial Soil Sensing (under development)



Measure / Map

- Decision Support
- Proof of Placement
- Mapping Technology
- Pasture Management Tools
- Integrated Reporting Tools

Overview & Business Model

The solutions journey

A co-operative set up 39 years ago is no longer just a supplier of commodity fertilisers.

Ravensdown is becoming an integrated solutions provider that can help customers get more from their land and livestock as well as achieve their environmental goals.

This evolution reflects the change in what our shareholders and wider community need from us.

In an uncertain world, where climate, currency and commodity volatility represent the 'new normal', Ravensdown creates value by enabling customers to grow with greater certainty.

The co-operative achieves this through the integration and innovation across its primary solution areas (see business model on pages 13 and 14). The products we sell are a means to an end; not the end itself. We advise farmers to use only what's required.

The Ravensdown team's focus is building a sustainable future and growing prosperity: for our owners, for our agri-sector and for our country.

Ravensdown values

As a co-operative, we are the product of a pioneering spirit and a conviction that strength comes from pulling together. We are driven to challenge and improve; to provide exceptional service to customers in the New Zealand agri-sector and contribute to their success.

We take care of each other and keep each other safe.

Here are the five values underpinning all our actions.



Empowered People



Environmental Leadership



Driving Innovation



Successful Co-operative



Enduring Relationships

Ravensdown's sustainable advantage

Ravensdown exists to support our customers' financial and environmental performance for a more prosperous New Zealand.

We believe in smarter farming for a more sustainable future.

Ravensdown creates value by helping customers farm with greater certainty. We do this through trained and trusted people using smart tools, through providing quality products such as fertilisers, lime, agchem, seed and animal health solutions that help customers get the most from their land and livestock.

We are the only co-operative who, without anyone in between, test for, advise about, buy, ship, make, store, spread, measure and map soil nutrients and fertiliser in a truly integrated way.





Measure / Map

Measure how your inputs and investment are impacting your feed targets at a visual or detailed level in order to make more effective decisions. Access your nutrient records conveniently.



Test / Advise

Test all your paddocks so you can optimise your nutrient investment. Guided by sound science and up-to-date understanding, plan your nutrients so they are aligned with your farm goals and your region's rules.





Buy / Ship

Access physically and chemically tested bulk fertilisers from top tier, quality-screened suppliers.





Spread / Spray

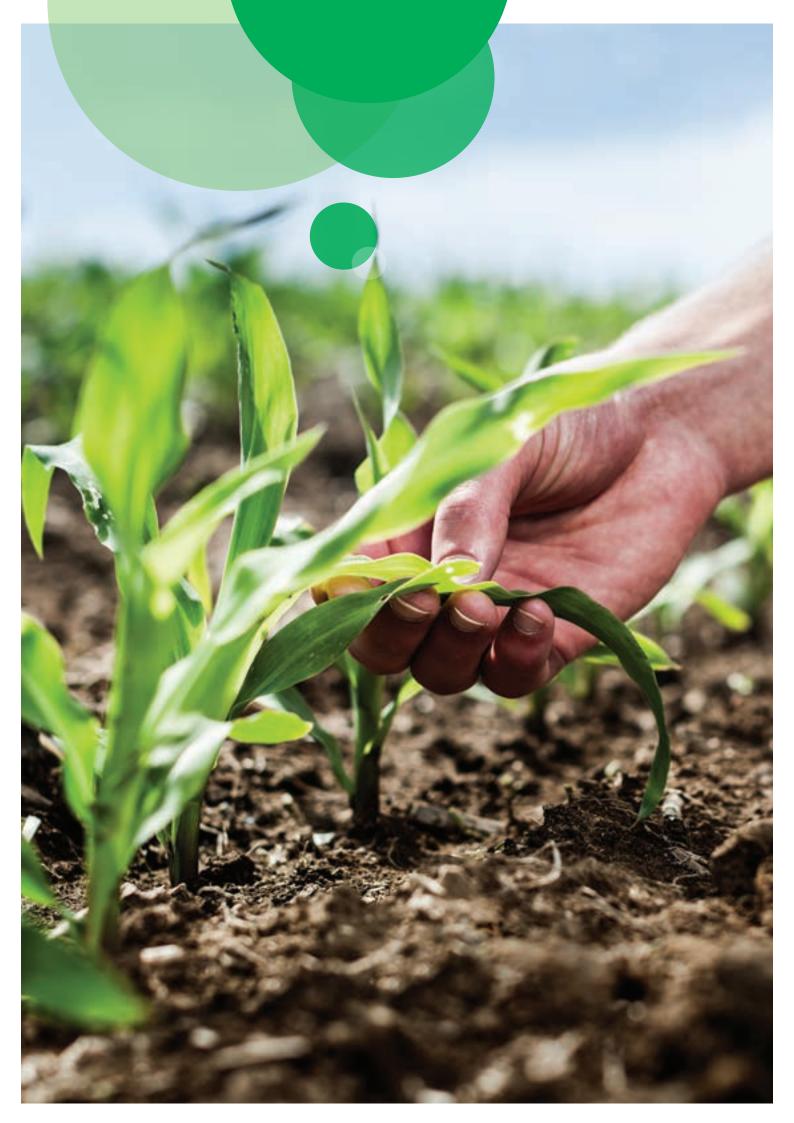
Evenly place the right amount of the right nutrient in the right place at the right time. Boost production through targeted application.



Make / Store

Choose from a range of readily-available animal health and agronomic products including domestically made superphosphate.





The people behind the business model

While product quality, logistical efficiency and financial discipline are always going to be important, ours is a business that is increasingly based on know-how, insights and relationships.

At a physical level, custom blends of nutrients will be provided to farmers based on what actual soil and plant test results, the latest nutrient modelling software, the interactive maps and the sound agriscience are all telling us.

Domestically made superphosphate and other quality fertilisers will be stored in bulk under controlled conditions to be accessed when needed and applied in increasingly precise ways by ground or air.

By recording application and other events using precision technology, accessible nutrient records build a long-term picture of performance.

Yes, our integrated activities and systems are valued. But it's the people who drive the success behind our business model.

Certified advisors, highly trained agronomists, environmental consultants, animal health technical managers, the Customer Centre support team and stores and spreading staff are working directly with customers to help them achieve their goals.

Behind the scenes, the individual and collective insights of all those buying, shipping, storing, manufacturing, blending and spreading products are adding value to shareholders day in, day out.

Project managers, scientists, laboratory technicians, software developers and everyone involved in support functions are constantly thinking of new ways to bring benefits to customers.

Building resilience through a customer-driven culture

Since 2013, we have moved towards a culture of empowerment with customers' needs at the heart of everything we do.

This can mean a store manager opens their store if there's enough demand, an agri manager organises a Smart Maps workshop or a laboratory worker comes up with an idea that will improve the speed of delivering soil test results.

We're seeing a motivated team who are clear on their direction, taking charge of how they deliver and improving their service. The team is well-chosen and well-trained; thanks to consistently applied recruitment and development systems.

At 61, we still have the highest number of certified nutrient management advisors of any New Zealand company.

Our advisory team attend an intensive programme of in-house training and courses run by Lincoln and Massey universities. We initiated our graduate recruitment scheme for the fourth year running to ensure we start early in developing the next generation of guidance.

Our field-based team continues to offer joined-up thinking in the form of seed, agchem and fertiliser recommendations, and our animal health technical managers complement the technical support with first rate advice.

This integrated thinking is at the heart of our sustainable competitive advantage and how we will continue to add value through connection.

For a summary of what we do and how that adds value, see page 20. For an update on how we're tracking on business priorities see page 30. For a snapshot of our future outlook, see page 56.





Test / advise

What we have	What we do	How this adds value
IANZ-accredited laboratory.	80,000 tests a year at ARL including soil, water, plant tissue and feed quality analysis.	 Fast and accurate diagnosis. Providing insight to make the right decisions.
GPS-enabled soil testing systems.	Whole-farm soil testing to reveal nutrient status between and within paddocks.	 More targeted fertiliser to areas that actually need it means less waste. Optimised productivity and improved environmental outcomes.
61 certified nutrient management advisors (largest team in New Zealand).	Provide trusted advice with a farm-system perspective based on latest science and OVERSEER nutrient modelling tool.	 More certainty over how much of which nutrients to use. Optimises farming model and achieves farm goals.
14 members in the environmental consultancy team.	Farm Environment Plans, actual nutrient budgets and assistance navigating regulatory constraints.	 Fit-for-purpose nutrient budgets that help farmers comply with consents. Land values can be maintained and more certainty around long-term investment decisions.
Agronomists and animal health specialists.	Technical advice from experts based in the customers' region delivered face-to-face, by email or via Ground Effect magazine.	 Seasonal guidance complements nutrient plans. Practical problem solving enables better returns from land and livestock.
Multiple product categories including fertiliser, lime, agrichemicals, seeds and animal health products.	Supply quality products backed up with technical advice.	 The one-stop shop lowers transactional costs for vital farm inputs. Cost-effective access to quality-tested products.
Online tools.	Digital access to historic soil testing, agronomic recommendations, nutrient budgets and online ordering tools.	 Map-based presentation of records, soil test results and applications. Convenience of having reference documents in one place with 24/7 online access.
New Zealand based Customer Centre for accessible service.	Direct advice without anyone in between.	 Prompt answers to questions from a friendly team. Use of farm information for added relevance.
An experienced research team actively contributing to agri-science.	Fund initiatives with Crown Research Institutes and universities.	 Access the latest developments in a dynamic sector. Intellectual property accumulated over decades provides valuable insights.



80,000 tests a year

Test / advise



14 members of environmental consultancy

Test / advise



Digital access to farm data

Test / advise



Largest number of Certified **Advisers**

Test / advise



What we have	What we do	How this adds value
Valued partners across the world.	Import approximately a million tonnes of product and raw materials a year. Long-term contracts account for 76% of purchases.	 Surety of supply, consistent quality and competitive pricing. Access to global R&D.
Quality procurement systems.	Measure suppliers against strict criteria including independently audited biosecurity screening process. 98% was within specification.	 Physical and chemical quality allows fertiliser to be stored and spread more effectively. Protection from contamination minimises trade risk.
Shipping joint venture.	Utilising shipping experts allows more flexibility and efficiencies from backhaul loads and contracted vessels.	 Control of shipping gives clearer forward view and aids planning. Better control of handling process ultimately improves quality.
Logistics network.	Transport over a million tonnes across the stores network.	Enhanced cost control.Consistent availability of product where and when needed.



million tonnes imported

Buy/ship



Biosecurity system

Buy/ship



Integrated supply chain

Buy / ship



tier global partners

Buy / ship



Make / store

What we have	What we do	How this adds value
Manufacturing plants in Napier, Christchurch and Dunedin.	Efficient superphosphate manufacturing ensures access to quality product with excellent ballistic properties and less dust.	Smoother and wider application of NZ-made superphosphate. Affordable source of key soil nutrients.
87 stores across NZ.	Flexible and knowledgeable staff give access to quality bulk product when needed.	 Storage and protection of fertiliser product maintains quality. Assurance around availability aids planning.
1,322 silos across NZ.	Fertiliser silos give access to products such as urea for self-spreading.	 Convenience of having access to product on hand. Maintenance taken care of as part of leasing flexibility.
7 lime quarries plus two supply agreements provide a fifth of all NZ's aglime needs.	Provide quality lime in a safe and sustainable manner.	 Affordable access to soil-health necessity. Fertmark brings peace of mind.
Precision blending plant.	Custom blends made to order according to individual farm's diagnosed needs.	 Faster throughput so fertiliser arrives when needed. New product development and innovations such as N-Protect. More precise coatings and mixes for better performance across the paddock.



87 stores across NZ

Make / store



Manufacturing Super -phosphate

Make / store



1,322 on-farm silos

Make / store



Precision blending

Make / store



What we have	What we do	How this adds value
Investment in 86 trucks - the largest groundspreading operation in NZ.	Approximately one million hectares applied across New Zealand by a skilled and dedicated team.	 Spreadmark assurance and accuracy. Convenience of working with the same testing, stores and spreading team.
Differential GPS-enabled trucks.	Computer-controlled application – accurate to under one metre – directed by a wirelessly uploaded fertiliser map.	 Right amount in right place reduces waste and environmental impact. Data integration reduces chance of errors.
21 aircraft and 40 loaders in aerial spreading / spraying subsidiary with owned maintenance facility.	Apply soil nutrients across 716,878 hectares of hard-to-reach areas.	 Improving productivity of hill country. Reliable aircraft increases dependability.
IntelliSpread™ aerial fertiliser application with Airscan™, soil auditing, computer-controlled topdresser doors and placement verification technology.	Researching the potential for soil testing from the sky and GPS-guided fertiliser application to transform hill country productivity.	 Efficiency of nutrient use can increase farm profitability or reduce costs. Reduced waste compared to a blanket approach can mitigate environmental impact.



Map/measure

What we have	What we do	How this adds value
99% market share in tow-behind measuring technology.	Provide tools that can measure pasture yield and interface with mapping and decision support tools to plan grazing rotations.	 Fully utilise pasture in order to farm efficiently. Target poor-performing paddocks to optimise dry matter production.
Mapping technology demonstrates where fertiliser was applied.	Generate 29,428 proof-of-placement maps that can be stored on decision support tool.	 Access to farm records in one location and more informed decision making. Tracking of inputs and results for compliance.
Decision support applications.	Enable farmers to manage their feed budgets and compare production with peer group.	 More accurate climate forecasts account for improved planning of rotations. Better feed utilisation avoids unnecessary expense of supplements.



86 ground -spreading trucks

Spread / spray



Aircraft for aerial application

Spread / spray



Proof of placement maps

Map/measure



Decision support tools

Map/measure

Partner profile - SABIC

Creating true value from enduring relationships

Ravensdown's relationship with SABIC began more than 14 years ago.

A global leader in diversified chemicals headquartered in Saudi Arabia, SABIC produces approximately 5.1 million tonnes of urea each year along with a variety of other quality fertilisers, as well as chemicals, commodity and high-performance plastics and metals.

Ravensdown and SABIC share a common commitment to quality, innovation, and continuous improvement, with the aim of achieving increased crop yield while maintaining high-quality food in a sustainable way. In addition to supplying high-quality urea to farmers in New Zealand, SABIC is also partnering with Ravensdown to conduct research into the next generation of nitrogen fertilisers in New Zealand.

Ravensdown is devoted to helping New Zealand farming succeed. And SABIC is dedicated to helping its customers accomplish their ambitions. Having this global powerhouse as a valued partner is already benefiting farming, and there will be plenty more innovative solutions to come.





Stakeholder engagement

Operating Context: Stakeholder Engagement

Ravensdown is committed to acting in a socially responsible manner with all stakeholders, including the wider community.

Becoming a solutions provider means relationships are pivotal to the success of the co-operative. Ravensdown invests time,

effort, attention and funding in nurturing these relationships and engaging with its many stakeholders across multiple communication channels.

Ravensdown is an active member of the agri-sector, representing shareholders' interests in a variety of settings.

The table (right) highlights a selection of primary stakeholder groups and is not intended as a complete list.



Ravensdown engages with a variety of stakeholders across multiple channels including tours of facilities and technology open days like this one.

Stakeholder engagement 27

Primary stakeholder groups	Purpose of engagement	Example engagement process
Customers / Shareholders	Being connected to the customers' world; to understand what they're going through and what they need, what their goals are and helping them succeed.	Ravensdown keeps shareholders informed of all major developments affecting the company through regular communications. This year the company launched its printed "Ground Effect" magazine and a dedicated twice yearly shareholder update.
		Shareholders' input and participation is actively encouraged at the Annual Meeting, regional meetings and workshops. As shareholders make up the majority of the company's customers, individual interactions and communications with shareholders happen regularly.
		Digital channels are increasingly common with email and Facebook being utilised effectively. Ravensdown's new website contains a page dedicated to shareholders, which contains information on the rebate, and how to become a shareholder and other additional information. Customers are surveyed annually and feedback on service delivery is analysed and acted upon.
Employees	A dynamic and thriving place to work where new recruits want to join, experienced people can build careers and teams collaborate well together.	Staff are seen as key to the company's success and the company facilitates the development and training of its staff helping them achieve their individual and career aspirations. Cross-functional team working and knowledge sharing is encouraged. Leadership team members meet every new team member as part of a structured induction process.
Partners / Suppliers	As well as having good systems in place to ensure quality and price competitiveness, we develop long-term partnerships for the benefit of those who buy our products and services.	Discussions around quality and innovation are part of regular interaction. Regular contact is maintained via visits of key managers and farm tours are organised for suppliers. Material contracts and purchases are awarded on a fair-bid basis where appropriate and the company aims to treat all potential suppliers fairly.
Communities	Connecting with our communities and doing even more to help the neighbourhoods in which we operate.	We constantly strive to lessen the environmental impact of our manufacturing and other sites. Each plant or store proactively engages with neighbourhood groups and local stakeholders. Ravensdown supports more than 280 causes in rural communities throughout New Zealand. Our sponsorship policy and guidance to those seeking support is available on our website.
Policy makers and regulators	Sharing expertise and leading debate around the practicalities and trade-offs of nutrient limits.	Regular submissions to and interactions with regional councils, collaboration with other subject matter experts and organising / attending workshops for farmers about impacts of change.
Industry bodies, academics, research agencies	A leader in its field; offering insights, guidance and funding to further the cause of agri-science.	Input into OVERSEER nutrient modelling tool, advocacy through the Fertiliser Association of New Zealand, membership of steering committees and joint working groups and direct support for research projects.





Strategic Objectives & Performance

Ravensdown has six business priorities

Business Priority	Why we focus on these
Excel operationally	so we can deliver quality products and services
Financial strength	so we can withstand challenges and respond to opportunities
Environmental performance and safety	so we can "walk the talk" on sustainability and safe workplaces
People focused	so our staff are skilled, committed, adaptable and innovative
Customer centred	so we can build on our direct relationships
Technical leadership and innovation	so we can innovate and advise based on sound science

Excel operationally

Ravensdown is a complex, integrated business which buys products in large amounts in foreign currencies that can take up to two months to travel across the globe before they can be transported to a network of stores and manufacturing plants across New Zealand.

Our quality control systems tell us that 98% of product is within specification and our analysis of chemical composition provides reassurance of the exact nutrient levels of imported product. Key physical metrics such as granule strength continue to be tightly monitored and we received great feedback at the 2016 Groundspreaders' annual conference.

While there's always more that can be done, average waiting times across our stores' network has also reduced. The consent for our major new 14,000 sqm New Plymouth

store was approved and building continues on track. The plans are for this store to also have a Precision Blending Plant servicing the North Island from that new store.

Our Napier-based team celebrated winning the Large Business Award at the 2015 Hawke's Bay Chamber of Commerce Awards. The judges were impressed by the very clear understanding of how technology can accelerate business success, good implementation of health and safety practices, and the strong focus on people development.

There is record demand for the variable rate capability of our ground spreading fleet and we see this trend increasing. The Spreading Canterbury team is experimenting with spreading equipment and management devices from Ravensdown subsidiary C-Dax.

We formed a new joint venture with Mainland Groundspread in Oamaru called Mainland Spreading. This will provide precision application services from Rangitata to Invercargill.

Lime quarries are investment-intensive operations. For lime to be safely sourced and processed, the facilities need practical measures such as guarding around machinery, geotechnical stability, staff training and a safety-first culture. Ravensdown owns seven out of the nation's 70-80 lime quarries and is working hard to sustainably deliver this vital soil conditioner long into the future.



C-Dax and Spreading Canterbury are experimenting with new precision application technology.



Our stores team are an important part of the landscape and the team members are often well known in their neighbourhoods.

The Precision Blending Plant in Christchurch is a first in Australasia.



Financial strength

Maintaining the financial strength of the co-operative is a priority as Ravensdown needs to have the financial capacity to meet the challenges and opportunities ahead, whatever they may be.

To be a sustainable co-operative, certain levels of profitability are required.
Ravensdown is able to return profits it does not require to shareholders by way of rebates and \$44 million in rebates

was provided for in the 2016 financial statements. The \$10 million profit retained becomes attributable to the equity holders and contributes to the total equity amount of \$395 million.

We continue to focus on cashflows, working to ensure they are as efficient as possible, whilst supporting business objectives. Net cashflows of \$106 million were generated from operating activities and applied to both investing and financing activities. There was a net \$14 million increase in cash held for the year.

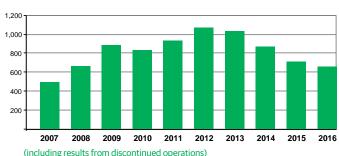
The combination of increased equity and lower debt through positive cashflows resulted in a strengthening of the financial position measured by a year-end equity ratio of 75% (2015: 71%).

Fertiliser sales (thousand tonnes)



Sales revenue (\$ million)

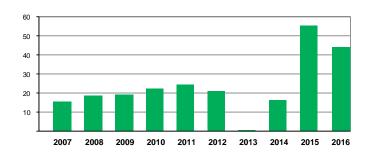
Total sales made by Ravensdown after removing inter-company transactions



(metading results from discontinued operations)

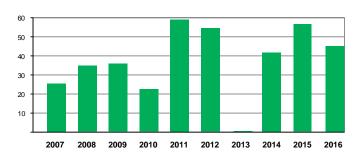
Value of rebate to shareholders (\$ million)

Total dollar of distribution to shareholders comprising rebates



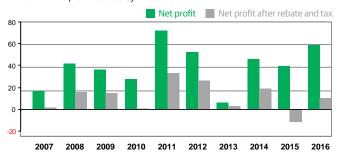
Value of distribution to shareholders (\$ million)

Total dollar value of distribution to shareholders comprising rebates and bonus issues



Net profit compared with net profit after rebate and tax (\$ million)

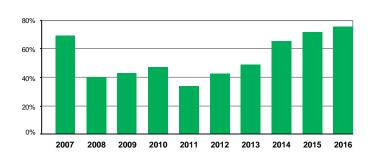
Compares the profit achieved by Ravensdown prior to rebate distribution and tax with the profit retained by Ravensdown



(including results from discontinued operations)

Equity ratio%

The ratio of equity to total assets compares the money creditors contribute to the business with the money owners contribute $\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2} \int_{-\infty}^{\infty}$



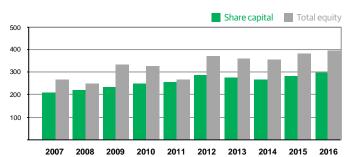
Inventory (\$ million)

Total inventory held by Ravensdown including manufactured product, raw materials, stock in transit at balance date and spare parts



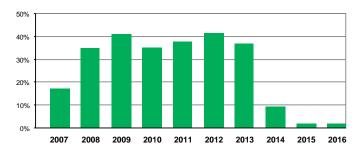
Share capital relative to total equity (\$ million)

Total dollar value contributed by owners compared to total equity



Debt ratio %

Bank debt divided by total tangible assets – illustrates how much bank debt is used to fund assets



Environmental performance and safety

As a provider of products and services that help farmers reduce their environmental impacts, it's important that our own house is in order.

We've compiled an environmental report since 2001, and it consistently reports on emissions from our three superphosphate manufacturing sites. It is just one way we demonstrate that the company takes its responsibilities extremely seriously.

Ravensdown uses consistent measures to track our environmental performance at our three superphosphate manufacturing sites in order to identify trends and rectify any shortfalls.

Power usage, emissions, noise and dust are four key areas of scrutiny. Our asbestos removal programme is a major investment across the business. By making progress on these fronts, we are also seeing efficiency gains and benefits in terms of health and safety. In addition, the Dunedin and Christchurch manufacturing sites installed ozone odour control systems.

This year we also introduced across the country points where farmers can return their bulk bags for recycling. This initiative is in partnership with Envirowaste. We continue to support the AgRecovery programme which recovers empty drums of agchem or animal health product for re-use and recycling.

In our stores network, the major asbestos removal programme continues with the latest being completed at Severn Street Store in Napier. The Featherston store installed a soak pit for better site management of stormwater and in Winton the nutrient-rich wastewater from the truck-wash was given consent to be applied to land rather than removal to the municipal wastewater treatment plant.

At our Dipton lime quarry in Southland, Ravensdown is committing to agree not to mine its iconic rock faces at Castle Rock cliffs. Near Te Kuiti, the Supreme quarry carried out a regrassing and planting programme with 500 native trees planted.

The full environmental report is on the Ravensdown website.

Manufacturing sites

Fluoride and sulphur dioxide emissions per tonne of fertiliser output continue to be at reduced levels. In addition to the three manufacturing plants maintaining their ISO 14001 certifications, key environmentally related projects or initiatives were undertaken:

Napier

- Completed the 2015/16 asbestos replacement programme which saw the large superphosphate store cleared of all asbestos.
- Fenced off and grassed areas to the south of the plant to improve aesthetics.
- Created swale drains with plantings on top to reduce and remove nutrients in rain events.
- Installed a weir system for the intake which reduces solids being pumped out.

Dunedin

- Wharf saltwater pump transformer oils changed to biodegradable versions to reduce risks from potential oil leak to the harbour.
- Installation of Intake Monitoring of all shipping from the Dunedin Works wharf. Provides
 product information and weather conditions at time of intake and shows if intake needs to stop
 due to conditions.
- Asbestos removal programme continues.
- · Yard resurfacing to reduce dust potential, including new vehicle wash facility.
- Community-based project for sycamore tree removal to enhance harbour views from road.



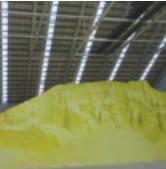


Christchurch

Targeting dust

In addition to the use of "cannon misting" at the plant intake system to reduce dust, stormwater improvements were built into all our Christchurch capital projects.







Old brick buildings have been replaced, a fully enclosed conveyor eliminates dustfall and asbestos roofing was removed. Clearlight panels also reduce power needed for lighting.

Recycling water

We capture and recycle more water for use in the manufacturing process.







The internal piping system minimises leaks, syphonic pumps pull large water volumes from the roof and the pond allows water recycling in the manufacturing process.

Improving layout

Previously trucks would travel through the site for loading. This led to potential problems with wheel tracking as they exited, particularly when it rained. Now the loading area is fully separated from the operational areas so the trucks arrive, load, and exit without having to come inside.



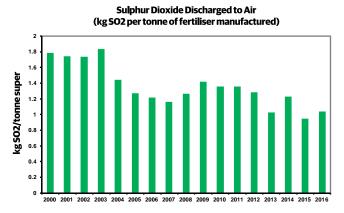


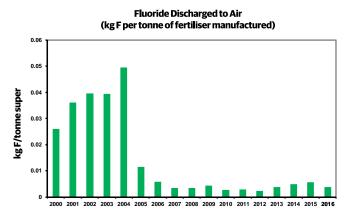
Grass planting reduces surface area for runoff whilst fully enclosed truck loading keeps despatch separate from operational areas.

On-site emissions monitoring

Ravensdown measures and manages emissions at its three manufacturing plants in order to constantly reduce discharges. New technology is installed to improve efficiency based on the philosophy of continuous improvement and going beyond compliance requirements.

Combined manufacturing discharges to air

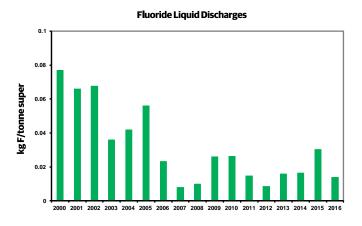


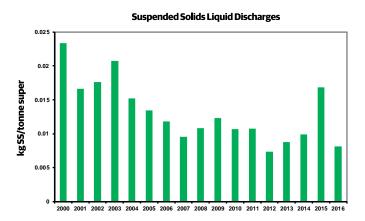


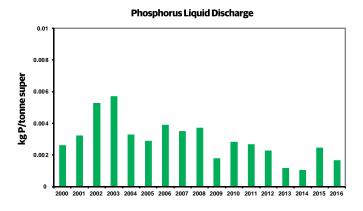
The mass emission of fluoride per tonne of superphosphate is at a low level, reflecting the good performance of the scrubbers at all three sites. Phosphate rock blend changes can influence the discharge.

Combined manufacturing discharges to water

The increase in the discharge of fluoride and suspended solids to water in 2014-15 was due to elevated levels at the Dunedin plant in September and October 2014. This was caused by a carry-over from a fresh water scrubber into the sea. This discharge remained within resource consent limits.







Issues mitigated

- SO₂ ambient air exceedances at Napier in November 2015 before a leak could be fixed.
- · Christchurch non-compliance with sulphur melter trickle filter was successfully addressed.
- · Abatement notice at New Plymouth store for on-road fertiliser tracking. New sweeping policy introduced.

Safety

In terms of delivering on our safety objectives, we successfully recruited for the new role of Group Health and Safety Manager.

To make sure we have engaged staff through our health, safety and wellbeing initiatives, this year has seen a focus on redefining our employee participation scheme and, following nationwide elections, we now have 56 national champions representing staff throughout the organisation. From this

broader group, 10 were nominated to the National Health and Safety Committee to drive our initiatives from the ground up.

At the Mata lime quarry remedial work was completed to improve safety and environmental performance, attracting favourable comment from the Northland Regional Council.

Seatbelts are compulsory in off-road situations across our spreading ventures.

Ravensdown supported the efforts of our Aerowork pilot Dean Lithgow in his campaign to get farmers to take power lines down as these are a hazard for pilots.

Charlie Tahau (pictured below) from our Pukekohe store was nominated chairman of our National Health and Safety Committee.



People focused

Our employee value proposition is that staff positively thrive with the co-operative and the kind of behaviours that are encouraged are sharing expertise, staying driven and generally being a good sort.

This year we spent 1.9% of our employment

budget on training programmes for staff and the aim is to extend this further so that we have at least four days per year of development for all staff. Three main training topics were addressed in a rollout across the company: health and safety, customer focus and continuous improvement.

Within departments, we have targeted development programmes to ensure that we provide practical training and experiences for those who want to progress.

Developing talent

In the past year, our three members of the graduate scheme learned the ropes with the aim of becoming agri managers. At the NZ Institute for Primary Industries Management, four of our team were nominated in the Consultants of the Year category. Six ambitious staff won scholarships for the New Zealand Institute of Management Emerging Leaders programme. Two engineering apprentices are working at manufacturing sites and we had a new cadet within our lime business unit. Six engineers are studying to be licensed aircraft maintenance engineers at Aerowork.

Support takes many forms, but mainly we ensure staff have the time and framework to achieve and be rewarded at the start of their careers and throughout their employment with Ravensdown.

Retention and recruitment

Our employee survey in 2015 showed very high levels of engagement and staff overwhelmingly feel that the company demonstrates care and concern for staff. Our work-ons from the survey related to collaboration across the company and staff wanted more quality feedback.

Throughout the past year, cross-functional teams have been encouraged, 241 staff

have taken part in continuous improvement workshops and 50 managers have undergone coaching training.

We can always improve how we ensure staff are staying with the business (voluntary staff turnover is 9% per year). We have started to monitor service, age, gender and ethnicity data to ensure we deliver to our diverse client base.

Our recruitment systems for all positions involve psychometric testing and all employees attend a two-day induction session attended by the leadership team. During the year we launched a new careers' website in order to profile the kind of roles candidates can apply for.

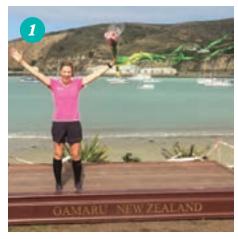
Community engagement

Increasingly, employees want to work with a company with a strong social dimension and a commitment to doing good in the community.

Last year, the co-operative supported over 280 organisations that represent the backbone of the rural community: from local A&P shows to the New Zealand Dairy Industry Awards, from sheepdog trials to the FMG Young Farmer of the Year.

Our manufacturing sites also invest in their neighbourhoods with Christchurch supporting a whitebait spawning programme, Dunedin supporting the Otago University Rowing Club, who are their neighbours on the harbour, and Napier supporting a local school through the Duffy books programme.

Whether it's dressing up for Kidscan, running for the Mental Health Foundation or food donations to the City Mission, staff enjoy getting involved.



















- 1. IT team member Cherie Richardson raised \$11,000 for the Mental Health Foundation by running a marathon a day for eight days.
- 2. Teamwork is a major factor across the organisation, including the Gisborne store.
- 4. Some of the team at the Young Farmer of the Year Grand Final. This was the 30th year Ravensdown sponsored that national competition.
- 7. Some of the Napier team proudly accept the Hawkes Bay Large Business of the Year award.
- 5. Eighteen-year-old Lincoln University student Lucy Bell, from Palmerston, is the latest winner of the Hugh Williams Ravensdown Memorial Scholarship.
- 8. The team at the Ravensdown-sponsored New Zealand Dairy Industry Awards.
- 3. Director General of Ministry for Primary Industries Martyn Dunne (left) and Minister for Primary Industries Nathan Guy (right) ask Agronomist Dan Pavey (centre) about Ravensdown's support for drought-stricken North Canterbury farmers.
- 6. Ravensdown agri manager Katie Robb of Winton, Southland with a Lactimo bulb from the winning fodder beet crop in the Ravensdown Southland, Otago fodder beet competition.
- 9. The sons of Aerowork's Dean Lithgow show support for his campaign to remove pilot-threatening wires across farms.

Customer centred

Customer focus is one of our six business priorities, but is also hardwired into our company values and our purpose as a farmer-owned co-operative. Every employee, not just those in "customer-facing" roles is in no doubt about the connection of outcomes that are valued by our customers.

The people behind the customer-facing team are also generating value: whether it's a manufacturing plant worker keeping the superphosphate flowing, one of the

procurement team negotiating a better agreement with suppliers, or one of the IT technicians making sure orders can be processed efficiently.

Reaching out and listening

There are so many ways the team interacts with customers in addition to the day-to-day, face-to-face and phone-based contact. Throughout the year, open days have been organised at stores, spreading ventures and manufacturing plants as well as at Aerowork, ARL and C-Dax. Sponsored events like the district, regional and national finals for the FMG Young Farmer of the Year and New Zealand Dairy Industry Awards as well as

countless grassroots rural community events also provided ideal meeting opportunities. We were out in force at fieldays and A&P shows and the team always enjoys listening to farmers and showing them the latest developments at their co-operative. We've also been showcasing our Smart Maps capability at several well-attended workshops. The capability in terms of seeing soil test results, deciding on inputs

and tracking progress always attracts interest. In the year ahead, we will make improvements to feed wedge management, with comparative peer-group data available on a new platform. Our aim is to create a "nerve centre" for customers' nutrient management.

Science in mind and customers' interests at heart

The highly trained agri manager team continues to deliver predictive nutrient budgets and fertiliser recommendations that can contain agronomic and animal health proposals. This complementary guidance is often the result of regionally based agronomists who can bring together seed and agchem recommendations as well as animal health technical managers who know the local conditions.

Our investment in Cropmark gave shareholders access to top-quality seeds and the seeds' business in general exceeded its target in the financial year. Similarly agchem was a strong performer with products such as Endure slug bait seeing strong demand.

Due to the fall in herd numbers, our animal health products were down in terms of volume, but many shareholders continue to prefer these products, with repeat purchases remaining high.

Environmental consultancy has gone from strength to strength. The team of 14 is fully occupied with helping farmers address consenting and compliance issues, actual (technically defendable) nutrient budgets and environmental mitigations.

Enhanced communication

After listening to customers and delivering on a new strategy we also took the opportunity to update how we presented the co-operative. The 'new leaf' logo was part of a brand refresh that was all about instilling pride and confidence inside the organisation and better represented what we were all about to those outside our

organisation. With a practical approach, the implementation continues to be carefully managed and feedback has been very positive. Customers also praised our new magazine Ground Effect™ which captured the latest science and seasonal advice and featured customer profiles and insights.

Ninety-seven percent of customers surveyed believe that their agri manager has a positive contribution to their farming business with 95% rating the overall performance of Ravensdown as good, very good or excellent. There's always room for improvement and the team is driven to take service to the next level.



1. Ravensdown holds several shareholder meetings like this one in the Dunedin Town Hall to provide a forum for the co-operative's shareholders: we are customer centred because our customers are our owners.



Ravensdown used familiar ways to listen to customers such as Fieldays, but also developed new ways to share its story including a virtual reality presentation.



Technical leadership and innovation

After three years of development, the Precision Blending Plant was opened by the Minister for Primary Industries in April 2016 at our Christchurch site. The plant has already improved quality, through reduced handling and dust, and by increasing the speed of despatch.

This precision manufacturing breakthrough can produce blends involving up to eight components and apply a variety of coatings.

We launched N-Protect which has a urease inhibitor coating around the urea granule to reduce nitrogen loss to the atmosphere. This

can lead to more growth-giving nitrogen kept available for the plant, enabling production gains at a critical time.

Recognition of commitment to science

Ravensdown was proud to win Massey University's prestigious Partnership Excellence Award (pictured opposite). At a practical level, Massey graduates and alumni conduct research on Ravensdown's behalf and often go on to work for us. Our staff training modules and the certification process of nutrient management advisers are run in conjunction with Massey. Our IANZ-accredited laboratory ARL conducted about 80,000 tests last year. The bank of soil test results built up over a decade offers revealing trends in nutrient use which our team uses to guide fertiliser decisions. Farmers have been targeting in-paddock variability so they can get more from their fertiliser dollar by targeting those areas that need the nutrients.

We continue to invest in the nutrient modelling tool OVERSEER so that upcoming versions are based on emerging science and that it is increasingly able to meet the requirements in the regulatory space. Ravensdown is also working with Victoria University to refine an existing GIS-based hydrological model so that it is able to link with OVERSEER to identify and manage nitrogen and phosphorus critical source areas within the farm boundary.

Collaboration is the key

In terms of collaboration, we have research involvements with Otago University, Lincoln University, Victoria University, Massey University and Canterbury University – as well as research involvements with Plant and Food, NIWA, Landcare, AgResearch and Foundation for Arable Research. We've also developed strong relationships, technically and operationally, with ECAN, Waikato Regional Council, Environment Bay of Plenty, Hawkes Bay Regional Council, Taranaki Regional Council,

Horizons Regional Council, Otago Regional Council and Environment Southland.

We directly sponsored several conferences and organisations that share the latest insights in terms of agri-science including the South Island Dairy Event, Grasslands Association's conference, the Pasture Renewal Charitable Trust and the New Zealand Institute for Primary Industries Management.

We're currently supporting six students pursuing PhDs, which involves technical coaching and mentoring as well as financial support.

We awarded five scholarships to undergraduate students who have ambitions to join the agri-sector including the Ravensdown Hugh Williams Ravensdown Memorial Scholarship.

Proving the concept of aerial spreading precision

Work continues with AgResearch and Massey University on the Ravensdown and MPI funded Primary Growth Partnership research into transforming hill country farming through more precise aerial application.

Our AirScan[™] remote soil sensing technology uses the same kind of cameras that helped NASA pinpoint surface chemistry of Mars. Combining aerial-based results with actual "ground truth" data allows the technology to be calibrated for improved accuracy. Ten thousand samples have been taken to correlate with millions of farm readings.

Placement verification work is also ongoing. This tracks the way in which fertiliser actually falls from the plane's computer-controlled adjusting hopper doors in order to produce a ballistics model accounting for factors such as wind speed and direction.

This research continues to show great potential as the various opportunities are tested in real-world situations.



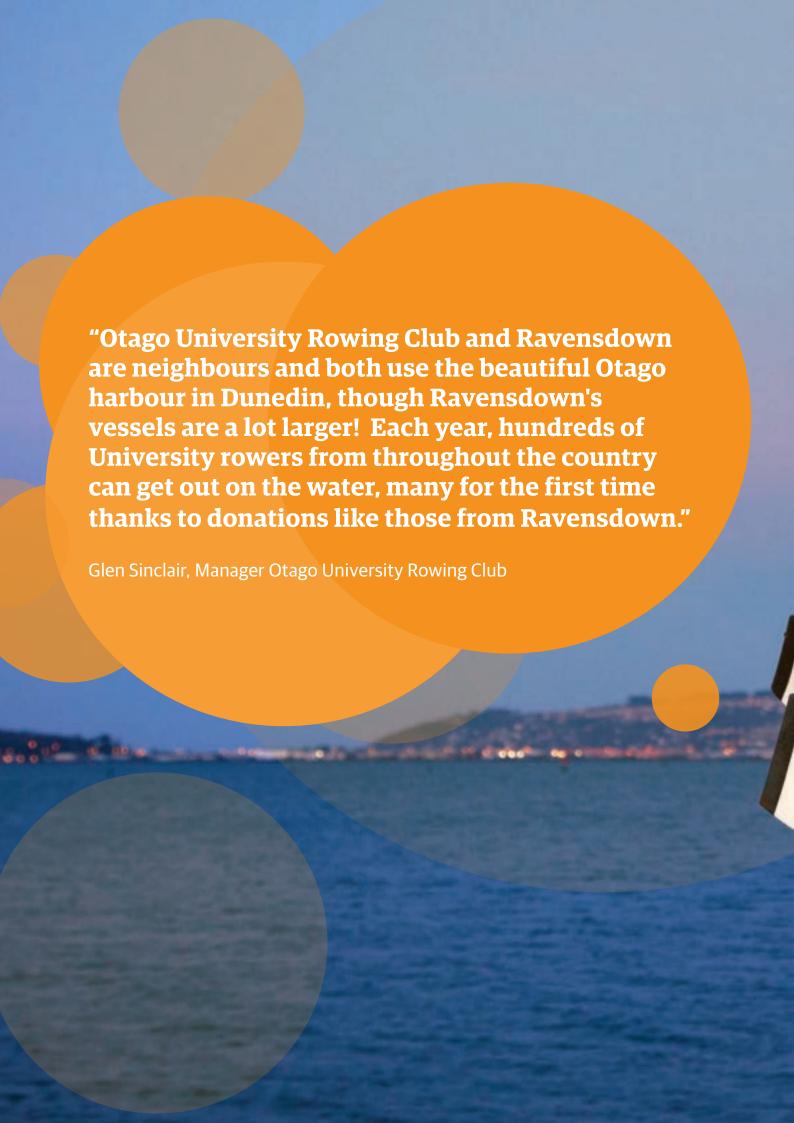
Massey University Vice Chancellor Steve Maharey (far right) said "The award recognises organisations that share our vision to take the best of New Zealand to the rest of the world through excellence in creativity, connections and innovation."



Ravensdown's IntelliSpread $^{\text{TM}}$ system delivers a variable rate of fertiliser via the computer-controlled automatically adjusting hopper doors. In late 2015, researchers tested the modelled predictions compared to where fertiliser actually lands. The results were positive.



Senior Agri Manager Bec Meyer congratulates Grace Chibuike of Massey University who recently received a \$5,000 Ravensdown Agricultural Research Scholarship towards her PhD at Massey.





Corporate Governance Policy

The Board and management of Ravensdown are committed to maintaining high standards of corporate governance. This report outlines the policies and procedures under which Ravensdown is governed.

Code of business conduct

Ravensdown's Code of Business Conduct requires its employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It reinforces the company's expectation that all staff behave in a way that is consistent with Ravensdown's values, applicable laws and policies.

The code incorporates the company's conflicts of interest and fraud policies. Separate policies also set high standards for environmental and health and safety performance. These policies are embodied in Ravensdown's procedures and processes and are enforced by disciplinary action where necessary.

In addition, Ravensdown has a whistleblower policy which encourages employees to report any known or suspected incidents of wrongdoing within the company. Reports can be made internally or to a confidential phone line operated by Zavest.

Responsibility of the Board of Directors

The Board's primary objective is to build long-term value for the co-operative and in doing so to act in the best interests of the company. The Board's role and responsibilities are set out in its charter.

In summary these are to:

- Establish the strategic direction and objectives of the company.
- · Appoint the Chief Executive Officer.
- Delegate appropriate authority to the Chief Executive for the day-to-day management of the company.
- Approve the company's systems
 of internal financial control and risk
 framework, including monitoring and
 approving budgets, monitoring monthly
 financial performance and non-financial
 KPIs and approving rebates.
- Select the external auditors and ensure their professional merit and independence.

Board committees

The Board has four standing committees, described below. Special project committees are formed when required.

Audit & risk Committee

The committee comprises five directors, including the two independent directors, one of whom is appointed as Chair and has appropriate financial experience and qualifications. The meetings are attended by the Chief Executive Officer and the Chief Financial Officer. The external auditor attends by invitation of the Chair along with the Internal Auditor and the Manager Legal & Risk for Ravensdown. The committee meets a minimum of four times each year and its main responsibilities are to:

- Review the annual budgets, financial statements, proposed rebates and pricing.
- Advise the Board on accounting policies, practices and disclosure.
- Review the scope and outcome of the external audit.
- Review the effectiveness of the organisation's internal control environment.
- Review the resourcing and scope of the internal audit function.

- Review the key risks and ensure there are adequate controls in place.
- Review compliance with the company's risk management framework and the legislative compliance system.

The committee reports the proceedings of each of its meetings to the full Board.

Board appointments & remuneration Committee

The committee comprises four directors. It meets as required to:

- Review the performance and remuneration packages of the Chief Executive Officer and senior managers.
- Make recommendations in relation to director remuneration.
- Oversee the appointment of independent directors.

Remuneration packages are reviewed annually. Independent external surveys and advice are used as a basis for establishing remuneration packages.

Share surrenders Committee

This committee comprises three directors. It meets prior to each Board meeting, as required, to consider and make recommendations to the Board regarding share surrender, allotment and transfer applications from shareholders.

Hugh Williams scholarship Committee

This committee comprises three directors. The Hugh Williams Ravensdown Memorial Scholarship is offered annually to the children of shareholders and aims to encourage undergraduate study in an agricultural or horticultural degree. Founded jointly in 2000 by Ravensdown and the Williams family, the scholarship commemorates the late Hugh Williams, a Director of the co-operative from 1987 to 2000.

Directors' independence and performance

During the past financial year, the Board was comprised of 10 directors; eight shareholder elected directors and two independent directors. The Chief Executive Officer is not a member of the Board.

At last year's Annual Meeting, shareholders approved changes to the company's Constitution to require one-quarter of the shareholder elected directors to retire each year at the Annual Meeting.

Elections for the vacant director positions are held prior to the Annual meeting.

Two independent directors are appointed by the Board to bring additional experience and skills. At this year's Annual Meeting the company is asking shareholders to approve a change to the Constitution which would allow for up to three independent directors to be appointed.

All directors' performances are evaluated using an independent 360 degree assessment. The evaluation is designed to measure performance through peer review and self-assessment, and appropriate strategies for personal development are then agreed and actioned. The evaluation system also gives feedback on the Chairman's performance.

Risk identification and management

The company has developed a comprehensive risk management framework to identify, assess and monitor new and existing risks. Annual risk updates are performed and risk improvements plans

created and acted on. The Chief Executive Officer and the leadership team are required to report to the Board and Audit & Risk Committee on high risks affecting the business and to develop strategies

to mitigate these risks. Additionally, management is responsible for ensuring an appropriate insurance programme is in place and reviewed annually.

External auditor independence

To ensure that the independence of the external auditor is maintained, the Board has agreed that the external auditor should not provide any services that could affect its ability to perform the audit impartially. This is monitored by the Audit & Risk Committee which also reviews the quality and effectiveness of the external auditor.



Health and safety is seen as a top priority of the Board. It is a regular agenda item at every Board meeting with reports submitted and evaluated from various aspects of the business. The Board see it as their role to support a culture that places health and safety at the heart of everything the co-operative does.

Directors' meetings

The table below sets out the number of meetings and attendance for the Board and standing committees throughout the financial year.

Board meetings Total attended Eligible to attend Henderson 8 8 John 8 Wright 8 Stuart Willock **Patrick** 3 3 Wills Bruce 5 Gower Scott 8 8 Howey Tony 8 8 4 8 Inger Glen 8 8 Moynihan Pete 7 Reilly 8 Tony

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	ıy	1	1	
enderson Jol	nn	2	2	
owey To	ıy	1	2	
loynihan Pe	te	1	2	

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Audit and risl	committee		
		Total attended	Eligible to attend
Dale	Jason	5	5
Henderson	John	5	5
Reilly	Tony	4	5
Wright	Stuart	4	5
Inger	Glen	3	5
Gower	Scott	1	1

		Total attended	Eligible to attend	
Gower	Scott	9	9	
Alexander	Kate	8	9	
Moynihan	Pete	8	9	

Hugh Williams Scholarship committee

Jason

Dale

Alexander

		Total attended	Eligible to attend
Wright	Stuart	2	2
Alexander	Kate	2	2
Wills	Bruce	2	2

Board of directors



John Henderson LLB

Chairman

John runs a sheep and beef breeding and finishing operation, has been on the Board since 2004 and has been Chairman since February 2014. As well as running a legal practice in Marton, John spent many years as a director of RACE Incorporated, and of a number of farming and agricultural companies in NZ and overseas.

"My role is to understand the purpose of the company and to promote execution of that purpose. My position in the farming and business community provides insights required to execute the role."

Committees: Audit and Risk.
Board Appointments and Remuneration.



Stuart Wright B. Ag. Com *Deputy Chairman*

Stuart farms 330ha west of Christchurch growing arable crops, seed potatoes and finishing lambs and has been on the Board since 2006 and Deputy Chairman since 2014. Stuart is a Nuffield Scholar and has had a number of governance roles in the industry goods sector as well as not-for-profit organisations.

"It is a privilege to be a director of a company committed to adding value to farming businesses and leading the way with innovation."

Committees: Audit and Risk. Hugh Williams Scholarship (chair).



Peter Moynihan B. Ag. Sc

Peter owns a 190ha dairy farm located at Northope and has farming interests in Lochiel and Lorneville and has been on the Board since 2013. Peter is an Agribusiness Area Manager for a prominent bank and has been through the Fonterra Governance Development Programme.

"Governance is about developing strategies that will work and result in value for our shareholders, about continually monitoring performance to strategy and if the strategy remains relevant."

Committees: Share Surrenders.
Board Appointments and Remuneration.



Bruce Wills B. Ag. Com

Bruce farms an 8000 stock unit cattle and sheep farm north of Napier and has been on the Board since 2015.
Bruce has held a wide range of governance positions, particularly in the science and environmental areas. He previously spent six years on the Federated Farmers Board as National President from 2011 to 2014.

"I only join a Board if I am confident I can make a positive difference and add value to what the organisation achieves."

Committees: Hugh Williams Scholarship.



Scott Gower

Scott owns and runs a large hill country sheep and beef station at Ohura in the Central North Island and has been on the Board since 2006. Scott is a member of the NZ Institute of Directors and holds a certificate in company direction. He has completed a number of governance courses and continues to prioritise professional development.

"For the continued success of our co-operative, it is essential Ravensdown continues to lead the way as agricultural, technological and regulatory requirements evolve."

Committees: Share Surrenders (chair). Audit and Risk.



Kate Alexander

Kate owns a 245ha dairy farm in Dargaville and has been on the Board since 2014. Kate is also Chair of Delta Produce Cooperative Ltd and is a ministerial-appointed Council member of the Open Polytechnic of New Zealand. She has previously worked in the primary industry training sector. Kate holds an IOD Company Directors' Certificate and a Diploma in Agribusiness Management. She has been through the Fonterra Governance Development Programme.

"I believe our obligation as directors is to ensure that we continue to have a financially sustainable cooperative - that delivers quality product/advice to shareholders."

Committees: Share Surrenders. Hugh Williams Scholarship.



Tony HoweyB. Ag Com (VFM & Business Management)

Through the companies Alpine Fresh Ltd and ViBERi NZ Ltd, Tony grows for the arable, vegetable and berryfruit sectors over 700 hectares. He has been on the Board since 2006.

His past governance experience includes with irrigation/dam companies, a zone committee and a Chamber of Commerce. Currently Tony is a director of several local companies and is a trustee of New Zealand Agricultural Education Trust and Vice President of Horticulture NZ.

Committees: Board Appointments and Remuneration.



Tony Reilly B. Ag. Com

Tony runs the family dairy farming business and has interests in 1,600 cows and has been on the Board since 2004. Tony has been involved in agricultural governance at a local and national level, particularly in the dairy sector for 20-plus years. He was a director of the NZ Dairy Board and Kiwi Dairy Co-op leading up to the formation of Fonterra. Tony is a Nuffield Scholar and a Chartered Fellow of the Institute of Directors.

"I strongly support the co-operative business model in providing solutions for farmer shareholders in an environmentally sustainable manner"

Committees: Board Appointments and Remuneration (chair).



Independent directors



Glen Inger

Glen is a Northland-based entrepreneur who is also a beef, sheep, mushroom and forestry farmer and has been on the Board since 2007. Glen is an entrepreneur, was a founding director of the Warehouse Group and was a board member there for 11 years. He currently has directorships of 20 private companies across agriculture, property, retail and tourism sectors.

"My key objectives are firstly to governance and compliance duties but equally developing stakeholder value drivers through sustainable growth strategies."

Committees: Audit and Risk.



Jason Dale B. Com FCA

Jason, who is a former CFO of large listed and unlisted companies such as Auckland Airport, PGG Wrightsons, and Fonterra Ingredients, has been on the Board since 2014. He is currently Chair of the Audit Committee for Taranaki Investments Management Limited and previously LIC.

"I see my role as director to be part of the team at the Board that connects the strategy of the company, with the skills and passion of the people at Ravensdown, for the benefit of the members."

Committees: Audit and Risk (chair).

Leadership team



Greg CampbellMBA(Dist), FNZIM, MIoD
Chief Executive

Greg started with Ravensdown in 2013 and was formerly Chief Executive of Ngai Tahu Holdings. Greg has been Managing Director of Transpacific New Zealand, a director of various companies and a past director of PGG Wrightsons.



Bryan InchB.Ag.Sc and Farm Management *General Manager Customer Relationships*

Bryan started with Ravensdown in early 2014 and was previously CEO of Canterbury Building Society and held senior roles with Rabobank.



Tracey PatersonB.A, Dip. PR, Dip. Comm *General Manager Organisational Development*

Tracey started with Ravensdown in 2002 and her previous role was with meat processing company AFFCO and prior to that with the health sector.



Sean Connolly B.Com, C.A *Chief Financial Officer*

Sean started with Ravensdown in 2004 and has been CFO since 2005.



Kevin Gettins *General Manager Operations*

Kevin started with Ravensdown in 1984 and became Awatoto Works Manager in 2005. He has been in charge of the three manufacturing sites and the lime business unit since 2011.



Mike ManningB.Ag.Sc, CP Ag *General Manager Innovation and Strategy*

Mike started with Ravensdown in 1981 and has held a variety of roles in marketing, sales supply and R&D.



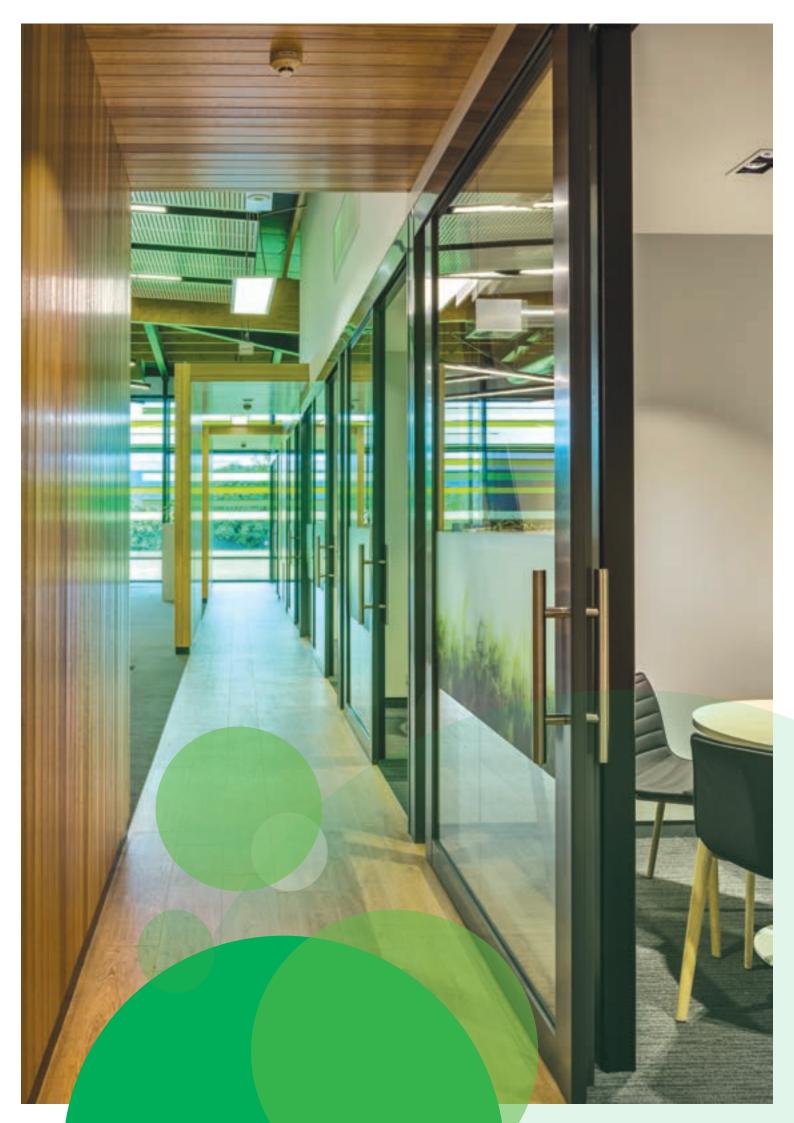
Mark McAtamney
B.Com
Chief Information Officer

Mark started with Ravensdown in 2001 and and has been CIO since 2005.

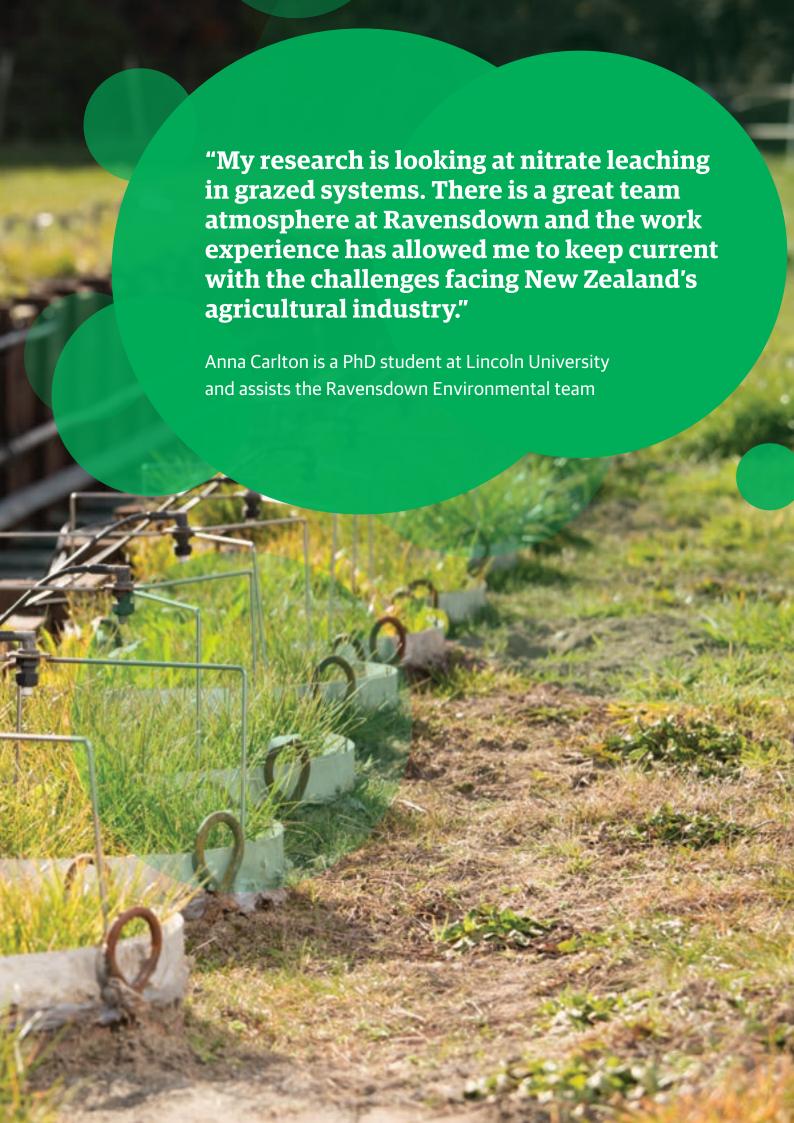


Mike Whitty
B. Com.Ag, C.A
General Manager Supply Chain

Mike started with Ravensdown in 1997 and has held a variety of roles in finance, sales, marketing, manufacturing and now the supply chain.







56 Future outlook

Future Outlook

By Greg Campbell, Chief Executive

The focus on customers' needs, financial strength and operational improvement has served us well over the past three years. While several private companies and co-operatives in the agrisector have faltered in the past year, the steps we had already taken to improve the resilience of the business stood us in good stead.

In the next three years, we can expect the pace of change to increase. While some fundamentals will remain the same, there are several "gamechanging" trends that have the potential to transform our customers' needs and therefore impact on Ravensdown's ability to add value.

Throughout all this global upheaval and uncertainty, Ravensdown will be scanning the horizon to ensure that the 'here and now' does not distract us from what may be coming down the track. The six trends here are by no means a complete list, but they show that the context in which we operate is changing. To face this change, the journey towards becoming an integrated solutions provider is even more important.

1. Volatility as the 'New Normal'

Uncontrollable factors such as currency movement, trading partners' reactions, geopolitical incidents, potential biosecurity breaches, climate trends and global demand for fertilisers will continue to have a material effect on the business.

While our horticultural customers are currently thriving and some cropping farmers are progressing well, our sheep and beef farmers are seeing modest returns and the dairy sector's payout situation is well documented and seems in a state of flux.

While it is possible that some customers may "mine" the phosphate levels in their soils, under-investing in soil nutrients can put a handbrake on growing the cheapest feed available - farm-grown pasture.

All of these factors pose challenges to our forecasting systems and inventory management as we strive to bring in a steady flow of the right amount of the right type of nutrients from around the world.

2. Securing surety of supply

While global fertiliser demand is hard to predict, the amount of global supply of fertiliser is slightly less difficult to assess.

According to the International Fertiliser Association, from 2015/16 100 new projects will add 20 million more tonnes of annual capacity for nitrogen, phosphorus and potash.

The connection between our procurement systems, long-term partnerships and supply chain efficiencies will enable us to generate value.

If or when geopolitical, legal and ethical factors place any one part of the world out of reach, Ravensdown has identified alternatives it can turn to if absolutely necessary. We continue to depend on United Nations' policymakers, New Zealand government officials and our industry association's legal experts for ongoing guidance.



Climate will continue to add to market volatility for North Canterbury farmer and local Federated Farmers' Meat and Fibre Chair Dan Hodgen.

3.

Progress towards precision

We are expecting to see increased interest in our precision agriculture applications, all-paddock soil testing, data-rich decision-making tools and interactive mapping software.

The Primary Growth Partnership investigating more precise aerial fertiliser application has already yielded benefits in terms of shareholder outcomes and intellectual property such as $AirScan^{TM}$.

AirScan offers the potential to assess soil nutrient status from the sky rather than traditional soil testing. Of course, remote diagnostics of nutrient status ultimately offers potential for dairy as well as hill country farmers.

It's not just more precise measuring, mapping, testing and spreading that will be in demand. Our new precision blending plant in Christchurch offers precision manufacturing in the form of custom-blended products that deliver exactly the right combination of nutrients. Another plant is planned for the North Island after the New Plymouth store is completed in late 2017.

Coated urea products that 'phase in' plantavailable nitrogen or reduce the amount of N lost to the atmosphere are the sign of things to come. Innovation will need to be at the heart of what we do. 4.

Moving beyond compliance

The environmental impacts of intensive farming have been well documented. What is uncertain is the way in which specific environmental aspects such as nitrogen leaching or phosphate run-off can be best managed in the context of a wholefarm system. Many regions have drawn up their own regulatory frameworks and this in turn has meant a burgeoning demand for robust budgets that outline modelled nutrient losses.

These nutrient limits and budgets have the potential to impact on farm values and so the budgets need to be of a standard that is defendable as future sanctions or legal action are always a possibility. It remains unclear how all these nutrient budgets will be supplied to every farm affected, who would have the capacity to produce such a universal service and who might pay.

Meanwhile our environmental consultancy, which does provide such nutrient budgets and other complex scenario modelling on a user-pays basis, continues to grow. The mitigations and advice the consultancy proposes are already making a real difference to customers' environmental performance.

While the impact of the Emissions
Trading Scheme is unclear, many of our
customers are already trying to do the right
thing in terms of environmental stewardship.
This is not only to earn a social licence to
operate, but also to reflect end-consumer
preferences and their willingness to pay a
premium for products with a compelling
'backstory'.

58 Future outlook

5. Food chain transformation

Further ahead, the outlook becomes less clear. When Amazon starts distributing frozen food, IKEA uses packaging materials made from mushrooms as an eco-friendly replacement for polystyrene and NASA is exploring 3D printed edibles, the food industry is going to stay an interesting place to be.

Seven billion-plus people require a lot of nourishment. Currently, much of that food comes from crops and animals which get their nutrients from the soil. The word 'currently' is the point here because in the future, the impacts of consumer demand, disruption from technology and the constraints of the planet's natural environment could mean drastic change is on the horizon.

Long-term, food manufacturers and farmers are facing changes in how products are grown, processed, distributed, retailed, consumed and even recycled. Like Ravensdown, they are on a solutions journey in a quest for value over volume. The agri-sector as a whole is analysing farm-to-fork processes and gaining more understanding of consumers' behaviour so they can meet their needs - both stated and implied.

So-called smart foods (nutritious food with added benefits such as mental alertness) offer an opportunity to add value by processing on-shore for export. Smart clothing which incorporates wearable technologies also offers interesting avenues to those supplying natural fibres.

And in a world of synthetic 'lab-grown' foods, it would be fair to presume the producers of high-quality natural protein could command a premium if the provenance and traceability generate an authentic and distinctive story.

6. Science funding and talent management

As a company that backs up its advice and products with scientific evidence, the long-term effect of a healthy agri-science sector cannot be overstated. Total amounts invested by government and the private sector are only part of the picture. Many of the most talented researchers spend a lot of time bidding for contestable funds. Career uncertainty is one reason why we are seeing a decline in the numbers of scientists specialising in the kind of agricultural research on which our customers and Ravensdown depend.

Ravensdown is doing its part to attract educated and talented young people into the agri-sector. The demographic dip in the number of young people, structure of school curricula, inconsistent rural broadband and intense competition present challenges in recruiting and retaining our next generation of in-house experts.

Social attitudes are also changing. Increasingly, many people do not really understand what a co-operative does and what they'd miss if the co-operative was gone. We will be using new communication channels to stay connected and respond to the above trends to stay relevant.

In conclusion

Through our local and international networks, we are scanning the horizon and preparing to respond to these signals when needed. The co-operative is well positioned to respond, advise and support farmers, manufacturers, marketers and government as they confront agri-sector "game changers".

Prosperity for the sector, our customers and New Zealand Inc is why Ravensdown is here. And prosperity has a financial, environmental and social dimension. This is why future annual reports will report on our progress and improvement areas on all these fronts.

Future outlook 59



Ravensdown Chief Executive Greg Campbell discusses the possible "game changers" with Minister for Primary Industries Nathan Guy at the opening of the Christchurch Precision Blending Plant.



Shareholders like Rangitikei's Ali McLean will continue to see benefits from environmental consultancy.





2016 Financial Statements

Directors' Declaration

The Directors are pleased to present the financial statements of Ravensdown for the year ended 31 May 2016.

In the opinion of the Directors the financial statements and notes, on pages 64 to 97:

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of Ravensdown as at 31 May 2016 and the results of its operations and cash flows for the year ended on that date; and
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Ravensdown and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of Ravensdown, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors:

J F C Henderson | Chairman

A S Wright | Deputy Chairman

Date: 1st August 2016



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Consolidated Income Statement

For the year ended 31 May

In thousands of New Zealand dollars	Note	2016	2015
Continuing operations			
Revenue	A1	660,445	711,492
Cost of sales		(532,520)	(601,645)
Gross profit		127,925	109,847
Sales and marketing expenses		(25,742)	(25,026)
Administrative expenses		(32,745)	(29,565)
Other operating expenses		(3,961)	(3,373)
Results from operating activities		65,477	51,883
Finance income		37	352
Finance expenses		(5,750)	(6,877)
Net finance costs	A2	(5,713)	(6,525)
Share of profit of equity accounted investees (after tax)	D2	2,325	2,594
(Loss)/gain on disposal of equity accounted investees		-	(2,322)
Profit before rebate and income tax		62,089	45,630
Rebates	C 1	(44,255)	(55,488)
		17,834	(9,858)
Income tax (expense)/benefit	A4	(4,354)	3,582
Profit/(loss) for the year from continuing operations		13,480	(6,276)
Discontinued operations			
Loss after tax for the year	D5	(3,348)	(5,214)
Profit/(loss) for the year attributable to equity holders		10,132	(11,490)

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 May

In thousands of New Zealand dollars	Note	2016	2015
Profit/(loss) for the year		10,132	(11,490)
Items that will not be reclassified subsequently to profit or loss			
Revaluation of non current assets		3,408	1,271
Related tax	A4	83	(1,250)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	A4	32	(102)
Net change in fair value of cash flow hedges	A4	(17,715)	26,563
Related tax	A4	4,946	(10,349)
Other comprehensive (loss)/income for the year		(9,246)	16,133
Total comprehensive income for the year		886	4,643
Attributable to:			
Continuing operations		4,200	9,937
Discontinued operations	D5	(3,314)	(5,294)
		886	4,643

Consolidated Statement of Financial Position

As at 31 May

In thousands of New Zealand dollars	Note	2016	2015
Assets			
Cash and cash equivalents	C4	18,683	4,617
Trade and other receivables	C2	62,580	82,265
Inventories	B4	119,664	118,239
Derivative financial assets	C2	833	15,359
Current tax assets		4,816	7,011
Assets held for sale	D5	5,541	8,530
Total current assets		212,117	236,021
Property, plant and equipment	B1	273,193	258,705
Mining deposits	В3	15,343	14,158
Intangible assets	B2	9,030	11,257
Investments in equity accounted investees	D2	15,685	13,100
Total non-current assets		313,251	297,220
Total assets		525,368	533,241
Liabilities			
Trade and other payables	СЗ	36,160	36,125
Employee entitlements	A3	10,445	9,524
Loans and borrowings	C5	10,191	10,217
Provision for rebate	C1	43,874	55,480
Derivative financial liabilities	C2	3,921	-
Liabilities held for sale	D5	-	64
Share capital of discontinued operations	D6	10,153	11,197
Total current liabilities		114,744	122,607
Share capital of discontinued operations	D6	-	10,000
Derivative financial liabilities	C2	1,125	1,351
Deferred tax liabilities	A4	14,012	19,424
Total non-current liabilities		15,137	30,775
Total liabilities		129,881	153,382
Net assets		395,487	379,859
Equity			
Co-operative shares	C6	296,396	282,479
Reserves		52,375	61,857
Retained earnings		36,609	26,241
Attributable to equity holders		385,380	370,577
Redeemable preference shares	C7	10,107	9,282
Total equity		395,487	379,859

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 May

In thousands of New Zealand dollars	Note	2016	2015
Cash flows from operating activities			
Cash receipts from customers		682,140	737,637
Dividends received		1,162	2,314
Payments to suppliers and employees		(575,345)	(621,284)
Income tax paid		(2,240)	(8,923)
Net cash flows from operating activities	C4	105,717	109,744
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		970	4,101
Net movements in loans provided to equity accounted investees		(489)	(1,222)
Acquisition of property, plant and equipment		(32,674)	(28,692)
Acquisition of intangible assets		(1,310)	(5,197)
Acquisition of shares in associates		(43)	-
Net cash flows (used in) investing activities		(33,546)	(31,010)
Cash flows from financing activities			
Interest received		150	525
Proceeds from issue of share capital		65	43
Interest paid		(6,044)	(7,253)
Repayment of share capital		(17,286)	(19,148)
Payment of rebates		(35,014)	(9,528)
Net movements in loans and borrowings		-	(39,617)
Net cash flows (used in) financing activities		(58,129)	(74,978)
Net increase in cash and cash equivalents		14,042	3,756
Cash and cash equivalents at 1 June		4,617	1,223
Effect of exchange rate fluctuations on cash held		24	(362)
Cash and cash equivalents at 31 May		18,683	4,617

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Statement of Changes in Equity

For the year ended 31 May

In thousands of New Zealand dollars	Note	Co-operative shares	Translation reserve	
Balance at 1 June 2014		267,441	415	
(Loss) for the year		-	-	
Foreign currency translation differences for foreign operations		- (102)		
Revaluation of property, plant and equipment, net of tax		-	-	
Revaluation reserve transferred to retained earnings on disposal of property, plant and equipment		-		-
Net change in fair value of cash flow hedges		-	-	
Total comprehensive income for the year		-	(102)	
Total contributions by and distributions to equity holders	С6	15,038	-	
Reclassification of equity	С7	-	-	
Balance at 31 May 2015		282,479	313	
Balance at 1 June 2015		282,479	313	
Profit for the year		-	-	
Foreign currency translation differences for foreign operations		-	32	
Revaluation of property, plant and equipment, net of tax		-	-	
Revaluation reserve transferred to retained earnings on disposal of property, plant and equipment		-	-	
Net change in fair value of cash flow hedges		-	-	
Total comprehensive income for the year		-	32	
Total contributions by and distributions to equity holders Reclassification of equity	C6 C7	13,917 -	-	
Balance at 31 May 2016		296,396	345	

Explanation of Reserves

Foreign Currency Translation Reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge Ravensdown Limited's net investment in a foreign branch.

The notes to the financial statements form an integral part of these financial statements.

			equity holders	Attributable to 6	
Total equity	Redeemable preference shares	Total	Retained earnings	Revaluation reserve	Hedging reserve
356,571	5,675	350,896	37,308	53,717	(7,985)
(11,490)	-	(11,490)	(11,490)	-	-
(102)	-	(102)	-	-	-
21	-	21	-	21	-
-	-	-	423	(423)	-
16,214	-	16,214	-	-	16,214
4,643	-	4,643	(11,067)	(402)	16,214
15,038	-	15,038	-		-
3,607	3,607	-	-	-	-
379,859	9,282	370,577	26,241	53,315	8,229
379,859	9,282	370,577	26,241	53,315	8,229
10,132	-	10,132	10,132	-	-
32	-	32		-	-
3,491	-	3,491	-	3,491	-
-	-	-	236	(236)	
(12,769)	-	(12,769)	-	-	(12,769)
886	-	886	10,368	3,255	(12,769)
13,917	_	13,917	_	_	_
825	825	-	-	-	-
395,487	10,107	385,380	36,609	56,570	(4,540)

Hedging Reserve

The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Revaluation reserve

The revaluation reserve relates to the revaluation of freehold land and freehold buildings in accordance with accounting policies stated in note B1.

Notes to the Financial Statements

For the year ended 31 May 2016

About This Report

In this section



The notes to the consolidated financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and position of Ravensdown. Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Ravensdown;
- it helps to explain changes in Ravensdown's business; or
- it relates to an aspect of Ravensdown's operations that is important to future performance.

Reporting Entity

The parent company, Ravensdown Limited is a company domiciled in New Zealand, registered under the Companies Act 1993, the New Zealand Co-operative Companies Act 1996, the Australian Corporations Act 2001 and the Western Australia Companies Co-operative Act 1943. The company is a FMC Reporting Entity under the Financial Markets Conduct Act 2013 and prepares its financial statements in accordance with this Act.

These consolidated financial statements are for Ravensdown Limited and its subsidiaries (together referred to as "Ravensdown") and Ravensdown's interests in associates and joint ventures as at and for the year ended 31 May 2016.

Ravensdown is primarily involved in the supply of inputs and services to the agricultural sectors in New Zealand and is a profitoriented entity.

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS"). The financial statements are presented in New Zealand dollars rounded to the nearest thousand. The financial statements were authorised for issue by the directors on 1 August 2016.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the exchange rate at the date that the fair value was determined.

Measurement System

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- certain items of property, plant and equipment are revalued in accordance with Ravensdown's policy of revaluation
- available for sale assets are measured at the lower of fair value less costs to sell and carrying value

Critical Judgements and Estimates

In the process of applying Ravensdown's accounting policies and the application of accounting standards, Ravensdown has made a number of judgements and estimates. The estimates and underlying assumptions are based on historic experience and various other factors that are considered to be appropriate under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.

Judgements and estimates which are considered material to understanding the performance of Ravensdown are found in the following notes:

Property, Plant and Equipment Financial Instruments

Note B1 Note C2

Accounting Policies

The accounting policies set out in these financial statements have been applied consistently in all periods presented in these financial statements. There have been no changes in accounting policies during the financial year. Other accounting policies that are relevant to understanding the financial statements are provided within the notes to the financial statements. Certain disclosures have been changed in the current year and prior year comparatives have been updated to reflect the current period's presentation.

Basis of Consolidation

Ravensdown's financial statements comprise the financial statements of Ravensdown Limited and its subsidiaries (being entities controlled by Ravensdown Limited), as contained in note D1 Subsidiaries.

The financial statements of members of Ravensdown are prepared for the same reporting period as Ravensdown Limited, using consistent accounting policies.

In preparing Ravensdown's financial statements, intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Ravensdown's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Standards and Interpretations Not Yet Adopted

Ravensdown has applied all new and revised accounting standards and interpretations that are effective in the year. This did not result in a material impact on the financial statements.

There are a number of other new and amended accounting standards and interpretations not yet effective that will be adopted by Ravensdown when they become mandatory. Those relevant to Ravensdown include NZ IFRS 9 Financial Instruments, NZ IFRS 15 Revenue, and NZ IFRS 16 Leases. The financial statement impact of the adoptions of these standards has not yet been assessed.

Effective for the financial year ending

NZ IFRS 15 Revenue from Contracts with Customers NZ IFRS 9 Financial Instruments NZ IFRS 16 Leases 31 May 2019 31 May 2019 31 May 2020 73

A. Financial Performance

In this section



This section explains the financial performance of Ravensdown, providing additional information about individual items in the income statements, including:

- a) Accounting policies, judgements and estimates that are relevant for understanding items recognised in the income statements;
- b) Analysis of Ravensdown's performance for the year by reference to key areas including: rebates, expenses and taxation.

A1. Revenue Arising from the Sale of Goods

Measurement and Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

A2. Finance Income and Expenses

	2016	2015
Other interest income	151	525
Finance income	151	525
Interest expense on financial liabilities measured at amortised cost	(5,463)	(6,474)
Fair value of cash flow hedges transferred from equity	(581)	(779)
Implied interest on discontinued share capital	(74)	(848)
Finance expense	(6,118)	(8,101)
Net finance costs ¹	(5,967)	(7,576)

¹ Included within net finance costs is \$254,000 of costs attributable to discontinued operations incurred in the year ended 31 May 2016 (2015: \$1.051 million). The results of the discontinued operations are shown as a net figure in the Consolidated Income Statement.

Measurement and Recognition

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and gains or losses on interest rate hedging instruments that are recognised in profit or loss. All borrowing costs other than those relating to hedging instruments are recognised in profit or loss using the effective interest method.

A3. Personnel Expenses

	2016	2015
Wages and salaries	56,757	56,251
Superannuation - defined contribution	3,072	2,934
Increase in liability for long-service leave	133	149
Total personnel expenses	59,962	59,334
Transactions with key management personnel		
Sales of goods and services	4,623	4,020
Purchases of goods and services	(95)	(95)
Closing receivables	186	384
Key management personnel compensation comprised:		
Short-term employee benefits	4,655	4,251
Superannuation contributions	209	203

Measurement and Recognition - Employee Benefits

Provision is made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and employee incentives for services rendered. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement. Key management personnel are Ravensdown's Leadership Team and the Ravensdown Limited Board of Directors.

There is a Defined Contribution policy that employees are entitled to join where Ravensdown matches their contributions up to specified limits.

The Board of Directors do not receive superannuation contributions as part of their remuneration package.

A4. Taxation

Income Tax Expense Recognised in the Income Statement	2016	2015
Current tax expense		
Current period tax charge	4,425	(403)
Adjustment for prior periods	19	601
	4,444	198
Deferred tax expense		
Origination and reversal of temporary differences	90	(4,594)
Adjustment for prior periods	(474)	-
	(384)	(4,594)
Total income tax expense/(benefit)	4,060	(4,396)
Reconciliation of tax expense		
Profit/(loss)for the year - continuing operations	13,480	(6,276)
Loss for the year - discontinued operations	(3,348)	(5,214)
Total income tax expense/(benefit) - continuing operations	4,354	(3,582)
Total income tax benefit - discontinued operations	(294)	(814)
Profit/(loss)before tax	14,192	(15,886)
Income tax using the Company's domestic tax rate of 28% $$	3,974	(4,448)
Non-deductible items	1,192	3,218
Derecognition of previously recognised deferred tax	-	(3,041)
Tax effect of post tax equity accounted earnings	(651)	(726)
Under/(over) provided in prior periods	(455)	601
Total income tax expense/(benefit)	4,060	(4,396)

Measurement and Recognition

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current Income Tax Expenses

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Total income tax expense/(benefit) is net of the income tax benefit from the discontinued operations.

Income Tax recognised directly in Other Comprehensive Income	2016		2015			
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Foreign currency translation differences for foreign operations	32	-	32	(102)	-	(102)
Net change in revaluation reserve	3,408	83	3,491	1,271	(1,250)	21
Total movements attributable to revaluation reserves	3,440	83	3,523	1,169	(1,250)	(81)
Net change in fair value of cash flow hedges	(17,715)	4,946	(12,769)	26,563	(10,349)	16,214
Total movements attributable to derivatives	(17,715)	4,946	(12,769)	26,563	(10,349)	16,214
Total	(14,275)	5,029	(9,246)	27,732	(11,599)	16,133

Deferred Tax	2016	2015
Balance at beginning of year	19,424	12,352
Temporary differences in profit or loss:		
Property, plant and equipment	(707)	(439)
Derivatives	-	(1,455)
Payables	(117)	(231)
Other Items	440	(2,469)
	(384)	(4,594)
Temporary differences in other comprehensive income:		
Revaluation reserve movements	(83)	1,250
Derivatives	(4,946)	10,349
	(5,029)	11,599
Effect of movements in exchange rates	1	67
Balance at end of year	14,012	19,424
Consisting of:		
Property, plant and equipment	15,362	14,015
Derivatives	-	3,766
Other items	2,691	4,915
Deferred tax liability	18,053	22,696
Derivatives	(1,180)	-
Inventories	-	(37)
Trade and other payables	(1,946)	(1,829)
Other items	(915)	(1,406)
Deferred tax asset	(4,041)	(3,272)
Total deferred tax	14,012	19,424

Deferred Tax

Deferred tax is income tax which is expected to be payable or recoverable in the future as a result of the unwinding of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

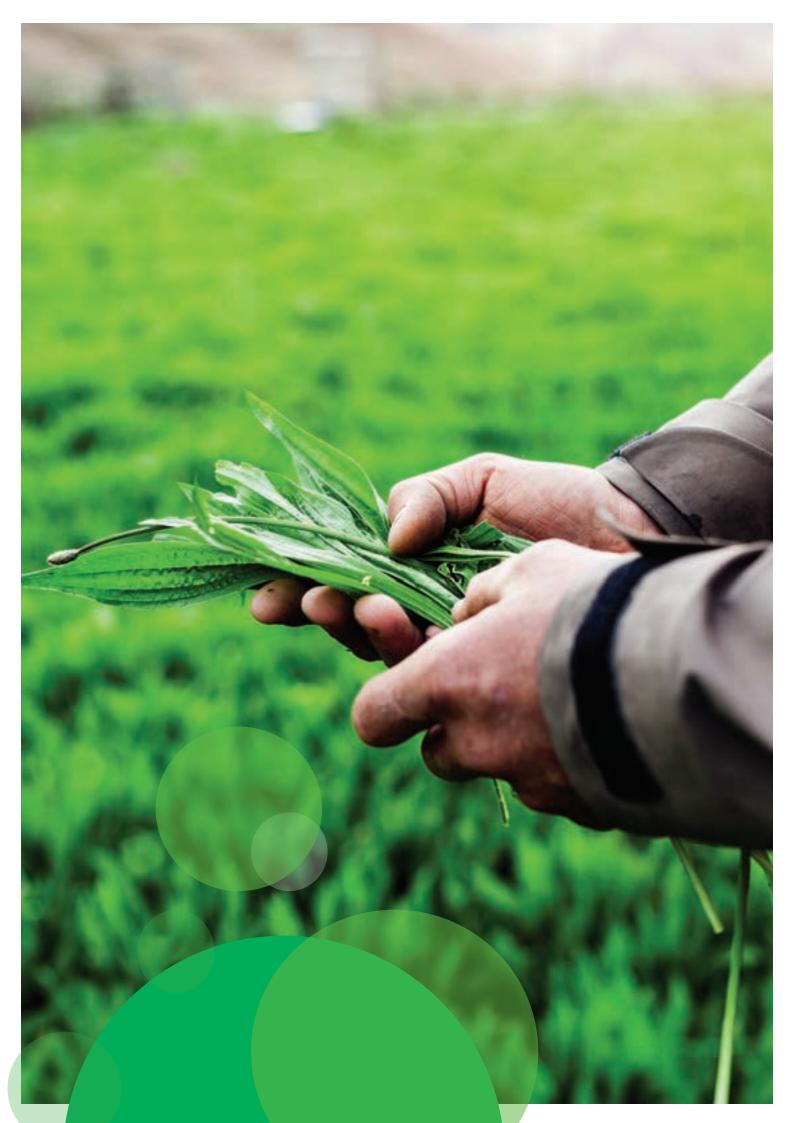
- from the initial recognition of goodwill;
- from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss; and
- differences relating to investments in subsidiaries and equity accounted investees to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available to use the asset. This is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to utilise the deferred tax asset.

Imputation Credits

As at balance date imputation credits available for use in subsequent periods totalled \$46.1 million (2015: \$42.5 million).



B. Key Operating Assets

In this section



This section shows the assets Ravensdown uses to generate operating revenues, including:

- a) Property, plant and equipment;
- b) Intangible assets;
- c) Mining deposits; and
- d) Inventories

B1. Property, Plant and Equipment

	Land and improvements	Buildings and improvements	Plant, machinery and vehicles	Capital works in progress	Total
Cost or valuation					
Balance at 1 June 2014	44,340	77,468	278,202	10,339	410,349
Additions	328	1,332	2,727	24,178	28,565
Transfer from capital works in progress	453	2,772	12,829	(16,054)	-
Revaluations	(63)	(844)	-	-	(907)
Disposals	(120)	(1,278)	(4,947)	-	(6,345)
Balance at 31 May 2015	44,938	79,450	288,811	18,463	431,662
Balance at 1 June 2015	44,938	79,450	288,811	18,463	431,662
Additions	321	1,905	1,327	29,061	32,614
Transfer from capital works in progress	429	13,602	14,145	(28,176)	-
Revaluations	2,827	(2,425)	-	-	402
Disposals	(705)	(472)	(13,347)	-	(14,524)
Balance at 31 May 2016	47,810	92,060	290,936	19,348	450,154
Depreciation and impairment losses					
Balance at 1 June 2014	-	106	163,583	-	163,689
Depreciation for the year	24	2,575	13,729	-	16,328
Revaluations	(291)	(2,487)	-	-	(2,778)
Disposals	-	(14)	(4,268)	-	(4,282)
Balance at 31 May 2015	(267)	180	173,044	-	172,957
Balance at 1 June 2015	(267)	180	173,044		172,957
Depreciation for the year	283	2,970	13,280	-	16,533
Revaluations	(16)	(2,704)	-	-	(2,720)
Disposals	-	(17)	(9,792)	-	(9,809)
Balance at 31 May 2016	-	429	176,532	-	176,961
Carrying amounts					
At 1 June 2014	44,340	77,362	114,619	10,339	246,660
At 31 May 2015	45,205	79,270	115,767	18,463	258,705
At 31 May 2016	47,810	91,631	114,404	19,348	273,193

Measurement and Recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are revalued with changes in fair value recognised directly in equity.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is recognised in profit or loss to allocate the cost or revalued amount of an asset, less any residual value, over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Key judgements and estimates useful lives

Ravensdown makes estimates of the remaining useful lives of assets, which are as follows:

Land	Indefinite	
Land Improvements	25 years	Diminishing value
Buildings and fitout	30 years	Straight line
Fixed plant and equipment	15 years	Straight line
Mobile plant and motor vehicles	5 years	Diminishing value
Fixed wing aircraft	33 years	Straight line
Rotary helicopters	13 years	Straight line

Aircraft are subject to ongoing maintenance programmes which include the use of rotable assets held as spare parts. Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Valuation Basis of Land and Buildings

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates.

The fair value of property and land is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

New Zealand land and buildings were independently valued as at 31 May 2016 by Mr H Doherty SNZPI, ANZIV, AREINZ of Harcourts Team Wellington. Australian land and buildings were independently valued as at 31 May 2016 by Mark Klenke of Aon Global Risk Consulting.

Had Ravensdown's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2016	2015
Land	19,082	19,381
Buildings	55,063	42,187

B2. Intangible Assets

	Patents and Registrations	Resource Consents	Goodwill	Software	Total
Net book value at 31 May 2015	2,459	3,455	722	4,621	11,257
Additions	20	-	-	684	704
Amortisation Expenses	(24)	(317)	-	(1,978)	(2,319)
Impairment	(612)	-	-	-	(612)
Net book value at 31 May 2016	1,843	3,138	722	3,327	9,030
Cost	3,375	5,714	775	11,751	21,615
Less accumulated amortisation and impairment	(1,532)	(2,576)	(53)	(8,424)	(12,585)
Net book value at 31 May 2016	1,843	3,138	722	3,327	9,030

Measurement and Recognition

Patents and registrations

Costs associated with acquiring patents and registrations are capitalised and amortised over the life of the assets. The assets primarily comprise patents and registrations that enable Ravensdown to distribute animal health and agrochemical products throughout New Zealand and Australia.

Resource consents

Costs incurred in obtaining resource consents for Ravensdown's three manufacturing sites are capitalised and amortised from the granting of the consent on a straight line basis for the period of the consent. The remaining life of the resource consents range between 5 years and 32 years.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Software

Costs associated with acquiring software are capitalised at cost and amortised over the life of the assets. The assets primarily comprise software costs for Ravensdown's operating and information technology systems based around farm management systems.

Amortisation and estimated useful lives

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Ravensdown uses its judgement in determining the remaining useful lives and residual value of intangible assets. These are reviewed and, if appropriate, adjusted at each balance date. Amortisation rates selected are as follows:

Patents and registrations

6-20 years

Resource consents

14-35 years

Software

2-8 years

Intangible assets with an indefinite useful life are not amortised. Instead, they are assessed annually for any indication of impairment.

Impairment

The carrying amounts of Ravensdown's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Cash-generating units are the lowest levels for which there are separately identifiable cash flows. Impairment losses are recognised in the income statement, unless the assets are carried at a revalued amount, in which case the impairment is treated as a revaluation decrease in equity.

The recoverable amount is the higher of an asset or cash-generating unit's fair value less costs to sell and present value of future cash flows expected to be generated by the assets (value in use).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount would have been determined had no impairment loss been recognised.

Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred. Development costs are capitalised if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Ravensdown intends to and has sufficient resources to complete development and to use or sell the asset.

Ravensdown's primary focus of its research and development activities is the improvement of the science of cycling nutrients through pastoral and arable farming systems.

Total research and development expense recognised in the Consolidated Income Statement is \$4.0 million (2015: \$3.4 million).

B3. Mining Deposits

	2016	2015
Balance at 1 June Balance at 31 May	14,158 15,343	14,958 14,158

Mining deposits represent Ravensdown's ownership in Limestone quarries throughout New Zealand, utilised for the production of lime fertiliser products.

Measurement and Recognition

Ravensdown operates a mixed model; in some instances the resource is owned by Ravensdown in others the resource is acquired on a royalty basis. The quarries are measured at either fair value on acquisition or the costs associated with developing existing quarries to extend their economic life. Available resource is considered on a tonnage basis. The resources are amortised on a per tonne of extraction basis.

Rehabilitation of lime quarry sites is provided for on an annual basis. The provision reflects the estimated life of the quarry and the potential rehabilitation cost.

B4. Inventories

	2016	2015
Finished Goods	101,915	84,993
Raw Materials	17,749	33,246
Total Inventories	119,664	118,239

Inventories in the Financial Statements are reported as either finished goods or raw material. All inventories are considered a finished good unless they are to be utilised in the production of superphosphate or its related products.

At May 2016 an impairment to inventory of \$55,000 was recognised (2015: \$800,000).

Measurement and Recognition

Inventories are measured at the lower of cost and net realisable value. Ravensdown uses both the first-in first-out principle and the weighted average cost formula to assign costs to inventories. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

C. Risk Management and Funding

In this section



This section explains the financial risks Ravensdown faces, how these risks affect Ravensdown's financial position and performance, and how Ravensdown manages these risks. In addition, this section explains how Ravensdown manages its capital structure, working capital and the various funding sources. In this section of the notes there is information about:

- a) Ravensdown's approach to capital and financial risk management;
- b) Net debt;
- c) Cash and receivables; and
- d) Equity and dividends.

C1. Rebates

Ravensdown exercises judgement in determining the level of rebates provided each year. Total rebates are determined with reference to the overall profitability of Ravensdown for the year and the need to balance this with ensuring sufficient reserves, as considered necessary by the Directors, are retained. Rebates for the year ended 31 May 2016 were issued at \$41 per qualifying tonne on all qualifying tonnes of fertiliser purchased by transacting shareholders (2015: \$50/t).

Provision for Rebates

	2016	2015
Rebate	43,874	55,480

Measurement and Recognition

Rebates are provided for based on the qualifying tonnage sold for the year at a rate determined by the Board. Shareholders who hold less than the quota shareholding as determined by the Board may have a portion of their rebate paid in shares. For financial reporting purposes rebates are treated as an expense in the Consolidated Income Statement.

Measurement and Recognition

Provisions for rebates are recognised when the obligations and the amounts of the distributions can be measured reliably. The effect of any under or over provision, as a consequence of confirmed tonnages, is reflected in the Consolidated Income Statement the following year.

Capital Management

Ravensdown's capital includes share capital, reserves and retained earnings. Ravensdown's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. This target is achieved through balancing retention of certain reserves with Ravensdown's share rebate process.

Ravensdown's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in Ravensdown's management of capital during the period.

Ravensdown is subject to external banking covenants. There have not been any breaches of Ravensdown's banking covenants in the year.

C2. Financial Risk Management

Ravensdown's activities expose it to a variety of financial risks through the normal course of its business. The Board approves policies (including Ravensdown Treasury and Credit policies) which set appropriate principles and risk tolerance levels to guide management in carrying out financial risk management activities to minimise potential adverse effects on the financial performance and economic value of Ravensdown. In order to manage foreign exchange and interest rate risks arising from operational and financing activities, Ravensdown enters into derivative arrangements to hedge its exposure. A financial risk management committee provides oversight for risk management and derivative activities. The Board re-evaluates risk policies on a regular basis. Ravensdown does not hold or issue derivative financial instruments for trading purposes.

Ravensdown is exposed to commodity price risk. This is partially mitigated through negotiated long term supply contracts with a geographical diverse range of suppliers and the occasional use of commodity swaps to hedge commodity price risk.

Interest Rate Risk

Ravensdown is exposed to interest rate risk on the cash flows arising from borrowings held at floating rates. Ravensdown uses Interest Rate Swaps and Options to achieve an appropriate mix of fixed and floating rate exposure as set out in policy guidelines established by the Board. At 31 May 2016 the nominal amount of Interest Rate derivatives held is \$20 million (2015: \$20 million).

Cash flow sensitivity

At 31 May 2016 it is estimated that a general increase of one percentage point in interest rates would decrease Ravensdown's profit before income tax by approximately \$1.4 million (2015: \$1.2 million). A decrease of one percentage point would increase Ravensdown's profit before income tax by the same amount.

Fair value sensitivity

At 31 May 2016 it is estimated that a general increase of one percentage point in interest rates would increase Ravensdown's equity (pre tax) by approximately \$0.3 million (2015: \$0.5 million). A decrease of one percentage point would decrease Ravensdown's equity (pre tax) by the same amount.

Foreign Currency Risk

Ravensdown is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency. The currencies in which transactions are usually denominated is U.S. dollars (USD). Ravensdown uses forward exchange contracts to hedge its foreign currency risk.

In managing foreign currency risk, Ravensdown hedges up to 100% of all trade payables denominated in a foreign currency. Ravensdown also hedges up to 100% of its estimated foreign currency exposure in respect of forecasted purchases over a period that is approved by the Board. The investment in the Australian branch is hedged by way of Australian dollar denominated borrowings.

Measurement and Recognition - Derivative Financial Instruments

Derivative financial instruments comprise of forward exchange contracts and interest rate swaps and options. Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value using observable market prices as at reporting date, discounted cash flow models or option pricing models as appropriate. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of recognition or loss depends on the nature of the hedge relationship. Derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments.

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Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss. In the event that a hedging instrument is sold, terminated or exercised prior to maturity and the original forecast transaction is no longer forecast to occur, the resultant gain/loss is recognised immediately in the profit or loss.

Sensitivity to movements in foreign currency

A strengthening of the New Zealand dollar, as indicated below, against the USD would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that Ravensdown considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The following disclosures relate to the valuation of foreign exchange exposures as at 31 May. Ravensdown has foreign exposures throughout the financial year which fluctuate both in terms of the amount of the exposures at any one time and the effect of movements in the exchange rate. As at 31 May 2016 the notional amount of USD foreign exchange contracts held were \$139.5 million (2015: \$129.5 million).

	2016	2016		2016 2015		2015	
	USD	AUD	USD	EURO	AUD		
Trade payables	(8,101)		(7,914)	(262)	-		
Net balance sheet - foreign operations	-	1,405	-	-	2,033		
Net balance sheet exposure before hedging activity	(8,101)	1,405	(7,914)	(262)	2,033		
Forward exchange contracts relating to exposures	8,101	-	7,914	-	-		
Net unhedged exposure	-	1,405	-	(262)	2,033		
NZD equivalent	-	1,507	-	(618)	2,187		
Sensitivity to 10% strengthening of NZD (pre tax):							
Increase/(decrease) on equity	(18,918)	(137)	(16,621)	-	(199)		
Increase/(decrease) on profit	1,097	-	1,009	37	-		
Sensitivity to 10% weakening of NZD (pre tax):							
Increase/(decrease) on equity	23,145	151	20,348	-	219		
Increase/(decrease) on profit	(1,206)		(1,110)	(41)	-		

Credit Risk

Ravensdown is exposed to credit risk from the possibility that a customer contract will result in a financial loss to Ravensdown or that a counter party will fail to perform their obligations. Ravensdown's exposure to credit risk is mainly influenced by its customer base and banking counterparties.

Ravensdown has a credit policy in place under which each new customer is analysed for credit worthiness. Credit risk is mitigated through most customers also being shareholders of Ravensdown Limited as their share capital may be utilised in cases of default. Ravensdown's customer base is primarily concentrated in the agriculture sector. Investments and derivatives are only made with reputable financial institutions or banks with a minimum Standard and Poor's credit rating of AA-.

The carrying amount of financial assets represents Ravensdown's maximum credit exposure. Ravensdown does not have any material credit risk concentrations. Ravensdown has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

Trade and Other Receivables

	2016	2015
Not past due	56,070	75,650
Past due 1 - 30 days	2,634	3,477
Past due more than 30 days	5,610	4,927
Less: Provision for impairment in receivables	(3,407)	(3,781)
Total trade receivables	60,907	80,273
Prepayments	1,673	1,992
Total trade and other receivables	62,580	82,265

Measurement and Recognition

Trade receivables are measured on initial recognition at fair value, and are subsequently carried at amortised cost. Fair value is estimated as the present value of expected future cash flows.

Impairment of Trade Receivables

A provision for the impairment of receivables is established following management's assessment that the collectability of certain trade receivables is unlikely. The amount of the provision is the difference between the asset's carrying amount and the present value of estimate future cash flows, discounted using the effective interest method.

Liquidity Risk

Liquidity risk represents Ravensdown's ability to meet its contractual obligations. Ravensdown evaluates its liquidity requirements on an on-going basis. In general, Ravensdown generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

The following tables analyse Ravensdown's financial liabilities, including net and gross settled financial instruments, into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet.

2016	Carrying value	Contractual cash flows	O-12 months	1-3 years
Non-derivative financial liabilities ¹				
Trade and other payables	36,160	36,160	36,160	-
Loans and borrowings	10,191	10,234	10,234	-
	46,351	46,394	46,394	-
Cash flow hedge derivatives				
Foreign exchange contracts	(2,852)	(3,856)	(3,856)	-
Interest rate swaps	(1,331)	(1,370)	(565)	(805)
Commodity swaps	(30)	(30)	(30)	-
Total net derivative liabilities	(4,213)	(5,256)	(4,451)	(805)
Periods in which the cash flows associated with cash flow hedges expected to impact profit or loss	(4,213)	(5,256)	(4,357)	(899)
2015	Carrying value	Contractual cash flows	0-12 months	1-3 years
Non-derivative financial liabilities ¹				
Trade and other payables	36,125	36,125	36,125	-
Loans and borrowings	10,217	10,234	10,234	-
	46,342	46,359	46,359	-
Cash flow hedge derivatives				
Foreign exchange contracts	15,359	13,989	13,989	-
Interest rate swaps	(1,351)	(1,463)	(487)	(976)
Total net derivative assets/(liabilities)	14,008	12,526	13,502	(976)

¹ All contractual cash flows arising from non-derivative financial liabilities are expected to be settled within three months of balance date.

C3. Fair Value of Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities approximate their fair value and are categorised below:

2016	2015
79,590	84,890
833	15,359
80,423	100,249
5,046	1,351
100,670	111,139
105,716	112,490
	79,590 833 80,423 5,046 100,670

Loans and receivables consist of: Cash and cash equivalents, and Trade and other receivables.

Other liabilities at amortised cost consist of:

Loans and borrowings, Trade and other payables,

Employee entitlements and rebates payable.

Measurement and Recognition - Trade Payables

Trade payables are recognised initially at fair value on the trade date at which Ravensdown becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Fair value is calculated based on the expected future cash outflows required to settle the contractual obligations at the reporting date.

Fair value hierarchy

Ravensdown has financial instruments carried at fair value. The following hierarchy defines the valuation method used to value these instruments.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- · Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Ravensdown financial instruments carried at fair value are defined as Level 2 for valuation purposes for 2016 and 2015. At 31 May 2016 the fair value of Ravensdown's derivative financial instruments was a \$4.2 million liability (2015: \$14.0 million asset).

C4. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Ravensdown's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Advances and repayments in the banking facilities are reported in the statement of cash flows on a net basis because the turnover is quick, the amounts are large and the maturities are short.

Reconciliation of Operating Cash Flows

	2016	2015
Profit/(loss) for the year	10,132	(11,490)
Adjustments for:		
Items classified as investing or financing activities		
Rebates to shareholders	44,255	55,488
Interest income	(151)	(525)
Interest expense	6,044	7,253
Losses arising from sale of shares in associates	-	1,822
Items not involving cash flows		
Depreciation, amortisation and loss on disposals	20,711	21,626
(Increase) in deferred tax	(384)	(4,528)
Impairment of non current assets	4,207	4,880
Implied interest on discontinued share capital	74	848
Equity accounted (profits) from associates	(1,164)	(280)
Income tax expense/(benefit)	2,204	(8,791)
Changes in working capital		
(Increase)/Decrease in inventories	(1,425)	18,575
Decrease in trade and other receivables	19,816	23,010
Increase in trade and other payables	1,398	1,856
Net cash from operating activities	105,717	109,744

C5. Loans and Borrowings

	2016	2015
Current liabilities		
Loans and borrowings	10,191	10,217

Measurement and Recognition

Borrowings are recognised initially at fair value on the drawn facility amount, net of transaction costs paid. Subsequent to this, borrowings are stated at amortised cost using the effective interest method.

The loans are drawings on Ravensdown's revolving credit facility. At 31 May 2016 the facility available was \$250 million (2015: \$250 million). The excess headroom in the facility is available to ensure sufficient capital during peak periods arising due to seasonality of operations. The facility is made up of four tranches with expiration dates of May 2017, May 2018 and May 2019. The interest rate is currently 2.79% (2015: 2.72%).

The revolving credit facility agreement is subject to a Negative Pledge agreement. Various covenants apply to the facility. There have not been any breaches of these banking covenants in the year.

C6. Co-operative Shares

The movement in co-operative shares for Ravensdown is as follows:

In thousands of shares	2016	2015
On issue at 1 June	283,051	299,311
Shares allotted on bonus issue	-	16,718
Shares allotted during the year	20,863	7,095
Less: shares surrendered during the year	(7,011)	(8,834)
Less: share capital on discontinued operations - reclassified to liabilities	-	(31,239)
On issue at 31 May	296,903	283,051
Partly paid ordinary co-operative shares		
Partly paid up	322	290
Unpaid	503	572
Total partly paid and unpaid	825	862

Value of ordinary co-operative share capital

In thousands of New Zealand dollars	2016	2015
Balance at 1 June	282,479	267,441
Co-operative shares issued	20,912	7,095
Co-operative shares allotted on bonus issue	-	16,718
Less: co-operative shares surrendered	(6,995)	(8,775)
Balance at 31 May	296,396	282,479

Voting rights are held by transacting shareholders being entitled to one vote per share held. For votes on Area issues (as defined in the Co-operative Constitution) no transacting shareholder shall vote more than 3.5% of the total number of shares held by transacting shareholders in respect of the relevant Area. On other issues no transacting shareholder shall vote more than that number of shares which equates to 0.125% of the shares held by all transacting shareholders.

The Company may redeem shares in accordance with the Companies Act 1993. Upon winding up, shares rank equally with regard to the Company's residual assets. The share qualification quota is 234 shares per tonne. The shares have a value of \$1.

The co-operative shares are repayable under certain conditions, and will mature when shares are redeemable by the shareholder. Co-operative shares may be repaid when there is a deceased estate or when the shareholder has ceased farming. Shares may also be repaid if there has been a 5 year time lapse since the last transaction.

Measurement and Recognition

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

C7. Redeemable Preference Shares

In thousands of New Zealand dollars	2016	2015
Balance at 1 June	9,282	5,675
Redeemable preference share capital of discontinued operations - reclassified from liabilities	825	3,607
Balance at 31 May	10,107	9,282

As at 31 May 2016 7,835,867 redeemable preference shares were fully paid to the value of one Australian dollar (2015: 7,835,867). The R Class redeemable preference shares rank equally with the Q Class redeemable preference shares except for the Founding Member Rebate which is only applicable to Q Class.

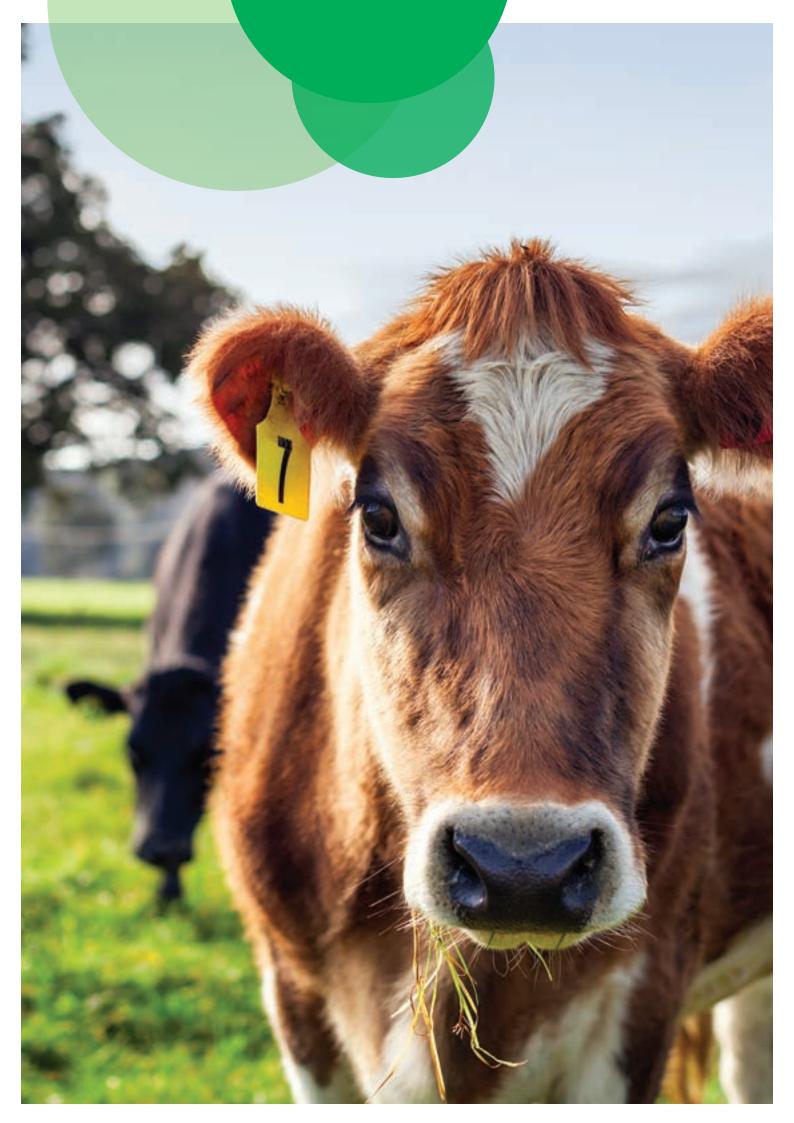
During the year ended 31 May 2016, no R Class redeemable preference shares were issued (2015: nil) and there were no Q Class redeemable preference shares issued (2015: nil).

Measurement and Recognition

Preference shares rank in priority to any other class of share but are limited to the surplus assets or profits of Ravensdown Fertiliser Australia Limited ("RFA"), whether in a winding up or otherwise.

The holders of redeemable preference shares are not entitled to receive dividends but are entitled to receive rebates. Redeemable preference shares do not carry the right to vote. Preference shares rank ahead of ordinary shares but participate only to the extent of the face value of the shares. The shares are fully paid, and are only redeemable at Ravensdown's option, not the holders. Redeemable preference shares are classified as non-controlling interests in equity.

Refer note E6 subsequent events for further information regarding the redeemable preference shares.



D. Group Structure

In this section



This section provides information to help readers understand Ravensdown's structure and how it affects the financial position and performance of Ravensdown. In this section of the notes there is information about:

- a) Subsidiaries;
- b) Investments in Joint Ventures; and
- c) Investments in Associate Entities.

D1. Significant Subsidiaries

	Principal Activity	Country of Ownership Incorporation	Interest (%) 2016	Interest (%) 2015
Ravensdown Growing Media Limited	Fertiliser sales - discontinued	New Zealand	100%	100%
Ravensdown Aerowork Limited	Aerial spreading	New Zealand	100%	100%
Spreading Waikato Limited	Ground spreading	New Zealand	100%	100%
Ravensdown Fertiliser Australia Limited	Fertiliser sales - discontinued	Australia	100%	100%
Ravensdown Australian Holdings Limited	Investment holding company	New Zealand	100%	100%
Aerial Sowing Limited	Aerial spreading - discontinued	New Zealand	100%	100%
C-Dax Limited	Agricultural machinery manufacturer	New Zealand	100%	100%
Ravensdown Australia Properties Pty Limited	Property investment - discontinued	Australia	100%	100%
Spreading Southland Limited *	Ground spreading	New Zealand	0%	100%
Advanced Spreading Limited *	Ground spreading	New Zealand	0%	100%

^{*} Amalgamated into Ravensdown Limited on 31 March 2016.

Subsidiaries are entities controlled by Ravensdown Limited. Control exists when Ravensdown Limited is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power arises when Ravensdown Limited has existing rights to direct the relevant activities of the investee, i.e. those that significantly affect the investee's returns. Subsidiaries are consolidated from the point at which control is transferred to Ravensdown Limited and until such point as that control ceases. Control is assessed on a continuous basis.

Acquisition related costs are expensed as incurred. On an acquisition-by-acquisition basis, Ravensdown Limited recognises non-controlling interests at either their fair value or proportionate share of the acquiree's net assets. Transactions with non-controlling interests that do not result in a change of control are recognised in equity.

D2. Equity Accounted Investees

	2016	2015
Interests in joint ventures	12,128	9,860
Interests in associates ¹	3,557	3,240
	15,685	13,100

¹Ravensdown's share of profits after tax arising from its interests in associates was \$420,000 (2015: \$241,000). All other movements in the carrying value of associates were not considered significant.

Measurement and Recognition

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Associates are those entities in which Ravensdown has significant influence, but not control, over the financial and operating policies. Joint ventures are those arrangements in which Ravensdown has contractually agreed joint control and has rights to the net assets of the venture rather than having rights to assets and obligations for its liabilities. Associates and joint ventures are accounted for using the equity method (equity accounted investees). The consolidated financial statements include Ravensdown's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of Ravensdown, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Selected information on equity accounted investees

Joint ventures

Movements in carrying value of joint ventures:

	2016	2015
Balance at 1 June	9,860	10,735
Share of profit after tax	1,905	2,353
Joint venture capital acquired in the year	899	-
Dividends received from joint ventures	(1,025)	(2,127)
Movements in loans to joint ventures	489	(1,101)
Balance at 31 May	12,128	9,860

Summary financial information for equity accounted investees (not adjusted for the interest held by Ravensdown):

	Total assets	Total liabilities	Revenues	Profit
2015	23,290	8,119	76,352	6,471
2016	25,385	5,374	55,359	5,451

D3. Joint Ventures (Equity Accounted)

	Principal Activity	Country of Ownership Incorporation	Interest (%) 2016	Interest (%) 2015
Ravensdown Windy Point Quarry Limited	Roading material quarry	New Zealand	50.0%	50.0%
Spreading Sandford Limited	Ground spreading	New Zealand	50.0%	50.0%
Spreading Canterbury Limited	Ground spreading	New Zealand	50.0%	50.0%
Spreading FBT Limited	Ground spreading	New Zealand	50.0%	50.0%
New Zealand Phosphate Company Limited	Fertiliser research	New Zealand	50.0%	50.0%
Spreading Northland Limited	Ground spreading	New Zealand	50.0%	50.0%
Ravensdown Shipping Services Pty Limited	Shipping services	Australia	50.0%	50.0%
Mainland Spreading Limited	Ground spreading	New Zealand	50.0%	0.0%

D4. Associates (Equity Accounted)

Southstar Fertilizers Limited	Fertiliser manufacture and development	New Zealand	20.0%	20.0%
Cropmark Seeds Limited	Forage plant breeding and marketing	New Zealand	25.1%	25.1%

D5. Discontinued Operations

Ravensdown Australia Properties is a 100% subsidiary that was set up as a holding company for property owned in Australia. The one remaining fertiliser shed and associated equipment is currently classified as held for sale. These operations are discontinued as part of the overall plan to exit this market.

In May 2013, the decision was made to exit operations in Western Australia and sell the Ravensdown Western Australian business. As part of this exit the co-operative shares held by Western Australia members have been reclassified from share capital to current and non current liabilities. The share capital is discounted to its present value.

In May 2014 the Board of RFA announced the planned orderly wind down of the Queensland based business. Since the announcement the business has ceased trading and the assets of the business are available for sale with expressions of interest currently being sought. While it has been over a year, it is still considered appropriate that the assets of the business be held for sale as they are being actively marketed and at a price that is considered appropriate.

The following assets represent the reclassifications made as a part of the discontinued operations discussed above.

Assets classified as held for sale

As at 31 May 2016, assets classified as held for sale totalled \$5.5 million (2015: \$8.5 million). These consisted of \$5.5 million of property, plant and equipment (2015: \$8.4 million).

Measurement and Recognition

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. The assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories and financial assets which continue to be measured in accordance with Ravensdown's accounting policies.

Loss for the year from discontinued operations

During the year total net losses after tax arising from discontinued operations were \$3.3 million (2015: \$5.2 million). The total net comprehensive loss arising from discontinued operations were \$3.3 million (2015: \$5.3 million). Refer to the 2015 annual report for further detail in relation to prior year losses.

Net Cash Flows from Discontinued Operations

	2016	2015
Operating activities	531	11,258
Investing activities *	10,661	6,951
Financing activities	(10,453)	(18,794)
Net cash flows	739	(585)

^{*} Includes proceeds from sale of property, plant, equipment and inventory of \$ nil (2015: \$3.4 million).

D6. Share Capital of Discontinued Operations

Non current liabilities

Co-operative share capital of discontinued operations

	2016	2015
Balance at 1 June	10,000	19,587
Change in implied interest on discontinued share capital	74	857
Less: shares reclassified to current liabilities	(10,074)	(10,444)
Balance at 31 May	-	10,000
Current liabilities		
	2016	2015
Co-operative share capital of discontinued operations	10,153	10,372
Redeemable preference share capital of discontinued operations	-	825
	10,153	11,197
Co-operative share capital of discontinued operations		
	2016	2015
Balance at 1 June	10,372	10,417
Less: shares surrendered during the year	(10,293)	(10,489)
Plus: shares reclassified from non current liabilities	10,074	10,444
Balance at 31 May	10,153	10,372

At May 2013 the co-operative share capital of discontinued operations was reclassified as a liability following the Board's decision to exit operations and sell the Ravensdown Western Australian business.

As required by section 8.2(b) of the company constitution the co-operative shares are obliged to be surrendered to shareholders over the next five years, dependant on when they last transacted with the Company. Following a meeting of the Company's Board in May 2014 a decision was made to redeem all of the Western Australian members shares and for payment to be made in three equal instalments on 9 July 2014, July 2015 and July 2016. During the year, \$10.3 million was paid.

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E. Other Information

In this section



This section includes the remaining information relating to Ravensdown's financial statements which is required to comply with NZ IFRS.

E1. Related Parties

	2016	2015
Transactions with equity-accounted investees		
Dividends received	1,172	2,321
Sales of goods and services	147	136
Purchases of goods and services	(38,930)	(55,691)
Trade receivables/(payables)	367	-
Closing advances	2,002	1,555

During the year Ravensdown entered into a number of transactions for the sale and purchase of goods from its associates. All transactions between companies were carried out on a commercial basis.

Related parties are the equity accounted investments disclosed in notes D3 and D4.

E2. Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Less than one year	3,089	3,158
Between one and five years	7,666	8,583
More than five years	8,670	8,956
Total lease commitments	19,425	20,697

Measurement and Recognition

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Ravensdown leases motor vehicles and store premises. During the year ended 31 May 2016 \$4.1 million was recognised as an expense in the income statement in respect of operating leases (2015: \$4.6 million).

E3. Auditor's Remuneration

	2016	2015
Auditor's remuneration to KPMG comprises:		
Audit of financial statements	175	185
Other non-audit services	-	15
Total auditor's remuneration	175	200

Audit of financial statements includes costs associated with the interim review required of RFA.

E4. Capital Commitments

At 31 May 2016 Ravensdown had capital commitments of \$49.8 million (2015: \$45.5 million). Capital commitments relate to investment in New Zealand assets and infrastructure. Capital commitments are recognised after a formal capital review and approval process.

E5. Contingent Liabilities

Ravensdown had no material contingent liabilities at balance date (2015: nil).

E6. Subsequent Events

On 30 May 2016, RFA entered into an implementation agreement with Ravensdown Limited to enable Ravensdown Limited to fund the repayment by RFA of \$0.447 per share to all redeemable preference shareholders of RFA. The agreement allowed for this repayment to be effected by reduction of the total shares in RFA and cancellation of the redeemable preference shares.

The share reduction and cancellation was approved by the ordinary shareholder of RFA, Ravensdown Australian Holdings Limited, and the redeemable preference shareholders at meetings held on 7 July 2016.

Ravensdown placed \$3.5 million in an escrow account for RFA on 13 July 2016 to enable the share cancellation payment to redeemable preference shareholders of RFA. All of the redeemable preference shares in RFA were cancelled on 22 July 2016 and redeemable preference shareholders were paid \$0.447 per cancelled share by direct credit to their bank accounts on 27 July 2016, or by cheques shortly thereafter.

All amounts in this note are expressed in Australian dollars.

Resolution of Directors

RESOLVED that, in the opinion of the undersigned directors of Ravensdown Limited (Company), the Company has throughout the financial year ended 31 May 2016 and since the date of registration of the Company under the Co-operative Companies Act 1996 (Act), been a co-operative company within the meaning of the Act on the following grounds:

- 1. the Company has carried on, as its principal activity, a co-operative activity as that term is defined in the Act;
- 2. the constitution of the Company states its principal activities as being co-operative activities; and
- 3. not less than 60% of the voting rights of the Company have been held by transacting shareholders, as that term is defined in the Act.

Dated this 26th day of July 2016

John Francis Clifford Henderson

Scott Gordon Gower

Peter William Movnihan

Allan Stuart Wright

Anthony Page Reilly

Kate MacNeil Alexander

Antony Charles Howey

Jason Colin Dale

Peter Glen Inger

Bruce William Massy Wills

Statutory Information for the year ended 31 May 2016

Directors and remuneration

Remuneration and benefits received by Directors or former Directors of Ravensdown Limited during the year was as follows:

J.F.C. Henderson (Chairman)	\$178,500
A.S. Wright (Deputy Chairman)	\$91,000
J. Dale (Audit Chairman)	\$83,500
P.D. Willock (resigned 15/9/15)	\$21,202
A.P. Reilly	\$73,500
A.C. Howey	\$73,500
S.G. Gower	\$73,500
P.G. Inger	\$73,500
P.W. Moynihan	\$73,500
K. Alexander	\$73,500
B. Wills (appointed 16/9/15)	\$52,298

Entries recorded in the Interests Register

Per Section 140(2) of the Companies Act 1993 the Directors gave notice that they are Directors or Members of the following named organisations and will therefore be interested in all transactions between these organisations and Ravensdown Limited and its subsidiaries:

J.F.C. Henderson	Director/Shareholder	Hinau Station Ltd
	Director/Shareholder	Vanderwood Trustees & Agency Ltd
	Director/Shareholder	EHW Solicitors Nominee Company Ltd
	Partner	Evans Henderson Woodbridge
	Director	Athlumney Farms Ltd
	Director	Clearsky Dairies Ltd
	Director	Premier Dairies Ltd
	Director	Tutu Totara Dairy Ltd
	Director	New Zealand Phosphate Company
	Director	Coronet Peak Station (Queenstown) Ltd
	Trustee	Lagore Enterprises Trust
	Trustee	Holtby No. 2 Trust
	Trustee	The Beechmont Trust
	Trustee	Bushybank Trust
	Trustee	Carter Trust
	Trustee	Ernscliffe Trust
	Trustee	Clarinbridge Trust
A.S. Wright	Director/Shareholder	Annat Farms Ltd
	Director/Shareholder	Otarama Investments Ltd
	Chairman	Potatoes New Zealand
J. Dale	Trustee	Committee for Economic Development of Australia
	Director/Chair of Audit Committee	Taranaki Investments Management Ltd
	Director/Chairman	TNX Ltd

A D Doilly	Director	Landcorn Farming Ltd
A.P. Reilly	Director/Shareholder	Landcorp Farming Ltd A.P. & K.M. Reilly Ltd
	Director/Shareholder	Dos Rios Ltd
	Director	Network Tasman Ltd
	Director	Co-operative Business New Zealand
A.C. Howey	Director/Shareholder	Alpine Fresh Ltd
A.C. Howey	Director/Shareholder	Southern Packers Ltd
	Director/Shareholder	Seedlands Ltd
	Director/Shareholder	Seedlands Property Ltd
	Trustee	New Zealand Agricultural Trust
	Trustee	New Zealand Agrichemical Education Trust
	Director/Shareholder	Grainstor Ltd
	Director	Horticulture New Zealand Ltd
	Director/Shareholder	Viberi New Zealand Ltd
	Director/Shareholder	Farmers Mill Ltd
S.G. Gower	Owner	High Glades Station
	Trustee	Riverhills Trust
	Trustee	SGG Family Trust
P.G. Inger	Director/Shareholder	Journeys End Ltd
	Director/Shareholder	Pukeko Creek Ltd
	Director/Shareholder	Topuni Holdings Ltd
	Director	Subway Investments Ltd
	Director/Shareholder	The Promised Land 2005 Ltd
	Director	Sleepy Hollow Farm Ltd
	Director	Blue Moon Ltd
	Director/Shareholder	Tall Kauri Ltd
	Director/Shareholder	Stonebridge Investments Ltd
	Director	Karoola Ltd
	Trustee	The Tapora Trust
	Trustee	The Stinger Trust
	Director/Shareholder	Mercer Assets Ltd
	Director/Shareholder	Mercer Mushrooms Ltd
	Director/Shareholder	Kokako Properties Ltd
	Director/Shareholder	The Clearance Shed Ltd
	Director/Shareholder	TCS Resources Ltd
	Director/Shareholder	TCS Leases Ltd
	Director/Shareholder	Harbour Edge Avocados Ltd
P.W. Moynihan	Director/Shareholder	Aerodrome Farm Ltd
	Director/Shareholder	Rathmore Farm Ltd
	Director/Shareholder	Hacienda Lochiel Ltd
	Shareholder	Manuka S.A.
	Trustee	Rathmore Trust
	Employee	Westpac Bank
K. Alexander	Director	Riversedge Ltd
	Trustee	Riverbank Trust
	Trustee/Chairperson	Rural Support Trust - Northland
	Member	Executive Committee, Whangarei A&P Society
	Ministerial Appointment	Open Polytechnic of New Zealand
B. Wills	Director	Trelinnoe Ltd
	Director	Tranzfatura International Ltd
	Director	Resilience to Nature's Challenges
	Director.	Acomence to Matare o chancinges

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Related party transactions

Like most co-operative companies, Ravensdown Limited has frequent transactions with its farming Directors in the ordinary course of business. All transactions are conducted on commercial terms.

Share dealings of Directors

None of the Directors have acquired or disposed of any shares other than through the normal quota shareholding process.

Directors indemnity or insurance

The company has arranged policies of liability insurance which ensure that generally Directors and company executives will incur no monetary loss as a result of actions undertaken by them as Directors or employees. Certain actions are specifically excluded, for example the incurring of penalties and fines which may be imposed in respect of breaches of the law.

Loans to Directors

There were no loans by Ravensdown to Directors.

Use of company information

No notices from any Director were received by the Board during the year requesting use of company information received in their capacity as Directors which would not otherwise have been available to them.

Donations

No donations were made to any charities during the year.

Executive remuneration includes salary, performance incentives and employer's contribution to superannuation and health schemes earned in their capacity as employees during the financial year. Company vehicles are provided to some employees and are included in the remuneration figures.

	No. of employees
\$100,000 - \$110,000	37
\$110,000 - \$120,000	45
\$120,000 - \$130,000	21
\$130,000 - \$140,000	9
\$140,000 - \$150,000	11
\$150,000 - \$160,000	9
\$160,000 - \$170,000	7
\$170,000 - \$180,000	6
\$180,000 - \$190,000	8
\$190,000 - \$200,000	6
\$200,000 - \$210,000	5
\$210,000 - \$220,000	1
\$220,000 - \$230,000	1
\$230,000 - \$240,000	1
\$240,000 - \$250,000	1
\$300,000 - \$310,000	1
\$310,000 - \$320,000	1
\$350,000 - \$360,000	1
\$370,000 - \$380,000	1
\$380,000 - \$390,000	1
\$390,000 - \$400,000	1
\$460,000 - \$470,000	1
\$470,000 - \$480,000	1
\$1,200,000 - \$1,210,000	1

No. of employees

Auditor's Report



Independent auditor's report

To the shareholders of Ravensdown Limited

We have audited the accompanying consolidated financial statements of Ravensdown Limited and its subsidiaries ("the group") on pages 64 to 97. The financial statements comprise the consolidated statement of financial position as at 31 May 2016, the consolidated income statement and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, this report or any of the opinions we have formed.

Directors' responsibility for the consolidated financial statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the group.

Opinion

In our opinion, the consolidated financial statements on pages 64 to 97 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Ravensdown Limited as at 31 May 2016 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.



1 August 2016 Christchurch





