Ruralco
HOLDINGS LIMITED

2015 ANNUAL REPORT

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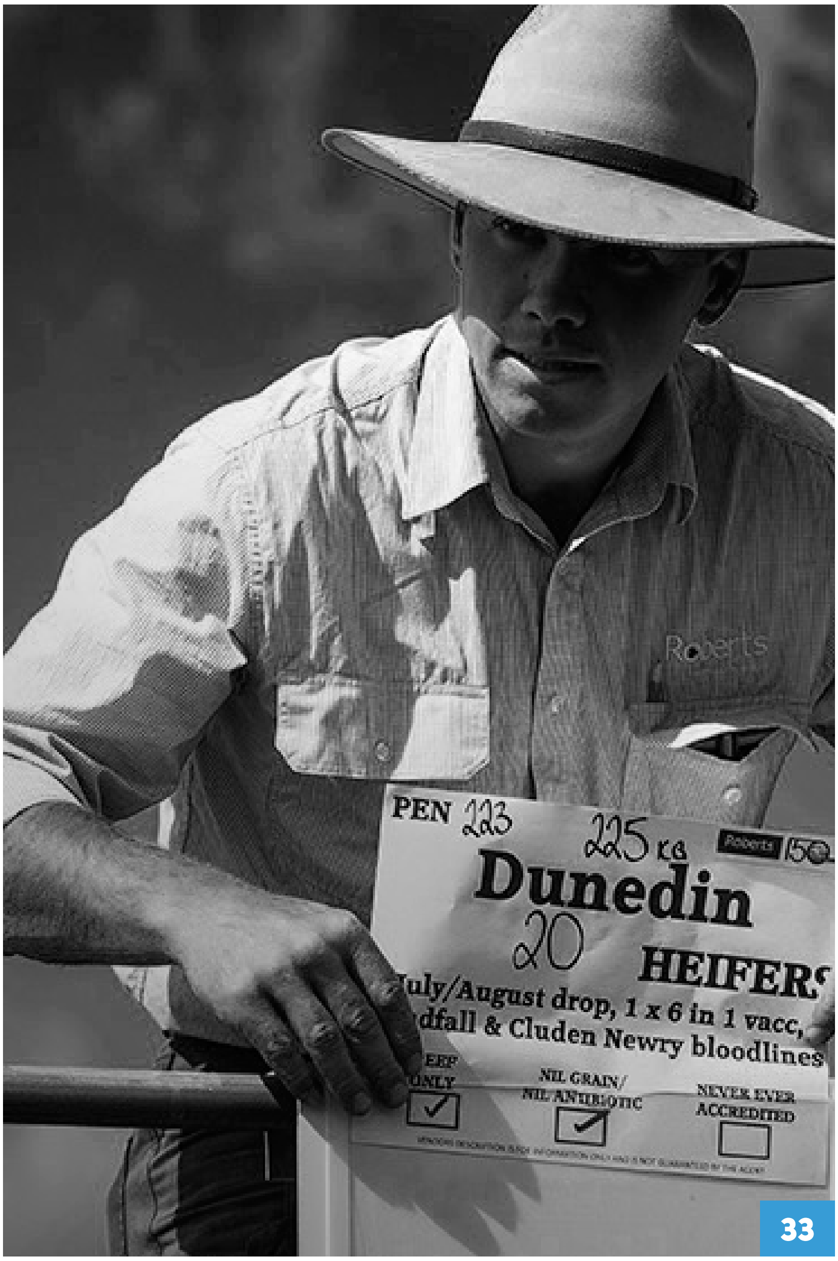


The Financial Report contained in this Annual Report covers the Group consisting of Ruralco Holdings Limited (the Company) and its subsidiaries. The Financial Report is presented in Australian currency. Ruralco Holdings Limited is a public company limited by shares, incorporated and domiciled in Australia.

Its registered office is: 273C Kennedy Drive, Cambridge, Tasmania, 7170

A description of the nature of the Group's operations and its principal activities is included in the Review of Operations on pages 17 – 18.

The Financial Report was authorised for issue by the Directors on 1 December 2015.

The Company has the power to amend and reissue the Financial Report. Corporate reporting is timely, complete and available globally at minimal cost to the Company through the use of the internet. All media releases, financial reports and other information are available at the Investor Information menu on our website (www.ruralco.com.au).

FINANCIAL HIGHLIGHTS

2015	CHANGE	2014
$1.6B SALES REVENUE	▲18% INCREASE	$1.36B SALES REVENUE
$307.0M GROSS PROFIT	▲19% INCREASE	$257.1M GROSS PROFIT
$51.2M UNDERLYING EARNINGS BEFORE INTEREST EXPENSE, TAX AND DEPRECIATION	▲18% INCREASE	$43.5M UNDERLYING EARNINGS BEFORE INTEREST EXPENSE, TAX AND DEPRECIATION
$18.7M[2] UNDERLYING NET PROFIT AFTER TAX	▲21% INCREASE	$15.5M UNDERLYING NET PROFIT AFTER TAX
$14.1M REPORTED NET PROFIT AFTER TAX[1]	▲33% INCREASE	$10.6M REPORTED NET PROFIT AFTER TAX[1]

YEAR ENDED 30 SEPTEMBER

Financial highlights	2015 $m	2014 $m	Change %
Sales revenue	1,599.9	1,355.9	18%
Gross profit	307.0	257.1	19%
EBITDA reported	45.3	37.0	22%
EBITDA underlying*	51.2	43.5	18%
NPAT reported	14.1	10.6	33%
NPAT underlying*	18.7	15.5	21%
Operating cash flow	17.9	17.7	1%
Working capital	117.8	102.2	15%
ROCE	17.0%	15.2%	1.8 ppt
Gearing	21.0%	14.6%	6.4 ppts
EPS (cents)	18.0	15.3	18%
Underlying* EPS (cents)	24.1	22.4	8%
Total dividend (cents)	16.0	16.0	-
Employee numbers	1,976	1,871	6%

[1] Attributable to shareholders
[2] Underlying EBITDA and NPAT excludes the impact of non-recurring items: $5.8 million at EBITDA and $4.6 million at NPAT
* See reconciliation from underlying to reported measures on page 13

OUR VISION

TO LEAD IN OUR CHOSEN AGRIBUSINESS SECTORS AND BE THE PREFERRED PARTNER AND EMPLOYER OF CHOICE IN THOSE SECTORS.

WE CHAMPION AUSTRALIAN AGRICULTURE LOCALLY AND GLOBALLY AND ARE KNOWN FOR OUR INNOVATION, FLEXIBILITY AND SERVICE, DELIVERING PROFITABLE OUTCOMES FOR STAKEHOLDERS.

RURALCO'S MAJOR ACTIVITIES

RURAL SUPPLIES

Ruralco's Rural Supplies includes a number of iconic brands including CRT, Australia's largest group of independent rural retailers.

Our rural supplies businesses cater to the diversity of Australia's primary industry sector and provide a comprehensive range of animal health and crop protection products, water management systems and equipment, fertilisers and general rural merchandise products.

Our access to Australia's leading agricultural supply companies ensures the products we offer meet the highest standards for quality, reliability and competitiveness. Our staff's expertise and their knowledge of local conditions and markets also gives our clients confidence that that they are dealing with a true local who has their interests at heart.

LIVE EXPORT

Frontier International Agri is a Ruralco partnership focussed primarily on Live Export. Their mission is to be the supply partner of choice for leading livestock beef, dairy and breeding sheep customers in selected world markets.

Their focus is expert management through the entire supply chain — from on-farm in the country of origin, through to on-farm and beyond in the country of destination, as per their customers' requirements.

Frontier aims to deliver an outstanding product be it for consumption or for breeding — to customers who demand high quality and performance, backed by outstanding service in nutrition, health and animal husbandry, and animal welfare.

LIVESTOCK AGENCY

Ruralco provides independent and experienced livestock specialist services through a comprehensive national network.

Livestock marketing services for sheep, dairy and beef cattle are offered through prime sales, store sales, over the hook selling, private sales, stud stock, AuctionsPlus, live export. Feedlot services are also available.

WATER

Ruralco's professional water network works hand-in-hand with water infrastructure operators, on-farm irrigators and water traders to deliver practical and workable solutions.

Together, they can provide complete water solutions, from irrigation services and planning, through to products, supply and installation. This service is complemented by the largest network of water brokers in Australia who facilitate all types of water trading requirements.

We continually strive to be a leader in providing environmentally sustainable solutions and partner with key suppliers to ensure our clients have access to the latest technologies and products.

REAL ESTATE

Ruralco Property operates through a national footprint of businesses. They specialise in marketing and selling rural, rural lifestyle, commercial and residential real estate. Through their network of specialist sales staff they are able to access buyers from local markets, interstate and internationally.

FINANCIAL SERVICES

The Ruralco Financial Services team are specialists in agri and commercial business finance lending and insurance with a thorough understanding of the needs of rural and regional clients.

They also understand that when clients need finance solutions they need the advice of someone trustworthy, someone who understands agribusiness; and who knows what is expected of a finance provider.

Through our access to an extensive panel of lenders, our finance representatives will source and tailor a financial solution that best suits the client's circumstances. Ruralco can help with home or term loans, line of credit, seasonal finance, overdraft, asset or vehicle and equipment finance and insurance.

GRAIN MARKETING

Ruralco's expertise in the sale and marketing of grain has benefited clients across Australia for many years.

Our network of experienced brokers and marketing specialists understand the grain business and our clients value their expertise and commitment to helping them achieve the best results possible.

WOOL

Ruralco's Wool division comprises a number of market leading companies recognised for their industry experience, expertise and client service focus.

Ruralco's wool businesses span from Western Australia to Tasmania, Victoria, New South Wales and into Queensland.

Their access to wool pools, Wooltrade electronic sales, forward marketing advice, direct selling options, full interlotting and bulk classing service, shearing advances, sheep classing and ram selection, ensures all client needs are catered to.

CHAIRMAN'S REPORT

RICHARD ENGLAND

THE APPOINTMENT OF TRAVIS DILLON AS CEO AND MANAGING DIRECTOR COMPLETES THE RENEWAL OF RURALCO'S LEADERSHIP TEAM

I am very happy to report that Ruralco delivered a strong performance for the 2015 financial year, with a net profit attributable to shareholders of $14.1 million, up 33 percent on the 2014 result.

During the year the Group consolidated business within its corporate network, with operational synergies driving efficiencies through business integration. It is encouraging to see the investment in the diversification of our network develop and strengthen our business portfolio.

This solid 2015 performance demonstrates our increased resilience to seasonal fluctuations in the agriculture sector with our Water Supplies and Water Services businesses broadening the profit base. In addition, strong demand both locally and overseas for key commodities is a positive development driving profit growth within the Agency and Live Export businesses.

I am confident that we are well placed to serve the growing needs of the agriculture industry and am motivated by the benefit the renewed public focus on the importance of primary industry to Australia will mean for our stakeholders.

DIVIDEND COMMENT

The Board announced a final dividend of 7 cents per share, fully franked, which takes the dividend for the full year up to 16 cents per share, consistent with prior year.

STRATEGY

Our investment in businesses that are countercyclical to the impact of seasonal fluctuations on earnings remains a strategic focus for the company. Throughout the 2015 financial year, the Group has followed this agenda to ensure an agile business model.

Overseas demand for protein, beef in particular, has seen the Live Export business, Frontier International Agri, deliver a commendable increase, growing their earnings to $10 million gross profit. The Agency network has also benefited from Frontier providing an additional channel to market. Frontier's 'partner of choice' approach has secured valuable relationships in Indonesia, China, and Vietnam; with the business launching a second vessel in January to service demand.

In August, Ruralco announced the launch of a private label commodity line, Relyon, and a proprietary portfolio in partnership with Marubeni to help our customers compete for the business of the increasingly price-sensitive consumer. Our own private

$1.6B

SALES REVENUE

$14.1M

REPORTED NET PROFIT AFTER TAX

An increase of 33%

16¢

TOTAL DIVIDEND FOR THE YEAR

label range will complement, extend and strengthen the existing offer for CRT allowing us to grow rural supplies sales. The establishment of proprietary brands offers growth potential through expansion of the product portfolio and distribution through the broader network.

2015 also marked a milestone in the history of the Group, with Roberts celebrating its 150 year anniversary. Reaching 150 years in business does not happen by accident, it is testament to the hard work, and strong relationships Roberts have built with staff, customers and suppliers over generations. It is also a reflection of the passion Roberts' employees have for their State, their community and their industry.

On behalf of the Directors, I again congratulate Roberts on this milestone event and look forward to enabling Roberts to continue to support Tasmanian agriculture and communities reaching their potential.

LEADERSHIP TEAM

There were two significant changes within the Ruralco Executive Team during the 2015 financial year.

In May John Maher stepped down from his position as Managing Director and CEO. John led Ruralco for almost nine years, during which time the company developed a stronger and more diverse business by product, commodity and geography, which in turn yielded strong revenue and earnings and growth. We thank John for his commitment and hard work during his time with the business.

Also in May the Board announced Travis Dillon, General Manager of the Group's Rural Retail division, was stepping up to the position of Acting Chief Executive Officer until a permanent appointment was made and I'm delighted to appoint him to the permanent position of CEO and Managing Director and welcome him to the Board.

Travis joined Ruralco in 2007 and has been involved with agribusiness for almost 20 years. He brings a wealth of experience to the role and is highly regarded at Ruralco. He has a strong understanding of the business having worked across all activities within the Group and with his extensive knowledge of the sector, operational capabilities and strong leadership skills, Travis is well placed to lead Ruralco through its next phase of development.

The appointment of Travis Dillon as CEO and Managing Director completes the renewal of Ruralco's leadership team following the appointments of Chief Financial Officer, Adrian Gratwicke, General Manager People & Culture, Elizabeth Hardaker and General Manager Financial Services, Ian Perry during the year.

With the leadership team renewal complete, the Board has taken the opportunity to evolve the strategy and has approved the future strategic direction for Ruralco. The 2016 financial year will see Ruralco's strategy to diversify its platform continue to evolve. Performance will continue to be influenced by seasonal, market and international trade related factors however I remain confident that the diversity of Ruralco's business and its resilience will continue to deliver shareholder value.

Richard A F England

Richard A F England
Chairman, Ruralco Holdings Limited

$10M

LIVE EXPORT GROSS PROFIT

132,000

HEAD OF CATTLE & SHEEP
Exported

▲83%

WATER SUPPLIES GROSS PROFIT

CEO & MANAGING DIRECTOR'S REPORT

TRAVIS DILLON

AT THE CORE, WE WANT TO BE "THE BEST TEAM IN AG" – FOR OUR SHAREHOLDERS, BUSINESSES, MEMBERS, OUR PARTNERS AND CUSTOMERS – EVERYONE THAT THE RURALCO GROUP DEALS WITH.

When I stepped into the position of Acting CEO in the second half of the Group's 2015 financial year, Ruralco Holdings Limited had already demonstrated we were on track to deliver a record net profit. The business has performed in line with expectations given the challenging seasonal conditions.

It is encouraging to consider that although seasonal conditions were hot and dry during most of the year, increasing the trading pressures in the merchandise sales markets, our CRT and other Rural Merchandise businesses returned a creditable result, building on their 2014 performance. During the year a significant amount of consultation with members, suppliers and staff resulted in a new trading model for CRT. We recognise it is imperative that our network of rural retail stores has a sustainable business model. Designed with simplicity in mind, the more competitive and less complex trading model is set to drive growth for our existing members and be a more attractive proposition to new members and suppliers – a great outcome for all stakeholders. The new model launches in January 2016.

In line with our strategic priority of platform growth, over the course of 2015 we acquired several businesses to secure the footprint and fill gaps in our Rural Operations network. The performance of the Agency businesses has been a standout this year, growing gross profit 18 percent year on year, a direct result of our commitment to invest in the network.

The Group also continued to pursue its strategy of building a scalable and fit-for-purpose back office with further cost investment in the operational capability of the supply chain and procurement, finance, human resources and legal teams and in centralising and improving the Group's IT and communications. In particular, the supply chain and procurement synergies of the Total Eden acquisition have progressed well and will support scalable business growth and acquisitions in Water Services and Water Supplies.

There have been several key management appointments throughout the year: In July Adrian Gratwicke joined the Group as Chief Financial Officer; Elizabeth Hardaker has been appointed as General Manager People & Culture, and in October we welcomed a new General Manager of Financial Services, Ian Perry. The refreshed leadership team has already begun to make an impact on the culture of the organisation. In July the Group undertook an employee engagement survey to affirm the long term vision for Ruralco. Management further workshopped the learnings of the survey to map out what success looks like for Ruralco. This resulted in a refined vision for the Group:

▲ 4%

RURAL SUPPLIES GROSS PROFIT

~400

LOCATIONS

Across the continent

▼ 72%

REDUCTION IN MEDICALLY RECORDED INJURY FREQUENCY RATE (MRIFR)

"To lead in our chosen agribusiness sectors and be the preferred partner and employer of choice in those sectors.

We champion Australian agriculture locally and globally and are known for our innovation, flexibility and service, delivering profitable outcomes for stakeholders."

At the core, we want to be "the best team in Ag" – for our shareholders, businesses, members, partners and our customers – everyone that Ruralco deals with.

Central to this is our ongoing commitment to embedding safety in everything we do. Our people are the foundation of our business, it is therefore a key focus to invest in them and achieve our target of zero harm. I'm pleased that the Group has continued to build on our sales performance by improving our reporting and increasing our training of staff.

It is my observation in 2015 that the multi-faceted agriculture industry is enjoying a renewed sense of optimism and this has positively affected our customers and the Group – Ruralco is poised to take advantage of the opportunities within our industry. I look forward to the journey ahead – Ruralco is well positioned for growth in what is an increasingly exciting time to be in the agribusiness sector. I have great confidence that the Ruralco Group, our teams, and our people will continue to strive to support the growth of agriculture in the many communities we serve across Australia.

OUTLOOK

Ruralco's strategy to diversify its platform is progressing well. Performance will continue to be influenced by seasonal, market and international trade related factors:

- Ongoing challenging seasonal conditions in certain regions will impact the cash flows of some farmers potentially suppressing demand for inputs.
- Continuing low AUD is expected to be positive to all agricultural sectors with wool, grain, livestock and real estate all benefiting.
- Demand for water services and products is expected to remain strong particularly with volatile seasonal conditions and continuing on-farm investment in water infrastructure.
- Live export business scaling up to a two vessel model from January 2016 with the opening of new markets into China, continued growth in Vietnam and a less volatile Indonesian market - all supporting a strong sales pipeline for the next 12 months.
- Investor appetite for agricultural properties expected to continue and increased volume of transactions generally within the sector will continue to underpin the outlook for the rural property sector.

Travis Dillon
CEO & Managing Director, Ruralco Holdings Limited

▲18%

AGENCY GROSS PROFIT

▲26%

LIVESTOCK GROSS PROFIT

▲15%

WOOL GROSS PROFIT

OUR STRATEGY

With the leadership team renewal complete, the Board and management have taken the opportunity to evolve the strategy by resetting the focus on the following strategic priorities:

1. LEVERAGING THE NETWORK

- Build on market leading position in **water**, the most fundamental farming input
- Maximise market share along the entire **protein supply chain**
- Step change in **Financial Services**, supporting our customers and the network
- Strategic investments along the **value chain** to support the network offer

We plan to maximise our market share along the entire protein chain. We will look to do this by making investments that not only add value to our network but also the core of our customer base... the Australian farmer.

We also plan to build on our market leading position in water, the most fundamental of our farming inputs. Our aim is to look at new technology and wholesale opportunities and provide the Total Eden network with the tools to be at the forefront of water innovation.

The breadth and depth of our network leads us to believe that we need to be providing a fuller financial services offering to our customer base. We will be looking to make significant progress on this strategy under the leadership of newly appointed General Manager Financial Services, Ian Perry.

As we have done with our recent launch of our Relyon agricultural chemical brand, we will continue to look at other areas we can add value to the broad-based network we have built over recent years.

2. NETWORK GROWTH

- Grow the high yielding **agency** business through acquisition and recruitment
- Leverage market leading **water** footprint as the industry consolidator
- Fill remaining gaps in the **retail network** through greenfield sites, acquisition and growth in CRT membership

In 2015 we continued to make acquisitions to expand into the high yielding agency business through focussed acquisitions and recruitment and we see this as a strong focus over the next 12 months.

We will explore opportunities to add to the Total Eden footprint by growing the number of retail outlets and transferring the Total Eden Services skill base to the Eastern States markets.

The acquisition of Mackay Rural Group this calendar year is an example of how we intend to strategically build-out our regional presence to create a stronger and broader retail network. This element of our strategy will remain a key focus along with always looking to grow and support the CRT membership through greenfield site expansion and acquisition.

3. PEOPLE AND CULTURE

- Embedding **safety** in everything we do
- Our **values** drive a winning **culture**
- **Retaining, attracting and developing** the best talent

We recognise that the foundation of this business is our people. Therefore investment in our people will continue to be a priority with ongoing focus on embedding safety in everything we do.

This year saw our new General Manager of People & Culture, Elizabeth Hardaker undertake an employee engagement survey to assess the level of engagement and alignment across the Group. The survey has helped us understand what we can do to build on our Ruralco culture. This in turn will ultimately support the success of the business through the retention and attraction of the best talent.

4. BACK OFFICE OPTIMISATION

- **Scalable platform for growth** achieving economies of scale through fit for purpose systems and processes
- **Valued business partner** to the network

We continue to prioritise the development of our centralised back office functions by building a scalable platform for growth and thereby achieving economies of scale through fit for purpose systems and processes. This initiative will give our businesses the support they need to operate efficiently whilst also allowing them more time to focus on servicing their customer base. We have seen progress during the year through increased investment in centralised warehousing and logistics and further system integration across the business via our SAP rollout.

Ensuring we are a valued business partner to the network is a key focus of this strategy and continued investment in our back office will allow our businesses to respond to changing market conditions, build economies of scale and position us for further growth.

GROUP PERFORMANCE OVERVIEW

The Group achieved growth in revenue of 18% above the prior corresponding period (pcp) to $1.6 billion. Growth was driven primarily by the ramp up of the Live Export business and full year contribution of the Total Eden water business.

The growth in reported NPAT of 33% above the pcp to $14.1 million and growth in reported EBITDA of 22% above the pcp to $45.3 million was driven by the full year impact of strategic growth acquisitions in Water Services and Water Supplies, the increased scale of the Group's Live Export business and strong Agency market conditions. This improved operating performance has driven an increase in underlying ROE to 8.7% (2014: 7.8%).

The growth in underlying EBITDA of 18% above the pcp to $51.2 million is despite the impact of $4.2 million of higher bad debt expense than the pcp driven primarily through specific customer delinquencies.

Underlying NPAT and EBITDA excludes the impact of costs not considered to form part of the Group's recurring results, which this year includes costs associated with establishing the new debtor securitisation facility, certain strategic review and restructuring costs and costs associated with senior management changes.

YEAR ENDED 30 SEPTEMBER	UNDERLYING[1] 2015 $M	SIGNIFICANT ITEMS 2015 $M	REPORTED 2015 $M	REPORTED 2014 $M	CHANGE $M	CHANGE %
Revenue	**1,599.9**	**-**	**1,599.9**	**1,355.9**	**244**	**18%**
Gross profit	**307.4**	**(0.4)**	**307.0**	**257.1**	**49.9**	**19%**
Earnings before interest, tax, depreciation and amortisation (EBITDA)[2]	51.2	(5.9)	45.3	37.0	8.3	22%
Depreciation and amortisation expense	(8.3)	-	(8.3)	(7.5)	(0.8)	11%
Net finance costs	(8.0)	(1.0)	(9.0)	(8.2)	(0.8)	(10%)
Profit before tax	**34.9**	**(6.9)**	**28.0**	**21.3**	**6.7**	**32%**
Tax	(11.3)	2.2	(9.1)	(7.0)	(2.1)	30%
Non-controlling interest (NCI)	(4.9)	0.1	(4.8)	(3.7)	(1.1)	30%
Net profit after tax attributable to shareholders (NPAT)	**18.7**	**(4.6)**	**14.1**	**10.6**	**3.6**	**33%**
Return on equity (ROE)[3]	8.7%	(2.1%)	6.6%	5.3%	0.8 ppts	n/a
Earnings per share (EPS) (cents)	23.9c	(5.9c)	18.0c	15.3c	2.8c	18%

1 "Underlying" measures of profitability provide more useful information. Underlying EBITDA means reported earnings before interest, tax, depreciation and amortisation including share of profits from equity accounted for investments adjusted to remove the impact of significant items (pre-tax). Underlying NPAT means reported net profit attributable to equity holders of the Company adjusted to remove the impact of significant items (post-tax and related NCI)

2 EBITDA includes share of equity accounted for investee's profit

3 Return on equity (underlying) = Underlying NPAT/Average shareholders' equity

BALANCE SHEET

Working capital at September 2015 was 15% above the pcp reflecting growth in the business but the focus on working capital management has driven working capital efficiencies with average working capital as a % of sales decreasing to 8.8% (2014: 9.3%). Average working capital in 2015 was $139 million (2014: $134 million) driven by a $14.5 million ramp up in water and live export working capital requirements, offset by a decrease in the working capital of the underlying business.

Total capital employed growth of 8% above the pcp reflects primarily the increase in working capital noted above and an increase in intangibles of $12.2 million from the impact of bolt-on acquisitions to build scale in the Water Services and real estate Agency businesses, further expansion of the rural retail store footprint and from increased investment in IT (software purchases and capitalised IT development costs).

The growth in ROCE to 17% for the year reflects the focus on working capital efficiency and growth in earnings, in particular from the Agency business, which is less capital intensive.

ABRIDGED BALANCE SHEET AS AT 30 SEPTEMBER[4]	2015 $M	2014 $M	CHANGE $M	CHANGE %
Trade and other receivables (incl. prepayments)	376.2	332.8	43.4	13%
Inventories (incl. biological assets)	119.9	108.5	11.4	10%
Trade and other payables (incl. derivative financial instruments)	(378.2)	(339.1)	(39.1)	12%
Working capital	**117.8**	**102.2**	**15.6**	**15%**
Property, plant and equipment	39.9	42.8	(2.9)	(7%)
Intangibles	134.2	122.0	12.2	10%
Investments in equity accounted investees	8.9	8.7	0.2	2%
Other items	(19.3)	(15.8)	(3.5)	22%
Total capital employed	**281.6**	**259.9**	21.7	8%
Average working capital % of sales[5]	8.8%	9.3%	(0.5 ppts)	n/a
Return on capital employed (ROCE) (underlying)[6]	17.0%	15.2%	1.8 ppts	n/a

[4] Balances reflect the management balance sheet presentation, which is based on different classifications and groupings than the Statement of Financial Position in the financial statements

[5] Average working capital % of sales = Average working capital for 12 months/revenue for the year

[6] Return on capital employed (underlying) = Underlying EBITDA/ 12 month average total capital employed

CASH FLOW

The net decrease in cash held of $28.1 million reflects the application of cash to pay down borrowings and fund the Group's bolt-on acquisitions in the year.

Operating cash inflows were 1% above the pcp driven by:

- $45.3 million (2014: $37 million) reported EBITDA cashflow generation offset by $18.4 million (2014: $16.5 million) working capital cashflow usage primarily from the ramp up of water and live export activities; and
- $9 million (2014: $2.8 million) net cash outflow for interest and tax, an increase on the pcp due to increased tax paid from the Group's improved operating result as the Group has no carried forward tax losses.

Net investing cash outflows were 48% below the pcp reflecting the reduced size of acquisitions in the current year. Current year spend includes $12.7 million for bolt-on acquisitions to build scale in the Water Services and Agency businesses and $5.7 million for the acquisition of minority interests in certain subsidiaries (2014: $57.6 million cash consideration primarily for the Total Eden business and $5 million for the purchase of minority interests in certain subsidiaries offset by the $16 million proceeds received from the sale of the Group's investment in Elders Limited). The increase in net capital expenditure is due to the recognition of $4 million proceeds from the sale of property in the prior year. Capital expenditure in the current year included $5.1 million on SAP and point of sale upgrades and migrations and $3.1 million for plant and equipment and leasehold improvements to greenfield sites and the new head office premises at Macquarie Park, NSW.

Net financing cash outflows were 171% above the pcp as the prior year acquisitions were funded by $66.7 million proceeds from capital raisings and the sales of assets and investments, which drove net cash inflows from financing activities. The decrease in dividends paid arises from the operation of the Dividend Reinvestment Plan in the year and the net repayment of borrowings includes repayment of the final balance of the deposit book of $7.3 million (2014: $39.5 million repaid).

ABRIDGED CASH FLOW FOR THE YEAR ENDED 30 SEPTEMBER[5]	2015 $M	2014 $M	CHANGE $M	CHANGE %
Net operating cash flow	**17.9**	**17.7**	0.2	1%
Capital expenditure	(8.2)	(8.5)	0.3	(3%)
Acquisitions & subsidiary investments	(18.8)	(62.6)	43.8	(70%)
Divestments	0.4	17.3	(16.8)	(97%)
Sale of assets and other	1.8	6.4	(4.5)	(71%)
Investing cash flow	**(24.8)**	**(47.4)**	22.6	48%
Equity raising	-	66.7	(66.7)	(100%)
Dividends paid	(12.4)	(16.2)	3.8	(24%)
Net repayment of borrowings	(8.8)	(20.6)	11.8	(57%)
Financing cash flow	**(21.2)**	**29.9**	(51.1)	(171%)
Change in cash held	**(28.1)**	**0.2**	(28.3)	n/a

[5] Balances reflect management cashflow presentation, which is based on different classifications and groupings than the Statement of Cashflows in the financial statements.

DEBT AND CAPITAL MANAGEMENT

Net debt growth of 56% above the pcp and the increase in gearing ratio to 21% reflects the application of funds for bolt-on acquisitions and the investment in IT capabilities.

During the year the Group's bank facilities were re-negotiated under a bilateral financier's facility agreement. As a result, a new $150 million debtor securitisation program commenced in July with the securitisation of certain eligible rural supplies and livestock agency trade receivables. The debtor securitisation facility is a rolling 12 month facility (subject to annual review) that better services the funding requirements across the ebb and flow of trading seasonality and has improved credit risk management given the tight credit controls required by the program. It also provides the Group with funding flexibility as the facility is scaleable as the debtor book grows either organically or through acquisitions. The Group had drawn down $52 million of this facility at 30 September 2015.

The existing $100 million cash advance facility was repaid in full in the year and converted to a multi option facility with a limit of $60 million in total and a tenor through to March 2016. This facility is an interchangeable revolving facility of overdraft and working capital that can be drawn at any time and is subject to annual review. The Group had drawn down $1.9 million at 30 September 2015, which is classified within current loans and borrowings.

In addition, the current and future expected growth in the Live Export business has led the Group to enter into a receivables purchase agreement with its bilateral financier to purchase up to US$18 million of credit insured export receivables. As the credit risk of these debtors is transferred to the bank they are no longer recognised on the balance sheet when entered into the program and the proceeds are used to fund further trading activity in the Live Export business.

A key component of total shareholder return is the dividends paid to shareholders. The Group's approach to dividends seeks to balance the needs of shareholders and the business with dividends declared reflective of the Group's current and projected cash position, profit generation and available franking credits.

The Board declared a fully franked final ordinary dividend of 7 cents per share taking the full year ordinary dividend to 16 cents per share, consistent with prior year. The final dividend will be paid on 18 December 2015 to shareholders on the Company's register on 27 November 2015, the record date for the final dividend. The Dividend Reinvestment Plan continues to operate in respect of the final dividend.

NET DEBT AS AT 30 SEPTEMBER	2015 $M	2014 $M	CHANGE $M	CHANGE %
Cash and cash equivalents	0.7	26.9	(26.2)	(97%)
Bank overdraft	(1.9)	-	(1.9)	100%
Gross drawn debt	(52)	(51.4)	(0.6)	1%
Other loans	(3.9)	(3.5)	(0.4)	11%
Deposit book	-	(7.3)	7.3	(100%)
Finance lease liabilities	(1.9)	(2.6)	0.7	27%
Net debt	**(59)**	**(37.9)**	(21.1)	56%
Total shareholders' equity	(222.5)	(222)	(0.5)	0.20%
Gearing ratio[7]	21.0%	14.6%	6.4ppts	

[7] Gearing ratio = Net debt /(Net debt + Shareholders' equity)

RURAL SUPPLIES

$104.7	▲ 3.9%	$100.8
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE

Rural Supplies gross profit growth of 4% above the pcp reflects a 5% increase in revenue to $1,190 million.

This result was achieved despite continued prolonged dry conditions prevailing throughout parts of Queensland, Victoria and Tasmania. During the year we also made a significant investment in warehouse consolidation, combining logistics for Ruralco and Total Eden.

ACTIVITY HIGHLIGHTS

In August the Group launched its private label chemicals offering under the Relyon brand and proprietary portfolio in partnership with Marubeni as part of the continuing focus on leveraging the Ruralco network to deliver increased profitability.

In the last quarter of the financial year there were opportunities to consolidate store footprint within the network with the completion of the retail acquisition of W.H. Bailey & Sons on 1 August and the Mackay Rural Group on 1 October 2015 by BGA AgriServices, both of which strengthen the Group's horticulture and fertiliser presence.

LIVE EXPORT

$10.0	▲ 122.2%	$4.5
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE

Live Export gross profit growth of 122% above the pcp comes from increased scale of the Frontier International Agri business, which has established itself as a major supplier in the key Indonesian, Vietnamese and Chinese export markets. Over 132,000 head of cattle and sheep were shipped in the year with growth in exports to Vietnam mitigating the volatility in the Indonesian permit allocations for feeder cattle and the collapse in the export dairy market earlier in the year. Offsetting the strong result was the impact of mark-to-market fair value and FX losses of $3.5 million incurred earlier in the year.

ACTIVITY HIGHLIGHTS

The Live Export activity continues to strategically support the Ruralco Agency business providing a steady pipeline of sales for livestock agents across the network. A second vessel is due to start shipping in January, which will improve Frontier's logistics cost profile and enhance scheduling flexibility and will support sales pipeline growth.

AGENCY

$111.0	▲ 18.1%	$94.0
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE

Agency gross profit growth of 18% above the pcp reflects increases in volumes, customer penetration and strong commodity prices that continued for most of the year. Continued high turn-off, strong international demand for Australian protein and the low Australian dollar buoyed livestock and wool prices this year.

Livestock

Livestock gross profit growth of 26% above the pcp reflects an increase in the cattle and sheep volume handled by the network, which was geographically spread across the business. This reflects ongoing network development in key staff and customer additions combined with cattle and sheep prices that remained above the 3 year average for most of the year. The growth in Frontier International Agri also continues to provide an additional channel through which the livestock businesses can drive growth in sales.

Wool

Wool gross profit growth of 15% above the pcp reflects an 11% increase in volumes sold. Wool prices also remained high following the Easter break driven by strong Chinese demand and the continuing low Australian dollar.

Real Estate

Real Estate gross profit growth of 4% above pcp reflects increased volumes sold and managed with increased domestic and international demand in the rural property sector and the positive economic outlook for driving growth.

ACTIVITY HIGHLIGHTS

The strength of the Group's Agency portfolio has been a key profit driver during the year. The strategic expansion of the livestock businesses in 2014 and the property management related acquisitions in 2015 has allowed the business to capitalise on volume and price increases driven by domestic and international demand.

During July, a new Rodwells initiative, Australian Agricultural Auctions (AAA) was successfully launched to exclusively serve the agriculture industry. The innovative onsite and online auction platform has gained a growing following, making a comfortable return on investment at the first auction.

WATER SERVICES

$25.0	▲56.3%	$16.0
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE
Water Services gross profit growth of 56% above the pcp reflects the full year impact of the Total Eden water services business. Margin pressure from increased competition following the downturn in mining in the Western Australian market experienced in the first half of this year has been partially offset by the effect of cost synergies, which has led to a stronger second half. Water broking services gross profit growth of 23% above the pcp has been driven by sustained elevated demand for water entitlements across a number of farming sectors and increased demand from international investors.

ACTIVITY HIGHLIGHTS
Increasing penetration of the agricultural sector and focus on northern and eastern Australia to leverage Ruralco's network and expertise remains key to reducing the impact of margin pressure from the downturn in mining in the Western Australian market. The value of work contracts won in the higher margin waste water sector is yet to be realised and presents significant opportunity for Water Services.

The Group continues to pursue acquisitions that enable further operational synergies and builds scale. The expansion of the water broker network is also assisting in growing irrigator touch points, with strong water prices assisting decisions to trade.

WATER SUPPLIES

$32.9	▲82.8%	$18.0
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE
Water Supplies gross profit growth of 83% above the pcp reflects the full year impact of the Total Eden water supplies business. The solid results were delivered through the realisation of improved margins and cost savings initiatives.

ACTIVITY HIGHLIGHTS
Water supplies procurement is now being managed across the Ruralco network and integration of Total Eden onto the SAP software platform provides us with a modern warehouse and planning system that provides enhanced control and increased management visibility. The NSW supply chain has been fully integrated with the rest of Ruralco and the consolidation of the Queensland warehouses is currently underway.

The Group's expanded private label and proprietary brand offer from First Source, the wholesale water supplies channel, has gained greater penetration throughout the Total Eden business this year. Further synergies were also gained by distribution of these brands across the CRT and ProWater network.

FINANCIAL SERVICES

$14.8	▲2.1%	$14.5
GROSS PROFIT 2015 ($M)	INCREASE CHANGE	GROSS PROFIT 2014 ($M)

ACTIVITY PERFORMANCE
Financial Services gross profit growth of 2% above the pcp reflects growth in insurance activities but a general softening in demand and increased competition in the insurance market is putting pressure on premium prices.

ACTIVITY HIGHLIGHTS
The Ruralco seasonal finance off-balance sheet financing product was launched earlier in the year in partnership with Rabobank with $7.8 million of loans credit-approved by the year end.

The consolidation and restructure of the Ruralco Finance, Ruralco Insurance and Ag Concepts businesses has completed with the remaining non-controlling interest in Ruralco Finance purchased in August. In addition, the Group appointed a new General Manager Financial Services, Ian Perry, who has a strong agribusiness strategy and marketing background, with a remit to drive growth and performance in this activity.

The Mecardo platform continues to grow with a 141% increase in subscriber numbers with over 800 subscribers receiving regular market updates.

GRAIN MARKETING

Agfarm is treated as an equity accounted investment. As such, income is recognised on a net basis in the profit or loss and no comparable gross profit values are reported in the Group results.

ACTIVITY PERFORMANCE
Share of profit from equity accounted for investees was 12% below the pcp to $0.8 million driven by lower grain volumes this harvest as the high cash price of grain has meant demand for pooled products was lower.

ACTIVITY HIGHLIGHTS
The appointment of a new management team within Agfarm has occurred with renewed focus on innovative marketing solutions to service growers.

During the year, Agfarm's new input finance product, Accelerate, was successfully piloted and launched in time for the 2015 cereal cropping season. This product aims to increase customer penetration for both Ruralco and Agfarm. It enables Agfarm to secure grain commitments much earlier in the production cycle, whilst growers are financed (off balance sheet) to purchase their cropping inputs from Ruralco before accessing Agfarm's expertise and products to market their harvested grain.

OUR PEOPLE

As one of the largest employers in Australian agribusiness, Ruralco Holdings directly employs approximately 2,000 people across the country. The footprint of the Group's almost 50 business units is significant; these local, regional employers are a vital part of the diversity and economic livelihood of Australia's outlying communities.

The Group's talented workforce is comprised of professional, trade and industry-educated individuals who take pride in supporting Australia's vital primary industries.

In 2015 we engaged an external consultancy to conduct an employee engagement survey which has enabled us to get a very accurate picture of our workforce – how people feel about their roles, the company, and what we can do to improve and drive success for the business.

As a result of the survey findings and in alignment with the Group's strategic goals, Management confirmed Ruralco's 6 Values to assist in further developing the Group's culture: Integrity, Leadership, Loyalty, Common Sense, Accountability and Aiming High.

Diversity is an important component of the Group's People strategy. We are committed to supporting a culture where everyone is treated fairly and with respect, and ensuring Ruralco's workforce is reflective of the Australian community. We believe diversity initiatives positively influence workplace culture.

In 2015 the Ruralco Board approved a new workplace Diversity Strategy. As part of this strategy the Board confirmed their investment in a Graduate Program creating a pipeline to consistently bring young talent into and through the company. The program is ultimately aimed at identifying future leaders and preparing them for leadership positions in the agriculture sector.

The Company will partner with tertiary education institutions across Australia to establish agribusiness and the Ruralco brand in the minds of young Australians as a genuine career option. There will be four placements available bi-annually for a two year position with the Group.

Graduate Program participants will be rotated through a variety of roles; will receive a relocation allowance; and will be supported with a designated mentor to assist their development – particularly throughout the first 12 months.

The first Graduate Program placements will commence with Ruralco in February 2016.

OUR VALUES

INTEGRITY
We're honest, transparent and principled

ACCOUNTABILITY
We own and take responsibility for our actions

LOYALTY
To our people, partners and local communities

LEADERSHIP
Everyone leads by example

COMMON SENSE
Decisions based on sound reasoning

AIM HIGH
We challenge ourselves to exceed expectations

RURALCO IS ACUTELY AWARE OF OUR ROLE AND RESPONSIBILITY WITHIN REMOTE AND REGIONAL COMMUNITIES

OUR COMMUNITIES

In November 2015 Ruralco announced a corporate sponsorship with crisis support and suicide prevention organisation, Lifeline Australia.

Lifeline partners with organisations who share a vision for an Australia free of suicide, and supports the delivery of mental health and crisis support based services to the community. Ruralco is acutely aware of our role and responsibility within remote and regional communities and the increased vulnerability of people in these areas who may be isolated from support services.

It is Ruralco's hope that this partnership will contribute to raising awareness of help-seeking behaviours, by engaging rural and remote communities, and our employees through a range of Lifeline activities and mental health awareness programs. In turn we hope this will help the communities we serve to be more resilient and suicide safe.

During the financial year Ruralco businesses and our partners donated approximately $2 million dollars in support of a range of local organisations and charities. In addition, the 150 year anniversary celebration of Roberts in Tasmania presented an opportunity to partner with Rural Alive and Well (RAW) and Autism Tasmania to collaborate and raise funds and awareness for the two organisations.

Ruralco is extremely aware of the large numbers of Australians in rural and remote Australia suffering with mental health issues and suicide. We congratulate Roberts in particular for their significant contribution to RAW Tasmania in supporting the critical work it performs in supporting those in need.

Within the metropolitan, regional and remote communities we operate in, Ruralco's network of people are active members and passionate supporters of their communities and charitable causes.

We would like to thank Lee Kernaghan OAM, who acted as Ruralco's brand ambassador for several years. Lee's passion for rural Australia provided Ruralco businesses and independent members with an opportunity to raise awareness and funds for numerous charitable organisations across the country.

RAW TALK to a mate 1300 4357 6283

Lifeline Saving Lives Crisis Support. Suicide Prevention.

Autism TASMANIA INC. Making Futures Brighter

OUR VALUES SERVE AS A COMPASS FOR OUR ACTIONS AND DESCRIBE HOW WE WORK AND WHO WE ASPIRE TO BE

CORPORATE RESPONSIBILITY

SAFETY

At Ruralco we believe a key responsibility is to ensure that our employees and contractors can rely on a safe workplace and that the Group's operations are conducted with the utmost respect for public safety. We seek to continually improve the health and safety of our workforce through education and training.

In 2015 we continued to build on the Group's safety performance by improving our reporting systems and focusing on accurate and timely reporting of all injuries, incidents and near misses, allowing us to prevent reoccurrence and target high risk areas. Currently, the Group's Lost Time Injury Frequency Rate (LTIFR) is 4.3%, which reflects the improvements made in reporting processes and is on par with current industry standard.

The Medically Recordable Injury Frequency Rate (MRIFR) has been reduced from 14.98 in September 2014 and is currently 4.2, this is a significant improvement over the past 12 months and demonstrates a decrease of 72% on 2014 figures due to improved injury management processes and procedures.

Throughout 2015 we identified livestock handling as a key target area to focus the Group's efforts to improve the wellbeing of our employees. The Group's safety training program was structured with a particular focus on improving knowledge and skills of those employees working in this high risk area.

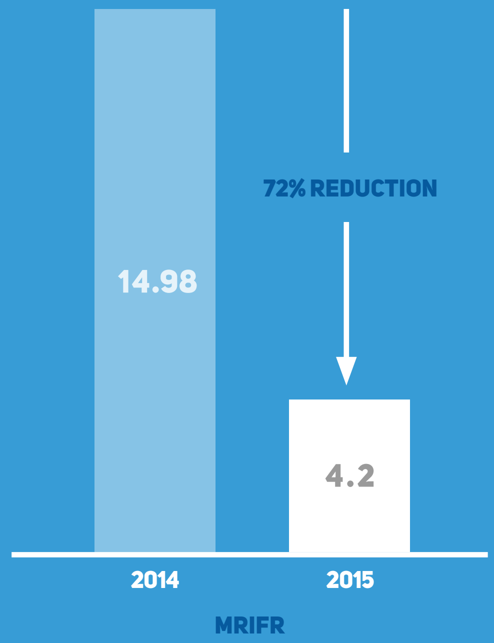
A significant start has been made in rolling out safety and animal handling workshops throughout the network and training continues to be made available to relevant staff. Key safety initiatives during the year included developing an interactive online livestock employee induction program, building ongoing awareness, delivering safety training, and updating procedures. These have delivered encouraging results with serious injuries sustained in livestock handling decreasing by over 50% in the 12 months to September 2015.

As part of Ruralco's commitment to continual improvement, we have achieved certification to accredited health, safety, environmental and quality standards in all of the Group's major distribution centres and commercial construction businesses – which we also apply to all of the Group's internal safety systems and processes.

Investment and a relentless commitment to continual improvement have embedded a strong safety culture throughout Ruralco's business units. 'Working with livestock' injuries has ceased being the highest reported hazard category despite being one of the highest risk injury categories in the business.

We continue to focus on all areas of safety. In 2016 we will build on the Group's increased expectations for the training of employees and safe work practices with an E-learning program focussed on addressing manual handling to minimise musculoskeletal injuries. We will also champion leadership engagement to promote safe work practices at all levels of the organisation. Maintaining a safe workplace is a key performance indicator for all Ruralco employees.

REDUCTION IN MEDICALLY RECORDED INJURY FREQUENCY RATE (MRIFR)



4.3% = INDUSTRY STANDARD

2015 LOST TIME INJURY FREQUENCY RATE (LTIFR)

RURALCO IS COMMITTED TO ACHIEVING OUR COMPANY GOAL OF

ZERO HARM

IN THE WORKPLACE

IN 2015 WE IDENTIFIED LIVESTOCK HANDLING AS A KEY TARGET AREA TO FOCUS THE GROUP'S EFFORTS TO IMPROVE THE WELLBEING OF OUR EMPLOYEES.

RISKS AND UNCERTAINTIES

Ruralco has a formal risk management process to support the identification and effective management of risks across the Group. It is regularly reviewed and adapted as the Company, industry and macro environment evolves.

Set out below are the key high impact/low likelihood (HILL) risks faced by Ruralco as well as specific strategic risks that drive our strategic priorities, how we consider these risks are mitigated and how they interact with our key strategic priorities detailed on page 11.

RISK	MITIGATING FACTORS	STRATEGIC PRIORITIES
HIGH IMPACT, LOW LIKELIHOOD RISKS (HILL)		
Financial Ruralco loses its line of funding with existing lenders or there is a collapse of a major bank impacting financial arrangements/availability of credit.	• The business is cash generative, exhibits tight control over working capital and has successfully raised additional equity funds to finance strategic growth when required. • Ruralco has access to diversified funding facilities from two major relationship banks comprising: - $60 million multi option facility, which is a short term revolving working capital facility; and a - $150 million debtor securitisation facility. • The low core gross debt levels that the Group exhibits suggest it would be able to access alternative sources of bank debt funding should that prove necessary.	1. 2. 3. 4.
Reputation An event with public interest that causes significant reputational and brand damage.	• The Group has a detailed escalation and crisis management policy in place, which is subject to regular review. • Senior executives serve as active members of live export industry boards to ensure the Group remains at the forefront of policy development as well as engaging an independent company to monitor full compliance with Exporter Supply Chain Assurance System (ESCAS) commitments.	3.
Safety There is a major health and safety incident that results in a significant loss of human life or injury.	• Ruralco has a dedicated, well-resourced Health & Safety team and policies and procedures are in place, with appropriate training for employees. • Regular inspections and training are undertaken at all sites, particularly with regard to livestock handling. Incident reporting protocols are well established and transparent, including appropriate escalation through Executive management to the Board.	3.
Changing marketplace/legislation There is a significant or unexpected change in regulation or legislation.	• Ruralco representatives are members of or regularly communicate with legislative and agricultural industry groups to monitor potential policy and regulatory developments.	1. 2. 3. 4.
Sovereign risk Through the Group's live export business, Frontier, livestock is purchased and sold to a number of countries each of which has separate regulatory regimes. These regimes often include factors such as tariffs, quotas and other compliance issues and can be influenced by free trade agreements. A significant change in any of these may have an adverse effect on Ruralco's business.	• Ruralco proactively monitors and responds to changes in government regulation in key jurisdictions, including Australia. • Senior executives of Frontier maintain contact with relevant government departments on an ongoing basis and engage actively with industry and trading bodies including Meat and Livestock Australia (MLA) and Austrade.	1.
Chemical/seed contamination Ruralco sells agricultural chemicals and seed products to its customers. The handling and sale of chemicals/seed involves risks that they are faulty, which could cost our customers money from destroyed crops/land, or that they may be harmful to the environment or dangerous to humans or livestock.	• Centralised procurement and supply chain management team in place who's responsibilities include the selection and monitoring of suppliers • The Group participates in the Agsafe accreditation and training program that delivers a national standard to assist compliance with government regulations for storage, handling, transport and recommendation of agricultural chemicals • The Group maintains an appropriate level of Professional Indemnity insurance	3. 4.

RISK	MITIGATING FACTORS	STRATEGIC PRIORITIES
	STRATEGIC RISKS	
Environmental Seasonal weather conditions (particularly below average rainfall) and natural events (such as extreme weather and abnormal pests and disease) can reduce the purchasing confidence and production prospects of customers and reduce ability to secure supply of livestock for live export.	• Ruralco operates a geographically diverse network of branches to reduce the risk of adverse weather conditions and other naturally occurring events. • Strategy to expand and leverage the network being pursued to reduce exposure to external seasonal risks by providing revenue streams that are either less sensitive or counter-cyclical to the prevailing conditions.	1. 2.
Loss of key people The agribusiness sector is commonly structured around long-term working relationships between customers and the staff of participant businesses. Loss of key people from Ruralco, whether a member, joint venture partner or staff can lead to revenue loss if customer loyalty to Ruralco is not retained.	• Ruralco's multiple channel footprint is designed to personalise the local operating structure to the interest and needs of our people. The provision of profit sharing mechanisms and succession planning results in a focus on the long-term alignment of interests. • The Group regularly reviews remuneration and short/long-term incentive policies to ensure they met industry benchmarks and reward loyalty of high performers. The Group's People & Culture strategy focuses on the recruitment and development of our future operational leaders. • The Group works to protect the goodwill and intellectual property inherent in our customer relationships with protective covenants in employment and other legal agreements.	1. 2. 3. 4.
Commodity prices Our agency business is conducted on a commission percentage basis therefore it is impacted by changes in the underlying value of livestock, wool and other commodities such as grain being marketed. Significant swings in prices in a given commodity category may reduce the commission income of the agency business and can impact farm profitability and business confidence levels, which can impact demand.	• Strategy to expand and leverage the network being pursued to reduce exposure to any one product or service. • Ruralco commonly utilises staff remuneration policies in commission-driven businesses that in part link remuneration to sales revenue. • Ruralco works to profitably increase our units handled in activities such as livestock, wool, grain and real estate to compensate for lower average prices.	1. 2. 3.
Competition Competitor pressure arises from: - price competition in commonly available rural supplies products. - approaches to our people and network representatives with rival offers of acquisition, employment or affiliation. - larger competitors with significant balance sheet capacity utilising that advantage to finance offers to customers on terms that are not commercial.	• All four strategic priorities are influential in defending and growing the business regardless of the competitive environment to provide service offerings that go beyond price only and provide operating structures that retain people in the long term who are embedded in local communities.	1. 2. 3. 4.
Acquisition execution The Group is pursuing a strategy that focuses on organic as well as acquisitive growth. The latter brings an increased risk of failure to execute appropriate due diligence, realise synergies or to successfully integrate.	• The Group has a dedicated business development team and makes use of professional advisors where required to work with management to appropriately assess acquisition opportunities. • Business cases are prepared for each investment opportunity that identify financial and non-financial factors regarding potential investments. These are considered by the Investment Committee for recommendation to the Board for approval. • Post-acquisition assessments and performance to business case are undertaken and reviewed.	1. 2. 3. 4.

RICHARD A F ENGLAND

FCA, MAICD
Non-executive Chair. Member of the Audit, Risk & Corporate Governance Committee, Investment Committee and the Nomination & Remuneration Committee.

Appointed to the Board as Chairman on 9 July 2002, Richard became Deputy Chairman at the time of the merger with Roberts Ltd in 2006 and was re-appointed Chairman on 5 February 2007.

Until 1984, Richard spent most of his professional career with Peat Marwick and Ernst & Young and its predecessor firms, first becoming a partner in 1982. He practiced in the areas of Corporate Recovery and Restructuring. Richard is a Non-executive Director of Macquarie Atlas Roads Limited, Nanosonics Limited and Japara Healthcare Limited. He was formerly a director and Chairman of Chandler Macleod Group Limited from February 2008 until April 2015. Richard brings to the Company over 30 years experience in the accounting and financial services profession as well as broad management experience.

TRAVIS DILLON

Adv Dip RBM, MAICD
Managing Director & CEO.

Travis joined Ruralco in 2007 and has held several senior leadership roles including General Manager – Mainland Operations, General Manager – Rural Retail and was appointed Managing Director & CEO on 16 November 2015.

During his tenure, Travis has overseen all Rural operations including livestock, wool, merchandise, live export and real estate. These businesses consist of joint venture and 100% owned operations and include some iconic rural services brands such as Rodwells, Primaries of WA, Grant Daniel Long, BGA AgriServices and Davidson Cameron & Co.

Travis has been involved with the agribusiness industry for over 20 years and has extensive experience in all activities across the group.

ROSS BURNEY

B.Ec

Appointed to the Board on 1 September 2014, Ross is Chief Executive Officer of Hume Partners. Ross is also a director of Taverners Group, Kaplan Equity Limited and Qube Holdings Ltd (member of the Audit Committee).

Ross was previously a director of The Maryborough Sugar Factory Ltd (MSF Sugar), Turners and Growers Ltd and Oncard International Ltd. Ross has over 20 years experience as an accountant, investment manager and CEO, together with a deep knowledge of the agricultural supply chain.

ELIZABETH JOHNSTONE

LLB, MA(Hons), BA(Hons), FAICD
Non-executive Director. Chair of the Audit, Risk & Corporate Governance Committee, Member of the Nomination and Remuneration Committee.

Appointed to the Board on 1 September 2014, Elizabeth is currently a director of ASX Compliance Pty Ltd, the KinCare Group of Companies (Chair), Macquarie University Hospital Operations Ltd (member of the Audit & Risk Committee) and the Royal Flying Doctor Service, South East Section (Chair of Audit & Risk Committee) and the Sydney Writers' Festival.

Elizabeth was previously a corporate partner and practice head for company law and governance at a top tier legal firm, and is a former Business and Professional Women's Association/QANTAS Business Woman of the Year.

Elizabeth brings significant experience in transformation programs, risk management and legal advice.

MICHAEL J MILLNER

MAICD
Non-executive Director. Chair of the Investment Committee.

Appointed to the Board in 2003, Michael resigned in June 2006 and was re-appointed in February 2007. Michael is a Director and Deputy Chairman of Brickworks Limited and, until 1 October 2012, was a Director and deputy Chairman of Washington H Soul Pattinson and Company Limited, a substantial shareholder in the Company.

Michael has extensive experience in the investment industry and is a Councillor of the Royal Agricultural Society of New South Wales and is Chairman of the Royal Agricultural Society of New South Wales (RAS) Foundation.

JOHN H TUSKIN

MAICD
Non-executive Director. Member of the Investment Committee and Audit, Risk & Corporate Governance Committee.

Appointed to the Board on 1 October 2013, John is the Managing Director of TP Jones & Co Pty Ltd, the CRT member in Youngtown and Longford, Tasmania. John is also a non-executive director of XLD Grain Pty Ltd, an independent grain trading business based in Tasmania, and previously served as chairman of the CRT National Council. John is involved at state level with various agricultural based steering committees.

John brings expertise in the agricultural sector, business, risk management and financial management.

TRUDY VONHOFF

MBA, BBus (Hons), GAICD, SF Fin
Non-executive Director, Chair Nomination and Remuneration Committee and Member of the Audit, Risk & Corporate Governance Committee.

Appointed to the Board on 1 September 2014, Trudy has held senior executive positions with Westpac and AMP. Her roles at Westpac included leading the Commercial Banking and Agribusiness unit nationally, Regional & Agribusiness Banking and prior to that, led the Bank's Operations function.

Trudy is currently a director of AMP Bank Limited, Cabcharge Australia Limited and Tennis NSW. Trudy chairs the Audit Committee for AMP Bank Limited, and the Audit and Risk Committee for Tennis NSW. Trudy has a Bachelor in Business from QUT, a Master of Business Administration from UTS, and is a graduate of the Australian Institute of Company Directors.

Trudy brings a strong financial and risk management background to the Group.

EXECUTIVE TEAM

TRAVIS DILLON

Adv Dip RBM, MAICD
Managing Director & CEO.

Travis joined Ruralco in 2007 and has held several senior leadership roles including General Manager – Mainland Operations, General Manager – Rural Retail and was appointed Managing Director & CEO on 16 November 2015.

During his tenure, Travis has overseen all Rural operations including livestock, wool, merchandise, live export and real estate. These businesses consist of joint venture and 100% owned operations and include some iconic rural services brands such as Rodwells, Primaries of WA, Grant Daniel Long, BGA AgriServices and Davidson Cameron & Co.

Travis has been involved with the agribusiness industry for over 20 years and has extensive experience in all activities across the group.

ADRIAN GRATWICKE

CA, Exec MBA, BA (Hons), GAICD
Chief Financial Officer.

Adrian was appointed Chief Financial Officer (CFO) of Ruralco Holdings Limited on 6 July 2015. Adrian brings almost 30 years experience in finance and accountancy spanning professional advisory and assurance with Price Waterhouse in London through to a number of Top 100 ASX Listed organisations within the resources and FMCG retail/wholesale sectors.

Adrian held the position of CFO at Metcash Limited for five years prior to joining Ruralco and prior to his role as CFO, held several senior positions at Metcash including General Manager Finance; General Manager, M&A, Risk and Investor Relations; National Commercial Manager, Metcash; National Commercial Manager, IGA Distribution; and National Accounting Manager, Davids Ltd. His experience within the resources sector includes senior positions at RGC Limited (now Iluka Limited) and Ampolex (oil explorer and producer acquired by Mobil).

Adrian is responsible for Group finance and reporting, treasury, IT, transactional services (AP, AR and credit), property, insurance, business development, risk and internal audit.

ELIZABETH HARDAKER

Adv Dip Man, MAHRI
General Manager - People & Culture.

Elizabeth joined Ruralco in May 2015 as our General Manager - People & Culture. Elizabeth has in excess of 15 years experience in human resources, gained from various industries including FMCG, Retail, Distribution, Services and Medical Devices.

RICK MAYBURY

BAS (Ag), Adv Dip BM
General Manager – Rural Supplies & Water Services.

Rick joined the Ruralco group in 2002 within the agronomy team and has held several senior leadership roles including National Category Manager (Crop Protection), National Merchandise Manager, and General Manager - Rural Supplies. In his current role as General Manager - Rural Supplies & Water Services, Rick is accountable for the national procurement team, supply chain and logistics functions, private label strategies, grain marketing activities, our water brokering network, and our specialist design and construct water services entities (Total Eden, Rob Rye Irrigation, and Archards Irrigation). Rick has been involved within the agribusiness industry for his entire career.

GREG O'NEIL

General Manager - CRT, Group Marketing & Communication.

Greg has over 30 years experience with CRT and is responsible for the merchandise business of the CRT/Town & Country membership, as well as marketing and communication for the Ruralco Holdings Limited Group. Greg has held various senior positions with the Company including marketing, category and state management and, since 1996, general management.

IAN PERRY

Grad Dip FSM, MAICD
General Manager Financial Services.

Ian joined Ruralco in October 2015 after a 35 year career with ANZ Banking Group Limited.

Ian has experience across all levels of banking and finance with a specialisation in Corporate and Institutional Agribusiness over the past 15 years, and has consulted in areas of Agribusiness Finance and Insurance in the past 12 months.

Ian has a passion to support the growth and development of Australian Agribusiness through facilitating innovative capital structures and insurance products.

ANGIE SOMANN-CRAWFORD

BA LLB, GAICD CSA (Cert)
Company Secretary & General Counsel.

Angie is Ruralco Holdings Limited's General Counsel and was appointed Company Secretary on 3 May 2011, having acted in the role in 2010.

In her role as General Counsel, Angie is responsible for all of the Group's legal functions and has over 16 years legal experience. Prior to being appointed General Counsel, Angie was the Group's Legal Counsel. She joined the Company in July 2008 with a background in corporate and commercial law, having worked as an associate at a boutique law firm specialising in complex commercial law.

STEVE WILLIAMS

Assoc Dip Mktg
General Manager - Ruralco Water Supplies.

Steve was appointed to the Ruralco executive team in September 2014 as General Manager - Total Eden Retail and Wholesale. Steve has a number of years senior management experience, ten of which are in the FMCG and apparel industries, most recently as Marketing Director Independent Distillers 2009-2011, and previously as Brand Director & Marketing Director at Levi Strauss Australia & New Zealand 2002 – 2008. Steve's experience spans retail, trade, and wholesale channels, across both B2C and B2B sectors.

The Directors present their report together with the audited financial statements of the consolidated entity consisting of Ruralco Holdings Limited ("the Company") and the entities it controlled at the end of and during the year ended 30 September 2015 (together "the Group"). The comparatives presented are for the year ended 30 September 2014 ("2014").

DIRECTORS AND COMPANY OFFICERS

Information regarding the Directors who served during the financial year can be found on pages 25-28 as well as the Executive team, which includes the CEO and the Company Secretary.

PRINCIPAL ACTIVITIES

During the year the principal activities of the Group were the sale and marketing of merchandise, fertiliser and financial services products to rural and related customers, the provision of agency services in relation to the sale of livestock, wool, grain marketing and real estate and the live export of cattle and sheep. There has been no change to the principal activities of the Group in the year.

DIVIDENDS

Dividends paid to members during the year were as follows:

	$000
Final dividend for year ended 30 September 2014: 8 cents	6,111
Interim dividend for year ended 30 September 2015: 9 cents	7,009
	13,120

Since the end of the financial year the directors have recommended the payment of a final dividend of 7 cents per share to be paid on 18 December 2015.

REVIEW OF OPERATIONS

The Group reported a profit for the year after tax of $18.8 million (2014: $14.2 million). Information on the operations and financial position of the Group and its business strategies and prospects is set out on pages 11-24 of this annual report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Travis Dillon was appointed to the position of CEO & Managing Director on 16 November 2015. No other significant changes occurred during the year other than those described in the review of operations on pages 17-18

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on the development of the Group is included in the CEO & Managing Director's Report and Review of Operations sections of this annual report.

The directors believe that to include further information on strategic matters, including acquisitions, and expected results of the Group would likely result in unreasonable prejudice. Accordingly no further information has been disclosed.

EVENTS SUBSEQUENT TO THE YEAR END

The Group has entered into an agreement to acquire the Mackay Rural group of companies for a total consideration of $3.9 million and a completion date of 1 October 2015. This transaction is deemed to be a business combination and will be accounted as such in the 2016 financial year.
[There is no other significant matter or circumstance that has arisen since 30 September 2015, which is not otherwise detailed in this annual report or consolidated financial statements.]

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year the Company paid a premium to insure current and former Directors, Secretaries and Executive Officers of the Company, its controlled entities and related bodies corporate. The contract of insurance prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.

The Company indemnifies Directors and Secretaries (and may indemnify Executive Officers) against any liability incurred in that capacity in defending any proceeds, whether civil or criminal, in which judgment is given in their favour or where they are acquitted or in connection with any relief granted for proceedings under the Corporates Act 2001.

The Company has not entered into any agreement to indemnify its auditor or paid any insurance premiums in respect of its auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

DIRECTORS' INTERESTS AND SHARE OPTIONS

No Director holds any interest or rights or options in debentures issued by the Company or its controlled entities. There are no contracts that confer a right for a Director to receive the above. Shareholdings held by the Directors and other key management personnel are set out on page 48 of the Remuneration Report. The rights in issued shares held by key management personnel are set out on page 45 of the Remuneration Report. No options are held over unissued shares.

NON-AUDIT SERVICES

The Group may engage the external auditor, KPMG, on assignments or projects in addition to its statutory audit duties where their expertise and experience with the Group are of benefit. Information on the amounts paid to the auditor for such services in the year are set out in Note 24 of the financial report.

The Board of Directors, in accordance with recommendations from the Audit, Risk & Corporate Governance Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence imposed by the Corporations Act 2001. The Directors are satisfied that the services did not compromise the independence of the auditor as all non-audit services have been reviewed by the Audit, Risk & Corporate Governance Committee to ensure they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

MEETINGS OF DIRECTORS

The number of meetings of the board of Directors and committees held during the year and each Directors' attendance at those meetings is set out below:

	BOARD		AUDIT, RISK & CORPORATE GOVERNANCE COMMITTEE		NOMINATION & REMUNERATION COMMITTEE		INVESTMENT COMMITTEE	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
R.A.F. England*	17	17	6	6	6	6	6	5
M.J. Millner*	17	16	-	6	-	3	6	6
J. Tuskin	17	17	6	6	-	5	6	5
R. Burney	17	17	-	4	6	4	6	6
E. Johnstone*	17	17	6	6	6	6	-	-
T. Vonhoff*	17	17	6	6	6	6	-	-
J. Maher	10	9	-	3	-	3	-	3

* Chair of Board/Committee

PRINCIPAL ACTIVITIES

ENVIRONMENTAL REGULATION

The Group's operations are subject to a range of Australian, state and territory environmental legislation and regulation including environmental regulations governing:

- the storage, handling and transportation of dangerous goods such as agricultural and veterinary chemicals and fertilisers;
- effluent management, dust and noise management at sales yards; and
- the sourcing, preparation, management and transportation of livestock through the supply chain to the point of slaughter in the destination country for livestock export.

The Directors are not aware of any material breaches of environmental regulations during the year and to the date of this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 50.

This report is made in accordance with a resolution of Directors

Richard A F England

Richard A F England
Chairman, Ruralco Holdings Limited

Dated at Sydney this 1st day of December 2015

REMUNERATION REPORT

ANNUAL STATEMENT TO SHAREHOLDERS

The Nomination & Remuneration Committee ('the Committee') presents the Remuneration Report for the year ended 30 September 2015. This report is split into the following sections:

1. Who are defined as key management personnel (KMP) for this report
2. The Remuneration Policy and the framework for remuneration of directors and executives including details on how the various elements of KMP remuneration have been determined for the year
3. The link between performance and the remuneration outcome for 2015
4. The remuneration expense recognised for KMP in 2015
5. Details on contractual arrangements with KMP
6. Additional statutory disclosures required by section 300A of the Corporations Act 2001 and Corporations Act Regulation 2M.3.03

CHANGES TO KMP

John Maher stepped down from his position as Managing Director on 4 May 2015 and ceased employment with the Group on 30 September 2015. Travis Dillon (General Manager- Rural Retail) commenced as Acting CEO from 4 May 2015.

Ruth Martin resigned as Chief Financial Officer ceasing employment with the Group on 10 July 2015 to accommodate the transition of the new CFO, Adrian Gratwicke, who commenced in the role on 6 July 2015.

Elizabeth Hardaker joined the Group as General Manager - People & Culture on 18 May 2015 and was appointed to the Executive Team on 22 July 2015.

PERFORMANCE IN 2015 AND IMPACT ON REMUNERATION OUTCOMES

The Group continued to pursue its strategic priorities in 2015 and has delivered an increased earnings per share and EBITDA. The remuneration paid to KMP reflects both the business operating environment and the financial outcomes as well as the approval by the Board of changes in KMP in the year.

This has resulted in STI outcomes ranging from 0%-72% of target level and 100% vesting of Performance Rights granted in 2012.

In addition, a 12.7% increase in non-executive director base fees were made in the year reflecting a 10% base fee increase and associated superannuation guarantee as well as the full year impact of an additional director serving on the Board. Fees remain within the cap approved by shareholders in February 2006.

ACTIVITIES UNDERTAKEN IN 2015

The Committee undertook the following activities in the year:

- Agreed the FY14 STI and LTI outcome for KMP
- Guerdon & Associates engaged to benchmark salaries
- Agreed KMP FY15 STI and LTI performance metrics and reviewed the framework for FY16 STI performance metrics for KMP and senior management.
- Conducted a review of the Group's Securities Trading Policy (taking into account ASX Guidance Note 27) and a review of the Committee's charter (taking into account the third edition of the ASX Corporate Governance Council Principles and Recommendations).
- KMP search processes undertaken
- Equal Employment Opportunity (EEO) and Diversity policy reviewed and approved.

Trudy Vonhoff
Chair, Nomination & Remuneration Committee

SECTION 1: KEY MANAGEMENT PERSONNEL (KMP)

1.1 KMP COVERED IN THIS REPORT AND CHANGES IN THE YEAR

KMP are persons having the authority and responsibility for planning, directing and controlling activities of the Group, whether directly or indirectly. For the purposes of this report, the Group defines these personnel as the Board of Directors and the members of the Executive team. Set out below are those KMP covered by this report for the current and prior year disclosures:

NAME	POSITION	STATUS CHANGE IN FY15
DIRECTORS		
Richard A.F. England	Chairman	
Ross A. Burney	Non-Exec Director	
Elizabeth M. Johnstone	Non-Exec Director	
Michael J. Millner	Non-Exec Director	
John H. Tuskin	Non-Exec Director	
Trudy J. Vonhoff	Non-Exec Director	
EXECUTIVES		
Travis Dillon	Acting CEO	Appointed as Acting CEO on 4 May 2015
Adrian Gratwicke	Chief Financial Officer	Commenced as KMP from 6 July 2015
Rick Maybury	General Manager – Rural Supplies & Water Services	
Greg O'Neil	General Manager - CRT, Marketing & Communication	
Angie Somann-Crawford	General Counsel & Company Secretary	
Elizabeth Hardaker	General Manager – People & Culture	Commenced as KMP from 22 July 2015
Steve Williams	General Manager – Water Supplies	
John Maher	Former Managing Director and CEO	Ceased to be a KMP from 4 May 2015
Ruth Martin	Former Chief Financial Officer	Ceased to be a KMP from 10 July 2015

Included in the comparative KMP expense disclosures are the following directors and executives that ceased to be KMP during the prior year:

NAME	POSITION	STATUS CHANGE IN FY14
Bruce Dixon	Non-Exec Director	Resigned 17 April 2014
Michele Allan	Non-Exec Director	Resigned 16 May 2014
Allan Barr	General Manager – Tasmania Operations	Ceased to be a KMP from 3 September 2014
Richard Norton	General Manager – Network Development	Ceased to be a KMP from 20 May 2014

SECTION 2: REMUNERATION POLICY

Our Nomination & Remuneration Committee is made up of independent non-executive directors. The Committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. The key principles of the Remuneration Policy for Executives are:

- remuneration must reflect the market in which the Group operates;
- the achievement of Group results will be supported through the use of key performance indicators in remuneration structures; and
- remuneration is to be linked to the creation of value to shareholders and rewards both financial and non-financial performance.

2.1 REMUNERATION FRAMEWORK – NON-EXECUTIVE DIRECTORS

The Non-executive Directors receive fees (including statutory superannuation) and are entitled to be reimbursed for reasonable expenses. The remuneration consists of a base fee, with the chair and members of each of the committees receiving additional amounts commensurate with their responsibilities. The Chairman does not receive additional fees for participating in or chairing committees.

Fees are generally reviewed annually by the Committee and the Board, having regard to companies of similar complexity and size. The maximum annual aggregate directors' fee limit is $700,000, which was approved by shareholders at the annual general meeting of 9 February 2006.

From time to time the Committee will recommend to the Board certain extraordinary fees to Non-Executive Directors as remuneration for performing additional duties above and beyond committee memberships. Approval of such fees are made with regard to the aggregate fee pool noted above.

The current base fees were reviewed with effect from 1 April 2015. Those fees applicable for the current and prior financial year are set out below:

FEE TYPE	FROM 1 APRIL 2015	FROM 1 APRIL 2014 TO 31 MARCH 2015[1]	FROM 1 OCTOBER 2011 TO 31 MARCH 2014[2]
BASE FEES			
Chair	**180,000**	180,000	160,367
Other non-executive directors	**81,500**	66,306	60,140
ADDITIONAL FEES			
Audit, Risk & Corporate Governance - Chair	**24,090**	24,090	21,850
Audit, Risk & Corporate Governance - Member	**6,022**	6,022	5,463
Nomination & Remuneration Committee - Chair	**12,045**	12,045	10,925
Nomination & Remuneration Committee - Member	**6,022**	6,022	5,463
Investment Committee - Chair	**12,045**	12,045	10,925
Investment Committee - Member	**6,022**	6,022	5,463

[1] Incorporating the SG increase from 9.25% to 9.5% effective 1 July 2014
[2] Incorporating the SG increase from 9% to 9.25% effective 1 July 2013

Non-executive Directors have no entitlement to performance-based pay or to participate in any share-based incentive schemes. This does not prevent directors holding shares in Ruralco, subject to the Securities Trading Policy available at www.ruralco.com.au.

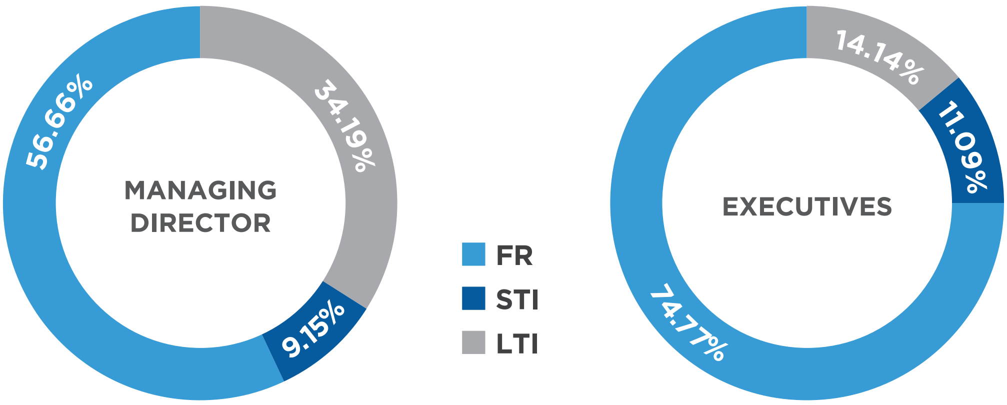
2.2 REMUNERATION FRAMEWORK – EXECUTIVE KEY MANAGEMENT PERSONNEL

The remuneration framework for the KMP is comprised of three main elements:

ELEMENT	PURPOSE	PERFORMANCE METRICS	POTENTIAL VALUE	CHANGES FOR FY16
FIXED REMUNERATION (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Continued employment and adherence to Group's policies and procedures. Non-monetary benefits commensurate to the position	At or near market median rate	4.8% increase in total KMP base salary approved by the Committee
STI	Reward for in-year performance	**Qualitative:** Safety based on lost time injury frequency rates (LTIFR) and other individual performance metrics **Quantitative:** Return on capital employed (ROCE), budgeted underlying EBITDA and PBT, and budgeted revenue	CEO & CFO: 50% of FR Executives: 30% of FR	STI gateway of achieving a minimum of 80% of budgeted Group EBITDA
LTI	Alignment to long-term shareholder value	ROE, Total Shareholder Return, budgeted EBITDA, budgeted revenue Assessed over a 3 year period	CEO & CFO: 75% of FR Executives: 50% of FR	n/a

BALANCING SHORT TERM AND LONG TERM PERFORMANCE

Remuneration levels and mix are reviewed annually and upon change of position with individual remuneration determined by reference to the Group's remuneration mix policy, available market data and consideration of individual factors. The 2015 remuneration mix is outlined below:



ASSESSING PERFORMANCE

The Committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the Committee receives reports on performance from management, which are based on independently verifiable data such as financial measures, market share and data from independently run surveys.

2.2.1 FIXED REMUNERATION (FR)

Fixed remuneration may be received as cash and/or cash with non-monetary benefits such as salary sacrifice arrangements for motor vehicles and additional superannuation. Each executive received a base salary during the year ended 30 September 2015.

The weighted average salary increase for the executive team (including the Acting CEO) from 2014 to 2015 was 7.6%.

2.2.2 VARIABLE REMUNERATION - STI

The STI is a cash bonus incentive based on performance outcomes measured over a single financial year.

MANAGING DIRECTOR

The structure of the STI for the former Managing Director, John Maher during the year was as follows:

<table>
<tr><th>FEATURE</th><th colspan="4">DESCRIPTION</th></tr>
<tr><td colspan="5">SHORT-TERM INCENTIVES</td></tr>
<tr><td>MAX OPPORTUNITY</td><td colspan="4">Managing Director: 50% of fixed remuneration</td></tr>
<tr><td rowspan="5">PERFORMANCE METRICS</td><td colspan="4">The STI metrics align with our strategic priorities of market competitiveness, operational excellence and safety, shareholder value and fostering talent and engaged people.</td></tr>
<tr><td>METRIC</td><td>TARGET</td><td>WEIGHTING</td><td>REASON FOR SELECTION</td></tr>
<tr><td>Underlying EBITDA[3]</td><td>Greater than 90% of budgeted Group EBITDA</td><td>40%</td><td rowspan="2">Support the business to achieve Group stretch budgeted financials</td></tr>
<tr><td>Revenue</td><td>Greater than 95% of budgeted Group revenue</td><td>30%</td></tr>
<tr><td>Individual performance metrics</td><td>Qualitative measures including maintaining satisfactory Group safety performance, team development and succession planning and how well he performs his role in anticipating and responding to competitor activity.</td><td>30%</td><td>Targeted metrics have been chosen that are critical to individual roles</td></tr>
<tr><td>DELIVERY OF STI</td><td colspan="4">Paid in cash by 31 December following the end of the performance period or within 3 months of a capital event</td></tr>
<tr><td>BOARD DISCRETION</td><td colspan="4">The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing down to zero if appropriate or up as a discretionary bonus (capped at 50% of the maximum STI payable in respect of a performance period).</td></tr>
</table>

[3] Underlying EBITDA means reported earnings before interest, tax, depreciation and amortisation including share of profits from equity allowed investees adjusted to remove the impact of significant items (pre-tax).

EXECUTIVES

The structure of the STI for other executives during the year was as follows:

<table>
<tr><th>FEATURE</th><th colspan="4">DESCRIPTION</th></tr>
<tr><td colspan="5">SHORT-TERM INCENTIVES</td></tr>
<tr><td>MAX OPPORTUNITY</td><td colspan="4">Executives: 30% of fixed remuneration. CFO & Acting CEO: 50% of fixed remuneration.
Pro-rated for days employed in the performance period.</td></tr>
<tr><td rowspan="9">PERFORMANCE METRICS</td><td colspan="4">The STI metrics align with our strategic priorities of market competitiveness, operational excellence and safety, shareholder value and fostering talent and engaged people.</td></tr>
<tr><td>METRIC</td><td>TARGET</td><td>WEIGHTING</td><td>REASON FOR SELECTION</td></tr>
<tr><td>Safety</td><td>Maintain LTIFR at same level or better, 100% compliance to Group's safety policies and procedures</td><td>10%</td><td>Goal of zero harm across the Group</td></tr>
<tr><td rowspan="2">Underlying PBT[4]</td><td>Greater than 95% of budget Group uPBT</td><td>15%</td><td rowspan="2">Support the business to achieve Group stretch budgeted financials and align to financial goal of</td></tr>
<tr><td>Greater than 95% budget divisional uPBT</td><td>15%</td></tr>
<tr><td rowspan="2">Underlying ROCE[5]</td><td>Greater than 90% of budget Group ROCE</td><td>10%</td><td rowspan="2">Measures efficiency of capital usage of the Group and division</td></tr>
<tr><td>Greater than 90% of budget divisional ROCE</td><td>10%</td></tr>
<tr><td>Individual performance metrics</td><td>Specific to individuals but include employee performance management and staff engagement</td><td>40%</td><td>Targeted metrics have been chosen that are critical to individual roles</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td>DELIVERY OF STI</td><td colspan="4">Paid in cash by 31 December following the end of the performance period or within 3 months of a capital event provided they are still employed on the payment date.</td></tr>
<tr><td>BOARD DISCRETION</td><td colspan="4">The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing down to zero if appropriate.</td></tr>
</table>

[4] Underlying PBT means statutory profit before tax adjusted to remove the impact of significant items (pre-tax)
[5] Return on capital employed (underlying) = Underlying EBITDA/12 month average total capital employed

The table above reflects the performance metrics and weightings of profit centre executives, where the respective divisional financial performance is also measured.

Following his appointment as CFO, the weighting of financial performance metrics for Adrian Gratwicke's STI were as follows:

- 30% on achieving greater than 95% of budgeted Group uPBT
- 20% on achieving greater than 90% of budgeted Group ROCE

Following his appointment as Acting CEO on 4 May 2015, the STI performance metrics and weightings for Travis Dillon were amended to reflect the following:

- 10% on achieving safety targets (consistent with other executives)
- 40% on achieving greater than 95% of budgeted Group uPBT
- 20% on achieving greater than 90% of budgeted Group ROCE
- 30% on individual performance metrics

The STI performance metrics and weightings for other back office executives including the General Manager – People & Culture and Company Secretary & General Counsel were as follows:

- 15% on achieving greater than 95% of budgeted Group uPBT
- 15% on achieving greater than 90% of budgeted Group ROCE
- 60% on individual performance metrics

2.2.3 VARIABLE REMUNERATION - LTI

The Executive Incentive Plan was established to provide Long Term Incentives (LTIs) for executives. Under the Incentive Plan, participants are granted Performance Rights to acquire one ordinary fully paid Ruralco Holdings Limited share, at no cost, that only vest if certain time based and performance based vesting conditions are met. Participation in the Incentive Plan is at the Board's discretion and no individual has a contractual right to participate in the Incentive Plan or to receive any guaranteed benefits.

The amount of Performance Rights granted is calculated as the opportunity for the individual divided by the market value of each Ruralco share (calculated as the volume weighted average price of each Ruralco share on the ASX over the 5 trading days up to the date of grant).

MANAGING DIRECTOR

The former Managing Director, John Maher, was granted tranches under the Executive Incentive Plan in the current and prior years that each have 3 year performance periods. Those that impact the year ended 30 September 2015 include:

- 1 October 2011 tranche – Tested on 1 October 2014 at the end of his 3 year performance period
- 1 October 2012 tranche – To be tested on 1 October 2015 at the end of his 3 year performance period
- 1 October 2013 tranche – To be tested on 1 October 2015 with pro rata vesting for a good leaver in accordance with the rules of the Executive Incentive Plan

FEATURE	DESCRIPTION	
LONG-TERM INCENTIVES		
MAX OPPORTUNITY	Managing Director: 75% of fixed remuneration.	
PERFORMANCE HURDLE	For those tranches tested in the year or still to be tested, TSR measure based on comparison to the S&P/ASX Small Ordinaries Accumulation Index is used.	
	COMPANY TSR PERFORMANCE	**VESTING %**
	Less than the index return	0%
	Matches the index return	50%
	Exceeds the index return plus an additional 24.23% over the performance period (equivalent to the index return plus an additional compound average annual return of 7.5% over the 3 years)	100%
FORFEITURE AND TERMINATION	Performance Rights will lapse if performance conditions are not met. Any Performance Rights not vested before the Managing Director leaves the employment of Ruralco will automatically be forfeited unless he is a 'good leaver' in which case the rights are tested in the normal manner as at the employment termination date and vest pro-rata.	
RESTRICTIONS	Upon vesting, any disposal of shares held under the Plan is subject to Board approval while the Managing Director remains in employment with the Company. Shares can only be disposed of during agreed trading windows, in accordance with the Company's Share Trading Policy.	

In addition to the above, in accordance with his service contract Mr Maher was granted 400,000 tenure related Performance Rights on 30 September 2012 that vested proportionately each year on 30 September up until 30 September 2012 to 30 September 2015 vesting of tranches occurred subject to Mr Maher being employed on that date and the achievement by the Group of budgeted EBITDA and revenue for the respective performance periods. The Board may at its discretion determine that part or all of the rights may vest if a vesting condition is not met.

EXECUTIVES

The Executives were granted tranches under the Executive Incentive Plan in the current and prior years that each have 3 year performance periods. Those that impact the year ended 30 September 2015 include:

- 1 October 2011 tranche – Tested on 1 October 2014 at the end of their 3 year performance period
- 1 October 2012 tranche – To be tested on 1 October 2015 at the end of their 3 year performance period
- 1 October 2014 tranche – Granted in the year

<table>
<tr><th>FEATURE</th><th colspan="3">DESCRIPTION</th></tr>
<tr><td colspan="4">LONG-TERM INCENTIVES</td></tr>
<tr><td>MAX OPPORTUNITY</td><td colspan="3">Executives: 50% of fixed remuneration.</td></tr>
<tr><td rowspan="8">PERFORMANCE HURDLE</td><td>Grant date:
1-Oct 2011</td><td colspan="2">Company's average annual ROE[6] of at least 9% required over the 3 year performance period before any Performance Rights under this tranche will vest. 20% will vest if this threshold hurdle is achieved.
Performance rights will then vest on a sliding scale to 100% vesting if the Company achieves 13% ROE or better.</td></tr>
<tr><td rowspan="6">Grant dates:
1-Oct 2012</td><td colspan="2">Choice of two performance hurdles (based on the test applied to the Managing Directors' rights at the discretion of the Board):
• Company's average annual ROE of at least 9.5% required over the 3 year performance period before any Performance Rights under this tranche will vest. 20% will vest if this threshold hurdle is achieved. Performance rights will then vest on a sliding scale to 100% vesting if the Company achieves 13.5% ROE or better.
Or:
• TSR measure based on comparison to the S&P/ASX Small Ordinaries Accumulation Index is used with vesting as per the below:</td></tr>
<tr><td>COMPANY TSR PERFORMANCE</td><td>VESTING %</td></tr>
<tr><td>Less than the index return</td><td>0%</td></tr>
<tr><td>Matches the index return</td><td>50%</td></tr>
<tr><td>Exceeds the index return plus an additional 24.23% over the performance period (equivalent to the index return plus an additional compound average annual return of 7.5% over the 3 years)</td><td>100%</td></tr>
<tr><td colspan="2">Pro-rata vesting occurs where Ruralco's TSR performance over the 3 years is between the index return and the level at which full vesting will apply.</td></tr>
<tr><td>Grant dates:
1-Oct 2013
1-Oct 2014</td><td colspan="2">TSR measure based on comparison to the S&P/ASX Small Ordinaries Accumulation Index is used with vesting consistent with the above</td></tr>
<tr><td>FORFEITURE AND TERMINATION</td><td colspan="3">Performance Rights will lapse if performance conditions are not met. Any Performance Rights not vested before the executive leaves the employment of Ruralco will automatically be forfeited. Exception if they are a 'good leaver' than the rights are tested in the normal manner as at the employment termination date and vest pro-rata.</td></tr>
<tr><td>RESTRICTIONS</td><td colspan="3">Upon vesting, any disposal of shares held under the Plan is subject to Board approval while they remain in employment with the Company. Shares can only be disposed of during agreed trading windows, in accordance with the Company's Share Trading Policy.</td></tr>
</table>

[6] Return on equity (underlying) = Underlying NPAT/Average shareholders' equity for the performance period

SECTION 3: LINK BETWEEN REMUNERATION AND PERFORMANCE IN FY15

3.1 STATUTORY PERFORMANCE INDICATORS

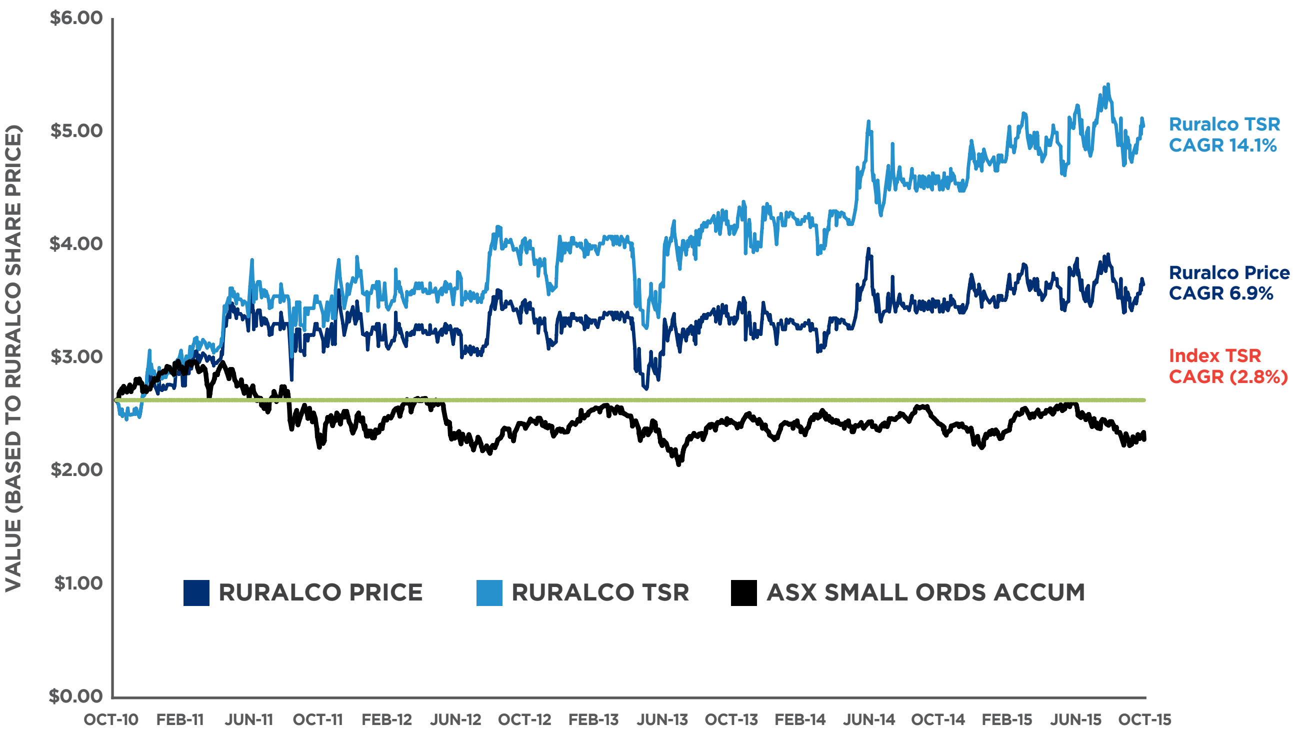
We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001.

YEAR ENDED 30 SEPTEMBER	2015	2014	2013	2012	2011
Profit for the year attributable to owners of Ruralco Holdings Limited ($000)	14,057	10,565	5,738	13,849	14,979
Basic earnings per share (cents)	18.03	15.27	10.49	25.46	27.22
Dividends paid ($000)	13,192	11,654	10,912	10,418	9,354
Closing share price ($)	$3.60	$3.41	$3.35	$3.40	$3.25

As these statutory measures are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP (see section 2.2.2 and 2.2.3), there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded. The table below shows these adjusted performance measures over the last 5 years. Commentary on the results for the current year is included in the Finance and Performance Review.

YEAR ENDED 30 SEPTEMBER	2015	2014	2013	2012	2011
Revenue ($000)	1,599,862	1,355,887	1,133,116	1,136,314	1,003,186
Underlying EBITDA ($000)	51,166	43,469	31,687	44,728	44,815
Underlying Profit before tax ($000)	34,853	27,786	18,735	32,329	32,865
Underlying Return on capital employed (ROCE) (%)	17.0%	15.20%	12.40%	17.90%	19.30%
Underlying Return on equity (ROE) (%)	8.7%	7.80%	5.70%	10.0%	11.50%

The graph below compares the Ruralco TSR over the past 5 years to the ASX Small Ordinaries Index used as a LTI vesting condition.



Source: S&P Indices

3.2 PERFORMANCE AGAINST KEY MEASURES AND IMPACT ON VARIABLE REMUNERATION IN FY15

FORMER MANAGING DIRECTOR – JOHN MAHER

STI

There was a 40% vesting of the former Managing Director's maximum STI equating to a cash payment of $171,800 to be paid in accordance with the STI scheme rules and the former Managing Director's contract.

LTI

The TSR performance test applicable to 1 October 2012 (Tranche 7) and 1 October 2013 (Tranche 8) grants of the Managing Director's LTI were tested as at 30 September 2015. Tranche 8 on a pro-rata basis pursuant to Mr Maher's employment contract. As a result, 100% of the rights eligible for vesting in Tranches 7 and 58% of the Tranche 8 rights vested (Tranche 7: 172,290 rights and Tranche 8: 107,061 rights). The latter was reduced from 67% pro-rated amount in accordance with the statutory termination cap of the Corporation Act 2001.

The 150,000 tenure related rights, which were eligible for testing pursuant to Mr Maher's employment contract, lapsed and did not vest on 30 September 2015 as the performance metric of achievement of budgeted EBITDA was not met for that performance period.

EXECUTIVES

The performance against key measures and the impact on variable remuneration for Executives is set out below:

METRIC	TARGET	PERFORMANCE	IMPACT ON INCENTIVE AWARD
STI			
SAFETY	Maintain LTIFR at same level or better, 100% compliance to Group's safety policies and procedures	Met	Target
UNDERLYING PBT	Greater than 95% of budget Group and/or divisional uPBT	Not met	Not achieved
UNDERLYING ROCE	Greater than 90% of budget Group and/or divisional ROCE	Not met	Not achieved
INDIVIDUAL PERFORMANCE METRICS	Qualitative measures	Met	Target
LTI			
ROE (Relevant for 2011 grant that vested on 1 October 2014)	Greater than 9% average annual ROE	Not met	Not achieved
TSR PERFORMANCE (Relevant for 2012 grant that vested on 1 October 2015)	Equal to or greater than S&P/ASX Small Ordinaries Index Return	25.93% vs 20.61% Met	Above target

Based on the results above, the amount of performance based remuneration granted and forfeited to KMPs for 2015 performance

	TOTAL STI BONUS			LTI PERFORMANCE RIGHTS		
	TOTAL OPPORTUNITY $	AWARDED %	FORFEITED %	VALUE GRANTED* $	VALUE VESTED* $	VALUE LAPSED* $
Travis Dillon	189,935	69%	31%	117,388	91,977	(71,323)
Adrian Gratwicke	75,945	50%	50%	90,000	-	-
Rick Maybury	108,405	66%	34%	85,157	56,883	-
Greg O'Neil	98,310	51%	49%	87,371	72,799	(71,815)
Angie Somann-Crawford	63,432	71%	29%	89,416	62,931	(59,026)
Elizabeth Hardaker	32,058	72%	28%	-	-	-
Steve Williams	87,000	66%	34%	71,751	-	-
John Maher	428,500	40%	60%	-	1,243,959	619,276
Ruth Martin	222,501	-	100%	122,059	-	(122,059)

* Value of Performance Rights granted/vested/lapsed calculated in accordance with AASB 2 Share-based payments at date of grant fair value, see section 6.2.

SECTION 4: REMUNERATION EXPENSE FOR KMP

4.1 REMUNERATION EXPENSE FOR KMP

The following table shows details of the remuneration expense recognised in profit or loss for the Group's Non-Executive Directors and Executive key management personnel for the current and prior year. Amounts disclosed are measured in accordance with the requirements of accounting standards and disclosed in accordance with the requirements of Section 300A of the Corporations Act 2001 and Regulation 2M.3.03.

		FIXED REMUNERATION					VARIABLE REMUNERATION		
NAME	YEAR	CASH SALARY/ FEES	NON-MONETARY BENEFITS	OTHER LONG-TERM BENEFITS	POST-EMPLOYMENT BENEFITS	OTHER	CASH BONUSES (STI)	SHARE BASED PAYMENTS (LTI)[7]	TOTAL
Richard A.F England	**2015**	**164,773**	**-**	**-**	**15,655**	**-**	**-**	**-**	**180,428**
	2014	160,288	-	-	21,405	70,000[8]	-	-	251,693
Michael J Millner	**2015**	**77,913**	**-**	**-**	**7,632**	**-**	**-**	**-**	**85,545**
	2014	82,725	-	-	7,707	-	-	-	90,432
John H Tuskin	**2015**	**77,913**	**-**	**-**	**7,457**	**-**	**-**	**-**	**85,370**
	2014	74,804	-	-	6,978	-	-	-	81,782
Trudy Vonhoff	**2015**	**83,414**	**-**	**-**	**7,979**	**-**	**-**	**-**	**91,393**
	2014	5,046	-	-	479	-	-	-	5,525
Ross Burney	**2015**	**77,913**	**-**	**-**	**7,457**	**-**	**-**	**-**	**85,370**
	2014	5,046	-	-	479	-	-	-	5,525
Elizabeth Johnstone	**2015**	**94,414**	**-**	**-**	**9,024**	**-**	**-**	**-**	**103,438**
	2014	5,046	-	-	479	-	-	-	5,525
Bruce Dixon	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	40,113	-	-	3,710	-	-	-	43,823
Michele Allan	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	50,037	-	-	4,628	-	-	-	54,665
TOTAL NON-EXECUTIVE DIRECTORS	**2015**	**576,340**	**-**	**-**	**55,204**	**-**	**-**	**-**	**631,544**
	2014	423,105	-	-	45,865	70,000	-	-	538,970
Travis Dillon	**2015**	**447,898[9]**	**22,369**	**-**	**28,510**	**-**	**130,000**	**117,852**	**746,629**
	2014	375,641	21,996	-	34,983	-	80,641	58,040	571,301
Adrian Gratwicke	**2015**	**146,019**	**-**	**-**	**4,827**	**-**	**38,000**	**10,000**	**198,846**
	2014	-	-	-	-	-	-	-	-
Rick Maybury	**2015**	**322,591**	**15,310**	**-**	**30,646**	**-**	**72,000**	**77,980**	**518,527**
	2014	262,150	15,167	-	24,421	-	38,250	32,829	372,817
Greg O'Neil	**2015**	**279,968**	**21,175**	**-**	**35,322**	**-**	**50,000**	**89,434**	**475,899**
	2014	263,397	9,706	-	42,968	-	92,339	36,521	444,931
Angie Somann-Crawford	**2015**	**219,680**	**-**	**-**	**22,920**	**-**	**45,000**	**86,882**	**374,482**
	2014	209,383	-	-	19,445	-	23,625	33,604	286,057
Elizabeth Hardaker	**2015**	**97,496**	**-**	**-**	**9,262**	**-**	**23,000**	**-**	**129,758**
	2014	-	-	-	-	-	-	-	-
Steve Williams	**2015**	**271,210**	**-**	**-**	**18,785**	**-**	**57,000**	**17,938**	**364,933**
	2014	19,499	-	-	1,565	-	-	-	21,064
John Maher	**2015**	**799,000**	**19,144**	**-**	**25,009**	**617,896**	**171,800**	**244,313**	**1,877,162**
	2014	799,000	32,735	-	25,011	-	336,488	614,450	1,807,684
Ruth Martin	**2015**	**330,604**	**-**	**-**	**14,790**	**125,754**	**-**	**155,134**	**626,282**
	2014	334,652	4,592	-	15,975	-	-	22,162	377,381
Allan Barr	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	216,628	12,726	-	20,065	-	46,857	38,617	334,893
Richard Norton	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	96,111	-	-	8,890	5,923	-	-	110,924
TOTAL EXECUTIVES	**2015**	**2,914,466**	**77,998**		**190,071**	**743,650**	**586,800**	**799,533**	**5,312,518**
	2014	2,576,461	96,922	-	193,323	5,923	618,200	836,223	4,327,052
TOTAL KMP REMUNERATION EXPENSE	**2015**	**3,490,806**	**77,998**	**-**	**245,275**	**743,650**	**586,800**	**799,533**	**5,944,062**
	2014	2,999,566	96,922	-	239,188	75,923	618,200	836,223	4,866,022

7 Amount disclosed for share based payment expense is the current year expense recognised in profit or loss for Performance Rights granted in the current and prior years that have not yet vested. This also includes adjustments for those that have forfeited during the year (i.e. on resignation).

8 In the prior year the Chair received an extraordinary fee of $70,000 for his additional duties and workload while the Company pursued a number of strategic objectives

9 Upon appointment as Acting CEO on 4 May 2015, Travis Dillon received a higher duties allowance of $129,688

OTHER FIXED REMUNERATION

Included in "Other" remuneration in the current year are amounts paid to the former Managing Director and CFO when they left the Company. Details of these payments are set out below.

JOHN MAHER

Mr Maher's employment ended on 30 September 2015 and the Company made a payment in lieu of the balance of his notice period of $480,667 on 30 September 2015, which was taxed as an Employment Termination Payment (ETP).

The final payment to Mr Maher for his accrued annual leave, accrued long service leave less tax was $137,230 on 30 September 2015.

RUTH MARTIN

Ruth Martin received a retention payment of $85,000 in recognition of her extended notice period and her performance against KPI's up until her date of resignation. The final payment to Ms Martin for her accrued annual leave less tax was $40,754 on 10 July 2015.

4.2 RELATIVE PROPORTIONS OF FIXED VS VARIABLE REMUNERATION EXPENSE

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the table above.

	FIXED REMUNERATION		STI		LTI	
NAME	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Travis Dillon	**67%**	76%	**17%**	14%	**16%**	10%
Adrian Gratwicke	**76%**	-	**19%**	-	**5%**	-
Rick Maybury	**71%**	81%	**14%**	10%	**15%**	9%
Greg O'Neil	**70%**	71%	**11%**	21%	**19%**	8%
Angie Somann-Crawford	**65%**	80%	**12%**	8%	**23%**	12%
Elizabeth Hardaker	**82%**	-	**18%**	-	**-**	-
Steve Williams	**79%**	100%	**16%**	-	**5%**	-
John Maher	**78%**	47%	**9%**	19%	**13%**	34%
Ruth Martin	**75%**	94%	**-**	-	**25%**[1]	6%

[1] The share based payment expense for Ruth Martin is an accounting outcome of the recognition of expenses under AASB 2 given her early exit from the incentive scheme.

SECTION 5: CONTRACTUAL ARRANGEMENTS WITH KMP

NON-EXECUTIVE DIRECTORS

All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

EXECUTIVES

In accordance with Board policy, the service contracts for the have no fixed term. The contracts outline the remuneration to be paid at the commencement of the contract and how remuneration levels are to be reviewed from year to year. Contract terms are reviewed periodically and revised if required. Specific details of the service contracts are set out in the table below:

COMPONENT		CEO	OTHER EXECUTIVES
CONTRACT DURATION		Ongoing contract	
NOTICE INITIATED BY THE INDIVIDUAL/ COMPANY		6 months/12 months	3 months/6 months
TERMINATION OF EMPLOYMENT (WITHOUT CAUSE)	STI	Entitlement to pro-rata STI for the year	
	LTI	The Board has the discretion to allow the vesting of LTI performance rights upon ceasing employment.	
TERMINATION OF EMPLOYMENT (WITH CAUSE) OR BY THE INDIVIDUAL	STI	STI is not awarded, and all unvested LTI will lapse	STI is not awarded, and all unvested LTI will lapse
	LTI	No LTI Performance Rights will vest where the Executive ceases employment due to termination by the Company for breach, misconduct/neglect or a criminal offence, does not satisfy the performance hurdles or has acted fraudulently or dishonestly or has brought the Company into disrepute.	
CHANGE OF CONTROL	STI	Pro rata portion of STI for that performance period (calculated as no. of days between start of performance period and capital event divided by no. of days in performance period) at the discretion of the Board	
	LTI	Any LTI Performance Rights in respect of the period, which had been granted but not yet vested, will all vest (subject to the relevant performance conditions)	Any LTI Performance Rights in respect of the period, which had been granted but not yet vested, will vest on a pro rata basis subject to Board discretion.

Different contractual terms apply to the following individuals:

- Adrian Gratwicke received a sign-on offer of 50,000 performance rights with a testing date of 30 September 2018. If a capital event occurs all of his LTI performance rights granted will vest.
- Following his appointment as Acting CEO on 4 May 2015, Travis Dillon received a higher duties allowance of $129,688.

On 16 November 2015, it was announced by the Board that Travis Dillon would be appointed as Managing Director and Chief Executive Officer of the Group from that date. Key terms of his employment are as follows:

COMPONENT	CEO
CONTRACT DURATION	Ongoing
NOTICE INITIATED BY THE INDIVIDUAL/COMPANY	6 months/6 months
FIXED REMUNERATION	$750,000 (including salary, superannuation and any salary sacrificed benefits)
VARIABLE REMUNERATION	**STI** • Annual short term incentive (STI) with a target STI of 50% of his annual fixed remuneration and a stretch target of 80% subject to the Board's assessment of his achievement of applicable performance targets. • Awarded in equal proportions as a Cash STI and a Deferred STI. Any Deferred STI will take the form of a non-cash award, which will be deferred for 12 months from the award date. • Subject to clawback where the Board becomes aware of a material financial misstatement or dishonest or fraudulent conduct by Mr Dillon which would have impacted the Board's determination of the STI award
	LTI • Award of performance rights for the financial year commencing 1 October 2015 with a value of $277,344 (being 50% of his fixed annual remuneration (including his higher duties allowance applicable to the acting CEO position) in his role prior to his appointment as CEO and Managing Director). • The vesting of these performance rights will be subject to achievement of performance conditions over a 3 year period ending 30 September 2018. • For the financial year commencing 1 October 2016, Mr Dillon will be eligible to receive an LTI Award of up to 80% of his fixed annual remuneration which will vest subject to the achievement of performance conditions over a 5 year vesting period (33.3% in year 3, 33.3% in year 4 and 33.3% in year 5). • Performance rights awarded to Mr Dillon will be subject to the terms of the LTI Plan
RELOCATION COSTS	• Ruralco will cover the costs incurred by Mr Dillon relocating from Adelaide to Sydney, up to a maximum of $20,000. • Additionally, Mr Dillon is entitled to receive payment by Ruralco of his accommodation costs for up to 3 months from the date of his relocation to Sydney.

SECTION 6: ADDITIONAL STATUTORY INFORMATION

6.1 RECONCILIATION OF PERFORMANCE RIGHTS HELD BY KMP

The table below shows how many Performance Rights were granted, vested and lapsed in the year:

NAME	BALANCE AT START OF YEAR	GRANTED	VESTED		LAPSED		BALANCE AT END OF YEAR	MAX VALUE YET TO VEST*
	NO.	NO.	NO.	%	NO.	%	NO.	$
Travis Dillon								
1-Oct 11	26,713	-	-	-	(26,713)	100%	-	-
1-Oct-12	32,967	-	(32,967)	100%	-	-	-	-
1-Oct-13	60,018	-	-	-	-	-	60,018	$61,990
1-Oct-14	-	59,588	-	-	-	-	59,588	$88,041
	119,698	**59,588**	**(32,967)**		**(26,713)**		**119,606**	**$80,000**
Adrian Gratwicke								
6-Jul-15	**-**	**50,000**	**-**	**-**	**-**	**-**	**50,000**	**$80,000**
Rick Maybury								
1-Oct-12	20,388	-	(20,388)	100%	-	-	-	-
1-Oct-13	39,011	-	-	-	-	-	39,011	$40293
1-Oct-14	-	43,227	-	-	-	-	43,227	$63,868
	59,399	**43,227**	**(20,388)**		**-**		**82,238**	**$104,161**
Greg O'Neil								
1-Oct 11	26,897	-	-	-	(26,897)	100%	-	-
1-Oct-12	26,093	-	(26,093)	100%	-	-	-	-
1-Oct-13	45,121	-	-	-	-	-	45,121	$46,604
1-Oct-14	-	44,351	-	-	-	-	44,351	$65,528
	98,111	**44,351**	**(26,093)**		**(26,897)**		**89,472**	**$112,132**
Angie Somann-Crawford								
1-Oct 11	22,107	-	-	-	(22,107)	100%	-	-
1-Oct-12	22,556	-	(22,556)	100%	-	-	-	-
1-Oct-13	44,910	-	-	-	-	-	44,910	$46,386
1-Oct-14	-	45,389	-	-	-	-	45,389	$67,062
	89,573	**45,389**	**(22,556)**		**(22,107)**		**90,299**	**$113,448**
Elizabeth Hardaker								
-	-	-	-	-	-	-	-	-
Steve Williams								
1-Oct-14	**-**	**36,422**	**-**	**-**	**-**	**-**	**36,422**	**$53,813**
John Maher								
1-Oct 11	178,462	-	(164,578)	92%	(13,884)	8%	-	-
1-Oct-12	172,290	-	(172,290)	100%	-	-	-	-
1-Oct-13	185,030	-	(107,061)	58%[10]	(77,969)	42%	-	-
10-Sep-12	150,000	-	-	-	(150,000)	100%	-	-
	685,782	**-**	**(443,929)**		**(241,853)**		**-**	**-**
Ruth Martin								
1-Oct-13	64,371	-	-	-	(64,371)	100%	-	-
1-Oct-14	-	61,959	-	-	(61,959)	100%	-	-
	64,371	**61,959**	**-**		**(126,330)**		**-**	**-**

* Calculated as the amount of grant date fair value of the shares that are yet to be expensed.

[10] Entitlement pro-rated for two thirds of total vesting period reduced for application of statutory termination cap required under Corporation Act 2001.

The 1 October 2012 tranche was tested on 1 October 2015 and 100% vesting occurred. This is reflected in the table above.

6.2 TERMS AND CONDITIONS OF PERFORMANCE RIGHTS GRANTED IN THE CURRENT AND PRIOR YEARS

Set out below are the terms and conditions of the Performance Rights granted in the year that will affect compensation in this or future reporting periods:

GRANT DATE	VESTING PERIOD	VESTING DATE	VESTING CONDITIONS	FAIR VALUE PER SHARE* $
1 Oct 14	3 years	30-Sept-17	Consistent with those noted at 2.2.3	**1.97**
6 Jul-15	3 years 3 months	30 Sept 18		**1.80**

The terms and conditions of grants made in prior years are as follows:

FORMER MANAGING DIRECTOR:

GRANT DATE	VESTING PERIOD	VESTING DATE	VESTING CONDITIONS	FAIR VALUE PER SHARE* $
1 Oct 11	3 years	1 Oct 14	Consistent with those noted at 2.2.3	**2.73**
10 Sep-12	3 years	30 Sep 15		**2.86**
1 Oct 12	3 years	1 Oct 15		**2.82**
1 Oct 13	3 years	1 Oct 16		**2.41**

EXECUTIVES:

GRANT DATE	VESTING PERIOD	VESTING DATE	VESTING CONDITIONS	FAIR VALUE PER SHARE* $
1 Oct 11	3 years	1 Oct 14	Consistent with those noted at 2.2.3	**2.67**
1 Oct 12	3 years	1 Oct 15		**2.79**
1 Oct 13	3 years	1 Oct 16		**2.41**

* Inputs into fair value calculation of rights granted set out in note 18(c) of the financial statements.

6.3 RELIANCE ON EXTERNAL REMUNERATION CONSULTANTS

In February 2015, the Committee engaged Guerdon & Associates (the consultants) to undertake salary benchmarking. Guerdon & Associates were paid $12,792 for these services. In addition to providing remuneration recommendations, Guerdon & Associates also provided advice on other aspects of the remuneration of the Group's employees including the structuring of contracts. For these services the consultants received $3,846. The consultants have confirmed that any remuneration recommendations have been made free from undue influence by members of the group's key management personnel.

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

- The consultant was engaged by, and reported directly to, the chair of the Nomination & Remuneration Committee and the agreement for the provision of services was executed by the chair of the Committee under delegated authority on behalf of the board.
- The report containing the remuneration recommendations was provided directly to the chair of the Committee; and
- The consultant was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

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

6.4 VOTING OF SHAREHOLDERS AT THE LAST ANNUAL GENERAL MEETING

Ruralco Holdings Limited received more than 99% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

6.5 SHAREHOLDINGS

Set out below are the details of the number of Ruralco Holdings Limited shares held directly, indirectly or beneficially by KMP during the year and the movements in shareholdings.

NAME	1 OCTOBER 2014	RECEIVED ON VESTING OF LTI	OTHER CHANGES	30 SEPTEMBER 2015
DIRECTORS				
Richard A.F England	82,015	-	10,117	92,132
Michael J Millner	26,978	-	-	26,978
John H Tuskin	21,830	-	-	21,830
Trudy Vonhoff	-	-	-	-
Ross Burney	185,054	-	-	185,054
Elizabeth Johnstone	-	-	-	-
EXECUTIVES				
Travis Dillon	34,558	-	-	34,558
Adrian Gratwicke	-	-	-	-
Rick Maybury	5,231	-	-	5,231
Greg O'Neil	5,277	-	149	5,426
Angie Somann-Crawford	5,119	-	115	5,234
Elizabeth Hardaker	-	-	-	-
Steve Williams	-	-	-	-
John Maher	838,901	289,578	-	1,128,479
Ruth Martin	-	-	-	-
	1,204,963	289,578	10,381	1,504,922

6.6 OTHER TRANSACTIONS WITH KMP

There are no loans to KMP outstanding in the current or prior year.

Sales and purchases occur during the year between subsidiaries of the Group and entities that certain directors of the Company have direct or indirect control over. These transactions are conducted under normal customer or supplier relationships on an arm's length basis. On this basis details regarding these transactions are not included in this report but are instead disclosed in Note 21 of the financial statements in the Related Parties note.

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 Corporate Governance Statement is dated as at 30 September 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 Corporate Governance Statement was approved by the Board on 1 December 2015.

A description of the Group's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at www.ruralco.com.au/corporate/corporate-governance.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of Ruralco Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 September 2015 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Anthony Travers
Partner

Dated at Sydney this 1st day of December 2015

2015 FINANCIAL REPORT

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RURALCO HOLDINGS LIMITED

ABN 40 009 660 879

	NOTES	2015 $'000	2014 $'000
Revenue	3	1,599,862	1,355,887
Cost of goods sold		(1,292,899)	(1,098,750)
Depreciation expense	9	(5,027)	(4,536)
Amortisation expense	10	(3,270)	(2,909)
Personnel expenses	18(a)	(168,746)	(144,937)
Property and equipment expenses		(27,455)	(23,211)
Motor vehicle expenses		(18,539)	(16,496)
Bad debt expense	6	(5,315)	(1,218)
Marketing and advertising expenses		(6,200)	(4,455)
Data and telephony expenses		(4,313)	(4,052)
Other expenses		(31,860)	(26,752)
RESULTS FROM OPERATING ACTIVITIES		**36,238**	**28,571**
Share of net profits of equity accounted investees	19(d)	828	938
Bank charges		(1,359)	(1,040)
Amortisation of capitalised borrowing costs		(3,061)	(2,045)
Interest expense		(4,664)	(5,153)
Total finance costs		(9,084)	(8,238)
PROFIT BEFORE INCOME TAX		**27,982**	**21,271**
Income tax expense	4(a)	(9,160)	(7,049)
Profit for the period		**18,822**	**14,222**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:			
Fair value movement in investment in listed equities, net of tax		-	4,496
Revaluation of property, plant and equipment, net of tax		(1,464)	(653)
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS		**(1,464)**	**3,843**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:			
Changes in the fair value of cash flow hedges, net of tax		1,199	(1,963)
Foreign currency translation differences		67	8
Total items that may be reclassified to profit or loss		1,266	(1,955)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18,624**	**16,110**
TOTAL PROFIT ATTRIBUTABLE TO:			
Equity holders of the company		14,057	10,565
Non-controlling interests		4,765	3,657
TOTAL PROFIT FOR THE PERIOD		**18,822**	**14,222**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the company		13,718	12,453
Non-controlling interests		4,906	3,657
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18,624**	**16,110**
Earnings per share (cents per share)			
- Basic	5	18.03	15.27
- Diluted	5	18.03	15.27

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RURALCO HOLDINGS LIMITED
ABN 40 009 660 879

	NOTES	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	17	677	26,890
Trade and other receivables	6	368,716	324,243
Prepayments		7,450	8,570
Inventories	7	111,015	101,040
Biological assets	8	8,863	7,526
Assets held for sale		2,700	1,750
TOTAL CURRENT ASSETS		**499,421**	**470,019**
NON-CURRENT ASSETS			
Trade and other receivables	6	4	7
Investments in equity accounted investees	19(d)	8,916	8,653
Other financial assets		229	229
Property, plant and equipment	9	39,864	42,815
Intangible assets	10	134,224	121,978
Deferred tax assets	4(b)	15,468	13,289
TOTAL NON-CURRENT ASSETS		**198,705**	**186,971**
TOTAL ASSETS		**698,126**	**656,990**
CURRENT LIABILITIES			
Trade and other payables	11	374,862	336,308
Derivative financial instruments	11	1,681	2,808
Loans and borrowings	11	58,739	37,673
Current tax liabilities		6,547	2,856
Employee benefits	18(a)	17,104	16,145
Make good provision		-	390
Deferred consideration		1,016	181
TOTAL CURRENT LIABILITIES		**459,949**	**396,361**
NON-CURRENT LIABILITIES			
Loans and borrowings	11	1,050	27,159
Deferred tax liabilities	4(b)	8,518	7,890
Employee benefits	18(a)	3,240	3,129
Make good provision		792	197
Deferred consideration		2,104	286
TOTAL NON-CURRENT LIABILITIES		**15,704**	**38,661**
TOTAL LIABILITIES		**475,653**	**435,022**
NET ASSETS		**222,473**	**221,968**
EQUITY			
Share capital	12(a)	170,731	166,289
Retained earnings		30,935	34,483
Reserves	12(b)	10,458	10,792
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**212,124**	**211,564**
Non-controlling interests		10,349	10,404
TOTAL EQUITY		**222,473**	**221,968**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2015

RURALCO HOLDINGS LIMITED

ABN 40 009 660 879

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY												
	Notes	Issued capital $'000	Retained earnings $'000	Capital profits reserve $'000	Asset revaluation reserve $'000	Cash flow hedge reserve $'000	General reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Share based payment reserve $'000	Reserve for own shares $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
1 OCTOBER 2013		**99,565**	**39,426**	**2,179**	**7,809**	**-**	**2,800**	**-**	**(5,295)**	**1,284**	**(978)**	**146,790**	**13,207**	**159,997**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD														
Profit for the period		-	10,565	-	-	-	-	-	-	-	-	10,565	3,657	14,222
Other comprehensive income		-	(753)	-	(699)	(1,963)	-	8	5,295	-	-	1,888	-	1,888
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-**	**9,812**	**-**	**(699)**	**(1,963)**	**-**	**8**	**5,295**	**-**	**-**	**12,453**	**3,657**	**16,110**
TRANSACTIONS WITH OWNERS OF THE COMPANY RECORDED DIRECTLY IN EQUITY														
- Dividends to owners of the Company	13(b)	-	(11,654)	-	-	-	-	-	-	-	-	(11,654)	(4,530)	(16,184)
- Issue of ordinary shares	12(a)	66,724	-	-	-	-	-	-	-	-	-	66,724	-	66,724
- Performance rights		-	-	-	-	-	-	-	-	1,073	-	1,073	-	1,073
- Shares purchased and held in trust		-	-	-	-	-	-	-	-	-	(1,804)	(1,804)	-	(1,804)
- Own shares held in trust allocated		-	-	-	-	-	-	-	-	-	1,083	1,083	-	1,083
- Change in non-controlling interest		-	(3,101)	-	-	-	-	-	-	-	-	(3,101)	(1,930)	(5,031)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		**66,724**	**(14,755)**	**-**	**-**	**-**	**-**	**-**	**-**	**1,073**	**(721)**	**52,321**	**(6,460)**	**45,861**
30 SEPTEMBER 2014		**166,289**	**34,483**	**2,179**	**7,110**	**(1,963)**	**2,800**	**8**	**-**	**2,357**	**(1,699)**	**211,564**	**10,404**	**221,968**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD														
Profit for the period		-	14,057	-	-	-	-	-	-	-	-	14,057	4,765	18,822
Other comprehensive income		-	1,263	-	(2,727)	1,058	-	67	-	-	-	(339)	141	(198)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-**	**15,320**	**-**	**(2,727)**	**1,058**	**-**	**67**	**-**	**-**	**-**	**13,718**	**4,906**	**18,624**
TRANSACTIONS WITH OWNERS OF THE COMPANY RECORDED DIRECTLY IN EQUITY														
- Dividends to owners of the Company	13(b)	-	(13,120)	-	-	-	-	-	-	-	-	(13,120)	(3,720)	(16,840)
- Issue of ordinary shares	12(a)	4,442	-	-	-	-	-	-	-	-	-	4,442	-	4,442
- Performance rights		-	-	-	-	-	-	-	-	1,636	-	1,636	-	1,636
- Shares purchased and held in trust		-	-	-	-	-	-	-	-	-	369	369	-	369
- Own shares held in trust allocated		-	-	-	-	-	-	-	-	-	(737)	(737)	-	(737)
- Change in non-controlling interest		-	(5,748)	-	-	-	-	-	-	-	-	(5,748)	(1,241)	(6,989)
TOTAL TRANSACTIONS WITH OWNERS OF THE COMPANY		**4,442**	**(18,868)**	**-**	**-**	**-**	**-**	**-**	**-**	**1,636**	**(368)**	**(13,158)**	**(4,961)**	**(18,119)**
30 SEPTEMBER 2015		**170,731**	**30,935**	**2,179**	**4,383**	**(905)**	**2,800**	**75**	**-**	**3,993**	**(2,067)**	**212,124**	**10,349**	**222,473**

The accompanying notes form part of these financial statements.

	NOTES	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,708,438	1,481,077
Payments to suppliers and employees		(1,681,516)	(1,460,564)
Interest received		6,141	7,176
Bank charges		(3,551)	(3,085)
Interest paid		(4,583)	(5,153)
Income taxes paid		(7,037)	(1,765)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	**17,892**	**17,686**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,123	5,583
Proceeds from sale of investments		-	16,620
Proceeds from disposal of shares in subsidiaries		372	26
Proceeds from sale of business		-	557
Net proceeds from the issue of share capital		-	66,728
Distribution from equity accounted investment		665	723
Dividends received		65	109
Payment for property, plant and equipment		(3,121)	(5,722)
Payment for intangible assets		(5,113)	(2,802)
Purchase of treasury shares		(369)	-
Purchase of shares in existing subsidiaries		(5,723)	(4,967)
Acquisition of subsidiaries, net of cash acquired	20(a)	(12,714)	(57,590)
NET CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES		**(24,815)**	**19,265**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from / (advanced to) related entities		110	(306)
Repayment of finance lease liabilities		(2,340)	(1,727)
Proceeds from draw down of borrowings		477,426	454,000
Repayment of borrowings		(476,625)	(433,000)
Net repayments to depositors		(7,332)	(39,538)
Dividends on ordinary shares in the company		(8,678)	(11,654)
Dividends to non-controlling interests		(3,720)	(4,530)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(21,159)**	**(36,755)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(28,082)**	**196**
Cash and cash equivalents at beginning of year		**26,890**	**26,694**
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	**(1,192)**	**26,890**

The accompanying notes form part of these financial statements.

NOTE 1: REPORTING ENTITY

Ruralco Holdings Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The registered office of the Company is 273C Kennedy Drive, Cambridge, Tasmania 7170.

The consolidated financial statements of the Company for the year ended 30 September 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Group is a for-profit entity and operates in the agribusiness sector. Its principal activity is the provision of rural supplies and services.

NOTE 2: BASIS OF ACCOUNTING

(A) CHANGE IN PRESENTATION

In preparing these financial statements, we have changed the format and layout in order to make them less complex and more relevant to shareholders.

Each note sets out the relevant accounting policy applied in producing the note together with any key judgements and estimates used. The purpose of these changes is to provide readers with a clearer understanding of what drives the financial performance and position of the Group. As part of this exercise a number of balances (including the prior year comparatives) have been disaggregated and shown separately on the Consolidated Statement of Profit or Loss and Comprehensive Income and the Consolidated Statement of Financial Position.

The impact of the change to disclosed balance sheet categories in the Consolidated Statement of Financial Position in the prior year is as follows:

	RESTATED 2014 $'000	REPORTED 2014 $'000
TRADE AND OTHER RECEIVABLES	324,243	332,813
Prepayments	8,570	-
TRADE AND OTHER PAYABLES	336,308	339,116
Derivative financial instruments	2,808	-
CURRENT PROVISIONS	-	16,716
Employee benefits	16,145	-
Make good provision	390	(5,153)
Deferred consideration	181	-
NON-CURRENT PROVISIONS	-	3,612
Employee benefits	3,129	-
Make good provision	197	-
Deferred consideration	286	-

(B) BASIS OF PREPARATION

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 17 November 2015.

(I) HISTORICAL COST CONVENTION

These consolidated financial statements have been prepared on an accruals basis under the historical cost convention. Where other bases are applied these are identified in the relevant accounting policy.

NOTE 2: BASIS OF ACCOUNTING (CONTINUED)

(II) ROUNDING

The Company is of a kind referred to in Class order 98/100 dated 10 July 1998, issued by the Australian Securities and Investments Commission, relating to "rounding off" of amounts in the financial statements. Amounts in these consolidated financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar unless otherwise stated.

(III) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to exercise judgement in applying the Group's accounting policies. It also required the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis with revisions recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes:

- Revenue recognition (note 3)
- Classification of financial instruments (included in this note)
- Business combinations and allocation of goodwill (note 20 and 10 respectively)

The areas involving the most sensitive estimates and assumptions that are significant to the financial statements are set out below and in more detail in the related notes:

- Business combinations – fair value measured on a provisional basis (note 20)
- Impairment of assets – key assumptions underlying recoverable amounts (note 10)
- Recoverability of trade receivables (note 6)
- Biological assets – fair value of livestock (note 8)
- Derivative financial instruments – fair value of forward foreign exchange contracts (note 11)
- Inventory – provision for slow and obsolete stock (note 7)

(IV) FAIR VALUE

A number of the Group's accounting policies and disclosures require the measure of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value methods are categorised into different levels in a fair value hierarchy based on the inputs used as follows:

- 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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Land, buildings and held for sale assets (note 9)
- Livestock - biological assets (note 8)
- Acquisition of subsidiaries (note 20)
- Financial instruments (note 11)

(C) ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements that relate to the financial statements as a whole are set out below. Those policies specific to one note are described in the note to which it relates. The accounting policies have been consistently applied, unless otherwise stated, to all periods presented and by all Group entities.

(I) CHANGES IN ACCOUNTING POLICY

Except as described below, the accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2014.

NOTE 2: BASIS OF ACCOUNTING (CONTINUED)

(II) FOREIGN CURRENCIES

The primary economic environment in which the Group operates is Australia and therefore the consolidated financial statements are presented in Australian dollars.

Where Group companies based in Australia transact in foreign currencies, these transactions are translated into Australian dollars at the exchange rate on the transaction date. Foreign currency monetary assets and liabilities are translated into Australian dollars at the year-end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year end, a foreign exchange gain or loss is recognised in profit or loss. Non-monetary assets and liabilities measured at historical cost are translated into Australian dollars at the exchange rate on the date of the transaction.

(III) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The financial assets and liabilities of the Group are classified into the following financial statement captions in the statement of financial position in accordance with AASB 139 Financial Instruments:

- 'Loans and receivables' – separately disclosed as cash and cash equivalents and trade and other receivables;
- 'Financial assets/liabilities at fair value through profit or loss' – separately disclosed as derivative financial instruments in liabilities; and
- 'Financial liabilities measured at amortised cost' – separately disclosed as loans and borrowings and trade and other payables.

Judgement is required when determining the appropriate classification of the Group's financial instruments. Details on the accounting policies for measurement of the above instruments are set out in the relevant note.

(IV) RECOGNITION AND DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Group recognises a financial asset or liability when it becomes a party to the contract. Financial instruments are no longer recognised in the statement of financial position when the contractual cash flows expire or when the Group no longer retains control of substantially all the risks and rewards under the instrument.

(V) STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are effective or available for early adoption for annual periods beginning after 1 October 2014, and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not currently plan to adopt these standards early.

STANDARDS AND INTERPRETATIONS NOT YET ADOPTED	EFFECTIVE DATE FOR GROUP	KEY REQUIREMENTS AND LIKELY IMPACT
AASB 9 Financial Instruments	30 September 2019	AASB 9, published in July 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets such as trade receivables, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139. The Group has yet to complete its assessment of the potential impact on its consolidated financial statements resulting from the application of AASB 9 but initial assessment indicates that the adoption of the standard will have an impact on the methodology applied by the Group in calculating its provision for bad debts.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTE 3: REVENUE

ACCOUNTING POLICY

Revenue is measured at the amount received or receivable from the customer, net of GST, returns, rebates, allowances, duties and taxes paid. Revenue recognition is not considered to be a critical area of judgement and estimate for the Group.

The material revenue streams and the recognition principles applied by the Group are as follows:

(I) SALE OF GOODS AND BIOLOGICAL ASSETS

Revenue from the sale of merchandise, fertiliser and livestock is recognised when there has been a transfer of significant risks and rewards of ownership to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This is generally upon the delivery of goods to customers and for shipped livestock this is generally on receipt of the bill of lading.

(II) SERVICE AND COMMISSION REVENUE

Service and commission revenue is charged on a range of business services including livestock and wool marketing services, insurance, real estate marketing services and financial products. Revenue from the rendering of a service is recognised as the service is provided. For water services activities involving landscaping and construction, revenue is recognised with reference to the stage of completion of those services.

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group. Commission related revenue is recognised as the sales occur or unconditional contracts are signed.

(III) INTEREST AND SUNDRY REVENUE

Interest revenue is recognised as it accrues. Sundry revenue primarily includes operating lease and sub lease rental income, which are recognised on a straight line basis over the term of the lease.

	2015 $'000	2014 $'000
Sale of goods	1,284,987	1,186,905
Sale of biological assets	187,649	56,886
Rendering of services	117,596	102,104
Interest revenue	6,141	7,176
Sundry revenue	3,489	2,816
	1,599,862	1,355,887

NOTE 3: INCOME TAX

ACCOUNTING POLICY

(I) INCOME TAX EXPENSE

Tax expense comprises current and deferred tax and is recognised in profit or loss or equity according to the accounting treatment of the related transaction.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years. Deferred tax expense represents the tax expense in respect of the future tax consequences of recovering or settling the carrying amount of an asset or liability. Both are calculated using tax rates for each jurisdiction, enacted or substantially enacted at the reporting date, and for deferred tax those that are expected to apply when the asset is realised or the liability is settled.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. Deferred tax is not recognised for: the initial recognition of goodwill or of assets or liabilities that affect neither accounting or taxable profit, other than in a business combination; and investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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.

(II) TAX CONSOLIDATED GROUP

Ruralco Holdings Limited and its wholly owned Australian resident subsidiaries are part of a tax consolidated group and are therefore taxed as a single entity. Under the terms of this agreement, the wholly owned subsidiaries reimburse Ruralco Holdings Limited, as the head entity of the tax consolidated group, for any current income tax payable arising in respect of their activities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference 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. Assu mptions about the generation of future taxable profits depends on the Group's estimates of future cash flows, which in turn depend on estimates of future sales volumes, operational costs, capital expenditure, dividends and other capital management transactions.

The Group recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which requires judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the period in which such determination is made, resulting in an adjustment to prior years.

NOTE 3: INCOME TAX (CONTINUED)

(A) INCOME TAX EXPENSE

The total taxation charge in the statement of profit or loss and comprehensive income is analysed as follows:

	2015 $'000	2014 $'000
CURRENT TAX EXPENSE		
Current period	9,508	6,724
Adjustments for prior years	54	(47)
	9,562	6,677
DEFERRED TAX EXPENSE		
Origination and reversal of temporary differences	(402)	372
	(402)	372
INCOME TAX EXPENSE	9,160	7,049

The income tax expense calculated for the Group does not include income tax expense on the profit before tax of unit trusts controlled by the Company to the extent non-controlling interests are beneficially entitled to that profit.

	2015 $'000	2014 $'000
RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Profit for the period before tax	27,982	21,271
Prima facie tax at 30% (2013: 30%)	8,395	6,381
Adjusted for:		
Non-controlling interest share of trust profit	184	(75)
Other	581	743
	9,160	7,049

NOTE 4: INCOME TAX (CONTINUED)

(B) MOVEMENTS IN DEFERRED TAX BALANCES

The nature and movements in deferred tax assets and liabilities during the year were as follows:

	AT 1 OCTOBER $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $'000	RECOGNISED DIRECTLY IN EQUITY $'000	ACQUIRED IN BUSINESS COMBINATION $'000	AT 30 SEPTEMBER $'000
2015						
DEFERRED TAX ASSETS						
Provisions	5,650	3,285	-	-	-	8,935
Accruals	1,610	-	-	-	-	1,610
Property, plant and equipment	446	(5)	-	-	-	441
Inventory	1,184	(665)	-	-	-	519
Performance rights	608	345	-	-	-	953
Tax losses carried forward	264	393	-	-	-	657
Other	3,527	(1,875)	701	-	-	2,353
	13,289	1,478	701	-	-	15,468
DEFERRED TAX LIABILITIES						
Property, plant and equipment	(1,901)	11	448	-	-	(1,442)
Equity accounted investments	(1,327)	(189)	-	-	-	(1,516)
Intangibles	(4,006)	(52)	-	-	-	(4,058)
Other	(656)	(846)	-	-	-	(1,502)
	(7,890)	(1,076)	448	-	-	(8,518)
TOTAL	**5,399**	**402**	**1,149**	**-**	**-**	**6,950**
2014						
DEFERRED TAX ASSETS						
Provisions	4,715	935	-	-	-	5,650
Accruals	722	888	-	-	-	1,610
Property, plant and equipment	702	(256)	-	-	-	446
Inventory	807	377	-	-	-	1,184
Tax losses carried forward	549	(285)	-	-	-	264
Intangibles	52	(52)	-	-	-	-
Investments	1,919	(1,919)	-	-	-	-
Other	2,670	2,274	(809)	-	-	4,135
	12,136	1,962	(809)	-	-	13,289
	12,136	-	-	-	-	13,289
DEFERRED TAX LIABILITIES						
Property, plant and equipment	(2,356)	455	-	-	-	(1,901)
Equity accounted investments	(2,099)	772	-	-	-	(1,327)
Intangibles	(3,997)	(2,425)	-	-	2,416	(4,006)
Other	(163)	(1,136)	-	643	-	(656)
	(8,615)	(2,334)	-	643	2,416	(7,890)

NOTE 5: EARNINGS PER SHARE

ACCOUNTING POLICY

Earnings per share ("EPS") is the amount of post-tax profit attributable to each share.

Basic earnings per share is calculated by dividing the net profit or loss attributable to shareholders of Ruralco Holdings Limited by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share reflects any commitments the Group has to issue shares in the future such as the impact of share options or restricted shares.

	2015 $'000	2014 $'000
RECONCILIATION OF EARNINGS TO PROFIT AND LOSS		
Profit for the year	18,822	14,222
Less profit attributable to non-controlling interests	(4,765)	(3,657)
Earnings used to calculate basic and diluted EPS	14,057	10,565

	NO.	NO.
WEIGHTED AVERAGE NUMBER OF SHARES USED AS A DENOMINATOR		
Weighted average number of ordinary shares in issue	77,949,356	69,186,043
DILUTED EARNINGS PER SHARE		
The calculation of diluted earnings per share at 30 September 2015 did not include any further adjustment for the effect of potential dilutive ordinary shares.		
EARNINGS PER SHARE (CENTS PER SHARE)		
- Basic	18.03	15.27
- Diluted	18.03	15.27

NOTE 6: TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amount considered recoverable (amortised cost). The carrying value of trade and other receivables is considered to approximate fair value.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are used in determining the level of receivables that will not be collected. These estimates include such factors as historical experience, the current state of the Australian and overseas economies, the financial situation of specific customers and industry specific factors. A provision for impairment of trade receivables is established when there is sufficient evidence that the Group will not be able to collect all amounts due.

Other receivables include accrued rebates. Rebates are accounted for as a reduction of the prices of the suppliers, products and reduce the cost of products as inventory is sold. Rebates are accrued for when probable and when they can be reasonably estimated. Due to the complexity and diversity of individual vendor agreements, we analyse and review historical trends to apply rates negotiated with vendors to estimated and actual purchase volumes to determine accruals. These accruals could be impacted if actual purchase volumes differ from projected volumes.

(A) BALANCE AT YEAR END

Trade and other receivables can be analysed as follows:

	2015 $'000	2014 $'000
CURRENT		
Trade receivables	354,069	303,560
Amounts receivable from related parties	683	1,454
Other receivables	13,964	19,229
	368,716	324,243
NON-CURRENT		
Amounts receivable from related parties	4	7

(B) TRADE RECEIVABLES AGEING

	GROSS 2015 $'000	IMPAIRMENT 2015 $'000	GROSS 2014 $'000	IMPAIRMENT 2014 $'000
Not past due	314,705	(30)	271,753	-
Past due 0-30 days	22,482	(116)	13,606	-
Past due 31 - 90 days	3,473	(261)	8,640	(999)
Past due 90 days to one year	13,371	(3,163)	11,778	(1,536)
More than one year	6,899	(3,291)	1,154	(836)
	360,930	(6,861)	306,931	(3,371)

The movement in the allowance for impairment of trade receivables during the year was as follows:

	2014 $'000	2013 $'000
Balance at the beginning of the year	(3,371)	(4,440)
Increase to provision	(5,315)	(1,218)
Amount charged against provision	1,825	2,287
Balance at the end of the year	(6,861)	(3,371)

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days, except for those accounts individually identified as impaired. The Group's customer base has a good long term credit history with the Group.

NOTE 7: INVENTORIES

ACCOUNTING POLICY

Inventories are recognised initially at cost and subsequently at the lower of cost and the estimated selling price less cost to sell (net realisable value). Costs comprises purchase cost on a weighted average basis after deducting any settlement discount and including logistics expenses incurred in bringing inventories to their present location.

Volume-related supplier rebates, and supplier promotional rebates where they exceed spend on promotional activities, are recognised as a reduction in the cost of inventory.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are used in determining the level of stock that is slow moving or obsolete. These estimates include such factors as stock turnover and current sales pricing. A provision for stock obsolescence of inventory is established when there is sufficient evidence that the Group will not be sell stock held on hand.

	2054 $'000	2014 $'000
Finished goods	111,015	101,040
The balance of finished goods above is net of a provision for slow moving and obsolete stock of $3,658,392 (2014: $3,946,291).		
INVENTORY WRITE DOWNS		
Inventory write downs included in cost of goods sold	957	799

NOTE 8: BIOLOGICAL ASSETS

ACCOUNTING POLICY

The Group holds biological assets in the form of livestock, primarily cattle, for the purposes of servicing livestock export contracts. The Group holds dairy and beef breeder cattle (Holstein, Jersey and Angus) and northern Brahman feeder and slaughter cattle. These livestock are initially recognised at cost and subsequently measured at fair value less costs to sell. Costs to sell include all costs that would be necessary to sell the livestock, including freight, agistment and animal health costs.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Cattle fair value is based on the market price of livestock of a similar age, weight, breed and genetic make-up and is determined by obtaining prevailing indicative prices from one or more brokers and then taking the average. As these prices are observable, they are deemed Level 2 inputs.

The Group recognises the net increments or decrements in the market value of livestock as either other income or expense in profit or loss, determined as:

- the difference between the total net market value of livestock recognised at the beginning of the financial year and the total net market value of livestock recognised at the reporting date; less
- costs expected to be incurred in realising the market value (including freight and selling costs).

The fair value of livestock recognised at year end is as follows:

	2015 $'000	2014 $'000
Livestock	8,863	7,526
At 30 September 2015 the Group held 10,554 head of cattle (2014: 7,230).		
RECONCILIATION OF CARRYING AMOUNT		
Balance at the beginning of the year	7,526	-
Increase due to purchases	121,120	38,163
Gain/(loss) arising from the changes in fair value less costs to sell	(1,611)	248
Decrease attributable to sales	(117,620)	(30,873)
Other	(552)	(12)
	8,863	7,526

ASSET DETERIORATION OR LOSS RISK

The Group's livestock asset is exposed to the risk of potential asset deterioration (impacting its value) and asset loss. The risk revolves around damage or loss caused by animal disease or other natural forces. The Group manages this risk through a number of operating and structure related practices including risk mitigating animal husbandry management practices, risk mitigating animal holding structures and regular animal inspections and monitoring.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Freehold land and buildings are measured at fair value based on periodic, but at least triennial, valuations by external independent valuers. Movements in the carrying amounts arising on revaluation of land and buildings are recognised (net of tax) primarily in the revaluation reserve in equity or alternatively in profit or loss if a decrease in fair value is an indication of impairment.

Plant and equipment and leasehold improvements are recognised at the cost originally paid less depreciation and any impairment losses.

Capital work in progress includes the building of saleyards and are transferred to asset categories and depreciated from when they are available for use in the manner intended by management.

Land and capital works in progress are not depreciated. Depreciation of buildings, leasehold improvements and plant and equipment is calculated using the straight-line method over their estimated useful lives, as follows:

Freehold buildings: 25-50 years
Leasehold improvements: the lease term ranging from 1 to 10 years
Plant and equipment: 3 to 20 years

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The annual depreciation charge is sensitive to the estimated useful life of each asset and the expected residual value at the end of its life. Property, plant and equipment that is subject to depreciation is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance.

The calculation of fair value of freehold land and buildings involves the use of estimates. Land has been classified as non-specialised assets and accordingly valued on the basis of market value with reference to observable prices in an active market, using traditional valuation methods including sales comparison (Level 2 price inputs).

Buildings are valued on the capitalisation basis where the current market net income is capitalised (multiplied) in perpetuity to arrive at the market value of the property. Some building assets are specialised, but most are considered non-specialised but with few sales of properties to reliably assess market values. The specialised assets have been valued on a depreciated replacement cost basis. These valuations assume adequate service potential and profitability and a continuation of the need for the asset. Regard has been given to market prices for construction costs, the likely economic life of the buildings, the condition at the date of inspection and design aspects.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

MOVEMENTS IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of property, plant and equipment during the current and prior year are as follows:

	LAND $'000	BUILDINGS $'000	LEASEHOLD IMPROVE-MENTS $'000	PLANT AND EQUIPMENT $'000	CAPITAL WORK IN PROGRESS $'000	TOTAL $'000
COST OR FAIR VALUE						
1 OCTOBER 2013	9,992	15,470	3,550	37,215	408	66,635
Additions	139	12	505	4,417	3,005	8,078
Assets acquired in business combinations	-	-	2,460	892	-	3,352
Transfer (to)/from assets held for sale	(2,200)	(1,737)	-	-	-	(3,937)
Disposals	-	(2)	(128)	(2,666)	-	(2,796)
Revaluation of assets	(10)	(932)	-	-	-	(942)
Transfers from CWIP	-	3,014	162	138	(3,314)	-
Reclassifications	-	183	(211)	(431)	-	(459)
30 SEPTEMBER 2014	**7,921**	**16,008**	**6,338**	**39,565**	**99**	**69,931**
Additions	-	14	1,150	4,455	449	6,068
Assets acquired in business combinations	-	-	-	937	-	937
Transfer (to)/from assets held for sale	(1,480)	(135)	-	-	-	(1,615)
Disposals	-	(909)	(657)	(6,940)	(13)	(8,519)
Revaluation of assets	42	(1,063)	-	(267)	-	(1,288)
Transfers from CWIP	-	-	216	255	(471)	-
Reclassifications	(282)	209	-	73	-	-
30 SEPTEMBER 2015	**6,201**	**14,124**	**7,047**	**38,078**	**64**	**65,514**
DEPRECIATION						
1 OCTOBER 2013	-	(587)	(1,887)	(22,623)	-	(25,097)
Transfer to/(from) assets held for sale	-	97	-	-	-	97
Disposals	-	-	116	2,304	-	2,420
Depreciation expense	-	(158)	(689)	(3,689)	-	(4,536)
Reclassifications	-	(99)	(1,128)	1,227	-	-
30 SEPTEMBER 2014	**-**	**(747)**	**(3,588)**	**(22,781)**	**-**	**(27,116)**
Disposals during the year	-	814	438	5,241	-	6,493
Depreciation expense	-	(187)	(923)	(3,917)	-	(5,027)
30 SEPTEMBER 2015	**-**	**(120)**	**(4,073)**	**(21,457)**	**-**	**(25,650)**
NET BOOK VALUE						
30 SEPTEMBER 2014	**7,921**	**15,261**	**2,750**	**16,784**	**99**	**42,815**
30 SEPTEMBER 2015	**6,201**	**14,004**	**2,974**	**16,621**	**64**	**39,864**

NOTE 10: INTANGIBLE ASSETS

ACCOUNTING POLICY

(I) GOODWILL

Goodwill represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised when the Group acquires a business. Goodwill is calculated as the excess of the amount paid over the fair value of the Group's share of the individual assets and liabilities acquired.

Goodwill is initially measured at cost and subsequently at its recoverable amount, being cost less accumulated impairment losses. Goodwill is not amortised but tested annually for impairment and when circumstances indicate that the carrying value may be impaired. Goodwill is allocated to cash generating units ("CGUs"), which represent the smallest group of assets that independently generate cash flows and are based on the level at which goodwill is monitored internally by management.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders and therefore no goodwill is recognised as a result of such transactions. In respect of the Group's investment in associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Negative goodwill arising on an acquisition is recognised directly in profit or loss.

(II) OTHER INTANGIBLE ASSETS

Other intangible assets are those that are identifiable and can be sold separately or arise from legal rights. These can be acquired or internally generated. Each material class of intangible's valuation method on initial recognition, amortisation method and estimated useful life is set out below:

CLASS OF INTANGIBLE ASSET	VALUATION METHOD	AMORTISATION METHOD	ESTIMATED USEFUL LIFE
Brand names	Applying a royalty rate to the expected future revenues over the life of the brand.	Tested annually for impairment	Indefinite life
Customer relationships	Expected future cash flows from those relationships existing at the date of acquisition are estimated. These cash flows are then discounted back to present value.	Straight line	3 to 15 years
Rent rolls	Expected future cash flows from those rental agreements existing at the date of acquisition are estimated. These cash flows are then discounted back to present value.	Straight line	10 years
IT development and software	Initially at cost and subsequently at cost less amortisation. Costs include external direct costs of materials and services, and direct payroll and payroll related costs of employees' time spent on the project.	Straight line	3 to 5 years

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For internal IT projects to develop products or systems, judgement is involved in determining which costs relate to research phase and which relate to the development phase of the project. This is because research costs are expensed to the profit or loss as incurred. IT development costs are capitalised to intangible assets where the Group has an intention and ability to use the related asset.

Those intangibles considered to have indefinite lives, such as goodwill and brand names, are tested annually for impairment or more frequently if indicators of impairment are identified. The allocation of goodwill and brand names and the determination of the existence of indicators of impairment requires judgement. The performance of impairment testing involves making an estimate of the recoverable amount of CGUs to which the goodwill and brand names have been allocated. Further details of the methods used and key assumptions made are detailed below in this note.

NOTE 10: INTANGIBLE ASSETS (CONTINUED)

Set out below is the movement in the cost, accumulated amortisation and impairment of the Group's intangible assets:

	GOODWILL $'000	BRAND NAMES $'000	CUSTOMER RELATIONSHIPS $'000	IT DEVELOPMENT & SOFTWARE $'000	PATENTS AND LICENCES $'000	RENT ROLLS $'000	CAPITAL WORK IN PROGRESS $'000	TOTAL $'000
COST								
1 OCTOBER 2013	58,460	14,400	3,800	13,068	2	110	20	89,860
Additions	-	-	-	399	-	-	2,377	2,776
Transfers from CWIP	-	-	-	1,903	-	-	(1,903)	-
Assets acquired in business combinations	39,733	649	1,690	1,004	-	-	-	43,076
Reclassifications	(117)	-	-	459	-	117	-	459
Disposals	-	-	-	(153)	-	(117)	(5)	(275)
30 September 2014	98,076	15,049	5,490	16,680	2	110	489	135,896
Additions	-	-	-	2,408	4	-	2,815	5,227
Transfers from CWIP	-	-	-	426	-	-	(426)	-
Assets acquired in business combinations	8,827	249	303	-	-	1,296	-	10,675
Disposals	(113)	-	-	(211)	-	-	(62)	(386)
30 SEPTEMBER 2015	106,790	15,298	5,793	19,303	6	1,406	2,816	151,412
AMORTISATION								
1 OCTOBER 2013	(1,255)	-	(1,510)	(8,232)	-	(12)	-	(11,009)
Amortisation charge	-	-	(667)	(2,240)	-	(2)	-	(2,909)
30 SEPTEMBER 2014	(1,255)	-	(2,177)	(10,472)	-	(14)	-	(13,918)
Amortisation charge	-	-	(869)	(2,396)		(5)		(3,270)
30 SEPTEMBER 2015	(1,255)	-	(3,046)	(12,868)	-	(19)	-	(17,188)
NET BOOK VALUE								
30 SEPTEMBER 2014	96,821	15,049	3,313	6,208	2	96	489	121,978
30 SEPTEMBER 2015	105,535	15,298	2,747	6,435	6	1,387	2,816	134,224

NOTE 10: INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT TESTING

An impairment test is performed by assessing the recoverable amount of each asset, or for goodwill and brand names, the related cash generating unit (or group of cash-generating units (CGUs)) and comparing this with its carrying value. The recoverable amount is the higher of an asset's fair value less costs to sell and 'value in use'. The value in use is based on the present value of the future cash flows expected to arise from the asset.

Estimates are used in deriving these cash flows and the discount rate. Such estimates reflect current market assessments of the risks specific to the asset and the time value of money. The estimation process is complex due to the inherent risks and uncertainties. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial statements. An impairment loss in respect of goodwill is not reversed.

The aggregate carrying amounts of goodwill and brand names allocated to each CGU are as follows:

	2015 $'000	2014 $'000
GOODWILL		
Combined Rural Traders (CRT)	12,051	12,051
Mainland Operations	73,313	70,657
Tasmanian Operations	4,848	4,434
Financial Services (formerly Sector Operations)	301	1,426
Water Services	15,022	8,253
	105,535	96,821
BRAND NAMES		
Combined Rural Traders (CRT)	14,400	14,400
Mainland Operations	512	512
Water Services	386	137
	15,298	15,049

During the year management finalised the allocation of $41 million of goodwill and intangibles arising from the Total Eden acquisition that occurred in the prior year. Allocation was made on a relative value basis. The result was the allocation of $32.6 million to the Mainland Operations CGU and $8.4 million allocated to a new Water Services CGU. The comparative split above has been restated to reflect this allocation.

The assessment of the recoverable amounts of goodwill is based on value-in-use calculations undertaken at the CGU level. The carrying amounts of goodwill in the CGUs were fully supported as at the reporting date. The following describes the key assumptions supporting the cash flow projections:

KEY ASSUMPTION	DESCRIPTION
Cash flow forecasts	Cash flow projections for a 5 year period used based on Board approved budget for FY16 and calculated forecasts for FY17 to FY20 primarily by using FY16 as a base and then adopting a growth rate of nil to 3% per annum to derive such figures.
Growth rates	Growth rates used in the financial projections are based on the Group's expectations for future performance and do not normally exceed the long-term growth rate for the business in which each CGU operates. Average annual growth rates range between nil and 3% per annum (2014: nil and 3% per annum).
Terminal values	Terminal values calculated after year 5 have been determined using the Gordon Growth model having regard to the weighted average cost of capital (WACC) below and a terminal growth rate of 2.5% (2014: 2.5%).
Discount rates	Pre tax WACC of 11.5% to 14.6% (2014: 14.3% to 14.65%), reflecting the risk estimates from a market perspective for the various CGUs.

The value-in-use calculations are sensitive to changes in the key assumptions used in the impairment testing. As such, a sensitivity analysis was undertaken by management to examine the effect of changes in key assumptions which would cause the carrying amount to exceed the recoverable amount for each CGU. Management believes that a 1% increase in the post tax WACC could lead to an impairment of the Tasmanian Operations CGU.

NOTE 11: FINANCIAL LIABILITIES

ACCOUNTING POLICY

(I) TRADE AND OTHER PAYABLES

Trade payables are recognised at the value of the invoice received from a supplier and are non-interest bearing. The carrying value of trade and other payables is considered to approximate fair value.

(II) LOANS AND BORROWINGS

Borrowings are recognised initially at fair value of the funds received less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method. Under the effective interest method the difference between the amount initially recognised and the redemption value is recorded in profit or loss over the period of the borrowing on an effective interest basis.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(III) DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments (primarily forward foreign exchange contracts) from time to time to hedge its foreign currency risk exposures. Such instruments are used to hedge transaction risk so they enable the sale or purchase of foreign currency at a known fixed rate on an agreed future date. Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recorded in profit or loss within net financing costs, except where derivatives qualify for cash flow hedge accounting. In this case, the effective portion of a cash flow hedge is recognised in other comprehensive income and presented in the cash flow hedge reserve within equity. The cumulative gain or loss is later reclassified to profit or loss in the same period as the relevant hedged transaction is realised. Derivatives with positive fair values are recorded as assets and negative fair values as liabilities.

The accounting policies and disclosures with respect to finance leases is included in note 14.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The fair value of forward foreign exchange contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date (Level 2 inputs).

(A) BALANCE AT YEAR END

The carrying amount of financial liabilities, which represent the maximum liquidity risk exposure are as follows:

	NOTES	2015 $'000	2014 $'000
CURRENT			
Trade and other payables:			
Trade payables		267,626	288,852
Sundry payables and accrued expenses		107,236	47,456
		374,862	336,308
Derivative financial liabilities		1,681	2,808
Loans and borrowings:			
Bank overdraft	17	1,869	-
Bank loans		52,000	27,000
Other loans		2,104	1,919
Loans from related parties		1,737	1,627
Deposit book		-	5,893
Finance lease liabilities	14(b)	1,029	1,234
		58,739	37,673
		435,282	376,789
NON-CURRENT			
Loans and borrowings:			
Bank loans		-	24,375
Deposit book	14(b)	-	1,440
Finance lease liabilities		1,050	1,344
		1,050	27,159

NOTE 11: FINANCIAL LIABILITIES (CONTINUED)

(B) BANK FACILITIES

The following tables provide details of the components of the bank facilities available to the Group:

2015			
FACILITY ($000)	MATURITY	FACILITY LIMIT	UTILISED
Multi option facility	Mar-16	60,000	1,869
Debtor securitisation facility	Jul-16	150,000	52,000

During the year the Group's bank facilities were re-negotiated under the bilateral financier's facility agreement. The cash advance facility was repaid in full in July and converted to a multi option facility with a limit of $60 million in total. This facility is an interchangeable revolving facility of overdraft and working capital that can be drawn at any time and is subject to annual review.

In addition, a new $150 million debtor securitisation programme was also agreed and commenced in July 2015 with the securitisation of certain eligible merchandise and livestock agency trade receivables, the proceeds from which are used to pay down the debt drawn. The debtor securitisation facility is a rolling 12 month facility, which is subject to annual review.

The Group's financing facilities contain undertakings including an obligation to comply at all times with certain financial covenants that require the Group to operate within certain financial ratio threshold levels as well as ensuring subsidiaries contribute minimum threshold amounts of Group's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Group's Total Assets.

The main financial covenants that the Group is subject to under these new facilities are an Interest Cover Ratio and Tangible Net Worth hurdle amount. Financial covenants testing is undertaken and reported to the Board on a monthly basis. Reporting to the financiers occurs quarterly. The Group was in compliance with all its financial covenants throughout the financial year.

2014			
FACILITY ($000)	MATURITY	FACILITY LIMIT	UTILISED
Multi option facility	Mar-15	100,000	27,000
Cash advance facility	Mar-16	100,000	22,000
NAB business flexible rate loan	Jun-15	2,375	2,375

The Group's multi-option facility and cash advance facility operated under a bilateral financier's facility agreement. These facilities were committed with a guarantor group arrangement and security over the parent company and three subsidiaries.

The Group's financing facilities contained undertakings including an obligation to comply at all times with certain financial covenants that required the Group to operate within certain financial ratio threshold levels as well as ensuring subsidiaries contributed minimum threshold amounts of Group EBITDA and the Group's Total Assets.

The main financial covenants which the Group was subject to were the Interest Cover Ratio, Working Capital Ratio, Leverage Ratio and Tangible Net Worth. Financial covenants testing was undertaken and reported to the Board on a monthly basis. Reporting to the financiers occured quarterly. The Group was in compliance with all its financial covenants throughout the financial year.

(C) CARRYING VALUE VS FAIR VALUE

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for debt on similar terms, taking into account credit risk and remaining maturities. The carrying amount of trade and other payables, other loans and loans from related parties approximate fair value due to their short term nature.

	AT 30 SEPTEMBER 2015		AT 30 SEPTEMBER 2014	
	CARRYING AMOUNT $'000	LEVEL 2 FAIR VALUE $'000	CARRYING AMOUNT $'000	LEVEL 2 FAIR VALUE $'000
FINANCIAL LIABILITIES				
Bank overdraft	1,869	1,869	-	-
Bank loans	52,000	52,000	51,375	51,189
Derivative financial instruments	1,681	1,681	2,808	2,808
Deposit book	-	-	7,333	7,330
Finance lease liability	2,079	1,949	2,388	2,195
	57,629	57,499	63,904	63,522

NOTE 12: ISSUED CAPITAL AND RESERVES

ACCOUNTING POLICY

(I) ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(II) TREASURY SHARES

The Company controls an employee share plan trust that holds Company shares for the purposes of allocating shares to eligible employees.

When share capital recognised as equity is repurchased by the employee share plan trust, the amount of the consideration paid is recognised as a deduction from equity on consolidation. Repurchased shares are classified as a separate component of equity in reserve for own shares. When treasury shares are issued to eligible employees, the cost of the shares allocated is recognised as an increase in equity and an expense in profit or loss.

(A) ISSUED CAPITAL

Movement in number of issued shares:

	2015	2014
Ordinary shares fully paid	78,531,866	77,291,069
The movement in fully paid ordinary shares are outlined below:		
Balance at the beginning of the year	77,291,069	55,019,284
Shares issued during the year	1,240,797	22,271,785
Balance at the end of the year	78,531,866	77,291,069

	2015 $'000	2014 $'000
Ordinary shares fully paid	170,731	166,289

(B) NATURE AND PURPOSE OF RESERVES

Total equity of the Group includes the following reserves:

	2015 $'000	2014 $'000
Capital profits reserve	2,179	2,179
Asset revaluation reserve	4,383	7,110
Cash flow hedge reserve	(905)	(1,963)
General reserve	2,800	2,800
Foreign currency translation reserve	75	8
Share based payments reserve	3,993	2,357
Reserve for own shares	(2,067)	(1,699)
	10,458	10,792

NOTE 12: ISSUED CAPITAL AND RESERVES (CONTINUED)

Nature and purpose of reserves:

(i) Capital profits reserve
The capital profits reserve was established to accumulate profits.

(ii) Asset revaluation reserve
The asset revaluation reserve is used to recognise the changes to fair values of each property carried at fair value.

(iii) Cash flow hedge reserve
Gains and losses on hedging instruments that are designated as hedging instruments for hedges of forward foreign exchange contracts are captured in the cash flow hedge reserve.

(iv) General reserve
The general reserve was established to accumulate profits.

(v) Foreign currency translation reserve
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(vi) Share based payments reserve
The share based payments reserve is used to recognise the fair values of performance rights granted to the Managing Director, Executives and senior management but not vested and exercised yet.

(vii) Reserve for own shares
Treasury shares are the Company's own shares, which are held in trust for employees in a special purpose entity. At 30 September 2015, the Group held 360,715 (2014: 398,914) of the Company's shares.

NOTE 13: MANAGING CAPITAL

(A) CAPITAL RISK MANAGEMENT

The Board's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There was no change in the Group's approach to capital management during the year.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital risk through a range of metrics including the gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. Total equity is as shown in the statement of financial position (including non-controlling interest).

During 2015 the Group's strategy was to maintain a gearing ratio of not more than 40%. As at 30 September 2015 and 30 September 2014, the gearing ratios were as follows:

	NOTES	2015 $'000	2014 $'000
Total borrowings	11	59,789	64,832
Less: cash and cash equivalents	17	(677)	(26,890)
Net debt		59,112	37,942
Total equity		222,473	221,968
Total debt and equity		281,585	259,910
Gearing ratio		21.0%	14.6%

(B) DIVIDENDS

ACCOUNTING POLICY

Divdends are provided for when appropriately authorised and no longer at the discretion of the Group.

	2015 $'000	2014 $'000
DIVIDENDS PAID DURING THE YEAR TO OWNERS OF THE COMPANY		
Final franked dividend for the year ended 30 September 2014 of 8 cents per fully paid share paid on 14 January 2015 (2014: 10 cents in respect of the year ended 30 September 2013)	6,111	5,471
Interim franked dividend for the year ended 30 September 2015 of 8 cents per fully paid share paid on 26 June 2015 (2014: 10 cents in respect of the year ended 30 September 2014)	7,009	6,183
	13,120	11,654
Franked dividends declared or paid during the year were franked at the tax rate of 30% (2014: 30%).		
DIVIDENDS NOT RECOGNISED AT YEAR END		
Since the year end, the directors recommended the payment of a final franked dividend to Ruralco Holdings Limited shareholders of 7 cents per fully paid ordinary share (2014: 8 cents). The aggregate amount of the proposed dividend, expected to be paid on 18 December 2015 out of 2015 profits, but not recognised as a liability at year end is $5,497,231.	5,497	6,183

NOTE 13: MANAGING CAPITAL (CONTINUED)

(A) DIVIDENDS

DIVIDEND FRANKING ACCOUNT BALANCE

The amounts of franking credits calculated at 30% (2014: 30%) available for subsequent financial years are: September 2014, the gearing ratios were as follows:

	2015 $'000	2014 $'000
Franking account balance at the end of the financial year	23,093	22,152

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at year end; and

(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon the Group's ability to declare dividends. The impact on the dividend franking account of dividends proposed after the balance date but not recognised as a liability is to reduce it by $2,355,956 (2014: $2,649,980).

DIVIDEND REINVESTMENT PLAN

The Company has established a dividend reinvestment plan, which operates at the discretion of the Board. This plan operated for the dividends paid during this financial year.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

ACCOUNTING POLICY

Leases of property, plant and equipment where the Group as lessee has substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition at the commencement of the lease, the leased asset is recognised within property, plant and equipment and is measured at an amount equal to the lower of its fair value and the present value of the future minimum lease payments. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to the asset set out in note 9. The corresponding rental obligations, net of finance charges, are included in current and non current loans and borrowings in note 11. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

	NOTES	2015 $'000	2014 $'000
a) OPERATING LEASE COMMITMENTS			
LEASES AS LESSEE			
The Group leases a number of office, warehouse and saleyard facilities under operating leases. The leases vary considerably in lease terms, with the majority for a period of 3 to 5 years, with options to renew the leases for a further 3 to 5 years. Lease payments are increased according to the various lease agreements, usually in line with the local consumer price index.			
Future minimum payments under non-cancellable operating leases are as follows:			
Less than one year		23,012	21,615
Between one and five years		37,318	36,648
More than five years		4,516	2,485
		64,846	60,748
The lease expense recognised in the statement of profit or loss and comprehensive income in "property and equipment expenses" during the year in respect of operating leases is $25,431,001 (2014: $21,436,224).			
LEASES AS LESSOR			
The Group leases space in 4 of its warehouses and 10 office spaces for periods up to 4 years.			
Future minimum receipts under non-cancellable operating leases are as follows:			
Less than one year		1,755	2,083
Between one and five years		4,668	6,320
		6,423	8,403
The lease income recognised in the statement of profit or loss and comprehensive income in "sundry revenue" during the year in respect of operating leases is $2,379,375 (2014: $2,494,101).			

NOTE 14: CAPITAL AND LEASING COMMITMENTS (CONTINUED)

	NOTES	2015 $'000	2014 $'000
b) FINANCE LEASE COMMITMENTS			
The Group has finance lease commitments for motor vehicles payable as follows:			
Less than one year		1,087	1,363
Between one and five years		1,109	1,429
		2,196	2,792
Future finance charges		(117)	(214)
Total lease liabilities		2,079	2,578
Representing lease liabilities:			
Current	11	1,029	1,234
Non-current	11	1,050	1,344
		2,079	2,578
c) CAPITAL AND OTHER COMMITMENTS			
The Group discloses capital and other commitments comprising contracted capital expenditure that will result in cash outflows in future years, but are not recognised as a liability at reporting date.			
The Group has no capital expenditure commitments contracted as at the reporting date but not recognised as liabilities payable but discloses the following other commitments for future purchases related to the livestock export business:			
Livestock related commitments		11,835	13,390
Freight related commitments		8,283	7,509
		20,118	20,899

NOTE 15: CONTINGENT LIABILITIES

The Group has guarantees issued in respect of contract performance in the normal course of business for controlled entities as follows:

	2015 $'000	2014 $'000
Guarantees	26,403	10,012

In the ordinary course of business the Group is called upon to give guarantees and indemnities to counterparties, relating to the performance of contractual and financial obligations (including for controlled entities and related parties). Other than as noted above, these guarantees and indemnities are indeterminable in amount.

NOTE 16: SEGMENT REPORTING

ACCOUNTING POLICY

The Group determines and presents operating segments based on the information that is internally provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters and related intangible assets, related party loans and prepayments), head office expenses, income taxes and deferred tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most of these assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

The Group comprises the following reportable segments:

- Rural Services, which offers livestock agency, wool broking, rural merchandise, water broking and other services, real estate operations and stockfeed manufacture, seed and grain marketing.
- Financial Services comprising finance broking and agricultural advisory services.

NOTE 16: SEGMENT REPORTING (CONTINUED)

	RURAL SERVICES		FINANCIAL SERVICES		RECONCILING ITEMS		TOTAL	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
RESULTS								
External revenues	1,590,906	1,347,241	2,815	1,470	-	-	1,593,721	1,348,711
Interest revenue	6,131	6,724	10	452	-	-	6,141	7,176
Segment revenue	1,597,037	1,353,965	2,825	1,922	-	-	1,599,862	1,355,887
Segment profit/(loss) before income tax	66,542	61,916	(1,549)	370	-	-	64,993	62,286
Unallocated expenses								
Corporate overheads							(28,755)	(33,715)
Results from operating activities							36,238	28,571
Interest expense	(4,248)	(3,553)	(416)	(1,600)	-	-	(4,664)	(5,153)
Corporate finance costs							(4,420)	(3,085)
Share of net profit of equity accounted investees	828	938	-	-	-	-	828	938
Income tax expense							(9,160)	(7,049)
Profit for the period							18,822	14,222
ASSETS								
Segment assets	526,867	683,188	1,060	606	-	(78,991)	527,927	604,803
Investment in associates & joint ventures	8,916	8,653	-	-	-	-	8,916	8,653
Unallocated assets							161,283	43,534
Total assets							698,126	656,990
LIABILITIES								
Segment liabilities	402,648	410,431	411	90	-	(27,424)	403,059	383,097
Unallocated liabilities							72,594	51,925
Total liabilities							475,653	435,022
OTHER SEGMENT INFORMATION								
Acquisitions of non-current segment assets	12,714	57,809	-	7	-	-	12,714	57,816
Depreciation and amortisation of segment assets	8,282	7,431	15	14	-	-	8,297	7,445

During the financial year there were no changes in segment accounting policies that had a material affect on the segment information.

NOTE 17: CASH FLOW INFORMATION

	NOTES	2015 $'000	2014 $'000
Total cash and cash equivalents is broken down as follows:			
Cash on hand		117	113
Cash at bank		560	26,777
Cash and cash equivalents		677	26,890
Bank overdraft	11	(1,869)	-
Total cash at the end of the year		(1,192)	26,890
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET PROFIT:			
Net profit after tax		18,822	14,222
Non-cash and non-operating items in profit from ordinary activities		8,297	7,445
Depreciation and amortisation		3,490	(1,069)
Provision for impairment of receivables		(204)	(143)
Provision for make good		869	-
Bank charges		81	-
Interest		1,636	1,073
Share based payment expense		-	408
Loss on disposal of equity accounted investment		170	-
Revaluation of property plant and equipment (through profit or loss)		-	49
Loss on disposal of other investments		224	(205)
Loss / (profit) on sale of property, plant and equipment		264	322
Loss on disposal of intangible assets		(828)	(938)
Share of associated entities profits not received as distributions		(65)	(109)
Dividend income reclassified as investment income			
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries			
(Increase) / decrease in trade and other receivables		(41,985)	(5,132)
(Increase) / decrease in inventories and biological assets		(10,785)	(2,030)
Increase / (decrease) in trade and other payables		2,121	(2,730)
Increase / (decrease) in current and deferred taxes		920	5,281
Increase / (decrease) in employee benefits provision		1,070	(4,431)
Increase / (decrease) in provisions and other liabilities		33,795	5,673
NET CASH FLOWS FROM OPERATING ACTIVITIES		**17,892**	**17,686**

NOTE 18: EMPLOYEE BENEFITS

ACCOUNTING POLICY

(I) SHORT-TERM BENEFITS

Wages and salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are due within 12 months of the reporting date represent present obligations resulting from employees' services provided at the reporting date. These balances are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits (such as parking and mobile telephone expenses) are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(II) LONG-TERM BENEFITS

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, including appropriate on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Long service leave is classified as current where the leave has vested, or will vest within the next 12 months, in accordance with the relevant state legislation under which the employee operates.

(III) RETIREMENT BENEFITS OBLIGATIONS

All employees of the Group are entitled to benefits from the Group's superannuation plan on retirement, disability or death. The Group has a defined contribution section within its plan. The Group's contributions are based on a percentage of salary, which are statutory fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. Contributions to the defined contribution fund are recognised as an expense as they become payable.

(IV) TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance date are discounted to present value.

(V) SHARE-BASED PAYMENTS

For each of the Group's share-based compensation schemes, the fair value of the equity instrument granted is measured at the grant date and spread over the vesting period via a charge to profit or loss and a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are met.

NOTE 18: EMPLOYEE BENEFITS (CONTINUED)

	2015 $'000	2014 $'000
a) EXPENSE AND AMOUNTS OUTSTANDING FOR PAYMENT AT YEAR END		
Total personnel expenses for the year can be broken down as follows:		
PERSONNEL EXPENSES		
Salaries and wages	138,101	119,032
Contributions to defined contribution plans	12,664	10,789
Share based payments (equity settled)	1,636	1,073
Termination benefits	1,564	1,078
Payroll tax	8,480	7,052
Other personnel expenses	6,301	5,913
Total personnel expenses	168,746	144,937
Employee benefit provisions recognised at balance date are as follows:		
CURRENT - EMPLOYEE BENEFITS		
Annual leave	9,286	8,913
Long service leave	7,818	7,232
	17,104	16,145
NON-CURRENT - EMPLOYEE BENEFITS		
Long service leave	3,240	3,129

	2015 $	2014 $
b) KEY MANAGEMENT PERSONNEL DISCLOSURES		
See Remuneration Report section 1.1 for definition of key management personnel. Details on the remuneration paid to the Non-Executive Directors and those other executives who at any point during the financial year had authority and responsibility for planning, directing and controlling the activities of the Group are also provided in the Directors' report.		
Key management personnel compensation comprised the following:		
Short term employee benefits	3,487,960	3,784,688
Post employment benefits	190,071	239,188
Termination benefits	743,650	5,923
Share-based payments	882,289	836,223
	5,303,970	4,866,022

NOTE 18: EMPLOYEE BENEFITS (CONTINUED)

(c) SHARE BASED PAYMENT ARRANGEMENTS
ACCOUNTING POLICY

The Ruralco Holdings Limited Executive Incentive Plan and Senior Management Plan grants executives and senior management shares in the Company. The fair value of these performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value of performance rights are measured at grant date and spread over the period which the employee become unconditionally entitled to the rights. The amount recognised as an expense is adjusted to reflect the actual number of rights that vest. The fair of the rights granted is measured using a Monte Carlo simulation methodology, taking into account the terms and conditions upon which the rights were granted. Measurement inputs include the share price on the measurement date, expected share price volatility, expected dividend yield, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

DESCRIPTION OF SHARE BASED PAYMENT ARRANGEMENTS

The Ruralco Limited Executive Incentive Plan

This incentive plan was established to provide Long Term Incentives (LTIs) for executives. Under the incentive plan, participants are granted rights that only vest if certain time based and performance based vesting conditions are met. Participation in the incentive plan is at the Board's discretion and no individual has a contractual right to participate in the incentive plan or to receive any guaranteed benefits.

The number of rights granted to executives are based on their target LTI. The target LTI is determined based upon the executive's level of seniority and contribution to the profitability of the Group.

Details of the outcome of vesting testing dates in the current and prior year are set out in section 6.1 in the Remuneration Report.

Senior management plan

Under the Senior Management Share Plan, $15,000 worth of shares will be provided to selected senior managers over 3 years as a non-performance related retention strategy, with 20% of the total amount allocated at the end of each of the first 2 years and the remaining 60% at the end of the third year. The senior manager must remain employed on the relevant vesting date in order to receive the shares. No amounts were granted with respect to the 2015 financial year under this plan.

Measurement of fair values

Fair value is calculated using a Stochastic Monte Carlo simulation. Details of the measurement inputs used in the fair value calculation of performance rights granted are set out below.

GRANT DATE	VESTING DATE	SHARE PRICE AT GRANT DATE $	DISCOUNT RATE %	EXPECTED DIVIDEND YIELD %	EXPECTED PRICE VOLATILITY %	S&P/ASX SMALL ORDINARIES TOTAL RETURN INDEX VOLATILITY %	CORRELATION TO TOTAL RETURN INDEX	FAIR VALUE $
1-Oct-11	1-Oct-14	3.18	3.4	6.0	30	n/a	n/a	2.73
1-Oct-12	1-Oct-15	3.40	2.6	6.7	30	n/a	n/a	2.83
20-May-14	1-Oct-16	3.88	3.4	5.3	30	15	0.08	2.41
1-Oct-14	1-Oct-17	3.51	2.2	5.0	30	15	0.06	1.97

The expected volatility of the Company's Return On Equity (ROE) is based on the historic volatility (based on the remaining life of the performance rights), adjusted for the expected changes to future volatility due to publicly available information.

NOTE 18: EMPLOYEE BENEFITS (CONTINUED)

RECONCILIATION OF OUTSTANDING PERFORMANCE RIGHTS

A reconciliation of the number of outstanding performance rights under the Group's incentive plans are set out below.

	VESTING DATE	FAIR VALUE AT GRANT	OPENING BALANCE	GRANTED	VESTED	LAPSED	CLOSING BALANCE
2015 GRANT DATES							
1-Oct-11	1-Oct-14	2.67	300,752	-	(164,578)	(136,174)	-
10-Sep-12	30-Sep-15	2.86	150,000	-	-	(150,000)	-
1-Oct-12	1-Oct-15	2.79	343,516	-	(343,516)	-	-
1-Oct-13	1-Oct-16	2.42	475,942	-	(107,061)	(142,340)	226,541
1-Oct-14	1-Oct-17	1.97	-	422,516	-	(61,959)	360,557
			1,270,210	422,516	(615,155)	(490,473)	587,098
2014 GRANT DATES							
1-Oct-10	1-Oct-13	1.31	263,880	-	(232,355)	(31,525)	-
1-Oct-11	1-Oct-14	2.67	300,752	-	-	-	300,752
10-Sep-12	30-Sep-14	3.03	275,000	-	(125,000)	-	150,000
1-Oct-12	1-Oct-15	2.79	384,664	-	-	(41,148)	343,516
1-Oct-13	1-Oct-16	2.42	-	475,942	-	-	475,942
			1,224,296	475,942	(357,355)	(72,673)	1,270,210

Performance rights are granted for nil cost and their exercise price is nil.

EXPENSE RECOGNISED IN PROFIT OR LOSS

As set out in Note 18(a), the total share based payment expense recognised in profit or loss was $1.6 million (2014: $1.1 million)

NOTE 19: GROUP COMPOSITION

ACCOUNTING POLICY

(I) SUBSIDIARIES

Subsidiaries are those entities over which the Group has the power, directly or indirectly, to govern the financial and operating policies generally accompanied by an equity holding of more than half the voting rights. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control of the subsidiary commences until the date that control ceases. Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated.

(II) NON-CONTROLLING INTERESTS

Non-controlling interests are interests in partly owned subsidiaries, which are not held either directly or indirectly by Ruralco Holdings Limited.

(III) CHANGES IN THE GROUP'S OWNERSHIP INTERESTS

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

IV) EQUITY ACCOUNTED FOR INVESTEES

An associate is an entity over which the Group has significant influence (i.e. power to participate in the investee's financial and operating decisions). A joint venture is an investment where the Group has joint control, with one or more third parties.

For joint ventures and associates, the Group applies equity accounting. Under this method, it recognises the investment initially at cost and subsequently adjusts this for its share of profits or losses, which are recognised in the statement of profit or loss and comprehensive income. Any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that investee, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Assessing whether the Group has the power to direct the relevant activities of the investee requires the use of judgement and involves consideration of the rights it holds including the right to appoint or remove key management and the decision-making rights that impact the Group's exposure to variable returns.

When indicators of impairment exist, such as underperformance to budget, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

NOTE 19: GROUP COMPOSITION (CONTINUED)

(a) SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following entities. The proportion of ownership interest is equal to the proportion of voting power held.

		PERCENTAGE OWNED (%)	
		2015	2014
RURALCO HOLDINGS LIMITED – COMPANY	*		
A company incorporated in Australia			
SUBSIDIARIES			
ACN 103 517 522 Pty Ltd	*	100.0	100.0
Ag Concepts Advisory Pty Ltd	*	100.0	-
Ag Concepts Unlimited Pty Ltd	*	100.0	50.1
Agritech Rural Pty Ltd		50.1	50.1
Agritech Unit Trust		50.1	50.1
Agriwest Rural Pty Ltd		51.0	51.0
Archards Irrigation Pty Ltd	*	100.0	51.0
B J Underwood Pty Ltd	*	100.0	100.0
BGA AgriServices Pty Ltd	*	100.0	100.0
BR&C Agents Pty Ltd		51.0	51.0
Combined Rural Traders Pty Ltd	*	100.0	100.0
CQ Ag Services Pty Ltd		57.5	57.5
Dairy Livestock Services Pty Ltd		51.0	51.0
Davidson Cameron & Co Dubbo Pty Ltd	*	100.0	100.0
Davidson Cameron & Co. Narrabri Pty Ltd	*	100.0	100.0
Davidson Cameron Clydsdale & Co. Pty Ltd		67.0	67.0
Davidson Cameron McCulloch Pty Ltd	*	100.0	100.0
Davidson Cameron Pty Ltd	*	100.0	100.0
Farmworks Rural Pty Ltd	*	100.0	100.0
Frontier International Agri Pty Ltd		70.0	70.0
Frontier International Northern Pty Ltd		70.0	70.0
GDL Real Estate Pty Ltd		64.5	72.5
Grant Daniel Long Pty Ltd		64.5	72.5
Ingham Farm Centre Pty Ltd	*	100.0	100.0
Kimberley Rural Pty Ltd		100.0	100.0
Merredin Rural Supplies Pty Limited	*	100.0	100.0
National Waterexchange Pty Ltd (formerly CRT Real Estate Pty Ltd)	*	100.0	100.0
North West Farm Equipment Company Pty Ltd	*	100.0	100.0
North Western Rural Pty Ltd	^	-	53.5
Northern Livestock & Property Pty Ltd		55.0	100.0
Northern Rural Group Pty Ltd		60.0	60.0

		PERCENTAGE OWNED (%)	
		2015	2014
NT Rural Pty Ltd	*	100.0	100.0
Platinum Operations Pty Ltd		62.6	50.1
Primaries of WA Pty Ltd	*	100.0	100.0
Primaries Property Pty Ltd	*	100.0	100.0
Queensland Rural Pty Ltd (formerly FNQG8 Pty Ltd)		55.0	55.0
Rahoom Pty Ltd		100.0	79.1
Rawlinson & Brown Pty Ltd	*	100.0	82.6
Relyon (Australia) Pty Ltd	*	100.0	-
Roberts Don Mac Pty Ltd		50.0	50.0
Roberts Hawkins Pty Ltd		50.0	50.0
Roberts Huon Valley Pty Ltd		50.0	50.0
Roberts Limited	*	100.0	100.0
Roberts Orford Triabunna Pty Ltd		50.0	50.0
Roberts Regional North Pty Ltd		50.0	50.0
Roberts Shearwater Pty Ltd		50.0	50.0
Rodwells & Co Pty Ltd	*	100.0	100.0
Ruralco Employee Share Plan Pty Ltd	*	100.0	100.0
Ruralco Employee Share Plan Trust		100.0	100.0
Ruralco Finance Pty Ltd	*	100.0	60.0
Ruralco Insurance Pty Ltd	*	100.0	100.0
Ruralco Water Brokers Pty Ltd		70.0	70.0
Ruralco Wool Pty Ltd	*	100.0	100.0
RuralSmart Pty Ltd		51.0	51.0
Saffin Kerr Bowen Pty Ltd		63.0	63.0
Saffin Kerr Bowen Wilson Pty Ltd		63.0	63.0
Savage Barker & Backhouse Pty Ltd (formerly Queensland Rural Pty Ltd)	*	100.0	100.0
Southern Australian Livestock Pty Ltd		81.7	80.8
Stevens Egan Johnston Pty Ltd		71.0	71.0
Sureseason Australia Pty Ltd	^	-	100.0
Tasmania Farm Equipment Pty Ltd	*	100.0	100.0
Tasmanian Grain Elevators Pty Ltd	*	100.0	100.0
Terra Firma Fertilisers Pty Limited	*	100.0	100.0
Territory Rural McPherson Pty Ltd		51.0	51.0
Territory Rural Pty Ltd		62.7	62.7
The Farm Shop (WA) 1999 Pty Ltd	*	100.0	100.0
Total Eden Holdings Pty Ltd	*	100.0	100.0
Total Eden McCrackens Group Pty Ltd	*	100.0	100.0
Total Eden Pty Ltd	*	100.0	100.0
Total Eden NZ Limited		100.0	100.0
WMG Agriservices Pty Ltd (formerly Macintyre Rural Pty Ltd)		61.0	53.5

* denotes that the entities are party to the Deed of Cross Guarantee.
^ denotes companies that have been deregistered during the financial year.

Controlled entities are all incorporated in Australia with the exception of Total Eden NZ Limited.

NOTE 19: GROUP COMPOSITION (CONTINUED)

(b) DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 dated 13 August 1998 (as amended by individual ASIC Order 08/0062 issued to the Parent on 31 January 2008), the wholly owned subsidiaries of the Parent are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' reports.

It is a condition of the class order and individual ASIC Order 07/0813 issued to the Parent on 12 October 2007 that the Parent and each of the wholly owned subsidiaries enter into a deed of cross guarantee. The effect of the deed is that the Parent guarantees to each creditor payment in full of any debt in the event of the winding up of any of the wholly owned subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Parent will only be liable in the event that after six months any creditor has not been paid in full. The wholly owned subsidiaries have also given similar guarantees in the event that the Parent is wound up.

A deed of cross-guarantee between Ruralco Holdings Limited and its wholly owned subsidiaries was enacted on 29 September 2006. During the year, it was amended as follows:

- Ag Concepts Advisory Pty Ltd included in the closed group on 16 September 2015
- Ag Concepts Unlimited Pty Ltd included in the closed group on 30 September 2015
- Archards Irrigation Pty Ltd included in the closed group on 14 August 2015
- Davidson Cameron & Co Dubbo Pty Ltd included in the closed group on 14 August 2015
- Davidson Cameron & Co. Narrabri Pty Ltd included in the closed group on 14 August 2015
- Davidson Cameron McCulloch Pty Ltd included in the closed group on 14 August 2015
- Davidson Cameron Pty Ltd included in the closed group on 14 August 2015
- Primaries of WA Pty Ltd included in the closed group on 12 January 2015
- Primaries Property Pty Ltd included in the closed group on 14 August 2015
- Rawlinson & Brown Pty Ltd included in the closed group on 30 September 2015
- Relyon (Australia) Pty Ltd included in the closed group on 16 September 2015
- Ruralco Finance Pty Ltd included in the closed group on 16 September 2015
- Ruralco Insurance Pty Ltd included in the closed group on 14 August 2015

Set out below is a summary of the consolidated statement of profit or loss and comprehensive income, and movement in consolidated retained earnings, for the year ended 30 September 2015 and the consolidated statement of financial position as at 30 September 2015 of the Closed Group after eliminating all transactions between members.

	2015 $'000	2014 $'000
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME		
Revenue	1,295,242	1,113,237
Cost of goods sold	(1,072,995)	(940,254)
Depreciation expense	(3,801)	(2,667)
Amortisation expense	(3,084)	(2,806)
Personnel expenses	(128,319)	(91,239)
Property and equipment expenses	(22,510)	(14,300)
Motor vehicle expenses	(13,298)	(9,510)
Marketing and advertising expense	(4,595)	(2,347)
Data and telephony expenses	(3,225)	(2,603)
Other expenses	(24,272)	(19,468)
Finance costs	(8,272)	(13,632)
Share of profit of equity accounted for investees	828	869
Profit before income tax	**11,699**	**15,280**
Income tax expense	(3,882)	(2,274)
Profit after tax	**7,817**	**13,006**
Other comprehensive income after tax	(1,415)	3,851
Total comprehensive income for the year, net of tax	**6,402**	**16,857**

NOTE 19: GROUP COMPOSITION (CONTINUED)

(b) DEED OF CROSS GUARANTEE (CONTINUED)

	2015 $'000	2014 $'000
CURRENT ASSETS		
Cash and cash equivalents	-	20,908
Trade and other receivables	341,367	299,034
Inventories	75,188	65,899
Assets classified as held for sale	2,700	1,750
TOTAL CURRENT ASSETS	419,255	387,591
NON-CURRENT ASSETS		
Trade and other receivables	-	7
Investments and other financial assets	43,763	46,860
Property, plant and equipment	22,493	35,249
Deferred tax assets	11,417	9,226
Intangible assets	110,927	89,878
TOTAL NON-CURRENT ASSETS	188,600	181,220
TOTAL ASSETS	607,855	568,811
CURRENT LIABILITIES		
Trade and other payables	310,231	276,930
Loans and borrowings	60,490	35,512
Current tax liabilities	2,858	2,256
Employee benefits	13,281	11,218
Make good provision	-	390
Deferred consideration	504	181
TOTAL CURRENT LIABILITIES	387,364	326,487
NON-CURRENT LIABILITIES		
Loans and borrowings	461	23,440
Deferred tax liability	8,420	7,631
Employee benefits	2,386	2,044
Make good provision	792	197
Deferred consideration	942	285
TOTAL NON-CURRENT LIABILITIES	13,001	33,597
TOTAL LIABILITIES	400,365	360,084
NET ASSETS	207,490	208,727
EQUITY		
Share capital	170,757	166,289
Reserves	12,613	12,769
Retained profits	24,120	29,669
TOTAL EQUITY	207,490	208,727
Retained profits at the beginning of the financial year	29,669	29,116
Profit after tax	7,817	13,006
Dividends provided for or paid	(8,634)	(11,654)
Transfers (to) / from reserves	(2,052)	-
Impact from entrance / (exit) from closed group	(2,680)	-
Disposal of instruments held at fair value	-	(799)
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	24,120	29,669

NOTE 19: GROUP COMPOSITION (CONTINUED)

(c) PARENT COMPANY

As at, and throughout the financial year ended 30 September 2015 the parent company of the Group was Ruralco Holdings Limited. The results, financial position and specific commitment and contingent liability disclosure is included below.

	2015 $'000	2014 $'000
RESULT OF THE PARENT ENTITY		
Profit for the period after tax	502	(2,519)
Other comprehensive income	-	4,496
Total comprehensive income for the period	502	1,977
FINANCIAL POSITION OF THE PARENT ENTITY AT YEAR END		
Current assets	50,681	58,928
Total assets	307,344	192,854
Current liabilities	66,744	34,275
Total liabilities	70,211	58,328
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:		
Share capital	149,532	145,088
Retained earnings	(25,075)	(12,491)
Cash flow hedge reserve	-	26
Share based payments reserve	2,874	1,903
Total equity	127,331	134,526

PARENT ENTITY CONTINGENCIES

The directors are of the opinion that provisions are not required in respect of the Company's performance guarantees disclosed in note 15.

CONTINGENT LIABILITIES NOT CONSIDERED REMOTE

The directors are of the opinion that there are no contingent liabilities not considered remote in respect to the Company.

PARENT ENTITY GUARANTEES IN RESPECT OF DEBTS OF ITS SUBSIDIARIES

As noted in section (b), Ruralco Holdings Limited has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

NOTE 19: GROUP COMPOSITION (CONTINUED)

(d) EQUITY ACCOUNTED INVESTMENTS

Interests are held in the following associates and joint ventures:

NAME	PRINCIPAL ACTIVITIES	OWNERSHIP INTEREST		CARRYING AMOUNT OF INVESTMENT USING THE EQUITY METHOD	
		2015 %	2014 %	2015 $'000	2014 $'000
Joint Ventures					
Western Riverina Fertilisers Pty Ltd	Rural merchandising	50	41.29	417	609
Agfarm Unit Trust	Grain marketing	50	50	8,499	8,044
				8,916	8,653

Movements during the year in the carrying value of equity accounted investments are as follows:

	2015 $'000	2014 $'000
Balance at beginning of the financial year	8,653	12,929
Share of associated company's net profit after tax	828	938
Dividends	(565)	(723)
Disposal during the year	-	(4,491)
Balance at end of the financial year	8,916	8,653

Summary financial information for equity accounted investees is as follows:

	OWNERSHIP INTEREST %	ASSETS $'000	LIABILITIES $'000	REVENUE $'000	PROFIT AFTER TAX $'000
2015					
Western Riverina Fertilisers Pty Ltd	50	1,427	576	2,919	120
Agfarm Unit Trust	50	4,631	3,443	7,158	1,568
		6,058	4,019	10,077	1,688
2014					
Western Riverina Fertilisers Pty Ltd	41.29	1,875	554	4,436	187
Lachlan Fertilisers Rural Pty Ltd*	50	-	-	29,537	1,326
Agfarm Unit Trust	50	18,600	18,207	6,961	393
		20,475	18,761	40,934	1,906

All of the associates and joint ventures listed above are incorporated in Australia.

* Lachlan Fertilisers Rural Pty Ltd was sold on 31 July 2014. Assets and liabilities are therefore nil as at 30 September 2014 and 2015. Revenue and profit after tax amounts covers a period from 1 October 2013 to the date of sale.

NOTE 19: GROUP COMPOSITION (CONTINUED)

(e) NON CONTROLLING INTERESTS (NCI)

Details of each of the Group's subsidiaries that has material non-controlling interests are set out below:

	FRONTIER INTERNATIONAL AGRI PTY LTD		BR&C AGENTS PTY LIMITED		PLATINUM OPERATIONS PTY LIMITED		RAWLINSON & BROWN PTY LIMITED*	
	2015	2014	2015	2014	2015	2014	2015	2014
NCI PERCENTAGE	**30%**	**30%**	**49%**	**49%**	**37.4%**	**49.9%**	**0%**	**17.4%**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current assets	9,992	2,445	11,388	6,884	16,707	10,491	7,152	8,567
Non current assets	1,930	1,333	2,072	2,291	1,659	1,486	3,598	3,660
Current liabilities	(13,436)	(4,892)	(9,085)	(5,222)	(15,672)	(9,651)	(5,515)	(4,557)
Non current liabilities	(76)	(84)	(321)	(851)	(445)	(472)	(551)	(2,580)
NET ASSETS	(1,590)	(1,198)	4,054	3,102	2,249	1,854	4,684	5,090
Carrying amount of NCI	(477)	(359)	1,986	1,520	841	925	-	886
Revenue	187,649	56,886	30,620	34,348	105,312	98,853	17,089	15,909
Profit	(942)	(1,212)	1,712	763	1,606	1,094	968	1,389
OCI	793	(1,962)	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(149)	(3,174)	1,712	763	1,606	1,094	968	1,389
Profit allocated to NCI	(283)	(364)	868	374	619	546	143	242
OCI allocated to NCI	238	(589)	-	-	-	-	-	-
Cash flows from operating activities	(1,302)	(15,735)	4,771	1,869	(905)	837	1,788	3,937
Cash flows from investing activities	(217)	(425)	(263)	(587)	(381)	(226)	(23)	(337)
Cash flows from financing activities	3,455	16,453	(4,452)	90	158	(408)	(2,089)	(7,305)
NET INCREASE/ (DECREASE) IN CASH	1,936	293	56	1,372	(1,128)	203	(324)	(3,705)

*Note that Rawlinson & Brown Pty Limited was 100% owned as at 30 September 2015.

NOTE 20: BUSINESS COMBINATIONS

ACCOUNTING POLICY

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs are expensed as incurred.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance either in profit or loss or as a charge to other comprehensive income.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The purchase price allocation process involves uncertainty as assumptions are made to identify tangible and intangible assets acquired, liabilities assumed, and their fair values. Quoted market prices or widely accepted valuation techniques are used to determine fair values. These include discounted cash flow analyses and market multiple analyses, based on assumptions about economic conditions, interest rates, industry economic factors, business strategies, and risks specific to the acquired asset or liability.

a) AQUISITIONS 2015

The Group obtained control of the following entities and businesses during the year:

	DATE ACQUIRED
ACQUISITION OF BUSINESSES ON THE FOLLOWING DATES:	
Landscape Australia Pty Ltd	30 November 2014
Peter Lees Real Estate Pty Ltd	31 May 2015
Peter Ruaro	1 June 2015
First National Keith & Bordertown	1 July 2015
W.H. Bailey & Sons Pty Ltd	1 August 2015
CIAA Pty Ltd	11 September 2015

The acquisition of the above-mentioned entities and businesses is consistent with the Group's strategy of broadening its geographic footprint by acquiring quality agribusinesses and people.

Acquisition accounting for all business combinations carried out during the current year have been determined provisionally to allow the Group sufficient time to form a view as to the value of any separately identifiable net assets acquired.

(I) SUMMARY OF ACQUISITION - LANDSCAPE AUSTRALIA

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date net of cash acquired	9,182
	9,182
IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	
ASSETS	
Receivables	5,696
Inventories	50
Property, plant and equipment	810
Other assets	28
Other intangbiles recognised upon acquisition	249
LIABILITIES	
Payables	(3,193)
Provisions	(243)
NET ASSETS ACQUIRED	**3,397**
GOODWILL	
Fair value of the consideration paid	9,182
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(3,397)
Goodwill (allocated to Water Services CGU group)	**5,785**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the business acquired.

The result during the post-acquisition period to 30 September 2015 was a contribution of $23.3 million to revenue and a profit after tax of $0.7 million. Had the results of Landscape Australia been included from the beginning of the financial year, a further $3.7 million in revenue and $0.5 million of profit after tax would have been recognised as part of the Ruralco Holdings Group results.

NOTE 20: BUSINESS COMBINATIONS (CONTINUED)

(a) AQUISITIONS 2015 (CONTINUED)

(II) SUMMARY OF ACQUISITION - PETER LEES REAL ESTATE PTY LTD

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date net of cash acquired	1,530
	1,530

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	$'000
ASSETS	
Other intangibles recognised upon acquisition	1,070
LIABILITIES	
Provisions	(25)
	1,045
GOODWILL	
Fair value of the consideration paid	1,530
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(1,045)
Goodwill (allocated toTasmanian Operations CGU group)	**485**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the business acquired.

The result during the post-acquisition period to 30 September 2015 was a contribution of $0.3 million to revenue and a profit after tax of $0.1 million. Had the results of Peter Lees been included from the beginning of the financial year, a further $0.5 million in revenue and $0.1 million of profit after tax would have been recognised as part of the Ruralco Holdings Group results.

(III) SUMMARY OF ACQUISITION - PETER RUARO

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date net of cash acquired	468
Deferred consideration at net present value at acquisition effective date	1,670
	2,138

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	$'000
ASSETS	
Property, plant and equipment	5
Other intangibles recognised upon acquisition	213
Net assets acquired	**218**
GOODWILL	
Fair value of the consideration paid	2,138
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(218)
Goodwill (allocated to Mainland Operations CGU group)	**1,920**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the businesses acquired.

The results during the post-acquisition period to 30 September 2015 was a contribution of $0.9 million to revenue and a loss after tax of $0.1 million. Had the results of these businesses been included from the beginning of the financial year, a further $5.3 million in revenue and $0.3 million of profit after tax would have been recognised as part of the Ruralco Holdings Group results.

NOTE 20: BUSINESS COMBINATIONS (CONTINUED)

(a) AQUISITIONS 2015 (CONTINUED)

(IV) SUMMARY OF OTHER ACQUISITIONS

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date net of cash acquired	1,534
	1,534

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	$'000
ASSETS	
Inventories	478
Property, plant and equipment	122
Other intangibles recognised upon acquisition	316
LIABILITIES	
Provisions	(19)
NET ASSETS ACQUIRED	**897**
GOODWILL	
Fair value of the consideration paid	1,534
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(897)
Goodwill (allocated to Mainland Operations CGU group)	**637**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the business acquired.

The result during the post-acquisition period to 30 September 2015 was a contribution of $0.5 million to revenue and a profit after tax of $0.2 million. Had the results of Peter Ruaro been included from the beginning of the financial year, a further $0.6 million in revenue and $0.2 million of profit after tax would have been recognised as part of the Ruralco Holdings Group results.

NOTE 20: BUSINESS COMBINATIONS (CONTINUED)

a) AQUISITIONS 2014

The Group obtained control of the following entities and businesses during the prior year:

	PERCENTAGE ACQUIRED	DATE ACQUIRED
ACQUISITION OF CONTROLLING INTEREST IN THE FOLLOWING LEGAL ENTITIES ON THE FOLLOWING DATES:		
Total Eden Holdings Pty Limited	100%	28 February 2014
Total Eden McCrackens Group Pty Limited	100%	28 February 2014
Total Eden Pty Limited	100%	28 February 2014
Total Eden NZ Limited	100%	28 February 2014
ACQUISITION OF BUSINESSES ON THE FOLLOWING DATES:		
Peter Dargan Livestock	100%	31 January 2014

The acquisition of the above-mentioned entities and businesses is consistent with the Group's strategy of broadening its geographic footprint by joining quality agribusinesses and people.

(I) SUMMARY OF ACQUISITION - TOTAL EDEN HOLDINGS GROUP

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date net of cash acquired	57,379
Delayed consideration at net present value at acquisition effective date	2,683
	60,062
IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	
ASSETS	
Trade and other receivables	20,890
Inventories	15,246
Property, plant and equipment	3,885
Software	1,004
Tax assets	1,882
Other intangibles recognised upon acquisition	2,340
LIABILITIES	
Trade and other payables	(19,603)
Provisions	(3,724)
Borrowings	(876)
NET ASSETS ACQUIRED	**21,044**
GOODWILL:	
Fair value of the consideration paid	60,062
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(21,044)
Goodwill (allocated to Mainland Operations and Water Services CGU groups)	**39,018**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the business acquired.

The Group incurred acquisition-related costs of $2,108,464 on legal and due diligence costs. These costs were included in "Other expenses".

NOTE 20: BUSINESS COMBINATIONS (CONTINUED)

(a) AQUISITIONS 2014 (CONTINUED)

(II) SUMMARY OF ACQUISITION - PETER DARGAN LIVESTOCK

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date	211
Contingent consideration not yet paid	466
	677

The Group has included $466,125 as contingent consideration, which represents its fair value at acquisition date. The fair value of the contingent consideration was calculated by applying the income approach using the probability-weighted expected contingent consideration and a discount rate of 10.6%.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	$'000
ASSETS	
Other assets	2
Property, plant and equipment	1
LIABILITIES	
Provisions	(41)
NET ASSETS ACQUIRED	**(38)**
GOODWILL	
Fair value of the consideration paid	677
Less: Recognised amount of identifiable assets acquired and liabilities assumed	38
Goodwill (allocated to Mainland Operations CGU group)	**715**

The goodwill is attributable to the knowledge and expertise of the workforce and earning potential of the business acquired.

b) NEW BUSINESS ESTABLISHED:

2015	
BUSINESS NAME	**DATE ESTABLISHED**
Relyon (Australia) Pty Ltd	14 July 2015
Ag Concepts Advisory Pty Ltd	7 August 2015
BGA Agriservices North Queensland Pty Ltd	20 August 2015

2014	
BUSINESS NAME	**DATE ESTABLISHED**
Frontier International Agri Pty Ltd	29 October 2013
Frontier International Northern Pty Ltd	13 November 2013
Northern Livestock & Property Pty Ltd	13 May 2014
Ruralco Insurance Pty Ltd	18 June 2014
Sureseason Australia Pty Ltd	6 August 2014

(c) DISPOSAL OF OPERATIONS

2015

(I) DISPOSAL OF SURESEASON AUSTRALIA PTY LTD

On 25 February 2015, the group disposed of Sureseason Australia Pty Ltd. Nil proceeds were received for the business and no profit impact from the disposal.

(II) DISPOSAL OF NORTH WESTERN RURAL PTY LTD

On 10 June 2015, the group deregistered North Western Rural Pty Ltd.

2014

(I) DISPOSAL OF SUNCOAST RURAL PTY LTD

On 31 July 2014, the group disposed of the Suncoast Rural business and brand for sales proceeds totalling $0.6 million. Suncoast Rural contributed a $0.1 million in losses after tax to the Group's results for the year ended 30 September 2014.

(II) DISPOSAL OF LACHLAN FERTILISER PTY LTD

On 31 July 2014, the group disposed of its interest in Lachlan Fertiliser for sales proceeds totalling $4.1 million. Lachlan Fertiliser contributed approximately $1.3 million in profit after tax to the Group's results for the year ended 30 September 2014.

NOTE 21: RELATED PARTY TRANSACTIONS

ACCOUNTING POLICY

All undertakings with related parties are on an arm's length basis and recognised in line with accounting standards.

The related parties identified by the Directors include joint ventures, associated undertakings, director related entities and minority shareholders.

	2015 $'000	2014 $'000
a) TRANSACTIONS WITH RELATED PARTIES		
The following transactions occurred with related parties in the year:		
Purchase of goods from subsidiaries by joint venture and associates	906,143	6,300,991
Purchase of goods from subsidiaries by directors and their related entities	264,405	712,647
Interest paid by subsidiaries to their related entites	76,673	-
Interest received by parent from joint ventures and associates	40,144	29,307
b) OUTSTANDING BALANCES AT REPORTING DATE		
The amounts owed by and to these related parties at the year end were:		
Current receivables		
- Other related parties	683,451	1,454,231
Non-current receivables		
- Other related parties	3,768	7,425
Loans and borrowings		
- Other payable to related parties	1,737,113	1,627,234
Receivable from joint ventures and associates	270,467	3,926

Amounts repaid to related parties in relation to related party loans was $306,124.

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect to bad or doubtful debts due from related parties.

NOTE 22: FINANCIAL RISK MANAGEMENT

The Group has exposure to financial risks relating to its use of financial instruments and working capital. Risk management is carried out by a central finance (Group Finance) and the credit risk department (National Credit) under policies approved by the Board of Directors. The Board has established the Audit, Risk and Corporate Governance Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board on its activities and oversees how the Group monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Committee.

The financial risks managed by the Group are as follows:

RISK	EXPOSURE ARISING FROM	MANAGEMENT	BALANCES EXPOSED
Credit risk	The risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade receivables, seasonal finance and meat processor customers, including outstanding receivables and committed transactions.	Credit approval and monitoring practices; counterparty credit policies and limits; provision of security; trade indemnity insurance for certain debtors.	Cash and cash equivalents (Note 17) Trade and other receivables (Note 6)
Liquidity risk	The risk that the Group will not be able to meet its financial obligations as they fall due.	Preparing and monitoring detailed forecasts of cash flows; cash management policies including centralisation of surplus cash balances; maintenance of at call access to funds in the form of cash balances or committed, available revolving credit facilities; regular review of the adequacy of banking arrangements.	Financial liabilities (Note 11) Cash and cash equivalents (Note 17)
Currency risk	Transaction risk, that is the risk that currency fluctuations will have a negative effect on the value of the Group's trading cash flows in various currencies, primarily the US Dollar and Euro.	Use of derivative instruments (such as forward foreign exchange contracts) to hedge exposure in accordance with the policy approved by the Board.	Derivative financial instruments (Note 11)
Interest risk	Risk arising from significant changes in market interest rates from the Group advancing seasonal finance loans to customers, holding cash at bank and borrowings to finance activities.	"Preparing and monitoring interest rate analyses of interest sensitive assets and liabilities; review of rates charged by borrowers. The Group does not hedge its interest rate position.	"Trade and other receivables (Note 6) Cash and cash equivalents (Note 17) Financial liabilities (Note 11)"
Commodity price risk	Buy/sell price risk from physical transactions of livestock for periods up to 12 months.	Physical forward positions with livestock.	Biological assets (Note 8)

Further disclosures required by the accounting standards relating to the various financial risks are detailed below or in the respective notes.

(a) CREDIT RISK

The Group's maximum exposure to credit risk is represented by the carrying amounts of trade receivables (Note 6) and cash and cash equivalents (Note 17).

The Group provides goods and services to substantially all its customers on credit terms. Credit sales are on 7 to 30 day terms except where supplier agreements provide for extended terms or seasonal facilities are approved, which extend from 32 to 365 days. Interest is charged on overdue accounts, seasonal facilities and client advances at rates determined by the Group from time to time.

National Credit assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. If the limit required is greater than that delegated, the limit is referred to the Board for approval. Compliance with credit limits is regularly monitored by management. Customers requiring seasonal finance are usually required to provide security for the debt, while livestock customers have credit limits approved by the insurer.

Security is taken over livestock, wool and plant and equipment or a charge over the proceeds of cropping or dairy activities.

Trade indemnity insurance is arranged over Farmworks, Total Eden, select Frontier customers and meat processors. The insurance amounts are those that are considered prudent for the level of activities and the exposure to individual debts. Excluding wholly owned subsidiaries and joint venture party receivables, 30.7% (2014: 21.8%) of the total exposure to trade receivables is insured.

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) CREDIT RISK (CONTINUED)

The Group is also exposed to credit risk through its seasonal finance facility arrangements with an external financier. This seasonal finance facility contains a put option that allows the external financier to legally transfer debts meeting certain criteria. The put option is in place for those loans of an amount equal to or greater than the expected defaults of these loans and accordingly, the Group retains substantially all the risks and rewards of ownership of the seasonal finance debtors funded by the external financier and therefore recognises the seasonal finance debtors as a receivable with an equal amount payable to the external financier. Included in trade receivables past due 90 days is $8,080,436 (2014: $7,248,404) classified as seasonal finance.

(b) LIQUIDITY RISK

The Group's maximum exposure to liquidity risk is represented by the carrying amounts of financial liabilities (Note 11).

MATURITIES OF FINANCIAL LIABILITIES

The Group is required to disclose the expected timings of cash outflows for each of its financial liabilities. The amounts disclosed in the table below are the contractual undiscounted cash flows (including interest), so will not always reconcile with the amount disclosed in the statement of financial position and Note 11.

		CONTRACTED CASH FLOWS							
2015	CARRYING AMOUNT $'000	TOTAL AMOUNT $'000	AT CALL $'000	1 YEAR OR LESS $'000	OVER 1 TO 2 YEARS $'000	OVER 2 TO 3 YEARS $'000	OVER 3 TO 4 YEARS $'000	OVER 4 TO 5 YEARS $'000	OVER 5 YEARS $'000
DERIVATIVE FINANCIAL LIABILITIES									
Derivative financial instruments	1,681	1,681	-	1,681	-	-	-	-	-
NON-DERIVATIVE FINANCIAL LIABILITIES									
Bank overdraft	1,869	1,924	1,924	-	-	-	-	-	-
Bank loans	52,000	53,138	-	53,138	-	-	-	-	-
Other loans	2,104	2,122	-	2,122	-	-	-	-	-
Trade and other payables	267,626	267,626	-	267,626	-	-	-	-	-
Loans from related parties	1,737	1,737	1,737	-	-	-	-	-	-
Finance lease liabilities	**2,079**	**2,147**	**-**	**1,128**	**606**	**175**	**178**	**60**	**-**
TOTAL FINANCIAL LIABILITIES	**329,096**	**330,375**	**3,661**	**325,695**	**606**	**175**	**178**	**60**	**-**

2014	CARRYING AMOUNT $'000	TOTAL AMOUNT $'000	AT CALL $'000	1 YEAR OR LESS $'000	OVER 1 TO 2 YEARS $'000	OVER 2 TO 3 YEARS $'000	OVER 3 TO 4 YEARS $'000	OVER 4 TO 5 YEARS $'000	OVER 5 YEARS $'000
DERIVATIVE FINANCIAL LIABILITIES									
Derivative financial instruments	2,808	2,808	-	2,808	-	-	-	-	-
NON-DERIVATIVE FINANCIAL LIABILITIES									
Bank loans	51,375	54,309	-	30,911	23,398	-	-	-	-
Other loans	1,919	1,944	-	1,944	-	-	-	-	-
Trade and other payables	336,308	336,308	-	336,308	-	-	-	-	-
Loans from related parties	1,627	1,710	1,710	-	-	-	-	-	-
Depositors	7,333	7,658	-	6,105	1,263	290	-	-	-
Finance lease liabilities	**2,578**	**2,690**	**-**	**1,083**	**867**	**503**	**184**	**53**	**-**
TOTAL FINANCIAL LIABILITIES	**403,948**	**407,427**	**1,710**	**379,159**	**25,528**	**793**	**184**	**53**	**-**

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) CURRENCY RISK

The Group has a direct exposure to foreign exchange risk through its forward foreign exchange contracts used to hedge foreign currency denominated sales and purchases.

SENSITIVITY ANALYSIS - FOREIGN EXCHANGE RATE EXPOSURES

The following sensitivity analysis is based on the foreign exchange rate risk exposures in existence at the balance sheet date. At 30 September 2015, if foreign exchange rates had moved as illustrated in the table below, with all other variables held constant, the impact on the financial statements would be as follows:

	2015		2014	
	POST TAX PROFIT $'000	EQUITY $'000	POST TAX PROFIT $'000	EQUITY $'000
AUD/USD +10%	-	4,027	-	4,699
AUD/USD -10%	-	(4,027)	-	(4,699)

(d) INTEREST RATE PRICING

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate as at the reporting date by class of financial asset or liability.

	INTEREST RATE REPRICING								
2015	INTEREST RATE	FLOATING INTEREST RATE $'000	1 YEAR OR LESS $'000	OVER 1 TO 2 YEARS $'000	OVER 2 TO 3 YEARS $'000	OVER 3 TO 4 YEARS $'000	OVER 4 TO 5 YEARS $'000	OVER 5 YEARS $'000	TOTAL $'000
FINANCIAL ASSETS									
Cash	2.35%	677	-	-	-	-	-	-	677
Trade receivables (interest bearing)	4.82%	5,689	48,980	-	-	-	-	-	54,669
Loans to related parties	4.12%	60	1,252	-	-	-	-	-	1,312
Total financial assets		6,426	50,232	-	-	-	-	-	56,658
FINANCIAL LIABILITIES									
Bank overdraft	2.94%	1,869	-	-	-	-	-	-	1,869
Bank loans	2.19%	-	52,000		-	-	-	-	52,000
Other loans	0.85%	-	2,104	-	-	-	-	-	2,104
Loans from related parties	2.59%	1,737	-	-	-	-	-	-	1,737
Finance lease liability	5.63%	-	1,128	574	157	151	23	46	2,079
Total financial liabilities		3,606	55,232	574	157	151	23	46	59,789
Net exposure to interest rate risk		2,820	(5,000)	(574)	(157)	(151)	(23)	(46)	(3,131)

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) INTEREST RATE PRICING (CONTINUED)

		INTEREST RATE REPRICING							
2014	**INTEREST RATE**	**FLOATING INTEREST RATE $'000**	**1 YEAR OR LESS $'000**	**OVER 1 TO 2 YEARS $'000**	**OVER 2 TO 3 YEARS $'000**	**OVER 3 TO 4 YEARS $'000**	**OVER 4 TO 5 YEARS $'000**	**OVER 5 YEARS $'000**	**TOTAL $'000**
FINANCIAL ASSETS									
Cash	1.13%	26,890	-	-	-	-	-	-	26,890
Trade receivables (interest bearing)	6.85%	4,028	44,844	-	-	-	-	-	48,872
Loans to related parties	3.45%	1,435	-	-	-	-	-	-	1,435
Total financial assets		32,353	44,844	-	-	-	-	-	77,197
FINANCIAL LIABILITIES									
Bank loans	4.24%	49,000	2,375		-	-	-	-	51,375
Other loans	1.30%		1,919						1,919
Loans from related parties	5.09%	1,627	-	-	-	-	-	-	1,627
Depositors	3.59%	-	5,893	1,178	262	-	-	-	7,333
Finance lease liability	6.57%	-	1,016	766	420	146	40	-	2,388
Total financial liabilities		50,627	11,203	1,944	682	146	40	-	64,642
Net exposure to interest rate risk		(18,274)	33,641	(1,944)	(682)	(146)	(40)	-	12,555

SENSITIVITY ANALYSIS - INTEREST RATE EXPOSURES

The following sensitivity analysis is based on the net interest rate risk exposures in existence at the balance sheet date. At 30 September 2015, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit after income tax and equity would have been affected as follows:

	2015		2014	
	POST TAX PROFIT $'000	**EQUITY $'000**	**POST TAX PROFIT $'000**	**EQUITY $'000**
+ 100 basis points	(59)	-	101	-
- 100 basis points	59	-	(101)	-

NOTE 23: EVENTS AFTER THE BALANCE SHEET DATE

The Group has entered into an agreement to acquire the entities listed below with a completion date of 1 October 2015. This transaction is deemed to be a business combination and will be accounted as such in the 2016 financial year. A total consideration of $3.9 million was paid, or is payable, in return of net assets provisionally valued at $1.6 million. The residual value of $2.3 million will be provisionally captured as goodwill and other intangibles. The goodwill will be allocated to the Mainland Operations CGU.

BUSINESSES ACQUIRED

A & B Rural Supplies Pty Ltd
DDG Rural Pty Ltd
Herbert Valley Rural Pty Ltd
Mackay Rural Supplies Pty Ltd

Acquisition accounting for this business combination has been determined provisionally to allow the Group sufficient time to form a view as to the value of any separately identifiable net assets acquired.

(I) SUMMARY OF ACQUISITION

CONSIDERATION TRANSFERRED:	$'000
Cash consideration paid on acquisition date	3,857
	3,857
IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED:	
ASSETS	
Receivables	5,475
Inventories	3,498
Property, plant and equipment	945
LIABILITIES	
Payables	(7,875)
Provisions	(328)
Other liabilities	(168)
PROVISIONAL FAIR VALUE OF NET ASSETS ACQUIRED	**1,547**
GOODWILL	
Fair value of the consideration paid	3,857
Less: Recognised amount of identifiable assets acquired and liabilities assumed	(1,547)
Goodwill (allocated to Mainland Operations CGU group)	**2,310**

The goodwill is attributable to the knowledge and expertise of the workforce and the location of the business acquired.

Excluding the transactions above, there are no matters or circumstances that have arisen since 30 September 2015 which are not otherwise dealt with in this report or in the consolidated financial statements, that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the subsequent financial periods.

NOTE 24: AUDITORS' REMUNERATION

	2015 $'000	2014 $'000
AUDIT SERVICES		
Audit and review of financial statements - KPMG	418,000	459,000
Other regulatory audit services - KPMG	32,000	57,000
	450,000	516,000
Audit and review of financial statements - Other auditors	28,785	19,969
OTHER SERVICES		
Tax compliance services - KPMG	158,380	195,700
Other non-assurance services - KPMG	75,350	45,500
	233,730	241,200

1. In the opinion of the Directors of Ruralco Holdings Limited (the Company):

   (a) the consolidated financial statements and notes that are contained in pages 51-107 and the Remuneration report in the Directors' report, set out on pages 31-48 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 September 2015 and of its performance for the financial year ended on that date; and

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

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

2. There are reasonable grounds to believe that the Company and the Group entities identified in Note 19 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Class Order 98/1418.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 September 2015.

4. The Directors draw readers' attention to Note 1 (a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Richard A F England
Chairman

Travis Dillon
Managing Director & CEO

Dated at Sydney this 1st day of December 2015

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Ruralco Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 30 September 2015, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1-24 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

AUDITOR'S OPINION

In our opinion:

(a) the Financial Report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in note 2(b).

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 31-48 of the directors' report for the year ended 30 September 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

AUDITOR'S OPINION

In our opinion, the remuneration report of Ruralco Holdings Limited for the year ended 30 September 2015, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Dated at Sydney this 1st day of December 2015

Anthony Travers

Anthony Travers
Partner

FIVE YEAR REVIEW	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
FINANCIAL POSITION					
Total assets	698,126	656,990	580,487	608,005	586,817
Total liabilities	475,653	435,022	420,490	436,258	419,316
Total equity	222,473	221,968	159,997	171,747	167,501
RESULTS					
Total revenue	1,599,862	1,355,887	1,133,116	1,136,314	1,003,186
Operating profit before interest, depreciation, amortisation and income tax	40,943	33,869	25,565	41,175	40,203
Interest on borrowings	4,664	5,153	5,700	5,478	5,107
Depreciation and amortisation	8,297	7,445	5,432	5,540	5,315
Operating profit before income tax	27,982	21,271	14,433	30,157	29,781
Operating profit attributable to members of Ruralco Holdings Limited	14,057	10,565	5,738	13,849	14,979
DIVIDENDS					
Total dividends paid and declared	13,120	11,654	10,912	10,418	9,354
Dividends per ordinary share	16.0 cents	16.0 cents	20.0 cents	20.0 cents	18.0 cents

	2015	2014	2013	2012	2011
STATISTICS					
Issued ordinary fully paid shares	78,531,866	77,291,069	55,019,284	55,019,284	55,019,284
Share price at 30 September	$3.60	$3.41	$3.35	$3.40	$3.25
Market capitalisation ($'000)	282,715	263,563	184,315	187,066	178,813
Net tangible assets per share	$1.12	$1.29	$1.41	$1.78	$1.86
Basic earnings (cents per share)	18.03	15.27	10.49	25.46	27.22
Number of permanent employees	1,976	1,871	1,428	1,549	1,521

SHAREHOLDER INFORMATION

AS AT 30 NOVEMBER 2015

RURALCO HOLDINGS LIMITED
ABN 40 009 660 879

SUBSTANTIAL SHAREHOLDER DETAILS AT 30 NOVEMBER 2015 WERE:

HOLDERS OF RELEVANT INTEREST	NUMBER OF SHARES HELD	% OF SHARES
Neale Edwards Pty Ltd and its related entity	21,320,098	27.38
Washington H Soul Pattinson and Company Limited	15,947,792	20.48
Kaplan Equity Limited and its management entities	10,064,802	12.92

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 NOVEMBER 2015

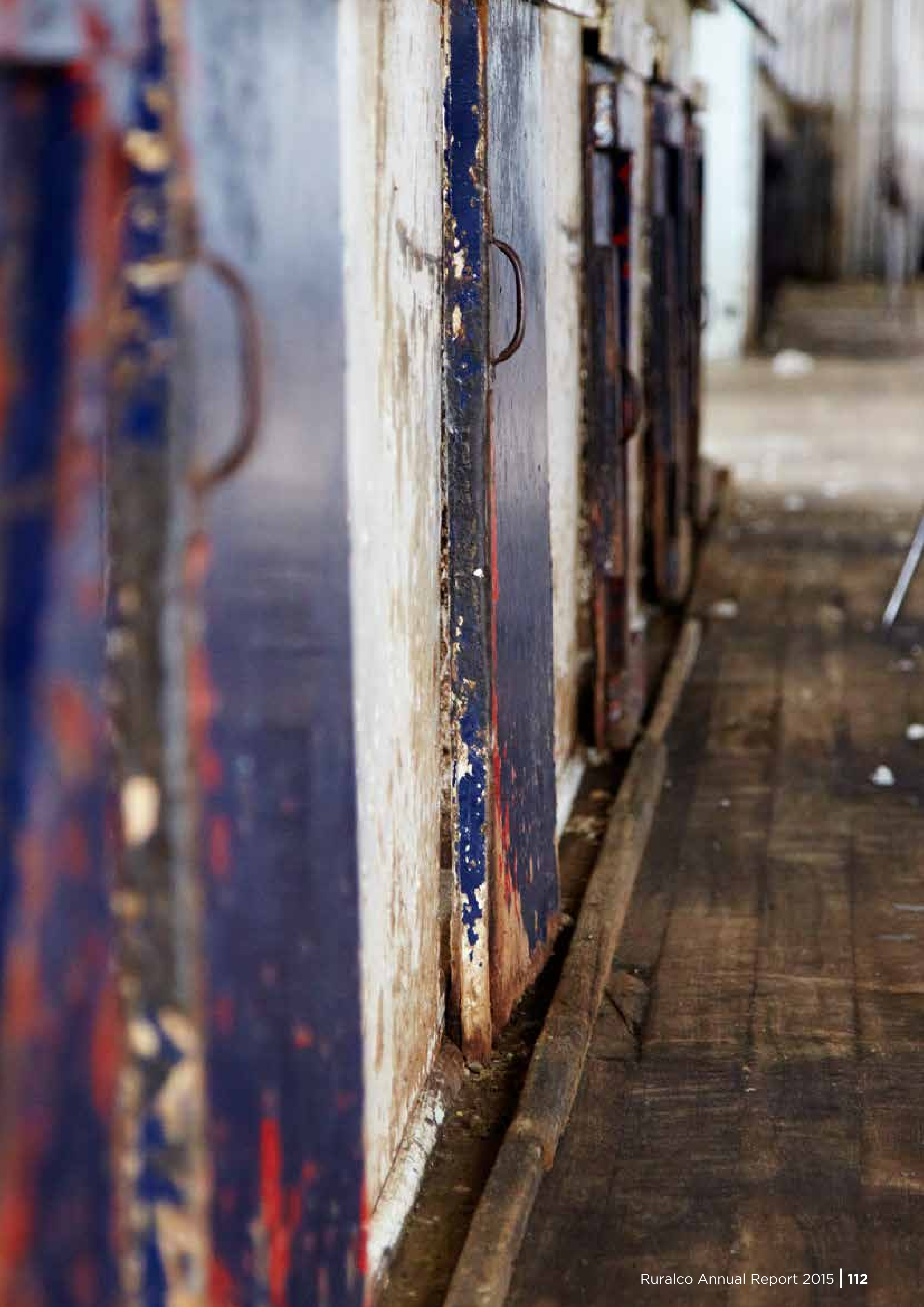
RANGE OF INVESTORS	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	2,272	876,918	1.12
1,001 - 5,000	1,173	3,099,988	3.95
5,001 - 10,000	503	3,728,769	4.75
10,001 - 100,000	543	13,033,352	16.60
100,001 - 999,999,999	34	57,792,839	73.59
1,000,000,000 - 9,999,999,999	0	0	0.00
Rounding			-0.01
Total	4,525	78,531,866	100.0

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 500.00 parcel at $ 3.50 per unit	143	290	15581

20 LARGEST HOLDERS OF ORDINARY SHARES AT 30 NOVEMBER 2015

Name	Number of Shares	Percentage %
1. NEALE EDWARDS PTY LTD	18,395,515	23.42
2. WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	12,938,775	16.48
3. NATIONAL NOMINEES LIMITED	10,094,051	12.85
4. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	3,510,616	4.47
5. WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	3,009,017	3.83
6. BONA VISTA ESTATE PTY LTD	2,924,583	3.72
7. CITICORP NOMINEES PTY LIMITED	703,639	0.90
8. RURALCO EMPLOYEE SHARE PLAN PTY LTD <RURALCO EMPLOYEE SHARE A/C>	670,708	0.85
9. MR CECIL DESMOND SHEEDY + MRS MARILYN PATRICIA SHEEDY <SHEEDY SUPER FUND A/C>	607,088	0.77
10. RURALCO EMPLOYEE SHARE PLAN PTY LTD	600,000	0.76
11. DEAN WHITESTONE PTY LTD	500,000	0.64
12. MR DOUGLAS FENTON-LEE + MRS CAROL ADELE FENTON-LEE <SUPER FUND A/C>	373,546	0.48
13. TRONES INVESTMENTS PTY LTD	344,393	0.44
14. Y G P GRAIN & HARDWARE PTY LTD	303,364	0.39
15. UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	280,306	0.36
16. MEADGATE PTY LTD	209,493	0.27
17. GRANTULLY INVESTMENTS PTY LIMITED	185,054	0.24
18. J P MORGAN NOMINEES AUSTRALIA LIMITED	152,904	0.19
19. MR GEOFFREY WILLIAM GOODE	151,120	0.19
20. DR DOUGLAS FENTON-LEE <FENTON-LEE SUPER FUND A/C>	145,100	0.18
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	56,099,272	71.44
Total Remaining Holders Balance	22,432,594	28.56



AG CONCEPTS UNLIMITED

Ag Concepts Unlimited was established in 1996 and has developed into one of Australia's leading independent, specialist agricultural advisory businesses. The company delivers high quality proactive risk analysis and management services to clients and specialises in grain, livestock and wool. Ag Concepts Unlimited is the holder of Australian Financial Services Licence 316516. This ASIC licensing is used to provide price and risk management services to Australian agricultural businesses, including strategy and execution advice to commodity producers, as well as domestic consumers (feedlots, etc). The company is also a market leader in the provision of comprehensive commodity market intelligence and education services.

200 Skipton Street, Ballarat, VIC 3350
• 1300 987 742 • www.agconcepts.com.au

AGFARM

Operating for over twenty years, Agfarm offers independent marketing advice to grain growers across Australia. The experienced team also facilitates grain sales and provides intelligence, logistics, export market access and managed grain marketing programs.

Level 5, 9 Castlereagh Street, Sydney, NSW 2000
• 1300 243 276 • www.agfarm.com.au

AGRITECH RURAL

Agritech Rural is one of the leading rural merchandise businesses in Victoria's Wimmera region. The business operates outlets in Horsham and Dimboola with its core activities centred around broadacre cropping. In 2012 Agritech Rural formed a joint venture partnership with the Company that also incorporated the Westech Ag business which operates outlets in Kaniva and Nhill. The experienced teams at Agritech Rural and Westech Ag, which include 13 agronomists, provide an extensive range of farm inputs and related services, including finance and insurance.

91 Dimboola Road, Horsham, VIC 3402
• (03) 5381 0040 • www.agritechrural.com.au

AGRIWEST

AgriWest has a proud history servicing the farming communities in and around Parkes, Peak Hill and Forbes in central west New South Wales. Their strong agronomic focus supports the region's agricultural activities which focus on broadacre cropping, cattle and sheep grazing. As well as rural merchandise, the branch network offers specialist services in water management, as well as finance, insurance and grain marketing.

6-8 Camp Street, Forbes, NSW 2871
• (02) 6851 4200 • www.agriwestrural.com.au

AUSTRALIAN AGRICULTURAL AUCTIONS

Established in 2015, Australian Agricultural Auctions (AAA) is Australia's premier professional auction company that specifically focuses on dispersal sales of agricultural plant and equipment. The auction system combines the traditional on-site auction with an on-line internet based bidding system through a partnership with AuctionsPlus. This allows customers great value, flexibility, and convenience and additionally bring to vendors a greater range and depth of potential buyers.

137-143 Fitzgerald Road, Laverton North, VIC 3026
• (03) 9240 4700 • www.agriauctions.com.au

BGA AGRISERVICES

BGA AgriServices provides a large range of agricultural products and services throughout Queensland and Northern NSW. The company operates out of stores in Ayr, Mackay, Nebo, Bundaberg, Oakwood, Childers, Maryborough, Kingaroy, Kumbia, Murgon, Goomeri, Toogoolawah, Casino, Grafton and Dorrigo servicing customers' needs for agricultural chemicals, animal health, crop protection, fencing, fertiliser, rural hardware, irrigation, packaging, produce and seed.

21-29 Youngman Street, Kingaroy, QLD 4610
• (07) 4162 2766 • www.bgaagri.com.au

B J UNDERWOOD PTY LTD
A RURALCO BUSINESS

B J UNDERWOOD

Established in 1955, B J Underwood works in partnership with Woolgrowers Independent Selling Services Ltd (WISS), a grower-owned and controlled wool broking company, to provide commercial wool broking services including warehousing and marketing.

137-143 Fitzgerald Road, Laverton North, VIC 3026
• (03) 9240 4700

BR&C AGENTS

BR&C Agents commenced operation in Swan Hill in 1987 as a stock and station agency business. Since then, the company has grown to be one of Victoria's most successful private agencies providing livestock marketing, agronomy services, rural merchandise, real estate agency, insurance and financial services to rural customers across north west Victoria and south west and western New South Wales.

97 Curlewis Street, Swan Hill, VIC 3585
• (03) 5032 9911 • www.brcagents.com.au

CQ AG SERVICES

CQ Ag Services provides a comprehensive range of goods and services to its clients in the Central Highlands of Queensland. Their expertise and experience with seed, fertiliser and chemicals is attracting strong support from the region's grain and cotton producers.

89 Macauley Road, Emerald, QLD 4720
• (07) 4982 0385 • www.cqagservices.com.au

COMBINED RURAL TRADERS
(CRT AND TOWN & COUNTRY)

Established in 1970, the Combined Rural Traders group incorporates both the CRT and Town & Country businesses. Both brands have a strong focus on crop protection and animal health and support an extensive general products portfolio. With over 400 outlets and 240 agronomists, CRT is the largest independent rural retailing group in Australia. Great service, knowledge and expertise underscores what it means to be a CRT Local Bloke, as does a strong commitment to local communities.

Level 5, Building A, 26 Talavera Road, Macquarie Park, NSW 2113 • (02) 9952 6500 • www.crt.com.au

DAIRY LIVESTOCK SERVICES

The Dairy Livestock Services business commenced in August 2008 and specialises in dairy marketing advice, commercial and registered cattle dispersals and sales, private treaty cattle sales, live export, dairy consulting and dairy property marketing throughout Australia.

Unit 11, 85-91 Keilor Park Drive, Tullamarine, VIC 3043
• (03) 9338 9259 • www.dairylivestockservices.com.au

DAVIDSON CAMERON & CO

The Davidson Cameron & Co business commenced in Quirindi, New South Wales, in 1982 and has subsequently expanded across northern New South Wales with offices in Coolah, Coonabarabran, Gunnedah, Inverell, Moree, Narrabri, Quirindi, Scone and Tamworth. The business provides livestock agency, real estate marketing and financial services to rural customers within these regions.

179 Conadilly Street, Gunnedah, NSW 2380
• (02) 6742 1828 • www.dcco.com.au

OVERVIEW OF KEY COMPANIES AND BRANDS

FARMWORKS

FarmWorks is one of Western Australia's largest rural merchandise groups. The group operates numerous outlets in key locations, trading as both CRT Local Blokes and Town & Country. Their expertise and experience with seed, fertiliser and chemicals is attracting strong support from the region's grain and livestock producers. They also provide finance and insurance services.

18 Wellard Street, Bibra Lake, WA 6163
• (08) 9418 4324

FRONTIER INTERNATIONAL AGRI

New to the Ruralco Holdings Limited Group in 2013, Frontier International Agri is a specialist exporter of livestock to various international destinations. With an extensive background in exporting Australasia's sought after beef and dairy stock around the world, Frontier International's management and sales team offer a fully integrated service to their international customers. This includes sourcing livestock from both local and overseas producers which are selected to export specifications and coordinating shipping, logistics and related services.

68-72 York Street, South Melbourne, VIC 3205
www.frontierinternational.com.au

GRANT DANIEL & LONG

The GDL business commenced in February 1997 and has developed into one of the most successful private agencies in Queensland with a network of 15 locations. The business provides livestock and real estate marketing services, rural merchandise and financial services through its branch network across southern, central and western Queensland.

8 Drayton Street, Dalby, QLD 4405
• (07) 4669 6955 • www.grantdaniellong.com

INGHAM FARM CENTRE

Ingham Farm Centre has been servicing north Queensland's Herbert River area for more than fifty years. The business is committed to providing the highest quality customer service and products, and provides an extensive range of rural merchandise, animal health, irrigation and crop protection products, and specialises in custom blend fertilisers. Sales representatives also provide the highest level of advice, support and excellent infield service.

49506 Townsville Road, Ingham, QLD 4850
• (07) 4776 1477 • www.inghamfarmcentre.com.au

MERREDIN RURAL SUPPLIES

Merredin Rural Supplies operates 300km east of Perth in Western Australia's grain region. The business carries an extensive range of fertilisers and agricultural chemicals to meet the needs of its predominantly broadacre clients.

Cnr McKenzie & East Barrack Streets, Merredin, WA 6415
• (08) 9041 5574

NATIONAL WATEREXCHANGE

National WaterExchange is one of the oldest, largest and most trusted electronic water trading platforms in Australia. It provides access to an extensive network of brokers servicing the Murray-Darling Basin and its irrigation areas along the Murray, Darling and Murrumbidgee Rivers.

1A Cullen Street, Cohuna, VIC 3568
• (03) 5480 3762 • www.waterexchange.com.au

NORTHERN LIVESTOCK AND PROPERTY

Northern Livestock and Property is a livestock and property marketing business bringing many years of experience to the group.

They believe their relationship with the Company will offer significant benefits to their clients in all areas of livestock marketing including processor, feedlot and live export.

The team at Northern Livestock and Property believe in providing outstanding customer service and always put their clients first.

PO Box 252, Moura, QLD 4718 • 0439 288 651

NORTHERN RURAL GROUP

Established in March 2013, Northern Rural Group supplies an extensive range of products and services to support north Queensland's cattle producers through its branches in Townsville and Hughenden. They also provide insurance and financial services to their clients.

383-385 Woolcock Street, Townsville, QLD 4810
• (07) 4779 8799

PAT RICE & HAWKINS

Pat Rice & Hawkins markets some of the finest properties throughout Victoria and the southern Riverina. Pat Rice & Hawkins' reputation has grown over the years by providing a standard of excellence in service and effort to achieve the most successful results possible.

137-143 Fitzgerald Road, Laverton North, VIC 3026
• (03) 9866 5588 • www.prh.com.au

PLATINUM AG SERVICES

Established in 2010, Platinum Ag Services offers a broad range of services including rural merchandise, livestock, real estate, finance, insurance, water trading and grain marketing. Servicing clients across South Australia and Victoria, the group operates branches in Balaklava, Clare, Crystal Brook, Kimba, Loxton, Meningie, Mypolonga, Mildura, Strathalbyn and Renmark.

Level 1, 165 Grenfell Street, Adelaide, SA 5000
• (08) 8130 5000 • www.platinumagservices.com.au

PRIMARIES OF WA

Established in Western Australia in 1981, Primaries has expanded its original wool based business to incorporate livestock broking and real estate property sale, along with offering Ruralco's suite of financial and insurance products. Primaries' personalised, professional service has forged strong client relationships and contributed to its excellent reputation not only in Western Australia but across the country.

18 Wellard Street, Bibra Lake, WA 6163
• (08) 9434 1622 • www.primaries.com.au

PROWATER NATIONWIDE

ProWater Nationwide is a water specialist group providing expertise, products and equipment for efficient water use and retention across domestic, agricultural, horticultural, commercial, industrial and mining sectors.

Level 5, Building A, 26 Talavera Road, Macquarie Park, NSW 2113 • (02) 9225 2902 • www.prowater.com.au

QUEENSLAND RURAL

Based in Charters Towers and with a branch at Mareeba, Queensland Rural provides outstanding service and expertise in livestock marketing for the region's producers. The business also offers real estate and insurance services and is committed to providing a premium level of service to its clients.

1/58 New Queen Road, Charters Towers, QLD 4820 • (07) 4787 2466 • www.qldrural.com.au

RAWLINSON & BROWN

Rawlinson & Brown was established in 1955 and is one of the western Riverina's oldest and most respected rural businesses. With branches in Griffith, Hillston and Coleambally, Rawlinson & Brown provide their clients with an extensive range of services that includes rural merchandise, livestock, water trading, insurance, finance, auction clearing sales, rural and residential real estate.

50-56 Banna Avenue, Griffith, NSW 2680 • (02) 6964 1933 • www.rawbrown.com.au

RELYON

The Relyon product portfolio has been formed to service the Australian farming community through the provision of innovative and economically priced farm chemicals. Relyon products are manufactured using the highest quality raw materials and formulations within a diverse range of herbicides, fungicides, insecticides, adjuvants, surfactants and nutritional products. Each product is monitored and tested to guarantee both quality and integrity, ensuring the Australian farming community can remain competitive in today's global environment.

Level 5, Building A, 26 Talavera Road, Macquarie Park, NSW 2113 • (02) 9952 6666 • www.relyonaustralia.com.au

ROBERTS

Established in 1865, Roberts Limited is an agribusiness and real estate company based in Tasmania. With a broad geographical footprint supporting a large workforce, Roberts is a significant Tasmanian operation with a strong corporate and community profile. Roberts has extensive interests in wool & livestock agency, rural merchandise, finance and insurance, real estate agency and property management, irrigation and water trading.

The company reaches almost every farmer in Tasmania.

273C Kennedy Drive, Cambridge, TAS 7170 • (03) 6235 1444 • www.robertsltd.com.au

RODWELLS

Rodwells has been providing professional, personalised service to its clients since its establishment in 1981. With 30 locations across Victoria and southern New South Wales, Rodwells offers a comprehensive range of products and services to assist their wool and livestock, real estate and rural merchandise clients. Their diverse range of services includes livestock selling, wool broking, water broking and tailored financial and insurance solutions.

137-143 Fitzgerald Road, Laverton North, VIC 3026 • (03) 9240 4700 • www.rodwells.com.au

RURALCO FINANCE

Ruralco Finance was established in 2009 to provide financial products and services to the Ruralco customer base. Through its carefully selected lender panel, Ruralco Finance's experienced finance specialists can broker competitive agri and commercial lending packages to suit a broad range of needs including term loans, vehicle and equipment finance, seasonal finance and line of credit. In 2015 we strengthened the capability of our Seasonal Finance product with Rabobank as the credit provider.

200 Skipton Street, Ballarat, VIC 3350 • 1300 371 677 • www.ruralcofinance.com.au

RURALCO INSURANCE

With national representation and access to over 80 underwriters, Ruralco Insurance can source and tailor an extensive range of products that includes rural, commercial/business/industrial, professional, motor vehicle/truck, domestic, landlords, crop, life and income protection insurance. Ruralco Insurance's profile has strengthened through the strong commitment of its team and support from the Ruralco network.

200 Skipton Street, Ballarat, VIC 3350
• 1800 603 699 • www.ruralcoinsurance.com.au

RURALCO PROPERTY

With over 100 real estate offices across Australia, Ruralco Property provides rural and residential property sales, property management and business broking services to its broad client base.

137-143 Fitzgerald Road, Laverton North, VIC 3026
• (03) 9240 4700 • www.ruralcoproperty.com.au

RURALCO WATER

Ruralco Water Brokers is Australia's largest water asset transfer facilitator providing an independent and transparent trading platform for all classes of water, in all areas. With an excess of 30 agents operating across Victoria, New South Wales, Queensland, South Australia and Tasmania, Ruralco Water Brokers services a regionally diverse customer base through a wide range of local water facilitators and resources.

5 Short Street, Wentworth, NSW 2648
• (03) 5027 2517 • www.ruralcowater.com.au

A RURALCO BUSINESS

SAFFIN KERR BOWEN RODWELLS (SKB)

Founded in 1990, SKB was welcomed to the Ruralco Holdings Limited Group in 2013. Now affiliated with the Ruralco's Rodwells network, SKB is a leading agency business based in Warrnambool Victoria. SKB's specialties are livestock agency services and also the marketing of rural and residential real estate.

266 Timor Street, Warrnambool, VIC 3280
• (03) 5562 4022 • www.skbw.com.au

A RURALCO BUSINESS

SAVAGE, BARKER & BACKHOUSE (SBB)

Established in 1979 and based in Rockhampton, SBB is an icon amongst the local livestock agency businesses. SBB has a diverse business, with numerous revenue streams including livestock, rural merchandise supplies, insurance and rural real estate. The livestock business encompasses both commercial and stud stock through open auction and private treaty.

266 Denison Street, Rockhampton, QLD 4700
• (07) 4927 1677 • www.sbbrocky.com.au

A RURALCO PARTNER

STEVENS EGAN JOHNSTON

Established in 1983, Stevens Egan Johnston is a local market leader in Victoria's Gippsland region with an excellent reputation for providing outstanding service. Licensed real estate agents, auctioneers, property managers and livestock agents, Stevens Egan Johnston operates out of Leongatha, Pakenham, Warragul, Sandy Point and Foster. The business also conducts weekly sales at the Leongatha, Koonwarra, Warragul and Pakenham livestock marketing complexes.

South Gippsland Highway, Leongatha, VIC 3953
• (03) 5662 4033 • www.sej.com.au

SOUTHERN AUSTRALIAN LIVESTOCK (SAL)

Southern Australian Livestock commenced operations in 1984 and principally services the south eastern and Mallee regions of South Australia. The company operates from several offices in south east South Australia where it offers livestock agency and real estate services.

2 Smith Street, Naracoorte, SA 5271
• (08) 8762 3933 • www.salivestock.com.au

TASMANIA FARM EQUIPMENT

Tasmania Farm Equipment is the largest farm machinery distributor in Tasmania with branches strategically located across the state in Devonport, Smithton, Hobart and Launceston. The business also caters to vineyards and small acreages and sells a range of construction equipment.

37 Stony Rise Road, Devonport, TAS 7310
• (03) 6424 1511 • www.tfe.com.au

TERRITORY RURAL

Territory Rural was established in April 2007 to provide a full range of services to primary producers across Australia's Top End and the Kimberleys. With outlets in Darwin and Katherine, Territory Rural provides rural merchandise, livestock marketing, real estate and financial services.

Pinelands Estate, 870 Stuart Highway, Palmerston, NT 0831
• (08) 8932 4688 • www.territoryrural.com.au

TERRITORY RURAL MCPHERSON

Territory Rural McPherson was established in July 2008 to provide a full range of services to primary producers across Australia's Red Centre. Based in Alice Springs, Territory Rural McPherson provides rural merchandise, livestock marketing, real estate specialising in rural property and financial services to rural customers.

291 North Stuart Highway, Alice Springs, NT 0870
• (08) 8953 4255 • www.territoryruralmcpherson.com.au

THE FARM SHOP

The Farm Shop is a respected rural merchandise group in Western Australia with stores in Midland, Moora, Wongan Hills, Northam, York and Quairading. The Farm Shop services general rural merchandise and broadacre markets and provides agronomic services, agricultural chemicals and related farm inputs.

32 Clayton Street, Bellevue, WA 6056
• (08) 9274 0455

TOTAL EDEN

Total Eden includes 37 retail stores located throughout Western Australia, Queensland, New South Wales and Victoria. It provides bespoke design, build and operation solutions for agricultural, landscaping, construction and mining sectors in Australia and New Zealand.

71F Matthews Avenue, Airport West, VIC 3042
• (03) 8340 2400 • www.totaleden.com.au

WMG AGRISERVICES

Formed in 2013 from the merger of three established businesses, WMG Agriservices provides a comprehensive range of ag chem, seed, fertiliser, animal health and rural merchandise products to support their clients. Located in Wee Waa, Moree and Goondiwindi the WMG Agriservices' team offer specialist technical services and products to meet the north-western NSW & southern Queensland region's broadacre cropping, cotton farming and livestock production needs.

83-89 Marshall Street, Goondiwindi, QLD 4390
• (07) 4671 0099 • www.wmgagri.com.au

FINANCIAL CALENDAR

RECORD DATE FOR
2015 FINAL DIVIDEND

27 NOVEMBER 2015

PAYMENT OF 2015
FINAL DIVIDEND

18 DECEMBER 2015

2016 ANNUAL
GENERAL MEETING

19 FEBRUARY 2016

2016 HALF YEAR END

31 MARCH 2016

ANNOUNCEMENT OF
RESULTS FOR HALF YEAR
ENDING 31 MARCH 2016

17 MAY 2016

2016 YEAR END

30 SEPTEMBER 2016

ANNOUNCEMENT OF
RESULTS FOR YEAR
ENDING 30 SEPTEMBER 2016

15 NOVEMBER 2016

NOTE: ABOVE DATES ARE SUBJECT TO CHANGE

REGISTERED OFFICE

273C Kennedy Drive, Cambridge, Tasmania, 7170

Telephone: (03) 6235 1412
Facsimile: (03) 6234 1023
Website: www.ruralco.com.au
Email: asomann-crawford@ruralco.com.au

For shareholder and company information, news announcements, background information on Ruralco Holdings Limited's businesses and previous annual reports, visit the Company's website at www.ruralco.com.au

EXECUTIVE DIRECTOR

Travis Dillon

NON-EXECUTIVE DIRECTORS

Richard A.F England, Chairman
Michael J Millner
John H Tuskin
Ross Burney
Elizabeth Johnstone
Trudy Vonhoff

COMPANY SECRETARY

Angie Somann-Crawford

SHARE REGISTRY

Computershare Investor Services Pty Ltd
GPO Box 7045, Sydney NSW 2001
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Toll Free: 1300 950 505
International: 61 3 9415 4000
Facsimile: 61 3 9473 2500
Email: web.queries@computershare.com.au
Website: www.computershare.com

AUDITOR

KPMG: 10 Shelley Street, Sydney, NSW 2001

SOLICITORS

King & Wood Mallesons

BANKERS

Australia and New Zealand Banking Group Limited (ANZ)
Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)

Ruralco
HOLDINGS LIMITED

www.ruralco.com.au

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