



29 October 2014

**Nufarm Finance  
(NZ) Limited**

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**Nufarm Finance ASX Announcement**

We attach

- 1) A copy of the NFN 2014 Annual Report, and
- 2) A copy of a S209 Notice to be sent to holders of Nufarm Step-Up Securities.
- 3) A copy of a Receiving Securityholder Communications Notice to be sent to holders of Nufarm Step-Up Securities.

A handwritten signature in black ink, appearing to read 'R Heath', is positioned below the list of attachments.

R Heath  
Nufarm Finance (NZ) Limited

**Nufarm Finance (NZ) Limited**  
**Annual Report**  
**For the year ended 31 July 2014**



## **Nufarm Finance (NZ) Limited**

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### **List of abbreviations**

ASX	Australian Stock Exchange
IFRS	International Financial Reporting Standards
NSS	Nufarm Step-up Securities
Nufarm	Nufarm Limited
NZ GAAP	New Zealand Generally Accepted Accounting Practice
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZX	New Zealand Stock Exchange
The Company	Nufarm Finance (NZ) Limited
\$	AUD
Nufarm Group	Nufarm Limited and subsidiaries

Nufarm Finance (NZ) Limited

## Directors' Report

The directors of the Company have pleasure in submitting their report in respect of the financial year ended 31 July 2014.

### Principal Activities

Nufarm Finance (NZ) Limited acts as a financing company for the Nufarm Group.

### NZX waivers

The Company was granted a waiver by NZX Regulation from the requirement under NZX Listing Rule 10.5.2 to provide half-yearly reports on the condition that:

(a) the Company announced to the market that a half-yearly report for the Company will not be supplied and the reasons for that; the Company made this announcement to the market on 22 March 2007;

(b) the Company continues to exist with no other substantive business except as a financing company for the Nufarm group; and

(c) that NZX receives Nufarm Limited's half-yearly and full year reports and the Company's full year report and those reports are made available to all Nufarm Step Up Securities holders in accordance with NZX Listing Rule 10.5.2B.

Full details of the waiver and NZX decision are available on the Company's site at NZX.

### Results

The net profit attributable to members of the Company for the 12 months to 31 July 2014 is \$9,668,244. The comparable figure for the 12 months to 31 July 2013 was a net profit of \$11,461,961

For and on behalf of the Board



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KM Hoggard  
Director



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WB Goodfellow  
Director

Date: 23.09.2014

## Company directory

<b>Nature of Business</b>	To act as a financing company for the Nufarm Group. The Company has 2,510,000 Nufarm Step-up Securities issued, and is a listed debt issuer on the NZX.
<b>Credit rating</b>	Nufarm Limited has a credit rating of BB issued by S&P.
<b>Registered Office</b>	6 Manu Street Otahuhu, AUCKLAND Telephone: 09 270 4150 Facsimile: 09 270 4159
<b>Incorporation Number</b>	107147
<b>Directors</b>	Dr W B Goodfellow Mr K M Hoggard Mr D J Rathbone Mr B K Sutherland (appointed 1 April 2014) Mr P J Clement (ceased 1 April 2014) Directors' Fees were not paid by Nufarm Finance (NZ) Limited.
<b>Directors Interest</b>	Dr W B Goodfellow held a non-beneficial interest in 47,723 and a beneficial interest in 700 Nufarm Step-up Securities at balance date. Mr D J Rathbone held a non-beneficial interest in 1,000 and a beneficial interest in 500 Nufarm Step-up Securities at balance date.
<b>Parent Company</b>	Nufarm Limited
<b>Auditor</b>	KPMG
<b>Bank</b>	Bank of New Zealand
<b>Solicitor</b>	Dawson Harford & Partners

### Distribution of Nufarm Step-up Securities Holders and Nufarm Step-up Securities as at 31 July 2014

<u>Size of Holding</u>	<u>Number of Security Holders</u>		<u>Number of Securities</u>	
1-99	488	15.2%	34,038	1.4%
100-999	2,417	75.4%	743,135	29.6%
1,000-4,999	260	8.1%	432,062	17.2%
5,000-9,999	17	0.5%	123,374	4.9%
10,000+	24	0.8%	1,177,391	46.9%
	<u>3,206</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>
 <u>Geographic distribution:</u>				
New Zealand	1,369	42.7%	663,002	26.4%
Australia	1,822	56.8%	1,836,372	73.2%
Rest of World	15	0.5%	10,626	0.4%
	<u>3,206</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Nufarm Finance (NZ) Limited

## **Corporate Governance**

The Company recognises its responsibilities to comply with appropriate corporate governance standards and guidelines, including those set out by the New Zealand Securities Commission, ASX and NZX.

As a wholly owned subsidiary of Nufarm a company registered in Australia and listed on the ASX, the Company fully complies with the corporate governance practices of Nufarm. A copy of Nufarm's corporate governance practices are disclosed in full in its annual report and are also available to Nufarm Step-up Securities Holders on Nufarm's website at <http://www.nufarm.com/CorporateGovernance>.

The Board of the Company includes the Managing Director and one further Director of the Nufarm Group. The directors of Nufarm Finance believe that the overarching governance procedures of Nufarm provides an appropriate basis for ensuring the company meets its fiduciary obligations to the Nufarm Step-Up Securities holders.



## Independent auditor's report

### To the shareholders of Nufarm Finance (NZ) Limited

#### Report on the financial statements

We have audited the accompanying financial statements of Nufarm Finance (NZ) Limited ("the company") on pages 7 to 28. The financial statements comprise the statement of financial position as at 31 July 2014, the 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.

#### *Directors' responsibility for the financial statements*

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate 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 company'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 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 company.

### *Opinion*

In our opinion the financial statements on pages 7 to 28:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company as at 31 July 2014 and of its financial performance and cash flows for the year then ended.

### **Report on other legal and regulatory requirements**

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Nufarm Finance (NZ) Limited as far as appears from our examination of those records.



23 September 2014  
Auckland



## Statement of comprehensive income

For the period ended 31 July 2014

	Note	2014 \$AUD	2013 \$AUD
Operating expenses		(237,162)	(227,429)
Finance income	6	16,077,522	19,241,115
Finance expense	7	<u>(165,981)</u>	<u>(1,681,768)</u>
Net Finance Income		15,911,541	17,559,347
<b>Profit before income tax</b>		<b><u>15,674,379</u></b>	<b><u>17,331,918</u></b>
Income tax expense	8	(6,006,135)	(5,869,957)
<b>Profit for the period</b>		<b><u>9,668,244</u></b>	<b><u>11,461,961</u></b>
<b>Other comprehensive income for the period, net of income tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<b><u>9,668,244</u></b>	<b><u>11,461,961</u></b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	13	96.7	114.6
Diluted earnings per share (cents)	13	96.7	114.6

The Statement of comprehensive income is to be read in conjunction with the attached notes.

**Statement of financial position**

As at 31 July 2014

	Note	2014 \$AUD	2013 \$AUD
<b>Assets</b>			
Loan receivable - related parties	10	226,145,491	218,340,899
Deferred tax asset	9	4,370,065	7,936,703
<b>Total non-current assets</b>		<u>230,515,556</u>	<u>226,277,602</u>
Cash and cash equivalents	11	811,299	4,964,022
Receivables - related parties	10	1,362,397	4,122,327
Income tax receivable		10,829	26,759
<b>Total current assets</b>		<u>2,184,525</u>	<u>9,113,108</u>
<b>Total Assets</b>		<u>232,700,081</u>	<u>235,390,710</u>
<b>Equity</b>			
Share capital	12	9,984,530	9,984,530
Retained earnings		(24,321,164)	(21,620,472)
<b>Total equity attributable to ordinary shareholders</b>		(14,336,634)	(11,635,942)
Nufarm Step-up Securities	12	246,932,148	246,932,148
<b>Total equity</b>		<u>232,595,514</u>	<u>235,296,206</u>
<b>Liabilities</b>			
Payables - other		74,838	94,504
Payables - related parties	10	29,729	-
<b>Total current liabilities</b>		<u>104,567</u>	<u>94,504</u>
<b>Total liabilities</b>		<u>104,567</u>	<u>94,504</u>
<b>Total equity and liabilities</b>		<u>232,700,081</u>	<u>235,390,710</u>

The statement of financial position is to be read in conjunction with the attached notes.

**Statement of cash flows**

For the period ended 31 July 2014

	<b>Note</b>	<b>2014 \$AUD</b>	<b>2013 \$AUD</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers		(256,828)	(217,925)
Interest received		18,916,560	17,463,722
Taxation paid		<u>(376,594)</u>	<u>(445,938)</u>
<b>Net cash from operating activities</b>	<b>16</b>	<u>18,283,138</u>	<u>16,799,859</u>
<b>Cash flows from financing activities</b>			
Nufarm Step Securities distribution		(16,905,343)	(18,944,511)
Related Party Loans - repaid/(advanced)		<u>(5,530,518)</u>	<u>2,932,918</u>
<b>Net cash used in financing activities</b>		<u>(22,435,861)</u>	<u>(16,011,593)</u>
Net increase/(decrease) in cash and cash equivalents		(4,152,723)	788,266
Opening cash and cash equivalents		<u>4,964,022</u>	<u>4,175,756</u>
<b>Cash and cash equivalents at 31 July</b>	<b>11</b>	<u>811,299</u>	<u>4,964,022</u>

The statement of cash flows is to be read in conjunction with the attached notes.

**Statement of changes in equity**

For the year ended 31 July 2014

	Share capital	Retained earnings	Total equity attributable to ordinary shareholders	Nufarm Step-up securities	Total equity
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
<b>2013</b>					
Balance at 1 August 2012	9,984,530	(19,108,310)	(9,123,780)	246,932,148	237,808,368
<b>Comprehensive income for the year</b>					
Profit or loss	-	11,461,961	11,461,961	-	11,461,961
<b>Other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	11,461,961	11,461,961	-	11,461,961
Nufarm Step-up Securities distribution	-	(18,944,511)	(18,944,511)	-	(18,944,511)
Tax effect of Nufarm Step-up Securities distribution	-	4,970,388	4,970,388	-	4,970,388
Balance at 31 July 2013	<u>9,984,530</u>	<u>(21,620,472)</u>	<u>(11,635,942)</u>	<u>246,932,148</u>	<u>235,296,206</u>
<b>2014</b>					
Balance at 1 August 2013	9,984,530	(21,620,472)	(11,635,942)	246,932,148	235,296,206
<b>Comprehensive income for the year</b>					
Profit or loss	-	9,668,244	9,668,244	-	9,668,244
<b>Other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	9,668,244	9,668,244	-	9,668,244
Nufarm Step-up Securities distribution	-	(16,905,343)	(16,905,343)	-	(16,905,343)
Tax effect of Nufarm Step-up Securities distribution	-	4,536,407	4,536,407	-	4,536,407
Balance at 31 July 2014	<u>9,984,530</u>	<u>(24,321,164)</u>	<u>(14,336,634)</u>	<u>246,932,148</u>	<u>232,595,514</u>

The statement of changes in equity is to be read in conjunction with the attached notes.

Nufarm Finance (NZ) Limited

## **Notes to the financial statements**

For the period ended 31 July 2014

### **1 Reporting entity**

The Company is a company incorporated and domiciled in New Zealand

The financial statements of the Company are for the year ended 31 July 2014.

The Company acts as a financing company for the Nufarm Group.

The parent and ultimate parent is Nufarm Limited, an Australian registered and listed company.

### **2 Basis of Preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with IFRS.

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993, this is effective for all for-profit entities with reporting periods beginning on or after 1 April 2014. This will be effective for the Company's 31 July 2015 year end. It is expected that the change in legislation will have no material impact on the Company's obligation to prepare general purpose financial statements.

In addition to the change in legislation the External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to entities with statutory financial reporting obligations. The Company is currently reporting under NZ IFRS. Under the new XRB framework Management expects that the Company is expected to continue to apply NZ IFRS as applicable for Tier 1 for-profit entities. Management expects that this will have no material impact on the preparation and disclosures included in the financial statements.

The financial statements were authorised for issue by the directors on 23 September 2014.

#### **(b) Basis of measurement**

The financial statements are prepared on the historical cost basis, except for derivative financial instruments which are measured at fair value. The methods used to measure fair values are discussed further in note 4.

This financial report of the Company and the Nufarm Group have been prepared on a going concern basis, which assumes the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The going concern basis is considered appropriate by the Directors having regard to the Nufarm Group's access to appropriate lines of credit to support the Nufarm Group's working capital and general corporate financing requirements through its three year A\$530 million syndicated bank facility, entered into in December 2013, a debtor's securitisation facility, entered into in August 2011, and the completion of a US \$325 million Senior Unsecured Notes offering in October 2012. Refer to note 15 for further discussion regarding liquidity risk.

## Notes to the financial statement

For the period ended 31 July 2014

### 2 Basis of preparation (continued)

#### (c) Foreign currency and presentation currency

The financial statements are presented in AUD, which is the Company's functional currency.

#### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described below.

##### *(i) Income taxes*

The Company is subject to income taxes in New Zealand. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

#### (e) Reclassification

Where appropriate the comparatives items for 2013 year have been reclassified to conform to the current year's presentation. Such reclassifications did not affect net income or equity.

### 3 Significant accounting policies

Except as described immediately below, the Company's accounting policies have been applied consistently to all periods presented in these financial statements.

New standards that have been applied for the first time for the 31 July 2014 annual report are NZ IFRS 13 *Fair Value Measurement*, Amendments to NZ IFRS 7 – *Disclosures – Offsetting Financial Assets and Financial Liabilities*. These standards have introduced new disclosures for the annual report but did not materially affect the entity's accounting policies or any of the amounts recognised in the financial statements.

#### (a) Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the profit or loss except for differences arising on retranslation of qualifying cash flow hedges.

## Notes to the financial statement

For the period ended 31 July 2014

### 3 Significant accounting policies (continued)

#### (b) Financial Instruments

##### *(i) Non-derivative financial assets*

The company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial assets: loans and receivables.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

##### *(ii) Non-derivative financial liabilities*

The company initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial liabilities: loans and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

## Notes to the financial statement

For the period ended 31 July 2014

### 3 Significant accounting policies (continued)

#### (b) Financial Instruments (continued)

##### *(iii) Share capital*

###### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

###### *Hybrid securities*

The NSS are classified as equity instruments. After-tax distributions thereon are recognised as distributions within equity.

The NSS are perpetual step up securities. Distributions on the NSS are at the discretion of the directors and are at a floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are restricted if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. Further details can be found in note 12 Share capital and reserves.

#### (c) Impairment

##### *(i) Non-derivative financial assets*

A financial asset, not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence of impairment includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, and, in the case of an investment in an equity security, a significant or prolonged decline in its fair value.

##### *(ii) Non-financial assets*

The carrying amounts of the company'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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.



## Notes to the financial statement

For the period ended 31 July 2014

### 3 Significant accounting policies (continued)

#### (c) Impairment (continued)

##### *(ii) Non-financial assets (continued)*

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (d) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### (e) Finance income and finance expenses

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings, transaction costs, unwinding of the discount on provisions, changes in the fair value of financial assets classified as fair value through profit or loss, dividends on preference shares classified as liabilities, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

#### (f) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss 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.

## Notes to the financial statement

For the period ended 31 July 2014

### 3 Significant accounting policies (continued)

#### (f) Income tax (continued)

Deferred tax is recognised in respect 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: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. 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 and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (g) Earnings per share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise convertible notes.

#### (h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements, except for NZ IFRS 9 Financial Instruments, which becomes mandatory for the 2016 financial statements and could change the classification and measurement of financial assets. The Company does not currently plan to adopt this standard early and the extent of the impact has not been determined.

## **Notes to the financial statement**

For the period ended 31 July 2014

### **4 Determination of fair values**

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

#### **(ii) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### **5 Segment reporting**

The Company acts as a financing company for the Nufarm Group. It operates solely within the financing industry in New Zealand. It is listed in both Australia and New Zealand as the Nufarm Step-up Securities were issued to holders in both countries.

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
<b>6 Finance income</b>		
Interest received from loans to group entities	10 15,867,969	16,640,564
Other interest received	48,401	90,299
Realised gain on foreign currency denominated assets	161,152	-
Unrealised gain on foreign currency denominated assets	-	2,510,252
	<u>16,077,522</u>	<u>19,241,115</u>
<b>7 Finance expense</b>		
Realised foreign exchange loss	-	(1,681,768)
Unrealised foreign exchange loss	(165,981)	-
	<u>(165,981)</u>	<u>(1,681,768)</u>
<b>8 Income tax</b>		
<b>Current tax expense</b>		
Current tax expense	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	-
Tax losses utilized - (recognised)	4,568,178	5,873,338
Adjustments for prior years	1,437,957	(3,381)
	<u>6,006,135</u>	<u>5,869,957</u>
Income tax expense recognised in statement of comprehensive income	<u>6,006,135</u>	<u>5,869,957</u>
<b>Tax expense/(benefit) recognised directly in equity</b>		
Tax benefit of NSS distribution	(4,536,407)	(4,970,388)
	<u>(4,536,407)</u>	<u>(4,970,388)</u>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	15,674,379	17,331,918
Income tax at company rate 28%	4,388,826	4,852,937
Adjustments for prior years	1,437,957	(3,381)
Other adjustments	179,352	1,020,401
Income tax expense recognised in statement of comprehensive income	<u>6,006,135</u>	<u>5,869,957</u>

The Company has imputation credits available for use in subsequent reporting periods of \$1,346,277 at 31 July 2014 (2013: \$1,309,179).

## Notes to the financial statements (continued)

For the period ended 31 July 2014

### 9 Deferred tax assets

#### Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following items:

	<b>Assets</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Tax loss carry-forwards	<u>4,370,065</u>	<u>7,936,703</u>
Deferred tax assets	<u>4,370,065</u>	<u>7,936,703</u>

The Company has no deferred tax liabilities.

The tax losses have been recognised on the basis of forecasted operating earnings of the Nufarm Limited New Zealand companies and as management consider it probable that future profits will be available against which they can be utilised.

#### Movement in temporary differences during the year

	<b>Balance 1-Aug-13</b>	<b>Recognised in profit or loss</b>	<b>Transfers to group companies</b>	<b>Adjustments to NZD Tax Benefit</b>	<b>Recognised in equity</b>	<b>Balance 31-Jul-14</b>
	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>
Tax loss carry-forwards	7,936,703	(6,006,135)	(2,489,433)	392,523	4,536,407	4,370,065
Deferred tax assets	<u>7,936,703</u>	<u>(6,006,135)</u>	<u>(2,489,433)</u>	<u>392,523</u>	<u>4,536,407</u>	<u>4,370,065</u>
	<b>Balance 1-Aug-12</b>	<b>Recognised in profit or loss</b>	<b>Transfers to group companies</b>	<b>Adjustments to NZD Tax Benefit</b>	<b>Recognised in equity</b>	<b>Balance 31-Jul-13</b>
	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>
Tax loss carry-forwards	7,197,736	(5,869,957)	-	1,638,536	4,970,388	7,936,703
Deferred tax assets	<u>7,197,736</u>	<u>(5,869,957)</u>	<u>-</u>	<u>1,638,536</u>	<u>4,970,388</u>	<u>7,936,703</u>

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

**10 Related parties**

Nufarm Limited, an Australian registered and listed company, is the Company's ultimate parent. The company had the following related party transaction during, and as at, the year ended 31 July 2014:

Name of related party	Type of transaction	Amount of transaction \$AUD	
		2014	2013
Nufarm Limited (NZ Branch)#	Expenses / Management Fee	128,874	118,890
Croplands Equipment Ltd#	Interest Income	118,086	-
Nufarm Holdings (NZ) Ltd^	Interest Income / expense	1,859,266	-
Nufarm Holdings (SAS) Ltd^#	Interest Income	13,890,617	14,639,820
Nufarm Australia Ltd^	Interest Income	-	775,480
Nufarm Treasury Pty Ltd^	Interest Income	-	1,168,123
Nufarm America ^	Interest Income	-	57,144

Interest rates on related party loans are considered to be at arms length.

	2014 \$AUD	2013 \$AUD
<b>Related party receivables</b>		
<i>Non current</i>		
Croplands Equipment Ltd#	818,420	3,018,090
Nufarm Holdings (NZ) Ltd^	31,700,277	21,387,804
Nufarm Holdings (SAS) Ltd^*	<u>193,626,794</u>	<u>193,935,006</u>
	226,145,491	218,340,899
<i>Current</i>		
Nufarm Limited (NZ Branch)#	-	13,050
Croplands Equipment Ltd#	5,158	-
Nufarm Holdings (NZ) Ltd^	183,124	-
Nufarm Holdings (SAS) Ltd^*	1,174,115	3,654,305
Nufarm Australia Ltd^	-	178,644
Nufarm Treasury Pty Ltd^	-	<u>276,328</u>
	<u>1,362,397</u>	<u>4,122,327</u>
<b>Related party payable</b>		
<i>Current</i>		
Nufarm Limited (NZ Branch)	<u>(29,729)</u>	-
	(29,729)	-

The nature of the relationship with the related parties is they are other group companies.

The above related party transactions and balances at year end are denominated in the following currencies:

^=AUD, \*=USD, #=NZD

The Nufarm Holdings (SAS) non current and current receivable includes a portion denominated in USD, the remaining balance is denominated in AUD. As at 31 July the non current portion was USD\$7,329,724 (2013: USD \$7,329,724) the current portion is USD\$24,338 (2013: USD \$76,875)

The Company has completed the following transactions with Nufarm Limited (NZ Branch):

- Audit fees of \$36,000 were paid on behalf of the Company (2013: \$36,000).
- The Company paid \$92,874 (2013: \$82,980) fees for accounting and administrative services.

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

**10 Related parties (continued)**

The Company did not incur any expenses in relation to key management personnel. Those expenses are incurred by the Nufarm Limited and disclosed in full in the Nufarm Limited financial statements which are publicly available. There were no other transactions with related parties other than the Directors Interests disclosed in the Company Directory.

**11 Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Bank balances	<u>811,299</u>	<u>4,964,022</u>
	<u>811,299</u>	<u>4,964,022</u>

\$744,859 of the above balance is denominated in NZD (2013: \$1,046,376).

The Company NZD bank account is grouped under the Bank of New Zealand Set-Off Deed. Under this arrangement the NZD bank accounts of, Nufarm Ltd (NZ Branch), Croplands Equipment Ltd and Nufarm Finance are offset, with the net funds being placed on call. The Company AUD bank account interest rate is dependant on the daily account balance. At 31 July 2014 the range was 0.00% for balances under \$10,000 to 1.73% for balances over \$850,000 (2013: 0%-2.40%).

**12 Share capital and reserves**

	<b>Ordinary shares</b>	
<b>(a) Share capital</b>	<b>2014</b>	<b>2013</b>
On issue at 1 August	<u>10,000,000</u>	<u>10,000,000</u>
On issue at 31 July - fully paid	<u>10,000,000</u>	<u>10,000,000</u>

All shares are fully paid and have no par value.

Nufarm Limited, an Australian registered company, is the parent and ultimate parent entity. Nufarm Limited holds 100% of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time. All shares on winding up, share equally in both dividends and surplus or deficit.

No dividends to the ordinary shareholders were declared in the current year (2013: Nil).

**(b) Nufarm Step-up Securities**

In the year ended 31 July 2007, the company issued a hybrid security called Nufarm Step-up Securities (NSS). The NSS are perpetual step up securities and on 24 November 2006, 2,510,000 NSS were allotted at an issue price of \$100 per security raising \$251 million. The NSS are listed on the ASX under the code 'NFNG' and on the NZDX under the code 'NFFHA'. The after-tax costs associated with the issue of the NSS, totalling \$4.1 million, were deducted from the proceeds.

## Notes to the financial statements (continued)

For the period ended 31 July 2014

### 12 Share capital and reserves (continued)

#### (b) Nufarm Step-up Securities (continued)

Distributions on the NSS are at the discretion of the directors and are at a floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for Australian denominated bills with a term of six months plus a margin of 3.9% (2013: 3.9%). On 24 November 2011, Nufarm "stepped-up" the NSS which resulted in the interest margin attached to the NSS being stepped up by 2.0 per cent, with the new interest margin being set at 3.9 per cent. No other terms were adjusted and there are no further step-up dates. Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

The NSS are considered an equity instrument as the Company has no present contractual obligation to deliver cash or another financial asset to the holder of the security. The step up feature does not of itself establish a contractual obligation to pay the distributions or to call the security.

#### Distributions

Distributions recognised in the current year on the NSS are:

	Distribution rate	Total amount	Payment date
<b>2014</b>			
Distribution	6.52%	8,156,050	15-Apr-14
Distribution	6.95%	8,749,293	15-Oct-13
Total		16,905,343	
<b>2013</b>			
Distribution	7.03%	8,798,478	10-Apr-13
Distribution	8.11%	10,146,033	12-Oct-12
Total		18,944,511	

All distributions payable on the Nufarm Step-up securities have been paid.

### 13 Earnings per share

#### Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 July 2014 was based on the profit attributable to ordinary shareholders of \$9,668,244 (2013: \$11,461,961) and a weighted number of ordinary shares outstanding of 10,000,000 (2013: 10,000,000), calculated as follows:

#### Profit attributable to ordinary shareholders

	2014 \$AUD	2013 \$AUD
Net profit/(loss) for the period	9,668,244	11,461,961
Net profit/(loss) attributable to ordinary shareholders	9,668,244	11,461,961



## Notes to the financial statements (continued)

For the period ended 31 July 2014

### 13 Earnings per share (continued)

#### Weighted number of ordinary shares

	Ordinary shares	
	2014	2013
On issue at 1 August	10,000,000	10,000,000
On issue at 31 July - fully paid	<u>10,000,000</u>	<u>10,000,000</u>

The company may elect to redeem the NSS for a number of ordinary shares in Nufarm Limited, the parent company, an Australian registered and listed company. This election would therefore not result in a dilutive impact on the number of ordinary shares issued in the Company.

	2014	2013
<b>Earnings per share</b>		
Basic earnings per share (cents)	96.7	114.6
Diluted earnings per share (cents)	96.7	114.6

### 14 Contingent liabilities

The Company is one of the guarantors of Nufarm Limited's senior secured syndicated bank facility (SFA) and would be obliged, along with other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers.

On 5 October 2012 the Nufarm Group successfully closed the offer of US \$325 million aggregate principal amount of senior unsecured notes. The Company is one of the guarantors of the senior unsecured notes.

### 15 Financial instruments

The Company's activities expose it to a variety of financial risks:

- (a) Market risk (including interest rate risk and currency risk),
- (b) Credit risk
- (c) Liquidity risk.

#### (a) Market Risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Interest Rate Risk

The Company has the ability to use derivative financial instruments to manage specifically identified interest rate risks.

The distribution rate on the NSS is based on a floating rate of the average mid-rate for bills with a term of six months plus a margin of 3.90%.

#### Profile

At the reporting date the interest rate profile of the group and company's interest-bearing financial instruments was:

Variable rate instruments	2014	2013
Financial assets	226,145,491	218,340,899
Financial liabilities including NSS	<u>(251,000,000)</u>	<u>(251,000,000)</u>
	<u>(24,854,509)</u>	<u>(32,659,101)</u>

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

**15 Financial instruments (continued)****(a) Market Risks (continued)**

Sensitivity analysis for variable rate instruments

The company does not hedge the exposures to interest rate risk on the cash and loan receivable balances. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 31 July. This analysis is performed on the same basis for 2013.

	<b>Profit or loss</b>	
	<u>100 bp increase</u>	<u>100 bp decrease</u>
2014 Variable rate instruments	<u>(186,065)</u>	<u>186,065</u>
2013 Variable rate instruments	<u>(263,659)</u>	<u>263,659</u>

**(ii) Foreign exchange risk**

In April 2012, the Company settled the loans receivable from related parties that were denominated in foreign currencies and reissued them in Australian dollars. This has largely eliminated the foreign exchange exposure for the Company. The company does not hedge the remaining foreign exchange exposure. At 31 July 2014 the Company has exposure to NZD and USD, the financial effect of changes in foreign exchange rates on this exposure is outlined below.

		<b>Profit or loss</b>		
		Spot Rate	AUD rise 10%	AUD drop 10%
NZD	862,828	1.094	(71,699)	87,632
USD	7,329,724	0.930	<u>(716,493)</u>	<u>875,714</u>
			<u>(788,192)</u>	<u>963,346</u>

**(b) Credit Risk**

Credit risk arises from cash and derivative financial instruments with banks, as well as loans and outstanding receivables to related parties. The related parties and the Company have Nufarm Limited, an Australian registered company, as their parent entity. The Company requires banks to have, as a minimum, a independent rating agency rating of AA. The Company has credit policies in place and the exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet. The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment. The maximum exposure to credit risk at the reporting date was:

	<b>Carrying Amount</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Loans receivable-related parties (non-current)	<u>226,145,491</u>	<u>218,340,899</u>
Receivables-related parties (current)	1,362,397	4,122,327
Cash and cash equivalents	811,299	4,964,022
	<u>228,319,187</u>	<u>227,427,248</u>

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of comprehensive income.

There was no impairment loss recognised during the period in the Statement of comprehensive income.

## Notes to the financial statements (continued)

For the period ended 31 July 2014

### 15 Financial instruments (continued)

#### (c) Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The company's liquidity is considered in the context of the Nufarm Group. Nufarm Group has the following financing facilities in place as at 31 July 2014.

On 23 August 2011, Nufarm executed a A\$300 million trade receivables securitisation facility. Subsequent to execution, the facility size was reduced to A\$250 million to reflect the value of trade receivables being used to secure funding under the program at the time. On 13 June 2013 the facility size was increased to A\$300 million to reflect the increase in the current value of trade receivables being used to secure funding under this program. The facility provides funding that aligns with the working capital cycle of the company.

On 8 October 2012, the group completed a US\$325 million Senior Unsecured Notes offering due in October 2019 (the "Notes").

The group holds a three year A\$530 million senior secured syndicated bank facility (SFA) (2013: A\$406 million), of which A\$520 million is due in December 2016 and A\$10 million is due in December 2014 (2013: A\$406 million due in November 2014). The SFA is secured by assets in the primary geographies in which Nufarm operates including Australia, New Zealand and United States (2013: Australia, United States, Canada, United Kingdom, and France). The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants throughout the financial year. The amount drawn down under the facility at 31 July 2014 is \$51 million (2013: \$164 million).

The majority of debt facilities that reside outside the Notes, the SFA and trade receivables securitisation facility are regional working capital facilities, primarily located in Brazil and Europe, with amounts drawn at 31 July totalling A\$572 million (2013: A\$343 million).

At 31 July 2014, the group had access to debt of \$1,743 million (2013: \$1,322 million) under the Notes, SFA, trade receivables securitisation facility and with other lenders.

A parent guarantee is provided to support working capital facilities in Brazil and the Notes.

The Company's largest liquidity exposure relates to the NSS security which is classified as equity. The liquidity risk is immaterial because it is largely offset by the related party receivables with a matching maturity date and distributions on the NSS security are at the discretion of the issuer. Refer to Note 12 for details.

All amounts relating to other payables are due within the next six months.

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

**15 Financial instruments (continued)****Liquidity risk (continued)**

The tables below present the Company's cash flows by remaining contractual maturities as at balance date. The amounts disclosed in the tables are the contractual undiscounted cash flows and therefore, may not agree to the carrying values on the balance sheet.

<b>2014</b>	<b>Within 6 months</b>	<b>More than 12 months</b>	<b>Total Contractual Cash Flows</b>
	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>
<b>Non-derivative financial assets</b>			
Cash and cash equivalents	(811,299)	-	(811,299)
Receivables - related parties	(1,362,397)	-	(1,362,397)
Loan receivable - related parties	-	(226,145,491)	(226,145,491)
<b>Non-derivative financial liabilities</b>			
Payables - other	74,838	-	74,838
Payables - related parties	29,729	-	29,729
	<u>(2,069,129)</u>	<u>(226,145,491)</u>	<u>(228,214,620)</u>

The Company has Nufarm Step up Securities of \$251 million (refer to note 12).

<b>2013</b>	<b>Within 6 months</b>	<b>More than 12 months</b>	<b>Total Contractual Cash Flows</b>
	<b>\$AUD</b>	<b>\$AUD</b>	<b>\$AUD</b>
<b>Non-derivative financial assets</b>			
Cash and cash equivalents	(4,964,022)	-	(4,964,022)
Receivables - related parties	(4,122,327)	-	(4,122,327)
Loan receivable - related parties	-	(218,340,899)	(218,340,899)
<b>Non-derivative financial liabilities</b>			
Payables - other	94,504	-	94,504
Payables - related parties	-	-	-
	<u>(8,991,845)</u>	<u>(218,340,899)</u>	<u>(227,332,744)</u>

**Notes to the financial statements (continued)**

For the period ended 31 July 2014

**15 Financial instruments (continued)****Fair Valuation**

All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost as indicated below.

The carrying values of the financial assets and liabilities reflected in the tables below approximate their fair values.

	<b>At fair value through profit and loss \$AUD</b>	<b>At amortised cost \$AUD</b>	<b>Carrying Value \$AUD</b>
<b>2014</b>			
<b>Assets as per Balance Sheet</b>			
Cash and Cash Equivalents	-	811,299	811,299
Loans Receivable - Related Parties	-	226,145,491	226,145,491
Related party receivables	-	1,362,397	1,362,397
<b>Total</b>	<b>-</b>	<b>228,319,187</b>	<b>228,319,187</b>
<b>Liabilities as per Balance Sheet</b>			
Account payables	-	74,838	74,838
<b>Total</b>	<b>-</b>	<b>74,838</b>	<b>74,838</b>
<b>2013</b>			
<b>Assets as per Balance Sheet</b>			
Cash and Cash Equivalents	-	4,964,022	4,964,022
Loans Receivable - Related Parties	-	218,340,899	218,340,899
Related party receivables	-	4,122,327	4,122,327
<b>Total</b>	<b>-</b>	<b>227,427,248</b>	<b>227,427,248</b>
<b>Liabilities as per Balance Sheet</b>			
Account payables	-	94,504	94,504
<b>Total</b>	<b>-</b>	<b>94,504</b>	<b>94,504</b>

**Fair Value Hierarchy**

The Company does not have derivative financial instruments carried at fair value (2013: nil). As such, the fair value hierarchy table is not presented.

**Loans and Receivables**

Cash and cash equivalents and related party receivables are short term in nature and the related carrying value is equivalent to the fair value. Loan receivable-related parties are floating rate loans, therefore the carrying value is considered a reasonable estimate of their fair value.

## Notes to the financial statements (continued)

For the period ended 31 July 2014

### 15 Financial instruments (continued)

#### Other Financial Liabilities

All the balances under this classification are short term in nature and thus the related carrying values are equivalent to their fair value.

#### Capital Management

The Company's capital includes share capital, reserves, retained earnings and the Nufarm Step-up Securities. The Company is part of the Nufarm Limited group, which is an Australian listed company. Nufarm Limited group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital management policies are reviewed regularly by the Directors. There have been no material changes in the Company's management of capital during the period.

### 16 Reconciliation of the profit for the period with the net cash flow from operating activities

	<b>2014</b>	<b>2013</b>
	<b>\$AUD</b>	<b>\$AUD</b>
Profit for the period	9,668,244	11,461,961
Adjustments for:		
Unrealised foreign exchange loss / (gain)	165,981	(2,510,252)
Income tax expense	6,006,135	5,869,957
	<u>15,840,360</u>	<u>14,821,666</u>
Change in other payables	(19,666)	9,504
Change in related party current receivable	2,759,930	732,859
Change in related party loans	79,108	1,681,768
Changes in tax balances	(376,594)	(445,938)
<b>Net cash from operating activities</b>	<u>18,283,138</u>	<u>16,799,859</u>

### 17 Commitments

There were no commitments as at 31 July 2014 (2013: Nil).

### 18 Subsequent Events

The Company has evaluated the period after the balance date to 23 September 2014, which is the date that the financial statements were issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

Nufarm Finance (NZ) Limited

## Directors' declaration

In the opinion of the directors of Nufarm Finance (NZ) Limited, the financial statements and notes, on pages 7 to 28:

(a) comply with New Zealand generally accepted accounting principles and NZ IFRS and give a true and fair view of the Company as at 31 July 2014 and the results of its operations and cash flows for the year ended on that date; and

(b) 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 the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, 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.


The directors are pleased to present the financial statements of Nufarm Finance (NZ) Limited for the year ended 31 July 2014.

For and on behalf of the Board of Directors:

Dated at Auckland this 23rd day of September 2014



KM Hoggard  
Director



WB Goodfellow  
Director



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MR J D SMITH  
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SAMPLE ESTATE  
NEW ZEALAND

Securityholder Number/CSN: 333333333

333333333

JOHN DAVID SMITH

## RECEIVING QUOTED SECURITY HOLDER COMMUNICATIONS (209 Notice)

As a Nufarm Finance (NZ) Limited Quoted Security Holder you receive a number of communications from us. However, in accordance with the New Zealand Companies Act and NZSX Listing Rules, we will no longer automatically be mailing to you printed copies of the Annual Report or Half Year Report.

This year Nufarm Finance (NZ) Limited has decided not to take up the option to prepare a Concise Annual Report.

Nufarm Finance (NZ) Limited's and Nufarm Limited's Annual Reports for the year ended 31 July 2014 are now available on our website, and Nufarm Limited's Half Year Report for the six months ended 31 January 2015 will be available on our website around April 2015. You can obtain copies of these reports at [www.nufarm.com/annualreports](http://www.nufarm.com/annualreports).

Notwithstanding that these reports are available electronically, you have the right to receive, on request and free of charge, a copy of the Nufarm Finance (NZ) Limited Annual Report prepared under the NZSX Listing Rules and the Nufarm Limited Annual Report and the next Half Year Report (when available).

If you wish to receive a copy of these reports, please mark the box below and return this form within 15 working days of receiving this form in the reply paid envelope provided or by fax to +64 9 488 8787.

If you have any questions about changing how you receive Quoted Security Holder communications, please contact Computershare on +64 9 488 8777.

As at 31 July 2014, there were no substantial security holders of Nufarm Finance (NZ) Limited's Step-Up Securities (NSS)

## ELECTRONIC SECURITYHOLDER COMMUNICATIONS

You can elect to receive all security holder communications by email, by marking the appropriate box below and providing us with your email address. At the company's discretion, communications sent electronically may include the annual report, interim report, transaction statements, payment advices and any other company related information that Nufarm deems appropriate to send via electronic means.

**We encourage all security holders to access our company communications electronically as this reduces costs and benefits the environment.**

### Electronic Securityholder Communications

By providing my email address below I am electing to receive all my security holder communications via email. This includes notifications by email (where offered) of dividend statements, transaction statements, notices of meeting, voting forms and annual reports and replaces any prior election I may have made:

Email address: \_\_\_\_\_

### I would like to receive a printed copy of the Annual and Half Year Reports

Please mark this box with an 'X' if you wish to receive printed copies of Nufarm Finance (NZ) Limited's and Nufarm Limited's Annual Reports and Nufarm Limited's Half Year Report (when available) each year





**Computershare Investor Services Limited**

Private Bag 92119, Auckland 1142  
Level 2, 159 Hurstmere Road  
Takapuna, Auckland  
New Zealand

Manage your holding online, please visit:

[www.investorcentre.com/nz](http://www.investorcentre.com/nz)

Investor Enquiries +64 9 488 8777

Facsimile +64 9 488 8787

[www.computershare.co.nz](http://www.computershare.co.nz)

MR J D SMITH  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
NEW ZEALAND

Securityholder Number/CSN: 333333333

333333333

JOHN DAVID SMITH

## RECEIVING SECURITYHOLDER COMMUNICATIONS

You have previously elected to receive printed copies of Nufarm Finance (NZ) Limited Annual Report and the Nufarm Limited Annual Report and Half Year Report. However, we want to make sure that we are sending you the level of information you would like to receive. Please complete the below if you no longer require printed copies of Annual Reports and Half Year Reports.

Nufarm Finance (NZ) Limited & Nufarm Limited Annual Reports for the year ended 31 July 2014 are now available on our website, and the Nufarm Limited Half Year Report for the six months ended 31 January 2015 will be available on our website around April 2015. You can obtain copies of these reports at [www.nufarm.com/annualreports](http://www.nufarm.com/annualreports).

If you would prefer to view the Annual and Half Year Reports from our website instead of continuing to receive printed copies of them, please complete the below and return to Computershare Investor Services Limited in the envelope enclosed or alternatively fax it to (09) 488 8787.

I no longer wish to receive printed copies of the Annual and Half Year Reports.

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PLEASE INSERT THIS ENTIRE PAGE IN THE REPLY PAID ENVELOPE SUPPLIED OR FAX TO (09) 488 8787.