EPHRAIM RESOURCES LTD

ANNUAL REPORT 2014

EPHRAIM RESOURCES LTD

ABN 63 008 666 233

Annual report for the financial year ended 30 June 2014

Annual financial report
for the financial year ended 30 June 2014

Corporate Directory

Directors:

Steven Pynt	Non-Executive Chairman
Michael Pixley	Non-Executive Director
Frederick (Eric) Ng	Executive Director

Company Secretary:

Henko Vos

Registered Office (Australia):

c/ - Nexia Perth
Level 3
88 William Street
PERTH
WESTERN AUSTRALIA 6000
Telephone: +61 (08) 9463 2463

Registered Office (Indonesia):

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INDONESIA
Telephone: + 62 21 2946 2468

Share Registry:

Computershare Investor Services Pty Ltd
Reserve Bank Building
Level 2
45 St Georges Terrace
PERTH
WESTERN AUSTRALIA 6000
Telephone: (08) 9323 2000
Fax: (08) 9323 2033

Auditor:

Crowe Horwath
Level 6, 256 St Georges Terrace
PERTH
WESTERN AUSTRALIA 6000
Telephone: (08) 9481 1448
Fax: (08) 9481 0152

Securities Exchange Listing:

Ephraim Resources Limited’s shares are listed on the Australian Securities Exchange (ASX: EPA)

Chairman's Report to Shareholders

On 10 February 2014, the Company was relisted on the ASX and trading of its shares resumed after the completion of the reverse takeover of Ephraim Resources Ltd. The name change from WAG Ltd was also effected and the Company has been trading under the new ASX code EPA since.

The loss for the Group for the financial year after providing for income tax and non-controlling interest amount to $1,173,174 (June 2013: $94,423). No sales were generated for the financial year, and it is anticipated that the first sales will occur in the second half of the current 2014/15 financial year.

EPA through its 99% owned subsidiary PT First Flower, an Indonesian incorporated entity, is in the business of agricultural biogenetics research and experimentation, licensing and consultancy; with a focus on Nipah Palm breeding, tissue culture, cultivation and plantation, and producing sugar and or ethanol from the sap of the Nipah Palm.

Through extensive research, Ephraim has developed a cost efficient methodology to develop improved nipah palm fit for cropping on an industrial scale at competitive costs, to re-establish and optimise the use of degraded land for nipah palm plantations in Indonesia, and to produce sugar suitable to meet the increasing international demand for sugar commodities and potentially sustainable and renewable non-food fuel.

The by products available from the sap of the Nipah Palm Sugar are syrup, palm sugar and its fruit. Nipah syrup and palm sugar are used locally in Indonesia to make kecap manis (Indonesian sweet soy like flavouring sauce), ice cream and other products while the Nipah fruit is served as a desert, popular not only in Indonesia but in Singapore and Malaysia as well.

PTFF has completed plantation trials, and has to date secured rights over 11,800 hectares of land suitable for nipah palm cultivation.

With the successful raising of $3,000,000 during its relisting process, the Company has set about bringing the Nipah cultivation to commercialisation stage. Besides relocating to new offices in Jakarta and the plantation location of Meranti, additional staff were hired in both head office and plantations.

In August, training for the first batch of 60 farmers for the pilot production program was conducted in Meranti. It commenced with some fanfare in an Opening Ceremony by the local land and forestry authorities to demonstrate their support for our large scale cultivation of Nipah palm as a means of livelihood for the local population.

In the pilot program the trained farmers would tap the grown Nipah palm that stand on our land. As the number of standing palm are not in sufficient quantity to produce sugar or ethanol, the pilot program would generate some revenue from the production and sale of by products of the NIpah plam such as palm sugar, syrup and fruit.

The pilot production should commence in October 2014 after a portion of the land has been mapped and divided into 100 sq m plots to be handled by each farmer. The more productive farmers would be assigned more plots enabling them to earn a higher income by delivering larger quantity of sap from the palm in their plots to be processed into syrup or palm sugar for sale into the local market by the Company.

The success of the pilot program would lead to training of more farmers to work on the remaining portion of the land.

The Board and senior management look forward to the support of shareholders as we work hard to grow our business.

Steven Pynt
Non Executive Chairman

Corporate Governance Statement
for the year ended 30 June 2014

INTRODUCTION

Ephraim Resources Limited (the Company) and the Board are committed to implementing sound standards of corporate governance. In determining what those standards should involve, the Company has had regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments ("Recommendations"). The Company will report against the updated ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) in its 30 June 2015 Annual Report.

A copy of the Company's Corporate Governance Charter ("Charter") has been placed on the Company's website in the corporate governance section.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The functions and responsibilities of the Board compared with those delegated to management are reflective of the Recommendations and are disclosed in the Board Charter on the Company's website.

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

For the purposes of this Statement, Mr Eric Ng is the Executive (or Managing) Director of the company by virtue of being the most senior executive within the parent company. The group also employs a CEO to run the operating subsidiary. Authority is delegated to both Mr Ng and the CEO to ensure the effective day-to-day management of the business of the parent company and its subsidiaries and the Board monitors the exercise of these powers. Mr. Ng and the CEO are required to report regularly to the Board on the performance of that business.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Nomination and Remuneration Committee is charged under the Charter with the periodic review of the job description and performance of the Managing Director and/or CEO according to agreed performance parameters.

Senior executives were the subject of informal evaluations against both individual performance and overall business measures. These evaluations were undertaken progressively and periodically during the year. The CEO's evaluation was undertaken by the Board of Directors.

Outcomes arising from these evaluations included identifying skill improvement needs, redescription of positions of employment, remuneration reviews and where necessary remedial action.

The Charter contains a section formally setting out the Company's Board and Management Performance Enhancement Policy.

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

The Company is not aware of any departure from Recommendations 1.1 or 1.2. Performance evaluations for senior executives have taken place in the reporting period in accordance with the process disclosed.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: A majority of the Board should be independent directors.

The Board respects independence of thought and decision making as critical to effective governance and considers the current structure to be reflective of the needs of the Company at its current stage of development.

The Company complies with this recommendation, with only Mr Frederick (Eric) Ng not considered to be an independent director based on his shareholding and executive role in the Company. Messrs Steven Pynt and Michael Pixley were determined to be independent.

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does currently conform to its policy.

Recommendation 2.2: The Chair should be an independent director.

The position of Chair is filled by Mr Steven Pynt, one of the Company's two independent directors. Mr Pynt held this position with effect from 14 March 2014, with the position vacant prior to this date.

Recommendation 2.3: The roles of the Chair and CEO should not be exercised by the same individual.

The role of the Chairman and CEO is not exercised by the same person. The division of responsibilities between the Chairman and the CEO is set out in the Board Charter.

Recommendation 2.4: The Board should establish a Nomination Committee.

The Board has a Nomination and Remuneration Committee comprising Messrs Steven Pynt, Michael Pixley and Frederick (Eric) Ng. Mr Pynt is the Chairman of the Committee.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

The Nomination and Remuneration Committee is charged in the terms of the Charter with Board and Board Committee membership, succession planning and performance evaluation, as well as Board member induction, education and development.

The Company has adopted policies and procedures in the Charter concerning the evaluation and development of its directors, executives and Board committees. Procedures include an induction protocol and a performance management system for the Board and its Directors.

Performance reviews of the Board, its Committees and individual Directors are currently informal and done progressively over the year and are based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may have been identified.

The Company's Board and Management Performance Evaluation Policy is publicly available on the Company's website.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

Contained in the Directors' Report section of this Annual Report are details of the skills, experience and expertise of each Director in office at the date of this Annual Report.

The status as executive/non-executive and independent/non-independent for each Director for the year ending 30 June 2014 were as follows (with all directors noted as continuing in office at the date of this annual report):

Steven Pynt	Non-executive, independent
Michael Pixley	Non-executive, independent
Frederick (Eric) Ng	Executive, non-independent

The Company has accepted the definition of "independence" in the Recommendations in the above analysis. (Notwithstanding that the Company is not reporting against the 3rd Edition, the status of each director remains unchanged when assessed against the new Recommendation 2.3 (Box 2.3)).

The Board seeks to achieve a balance in its structure that best reflects the needs of the Company at any particular time. Appointment to the Board will be dependent on candidates demonstrating an appropriate breadth of experience in a field of expertise that is relevant to the ongoing supervision of the Company's affairs. This diversity of experience may include a commercial, technical, legal, corporate finance, business development, manufacturing or other background as the Board and management determine as part of its selection processes. The policy and process for the nomination, selection and appointment of new directors is available on the Company's website.

The Company's Corporate Governance Charter empowers a director to take independent professional advice at the expense of the Company.

Members of the Board's Nominations and Remuneration Committee consist of Messrs Pynt, Pixley and Ng. The Committee had one meeting during the period with all three members attending that meeting.

The process for Board, Board Committee and Director evaluation is described in the Performance Evaluation Policy, which is publicly available on the Company's website. Evaluations were performed during the year on a progressive basis and are based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may have been identified.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1: Companies should establish a Code of Conduct and disclose the code or a summary of the code as to:

- **the practices necessary to maintain confidence in the company's integrity;**
- **the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and**
- **the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.**

The Company has established a formal code of conduct in the Charter to guide the Directors, the CEO, the CFO (or equivalent) and other key executives with respect to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account legal obligations and reasonable expectations of stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.

The policy has been agreed by the Board and the Company has directed its efforts to ensure these objectives are met on a continuous basis in all activities. The policy is publicly available on the Company's website.

Progress towards meeting the objectives is detailed below, but was significantly influenced by the Company directing its resources to securing its relisting on the ASX. It is the Company's intention to further develop and implement its diversity policy and practices in the coming periods.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

The measurable objectives that underpin the Company's commitment to increasing diversity of participation in the Company are focused on:

- the adoption, publication and promotion of this Policy by the Company;
- structuring recruitment and selection processes to recognise the value that diversity brings to the Company in recruiting the best candidate for each role;
- providing relevant and challenging professional development and training opportunities to employees;
- providing flexible work and salary arrangements to accommodate family commitments, external study, cultural traditions and other personal choices of employees;
- having a clear and transparent governance process around reward and recognition.

During the period since re-listing, the Company directed its efforts to ensure these objectives are met, as best as possible or, where not possible, that processes and procedures are developed, amended and implemented to ensure they are met in future periods.

The Company continued to promote its Diversity Policy throughout the organisation and all future appointments will be made after allowing for criteria set out in the Company's Diversity Policy, which now forms an integral part of all new recruitment and selection activities.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

At reporting date the Company's workforce consisted of 17 employees (excluding the directors), of which 2 are female. As reflected in the remuneration report there are no senior executive positions or positions on the Board filled by females. The Company remains committed to filling available positions, including senior and Board positions, as they arise with appointments based on an individual's capability to enhance the contributions of the existing Board and executive team.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.

A copy of the diversity policy and code of conduct is publicly available on the Company's website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: The Board should establish an Audit Committee.

The Board has established a combined Audit and Risk Management Committee (effective from 14 March 2014). Prior to this date the role of the Audit Committee was assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2: The Audit Committee should be structured so that it:

- **consists only of non-executive directors;**
- **consists of a majority of independent directors;**
- **is chaired by an independent Chair, who is not Chair of the Board; and**
- **has at least three members.**

The Company's Audit and Risk Management Committee consists of Messrs Steven Pynt, Michael Pixley and Frederick (Eric) Ng, with Mr Pixley holding the position of chairman.

Messrs Pixley and Pynt are both non-executive, independent directors of the Company, with Mr Ng being an executive, non-independent Director.

Recommendation 4.3: The Audit Committee should have a formal charter.

The Company's Audit and Risk Management Committee has a formal charter, a copy of which is publicly available on the Company's website.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

Members of the Board's Audit and Risk Management Committee, and their attendance at meetings of that Committee were as follows (a total of 1 meetings were held):

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Michael Pixley (Chairman)	1	1
Steven Pynt	1	1
Frederick (Eric) Ng	1	1

The Company did not have an Audit Committee throughout the financial year, with the full Board acting in this capacity prior to its establishment.

The qualifications of the Directors on the Audit and Risk Management Committee appear in the Directors' Report section of this Annual Report.

The Company's Audit and Risk Management Committee charter and policies on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, are all publicly available on the Company's website.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for compliance with those policies.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

The Company is not aware of any departure from Recommendations 5.1 or 5.2. The Company’s current written policies and procedures on ASX Listing Rule disclosure requirements are all set out in the continuous disclosure policy which is publicly available on the Company’s website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Company has a shareholder communications policy which is publicly available on the Company’s website. Shareholders are encouraged to attend and participate in general meetings.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company is not aware of any departure from Recommendations 6.1 or 6.2.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Company has adopted a formal policy on risk oversight and management. The Board also has established the Audit and Risk Management Committee to oversee overall risk management.

The Company has completed a strategic risk assessment to formally identify, collate and prioritise material business risks and has adopted a framework for risk management that covers the following areas:

- Ongoing assessment of the Company's tolerance to risk;
- Material risk identification;
- Material risk assessment;
- Management of material risks;
- Establishing and maintaining a material risk register; and
- Regular reporting on mitigation strategies and updates on the Company's risk profile.

Details of the Company’s policy on these matters are set out under the risk management policy which is publicly available on the Company’s website.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

An Audit and Risk Management Committee has been established as set out in the Charter with preliminary responsibility for establishment and maintaining effective risk management and internal control systems.

The Board, including through the Audit and Risk Management Committee, has required management to progress matters and report to it in the terms of this Recommendation on a progressive basis.

Management designs, implements and maintains risk management and internal control systems to manage the Company's material business risks. As part of the reporting procedures, management report to the Board confirming that those risks are being managed effectively.

The Company policies are also designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Mr Ng, in his capacity as Executive Director of the Ephraim Resources Limited group of companies provided the Board assurance in compliance with this Recommendation that the declaration provided in accordance with S.295A of the Corporations Act was founded on a sound system of risk management and internal control and that the system was operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

The Company is not aware of any departure from Recommendations 7.1, 7.2 or 7.3.

A summary of the Company's policies on risk oversight and management of material business risks is publicly available on the Company's website.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board should establish a Remuneration Committee.

The Board has established a combined Nomination and Remuneration Committee (effective from 14 March 2014). Refer reporting on Recommendation 2.6 above. Prior to this date the Company did not have a Remuneration Committee, with that function being fulfilled by the Board as a whole.

The remit and responsibilities of the Nominations and Remuneration Committee in respect of remuneration are set out in the Committee Charter, which is publicly available on the Company's website.

Recommendation 8.2: The Remuneration Committee should be structured so that it:

- **consists of a majority of independent directors;**
- **is chaired by an independent Chair; and**
- **has at least three members.**

The Nomination and Remuneration Committee consists of Messrs Steven Pynt, Michael Pixley and Frederick (Eric) Ng. It is chaired by Mr Pynt with only Mr Ng not deemed an independent director.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The structure of non-executive remuneration is clearly distinguishable from that of executive directors and senior executives. The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company was as follows:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation where appropriate). There are currently no options issued to non-executive directors.

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.

Greater detail on the remuneration arrangements for Directors, Officers and senior executives are contained in the Remuneration Report comprised in the Directors' Report forming part of this Annual Report.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

Members of the Board's Nomination and Remuneration Committee, and their attendance at meetings of that Committee were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Steven Pynt (Chairman)	1	1
Michael Pixley	1	1
Frederick (Eric) Ng	1	1

The qualifications of the Directors on the Nomination and Remuneration Committee appear in the Directors' Report section of this Annual Report.

Non-executive directors are entitled to statutory superannuation (which is included in their fee arrangements). There are no other schemes for retirement benefits for non-executive directors.

No options has been issued to any of the Company's employees or directors as part of their remuneration.

Information concerning the Company's Nomination and Remuneration Committee has been identified in Recommendation 2.6 above. Further details are set out in the Committee Charter, which is publicly available on the Company's website.

Directors' report

The directors of Ephraim Resources Ltd submit herewith the annual financial report of the Company and its subsidiaries (together "the Group") for the financial year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about directors

The names and particulars of the directors of the Company during or since the end of the financial year and up to the date of this report are:

Name	Particulars
Steven Pynt	*Non-Executive Chairman*
	Mr Pynt has 32 years' experience in law, accounting and business management. After graduating in law from the University of Western Australia in 1980, Mr Pynt completed his articled clerkship at Dwyer & Thomas Solicitors before commencing work in 1983 as a tax consultant with the accounting firm Duesburys, which subsequently merged with Ernst & Whinney.
	In 1985 Mr Pynt established his own legal firm and in 1988 merged his firm with Michell Sillar McPhee where he became a partner. He subsequently established the firm Healy Pynt and after leaving that firm established the practice of McDonald Pynt Lawyers with David McDonald in 2003. Steven ceased practice in June 2010 to take up the position of managing director of Muzz Buzz Franchising Pty Ltd which is Australia's leading specialty drive through coffee franchise with 57 stores in Australia and New Zealand.
	Mr Pynt also obtained a Bachelor of Business in 1986, a Master of Business Administration in 1995, and a master of Taxation Studies in 1999.
	Mr Pynt has held a number of public and private company board positions. He is currently chairman of ASX listed public companies Richfield Group Limited and Global Health Ltd, and a non-executive Director of Gondwana Resources Limited.
	Mr Pynt was deputy chairman and then chairman of the Commercial Tribunal of Western Australia from 1994 to 2004, which deals with commercial tenancy legislation, Credit Act and other commercial disputes and applications. He also taught ethics and professional responsibility to articled law clerks from 1994 to 2005 and was a member of the Racing Penalties Appeal Tribunal from 1995 to 2007.
	Mr Pynt is the Chairman of the Board of Directors and the Nomination and Remuneration Committee.
	Mr Pynt resides in Perth.
Michael Pixley	*Non-Executive Director (appointed 11 October 2013)*
	Mr Pixley has worked as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions. He has 20 years' experience in the Asian business sector, and has extensive networks and relationships that will provide the Company with access to key personnel in the government, corporate and private business sectors, particularly in Asia Pacific region.
	Mr Pixley has been a director of both listed and unlisted companies in Australia and the United States, being responsible for corporate compliance, banking negotiations and legal interface. In addition, in 1992 Mr Pixley joined a prominent Asian group with both listed and private companies having extensive business interests throughout Asia, the United States of America and Australia. He was part of a management team which, over a period of 10 years, oversaw the development of industrial properties throughout China, developments in Australia and the expansion of industrial manufacturing plants in Asia.
	Mr Pixley is currently a director of Pan Asia Corporations Limited and Oklo Resources Limited.
	Mr Pixley is the Chairman of the Audit and Risk Management Committee.
	Mr Pixley resides in Perth.

Frederick (Eric) Ng

Executive Director

Mr Ng has been the Principal Consultant of Chadway Management Service Pte Ltd (Chadway) since 1982. He is responsible for providing operational management, planning and execution of growth strategies organically and through merger and acquisitions as well as corporate finance services to companies in Singapore and the region including Australia.

He also advises on business growth and globalisation strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Chadway also provides advisory services for companies in their listing via an IPO or RTO on regional stock exchanges such as SGX and ASX.

Mr Ng is currently the chairman of Chasen Holdings Ltd (listed on the Singapore Exchange) and an Independent Director of Richfield International Ltd and GBM Gold Ltd (both listed on the ASX). At Chasen, Mr Ng chairs the Audit and Remuneration Committees and is a member of the Nominations Committee. At GBM Gold, Mr Ng chairs the board of directors and Audit Committee and is a member of its Remuneration Committee.

Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and a Fellow of the Singapore Human Resource Institute. He also served as the District Governor for Singapore of the Lions Clubs International from 2002 to 2003.

Mr Ng resides in Singapore.

Graham Anderson

Non-Executive Director (resigned 11 October 2013)

Mr Anderson is 52 years of age, has a Bachelor of Business Degree and is a member of the Institute of Chartered Accountants. Mr Anderson has extensive experience and knowledge of the ASX Listing Rules and Corporations Act and has acted as director of numerous public entities throughout his career.

Mr Anderson resides in Perth.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Directors	Company	Period of directorship
Steven Pynt	Richfield International Ltd	November 2004 to current
	Global Health Ltd	March 2000 to current
	Gondwana Resources Ltd	March 2000 to current
	South East Asia Resources Ltd	February 1995 to November 2013
Michael Pixley	Pan Asia Corporation Ltd	December 2008 to current
	Oklo Resources Ltd	March 2013 to current
Frederick (Eric) Ng	Chasen Holdings Ltd (Singapore listed entity)	February 2007 to current
	Richfield International Ltd	February 2011 to current
	GBM Gold Ltd	June 2010 to current

Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

Directors	Fully paid ordinary shares Number	Share options Number
Steven Pynt	-	-
Michael Pixley	-	-
Frederick (Eric) Ng	131,758,158*	-

* - 127,500,000 of Mr Ng's interest in the shares are indirectly held on trust through Firstbeet International Ltd, a company of which he is a director.

Outstanding options

The Group had no outstanding options at year end or at the date of this report.

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report.

Share options granted to Directors and executives

There have been no share options granted to directors and executives or shares issued as a result of the exercise of any option during or since the end of the financial year.

Company Secretary

Mr Henko Vos (appointed 7 February 2014)

Mr Vos is a qualified Chartered Secretary and Certified Practicing Accountant with 15 years experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is an employee of Nexia Perth, a mid tier corporate advisory and accounting practice.

Principal activities

During the financial year the principal continuing activities of the Company consisted of progressing the Company towards a re-compliance listing on ASX. This was successfully completed on 11 February 2014.

Following the Company's re-admission to the ASX and having obtained shareholder approval for a change in nature and scale of activities, the Company's principal activities will now focus on agricultural biogenetics research and experimentation, licensing and consultancy, with a specific focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol.

Operating and financial review

The loss for the Group after providing for income tax and non-controlling interest amounted to $1,173,174 (30 June 2013: net loss after income tax of $94,423).

The Company completed its reverse acquisition of Ephraim Resources Ltd (a British Virgin Island registered entity) on 11 February 2014. Prior to that it had no business operations as stated in the listed Company's last annual report.

Since the completion of the reverse acquisition in early February 2014, the Company has been preparing the field operations and office administration for the commercialisation phase of the Nipah cultivation project. It includes the recruitment of additional field and office staff and testing of equipment for the production of palm sugar. As a result the business did not generate any sales revenue in the year under review.

Ephraim Resources Ltd (British Virgin Island registered entity) is in the business of agricultural biogenetics research and experimentation, licensing and consultancy, with a specific focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol, conducted through its 99% owned subsidiary PT First Flower, an Indonesian incorporated entity.

As at the end of the financial period reported on, PT First Flower owns land rights to about 12,000 hectares of land in Meranti, Riau and Banjabaru, South Kalimantan in Indonesia for the purpose of cultivating Nipah in the production of sugar.

With the successful raising of funds for the commercialisation stage of the project, PT First Flower has commenced the training of farmers to tap the existing Nipah stands on the Company's land and the conversion of the sap into palm sugar and the survey and mapping of the land at Meranti to facilitate the production of palm sugar.

An initial number of 60 farmers are being trained and would be allocated to work on the existing Nipah crop mapped and subdivided into 100 square meter plots. Fermentation equipment would be conveniently located to facilitate the collection of the sap for the production of palm sugar.

As the daily production quantity is not expected to be substantial in the first year of production, it is anticipated that the palm sugar would be sold into the domestic market where the product is well regarded and even preferred over white refined sugar. The Company expects to be revenue generating in the second half of the new financial year 2014/2015.

Changes in state of affairs

The Company received shareholder approval for the change in nature and scale of its operations from shareholders on 11 October 2013. On 11 February 2014 the Company completed its reverse acquisition of Ephraim Resources Limited, a British Virgin Island registered entity who in turn holds a 99% interest in PT First Flower, an Indonesian incorporated entity. On the same day the Company also completed its ASX re-compliance and successfully completed a $3M capital raising. The Company also changed its name from WAG Limited to Ephraim Resources Limited on the same date.

There was no other significant change in the state of affairs of the Group during the financial year.

Subsequent events

On 12 August 2014 the Group advanced a working capital loan of $300,000 to GBM Gold Limited, a company associated with Mr Ng. Under the terms of the loan agreement full repayment of the loan is required by no later than 12 February 2015, being 6 months after the date of the advance. The loan carries interest at 10% per annum, repayable at the end of the loan term. The Group received a personal guarantee from Mr Ng as security for the loan.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the current operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Group's environmental obligations are regulated under both State and Federal legislation in Australia, as well as Indonesian law. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. No environmental breaches have been notified by any government agency during the year ended 30 June 2014.

Dividends

No dividends have been paid or declared since the start of the financial year. The directors do not recommend the payment of a dividend in respect of the financial year.

Insurance of officers

During the financial year, the Company entered into a contract insuring the directors and executive officers of the Company and of any related body corporate against a liability incurred as a director or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification of officers

The Company has agreed to indemnify the directors of the Company and its controlled entities:

(a) against any liability to a third party (other than the Company or a related body corporate) unless liability arises out of conduct involving lack of good faith; and

(b) for costs and expenses incurred in successfully defending civil or criminal proceedings or in connection with an application, in relation to such proceedings, in which relief is granted under the Corporations Act 2001.

No liability has arisen under these indemnities as at the date of this report.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 5 board meetings, 1 nomination and remuneration committee meeting and 1 audit and risk management committee meetings were held.

	Board of directors		Remuneration & Nomination committee		Audit and Risk Management committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Steven Pynt	5	5	1	1	1	1
Michael Pixley[(i)]	2	2	1	1	1	1
Frederick (Eric) Ng	5	5	1	1	1	1
Graham Anderson[(ii)]	2	1	-	-	-	-

(i) Appointed 11 October 2013
(ii) Resigned 11 October 2013

Proceedings on behalf of the Company

No persons have applied for leave pursuant to s.237 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of Ephraim Resources Ltd.

Non-audit services

There were no non-audit services provided by the Group's auditor during the year.

Auditor's independence declaration

The auditor's independence declaration is included on page 18 in the annual report and forms part of this directors' report for the year ended 30 June 2014.

Remuneration report (audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel of Ephraim Resources Ltd (the "Company") for the financial year ended 30 June 2014.

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel details;
- remuneration policy and relationship between the remuneration policy and company performance;
- remuneration of key management personnel; and
- key terms of employment contracts

Key management personnel details

The key management personnel of Ephraim Resources Ltd during the year or since the end of the year were:

Directors

• Steven Pynt	Non-Executive Chairman
• Michael Pixley	Non-Executive Director (appointed 11 October 2013)
• Frederick (Eric) Ng	Executive Director
• Graham Anderson	Non-Executive Director (resigned 11 October 2013)

Executives

• Kim Kah Kea	Chief Executive Officer of PTFF (appointed 8 April 2014)

Remuneration policy and relationship between the remuneration policy and company performance

The Board's policy for determining remuneration is based on the principle of remunerating Directors and senior executives on their ability to add value to the Company (taking into account the Company's strategic plan and operations) whilst also considering market remuneration packages for similar positions within the industry and, where deemed relevant, in consultation with external consultants.

The Board appreciates the inter-relationship between this policy and Company performance. It acknowledges that it is in the best interests of shareholders to provide challenging but achievable incentives to reward senior executives for reaching the Company's stated goals. The Board discusses these issues internally and with candidates prior to engaging additional Directors or senior executives.

<u>Key management personnel (excluding non-executive directors)</u>
The Nomination and Remuneration Committee is responsible for determining the remuneration policies for the Group, including those affecting executive directors and other key management personnel. The Committee may seek appropriate external advice to assist in its decision making.

Remuneration policies and practices are directed primarily at attracting, motivating and retaining key management personnel.

The remuneration policy for executive directors and other key management personnel currently consists of only a fixed remuneration component:

- <u>Fixed remuneration</u>
  Executive directors and other key management personnel receive fixed remuneration in the form of a base salary (inclusive of statutory superannuation where appropriate).

Non- executive directors

The Company's non-executive directors receive only fees (including statutory superannuation where appropriate) for their services and the reimbursement of reasonable expenses.

The fees paid to the Company's non-executive directors reflect the demands on, and responsibilities of those directors. They do not receive any retirement benefits (other than, where relevant, compulsory superannuation). The Board decides annually the level of fees to be paid to non-executive directors with reference to market standards.

A non-executive directors' fee pool limit of $100,000 per annum was approved by the shareholders and is currently utilised to a level of $60,000 per annum. The fees currently paid to non-executive directors are $30,000 per annum, including any superannuation entitlements.

Non-executive directors may also receive equity-based incentives where this is considered appropriate by the Board as a whole and with regard to the stage of the Company's development. Such incentives are primarily designed to provide an incentive to non-executive directors to remain with the Company. No such incentives were issued during the period to reporting date and to the date of this report.

Remuneration of key management personnel

	Short-term employee benefits				Post-employment benefits	Other long-term employee benefits	Share-based payment		
2014	Salary & fees $	Bonus $	Non-monetary $	Other $	Super-annuation $	Other long-term employee benefits $	Shares & Options $	Total $	% of compensation linked to performance $
Directors									
Steven Pynt	11,250	-	-	5,000 (ii)	-	-	-	16,250	-
Michael Pixley (i)	11,250	-	-	2,500 (ii)	-	-	-	13,750	-
Frederick (Eric) Ng	27,000	-	-	-	-	-	-	27,000	-
Graham Anderson (iii)	-	-	-	4,414	-	-	-	4,414	-
Executives									
Kim Kah Kea	-	-	-	-	-	-	-	-	-
	49,500	-	-	11,914	-	-	-	61,414	

(i) Appointed on 11 October 2013.

(ii) The payment relates to consulting services rendered to the Group.

(iii) Resigned on 11 October 2013. The payment to Mr Anderson relates to Company Secretarial services provided through GDA Corporate, an entity associated with Mr Anderson.

No member of key management personnel received a payment as part of his or her consideration for agreeing to hold the position.

During the financial year ended 30 June 2013, there were no key management personnel other than the Directors. There was no remuneration of any type paid to the Directors for the financial year ended 30 June 2013.

Performance based remuneration and Share based payments granted as compensation for the current financial year.

The Group did not grant any performance based remuneration or incentive share-based payments during the financial year ended 30 June 2014 (2013: Nil). This position remains unchanged at the date of this report.

Loans to key management personnel

There were no loans advanced to any key management personnel during the current or previous financial years.

Other transactions with key management personnel of the Group

During the financial year the Company repaid an advance received from Mr Ng during the previous financial year, totalling $3,000. The Company also paid consulting fees of $5,000 and $2,500 to Mr Pynt and Mr Pixley respectively during the financial year for services rendered in relation to the Group's ASX re-compliance.

Mr Kim Kea received a payment of $530,680 on 26 June 2014 as part payment of his outstanding loan balance with PT First Flower. His remaining loan balance at year end was $344,768 (SGD: 359,625).

There were no other transactions with key management personnel.

Transactions with other related parties

There were no other transactions entered into with related parties by the Group.

Key management personnel equity holdings

Fully paid ordinary shares of Ephraim Resources Ltd

	Balance at 1 July No.	Balance on appointment No.	Other Changes during the year No.	Received on exercise of options No.	Balance on resignation No.	Balance at 30 June No.
2014						
Directors						
Steven Pynt	-	-	-	-	-	-
Michael Pixley[i]	-	-	-	-	-	-
Frederick (Eric) Ng[ii]	120,000,000	-	11,758,158	-		131,758,158
Graham Anderson [iii]	-	-	-	-	-	-
Executives						
Kim Kah Kea [iv]	-	300,000,000	-	-	-	300,000,000
	120,000,000	300,000,000	11,758,158			431,758,158

(i) Appointed on 11 October 2011.

(ii) Mr Ng's personal holding consists of 4,258,158 shares (post the 11 February 2014 120,000,000 share consolidation done at 28.1812). Mr Ng is also the director of Firstbeet International Limited, an entity who holds 127,500,000 (post consolidated) management shares on trust. The shares held under Firstbeet International Limited are escrowed until 18 February 2016.

(iii) Resigned on 11 October 2011.

(iv) Mr Kea was appointed on 8 April 2014 as PT First Flower's CEO. He received his shareholding as vendor shares on 11 February 2014 as part of the re-compliance transaction. His shareholding is escrowed until 18 February 2016.

	Balance at 1 July No.	Balance on appointment No.	Other Changes during the year No.	Received on exercise of options No.	Balance on resignation No.	Balance at 30 June No.
2013 *						
Directors						
Gary Steinepreis[i]	63,875,000	-	(63,875,000)	-	-	-
Patrick Burke[i]	13,375,000	-	(13,375,000)	-	-	-
Matthew Sheldrick [i]	2,000,000	-	(2,000,000)	-	-	-
Frederick (Eric) Ng [ii]	-	-	120,000,000	-	-	120,000,000
Steven Pynt [ii]	-	-	-	-	-	-
Graham Anderson [ii]	-	-	-	-	-	-
	79,250,000	-	40,750,000	-	-	120,000,000

(i) Resigned on 23 May 2013

(ii) Appointed on 22 May 2013

* Shareholdings noted in 2013 is stated at the pre-consolidation figure (consolidation at 28.1812 per share occurred on 11 February 2014).

Share options of Ephraim Resources Ltd

None of the directors or key management personnel held any share options during the financial year ended 30 June 2014, a position that remains unchanged at the date of this report. (2013: Nil).

Key terms of employment contracts

Remuneration and other terms of employment for Directors and other senior executives were formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

Mr Steven Pynt

- No fixed term agreement
- Pro rated director's fees of $30,000 (inclusive of statutory superannuation, as appropriate) per annum
- No termination benefits are payable

Mr Michael Pixley

- No fixed term agreement
- Pro rated director's fees of $30,000 (inclusive of statutory superannuation, as appropriate) per annum
- No termination benefits are payable

Mr Frederick (Eric) Ng

- No fixed term agreement
- Pro rated director's fees of $72,000 (inclusive of statutory superannuation, as appropriate) per annum
- No termination benefits are payable

Mr Kim Kah Kea

- No fixed term agreement
- Pro rated annual base salary of $36,000 (inclusive of statutory superannuation, as appropriate, and only payable from 2014/2015)
- No termination benefits are payable other than for normal accrued leave entitlements

(End of remuneration report)

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Frederick (Eric) Ng
Executive Director
Perth, 30 September 2014

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ephraim Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath, Perth

CROWE HORWATH PERTH

PHILIPPA HOBSON
Partner

Signed at Perth, 30 September 2014

INDEPENDENT AUDIT REPORT TO MEMBERS OF EPHRAIM RESOURCES LIMITED

Report on the Financial Report
We have audited the accompanying financial report of Ephraim Resources Limited and its controlled entities ('the Group') which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements 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 judgment, 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 and fair presentation of the financial report 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 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.

Basis for Qualified Opinion

1. On 11 February 2014, WAG Limited acquired Ephraim Resources Limited. As described in Note 4 to the financial statements, this has been treated as a reverse acquisition. The accounting records available for Ephraim for the period prior to the acquisition were incomplete, and therefore we were unable to determine the accuracy and completeness of the expenses recognised in this period.

   We were therefore unable to obtain sufficient appropriate audit evidence about the validity and classification of these expenses. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As a result of the above issue, we were also unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for the year ended 30 June 2013. Our opinion on the current period's financial report is therefore modified because of the possible effect this matter might have on the opening balances as at 1 July 2013, and the comparability of the current period's figures and the corresponding figures.

2. Included within current liabilities is a balance of $69,397 relating to the Company's tax liabilities in Indonesia. We were not provided with sufficient appropriate audit evidence to support the accuracy and completeness of this balance, and therefore we were unable to determine whether any adjustment was necessary.

Qualified Opinion
In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph:

(a) the consolidated financial report of Ephraim Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion
In our opinion, the Remuneration Report of Ephraim Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Perth

CROWE HORWATH PERTH

PHILIPPA HOBSON
Partner

Signed at Perth, 30 September 2014

Directors' declaration

1. In the opinion of the directors of Ephraim Resources Ltd (the 'Company'):

   a. the accompanying financial statements and notes 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 June 2014 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   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.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Frederick (Eric) Ng
Executive Director
Perth, 30 September2014

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue	5	13,852	28
Employee benefit expenses		(100,660)	(45,765)
Advertising expenses		(2,500)	-
Company overhead expenses		(279,657)	(45,253)
Depreciation		(4,214)	(4,387)
Impairment of intangible assets		(210,014)	-
Land preparation expenses		(65,465)	-
Finance costs		(2,759)	-
Share-based payment for cost of listing		(527,474)	-
Loss before tax	6	(1,178,891)	(95,377)
Income tax benefit	7	-	-
Loss for the year		(1,178,891)	(95,377)
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss			
(Loss)/gain on the revaluation of land-use rights		(322,525)	1,967,323
Items that may be reclassified to profit or loss			
Foreign currency translation		(14,413)	-
Income tax benefit/(expense) on items of other comprehensive income		80,631	(491,831)
Other comprehensive (loss)/income for the year, net of tax		(256,307)	1,475,492
Total comprehensive (loss)/income for the year		(1,435,198)	1,380,115
Loss for the year is attributable to:			
Owners of the parent		(1,173,174)	(94,423)
Non controlling interest		(5,717)	(954)
		(1,178,891)	(95,377)
Total comprehensive (loss)/income for the year is attributable to:			
Owners of the parent		(1,429,481)	1,381,069
Non controlling interest		(5,717)	(954)
		(1,435,198)	1,380,115
Loss per share attributable to the equity holders of the parent			
Basic and diluted (cents per share)	16	(0.077)	(0.006)

Notes to the financial statements are included on pages 26 to 50

Statement of financial position
As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Current assets			
Cash and cash equivalents	20(a)	1,672,073	26,754
Trade and other receivables	8	6,224	3,916
Other assets	9	37,486	36,613
Total current assets		1,715,783	67,283
Non-current assets			
Property, plant and equipment	10	2,104,322	2,430,461
Intangible assets	11	-	202,314
Other assets	9	1,549	-
Total non-current assets		2,105,871	2,632,775
Total assets		3,821,654	2,700,058
Current liabilities			
Trade and other payables	12	171,859	93,658
Loans	13	344,768	787,172
Total current liabilities		516,627	880,830
Non-current liabilities			
Deferred tax liabilities	7	411,200	491,831
Total non-current liabilities		411,200	491,831
Total liabilities		927,827	1,372,661
Net assets		2,893,827	1,327,397
Equity			
Issued capital	14	3,204,484	202,856
Reserves	15	1,219,185	1,475,492
Accumulated losses		(1,520,615)	(347,441)
Parent entity		2,903,054	1,330,907
Non-controlling interests		(9,227)	(3,510)
Total equity		2,893,827	1,327,397

Notes to the financial statements are included on pages 26 to 50

Statement of changes in equity
for the financial year ended 30 June 2014

Consolidated

	Issued capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2013	202,856	1,475,492	-	(347,441)	1,330,907	(3,510)	1,327,397
Loss for the year	-	-	-	(1,173,174)	(1,173,174)	(5,717)	(1,178,891)
Other comprehensive loss	-	(241,894)	(14,413)	-	(256,307)	-	(256,307)
Total comprehensive loss for the year	-	(241,894)	(14,413)	(1,173,174)	(1,429,481)	(5,717)	(1,435,198)
Share issues on acquisition	17,744	-	-	-	17,744	-	17,744
Share issues	3,000,000	-	-	-	3,000,000	-	3,000,000
Share issue costs	(16,116)	-	-	-	(16,116)	-	(16,116)
Balance at 30 June 2014	3,204,484	1,233,598	(14,413)	(1,520,615)	2,903,054	(9,227)	2,893,827

Consolidated

	Issued capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2012	202,856	-	-	(253,018)	(50,162)	(2,556)	(52,718)
Loss for the year	-	-	-	(94,423)	(94,423)	(954)	(95,377)
Other comprehensive income	-	1,475,492	-	-	1,475,492	-	1,475,492
Total comprehensive income for the year	-	1,475,492		(94,423)	1,381,069	(954)	1,380,115
Share issues	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Balance at 30 June 2013	202,856	1,475,492	-	(347,441)	1,330,907	(3,510)	1,327,397

Notes to the financial statements are included on pages 26 to 50

Statement of cash flows
for the financial year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Payments to suppliers and employees		(482,608)	(15,692)
Interest and other costs of finance paid		(2,759)	-
Interest received		13,852	28
Net cash used in operating activities	20(d)	(471,515)	(15,664)
Cash flows from investing activities			
Payments for intangible assets		(7,700)	(31,826)
Payments for property, plant and equipment		(600)	(180,570)
Cash balance acquired		52,580	-
Net cash from/ (used in) investing activities		44,280	(212,396)
Cash flows from financing activities			
Proceeds from issued of shares		3,000,000	-
Proceeds from borrowings		117,350	248,937
Repayment of borrowings		(1,028,680)	-
Transaction costs on issue of shares		(16,116)	-
Net cash from financing activities		2,072,554	248,937
Net increase in cash and cash equivalents		1,645,319	20,877
Cash and cash equivalents at the beginning of the financial year		26,754	5,877
Cash and cash equivalents at the end of the financial year	20(a)	1,672,073	26,754

Notes to the financial statements are included on pages 26 to 50

Notes to the financial statements for the financial year ended 30 June 2014

1. General information

Ephraim Resources Ltd (the "Company", and together with its subsidiaries, the "Group") is a for profit public company listed on the Australian Securities Exchange (trading under the symbol "EPA") operating in Australia and Indonesia.

Ephraim Resources Ltd's registered office and its principal place of business are as follows:

Australia	**Indonesia** (principal place of business)
Ephraim Resources Limited	Ruko Kawasan Niaga
c/- Nexia Perth,	Citra Gran Blok R15 No 19
Level 3, 88 William Street	Jalan Alternative Cibubur
Perth WA 6000	Cibubur-Bekasi 17435 INDONESIA

During the financial year the principal continuing activities of the Company consisted of progressing the Company towards a re-compliance listing on ASX. This was successfully completed on 11 February 2014.

Following the Company's re-admission to the ASX and having obtained shareholder approval for a change in nature and scale of activities, the Company's principal activities now focus on agricultural biogenetics research and experimentation, licensing and consultancy, with a specific focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol.

2. Significant accounting policies

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements are for the Group consisting of Ephraim Resources Ltd and its subsidiaries. The financial report has been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Statement of compliance

The financial report complies with International Financial Reporting Standards ('IFRS'), issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the directors on 30 September 2014.

Going Concern

The Group recorded a net loss after tax of $1,178,891 for the year ended 30 June 2014 (2013: net loss after tax of $95,377) and had a net cash operating cash out flow of $471,515 (2013: $15,664).

The Group completed its ASX re-compliance on 11 February 2014 following the successful reverse acquisition of Ephraim Resources Limited and its Indonesian subsidiary PT First Flower, in which it holds a 99% interest. The Board was also successful in re-capitalising the Group following the successful capital raising of $3M at that time. Notwithstanding the loss incurred for the financial year, the Directors are of the view that the Group is a going concern based on the following reasons:

- Current assets support at least 15 month operations with its current adjusted operating structure.
- A significant part of the loss incurred during the 2013/14 financial year was attributable to the reverse acquisition accounting resulting in the Group recognising a non cash share-based payment of $527,474 in its statement of profit and loss and other comprehensive income.
- The Group had a net working capital position of $1,199,156 at 30 June 2014.
- The Group had a cash in bank balance of $1,672,073 at 30 June 2014.

Following the recapitalisation in February 2014 the Group is well positioned to further develop its nipah palm sugar business in Indonesia, with the first sales from its operations expected during the second half of the 2014/2015 financial year. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report. Accordingly the 30 June 2014 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

2. Significant accounting policies (contd)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. Refer to Note 3 for a discussion of critical judgements made in applying the entity's accounting policies and key sources of estimation uncertainty.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 30 June 2014
In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

The following is a summary of Standards and Interpretations that have had a material impact on the Company.

- <u>AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities (2011)</u>

  AASB 10 Consolidated Financial Statements was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements. The group has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

  AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

- <u>AASB 13 *Fair Value Measurement*</u>

  AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. As a result of the guidance in AASB 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. AASB 13 also requires additional disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Group.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

2. Significant accounting policies (contd)

(a) Basis of consolidation (contd)

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

(b) Revenue and income recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) (or similar taxes) payable to the taxation authority to the extent that it is probable that the revenue can be reliably measured. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods
Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Contract income is recognised by reference to the total actual costs incurred at the end of the reporting period relative to the proportion of the total costs expected to be incurred over the life of the contract;
- Servicing fees are recognised by reference to the proportion of the total cost of providing the service for the product sold; and
- Revenue from time and material contracts are recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Interest revenue
Interest revenue is recognised on an accruals basis using the effective interest rate method.

Sale of non-current assets
Income from the sale of assets is measured as the consideration received net of the carrying value of the asset and any costs of disposal.

2. Significant accounting policies (contd)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group.

(d) Foreign currency translation

Both the functional and presentation currency of Ephraim Resources Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations in Indonesia (through PT First Flower) is Indonesia Rupiah (IDR).

As at the balance date the assets and liabilities of subsidiaries are translated into the presentation currency of Ephraim Resources at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

(e) Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange differences net of hedged amounts on borrowings, including trade creditors and lease finance charges. Finance costs are recognised as expenses in the period in which they are incurred.

(f) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(g) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date. Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

2. Significant accounting policies (contd)

(g) Income tax (contd)

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(h) Acquisitions of assets

The acquisition method of accounting is used for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the effective acquisition date unless the notional price at which they could be placed in the market is a better indicator of fair value. Transaction costs arising on the issue of equity instruments are recognized directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

(i) Trade receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

2. Significant accounting policies (contd)

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Inventories are valued using the weighted average cost basis.

Cost includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities. Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

(k) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Cash and cash equivalents

Cash and short term deposits in the balance sheet comprises of cash at bank, cash on hand and short term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a diminishing value basis, and adjustments are made to write off the net cost of each item of property, plant and equipment over its expected useful life to the Group. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives of plant and equipment are as follows:

- Plant and equipment 2-8 years
- Motor vehicles 6 years
- Technology rights 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

2. Significant accounting policies (contd)

(m) Property, plant and equipment (contd)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The write down is expensed in the statement of comprehensive income in the reporting period in which it occurs.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Leasehold improvements
The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

Revaluations
Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss, except that a decrease offsetting a previous revaluation increase for the same asset is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance date.

(n) Leases

A distinction is made between finance leases (including hire purchase agreements) which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases and hire purchase agreements are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense. The interest components of the lease payments are expensed.

The lease asset is amortised on a straight-line basis over the term of the lease or, where it is likely that the Group will obtain ownership of the asset, the life of the asset.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance date.

(p) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

2. Significant accounting policies (contd)

(q) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity are shown as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of associated GST / VAT, unless the GST/ VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Reverse acquisition

A reverse acquisition occurs when the acquirer is the entity whose equity interests have been acquired and the issuing entity is the acquiree. This might be the case when a private entity arranges to have itself 'acquired' by a smaller public entity as a means of obtaining a stock exchange listing. Although legally the issuing entity is regarded as the parent and the private entity is regarded as the subsidiary, the legal subsidiary is the acquirer if it has the power to govern the financial and operating policies of the legal parent so as to obtain benefits from its activities.

In a reverse acquisition, the cost of the business combination is deemed to have been incurred by the legal subsidiary in the form of equity instruments issued to the owners of the legal parent. The published price of the equity instruments of the acquirer is used to determine the cost of the combination, or where this is not available, the deemed fair value of its shares, and a calculation shall be made to determine the number of equity instruments the acquirer would have to issue to provide the same percentage ownership interest of the combined entity to the owners/shareholders of the acquirer as they have in the combined entity as a result of the reverse acquisition. The fair value of the number of equity instruments so calculated shall be used as the cost of the combination.

On 11 February 2014, WAG Limited (listed entity) acquired 100% of the issued shares of Ephraim Resources Limited (unlisted entity). WAG Limited then changed it name to Ephraim Resources Limited on the same date. Under the principles of AASB 3 Business Combinations (by analogy), Ephraim Resources Limited (unlisted entity) is the accounting acquirer in the deemed business combination and therefore, the transaction has been accounted for as a reverse acquisition.

Refer to note 4 for details of the reverse acquisition and its financial effects during the current financial year.

2. Significant accounting policies (contd)

(u) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(v) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

2. Significant accounting policies (contd)

(v) Derecognition of financial assets and financial liabilities (contd)

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(w) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(x) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Significant accounting policies (contd)

(x) Intangible assets (contd)

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

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

(y) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Parent entity financial information

The financial information for the parent entity, Ephraim Resources Ltd, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiary entities which are accounted for at cost in the parent entity's financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment on reverse acquisition
The Group measured the cost of listing as the difference between the fair value of the shares deemed to have been issued by Ephraim Resources Limited (the non-listed entity) and the fair value of the accounting acquiree's (listed entity) identifiable net liabilities. The fair value of the deemed shares issued is based on a number of estimates and assumptions. The cost of listing is recognised as an expense in the statement of comprehensive income. The reverse acquisition transaction is further discussed in Note 4.

Impairment of intangible assets with indefinite useful lives
The Group determines whether intangible assets with indefinite useful lives are impaired at least on an annual basis unless there are other impairment indicators. This requires an estimation of the recoverable amount of the cash-generating units to which the intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of intangibles with indefinite useful lives are discussed in Note 11.

3. Critical accounting judgements and key sources of estimation uncertainty (contd)

Revaluation of land-use rights

The Group performs, at least annually, an internal assessment of the carrying value of its land-use rights assets to ascertain if there is any matter or circumstance that might have significantly influenced its carrying value. It is the Group's policy to obtain a formal independent valuation every three years. The last formal, independent valuation was obtained on 25 June 2013. The valuation of the land-use right is based on a number of assumptions, which is discussed in Note 10.

Impairment of trade and other receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

4. Reverse acquisition

Acquisition of Ephraim Resources Limited

On 11 February 2014 WAG Limited (now Ephraim Resources Limited, the legal parent entity) acquired 100% of the issued shares of Ephraim Resources Limited, a British Virgin Island registered entity who holds a 99% share interest in PT First Flower (PTFF), an entity incorporated in Indonesia. PTFF's business focusses on agricultural biogenetics research and experimentation, licensing and consultancy, with a specific focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol.

Under the terms of the transaction WAG issued 1,500,000,000 shares to the shareholders of Ephraim Resources Limited (the BVI entity), resulting in Ephraim Resources Limited acquiring 98.36% of the legal parent entity's issued capital. Notwithstanding that the transaction took the format of a reverse acquisition as described in AASB 3 *Business Combinations*, the transaction was not deemed a business combination on the basis that WAG did not meet the definition of a business as noted in that standard.

The Group applied, by analogy, the guidance in AASB 3 on reverse acquisitions, resulting in Ephraim Resources Limited (the non-listed operating entity) being identified as the accounting acquirer and WAG (the listed non-operating entity) being identified as the accounting acquiree. As the transaction is not within the scope of AASB 3, the transaction was treated as a share-based payment transaction accounted for in accordance with AASB 2 *Share-based payment*.

The Group consequently recognised a share-based payment of $527,474 in its statement of comprehensive income, representing the cost of the listing. The cost is calculated as the difference in the fair value of the shares deemed to have been issued by Ephraim Resources Limited (the non-listed entity) and the fair value of the accounting acquiree's identifiable net liabilities.

Assets acquired and liabilities assumed

Details of the acquisition are as follows:

	Fair Value $
Cash and cash equivalents	52,580
Trade and other receivables	37,555
Loans receivable	142,301
Trade and other payables	(242,166)
Loans payable	(500,000)
Net liabilities assumed	(509,730)
Share-based payment for listing services	527,474
Acquisition date fair value of the total consideration transferred	17,744
Acquisition date fair value of the total consideration transferred:	
Shares issued, at fair value	17,744
Cash paid	-
Contingent consideration liability	-
	17,744
The cash inflow on acquisition is as follows:	
Net cash acquired	52,580
Cash paid	-
Net consolidated cash inflow	52,580

4. Reverse acquisition (contd)

Ephraim Resources Limited (previous WAG) contributed revenues of $13,757 and loss before tax of $79,757 to the consolidated entity for the period from 11 February 2014 to 30 June 2014. If the reverse acquisition occurred on 1 July 2013, the full year contributions would have been revenues of $13,791 and loss before tax of $215,664. The values identified in relation to the reverse acquisition are final at 30 June 2014.

5. Revenue

	Consolidated	
	2014 $	2013 $
Revenue		
Interest revenue	13,852	28
	13,852	28

6. Loss for the year

Other expenses
The result for the year includes the following expenses:

	Consolidated	
	2014 $	2013 $
Depreciation		
Plant and equipment	4,214	4,387
	4,214	4,387
Foreign exchange losses	104,798	31,347
Environmental impact assessment	38,500	-
Impairment of intangible assets	210,014	-
Share-based payments		
Cost of listing	527,474	-

7. Income taxes

a) Recognised in the statement of comprehensive income

	Consolidated	
	2014 $	2013 $
The major components of the tax expense are:		
Current tax expense	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax expense attributable to continuing operations	-	-

b) Amounts charged or credited directly to equity

Deferred income tax related to items charged directly to equity		
Revaluation of land-use rights	(80,631)	491,831
Income tax (benefit)/expense reported in equity	(80,631)	491,831

7. Income taxes (contd)

	Consolidated 2014 $	Consolidated 2013 $
c) The prima facie income tax expense/(benefit) on loss before tax reconciles to the income tax expense in the financial statements as follows:		
Loss before income tax expense	(1,178,891)	(95,377)
Income tax expense/(benefit) calculated at the tax rate of 30% (2013: 25%)	(353,667)	-
Foreign tax rate adjustment	28,583	(23,845)
Non-deductible expenses	12,232	-
Share based payments	158,242	-
Deferred tax assets not brought to account	154,610	23,845
Income tax expense /(benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The foreign tax rate adjustment relates to the Group's operations in Indonesia where the corporate tax rate is set at 25%.

	2014 $	2013 $
d) Deferred tax assets		
Temporary differences		
Other assets	72,629	-
Payables	16,239	5,828
Provisions	-	-
Unused tax losses	89,259	18,017
Deferred tax assets not brought to account	(178,454)	(23,845)
	-	-

Based on the loss before tax of $1,178,891 incurred by the Group during the current financial year and the Group's current development stage, no deferred tax asset on available unused tax losses was recognised at reporting date. These losses remains available to the Group to offset against future taxable profits provided it continues to meet the relevant taxation requirements.

	2014 $	2013 $
e) Deferred tax liability		
Temporary differences		
Revaluation of land-use rights	(411,200)	(491,831)
	(411,200)	(491,831)
f) Net deferred tax liability		
Reflected in the statement of financial position as follows:		
Deferred tax assets	-	-
Deferred tax liability	(411,200)	(491,831)
Deferred tax liability (net)	(411,200)	(491,831)
Reconciliation of net deferred tax assets		
Opening balance as of 1 July	(411,200)	-
Tax expense during the year recognised in other comprehensive income	-	(491,831)
Closing balance as at 30 June	(411,200)	(491,831)
g) Current tax liability provided for	-	-

8. Trade and other receivables

	Consolidated 2014 $	Consolidated 2013 $
Current		
Other receivables	6,224	3,916
	6,224	3,916

9. Other assets

	Consolidated 2014 $	Consolidated 2013 $
Current		
Prepayments	37,236	36,613
Deposits	250	-
	37,486	36,613
Non Current		
Deposits	1,549	-
	1,549	-

10. Property, plant and equipment

	Consolidated			
	Land $	Motor Vehicles at cost $	Furniture, fixtures and office equipment at cost $	Total $
Gross carrying amount				
Balance at 1 July 2012	271,523	10,828	9,862	292,213
Additions	180,570	-	-	180,570
Disposals	-	-	-	-
Revaluation	1,967,323	-	-	1,967,323
Balance at 30 June 2013	2,419,416	10,828	9,862	2,440,106
Additions	-	-	600	600
Disposals	-	-	-	-
Revaluation	(322,525)	-	-	(322,525)
Balance at 30 June 2014	2,096,891	10,828	10,462	2,118,181
Accumulated depreciation/ amortisation and impairment				
Balance at 1 July 2012	-	(2,584)	(2,674)	(5,258)
Disposal	-	-	-	-
Depreciation expense	-	(2,255)	(2,132)	(4,387)
Balance at 30 June 2013	-	(4,839)	(4,806)	(9,645)
Disposals	-	-	-	
Depreciation expense	-	(2,255)	(1,959)	(4,214)
Balance at 30 June 2014	-	(7,094)	(6,765)	(13,859)
Net book value				
As at 30 June 2013	**2,419,416**	**5,989**	**5,056**	**2,430,461**
As at 30 June 2014	**2,096,891**	**3,734**	**3,697**	**2,104,322**

10. Property, plant and equipment (contd)

The Group's subsidiary company, PT First Flower, acquired the legal land-use rights over three areas of land from the Indonesian Government during the 2012/2013 financial year (total area of 11,800ha). Notwithstanding that it is not possible to acquire land outright in Indonesia, the Group obtained the exclusive land-use rights over these areas for periods ranging from 25 to 35 years and has consequently recognised the land-use right as if it was freehold land.

On 25 June 2013 the Group engaged Gaia Commoditas, an independent valuer, who determined a fair value of USD2,652,000 for the acquired land-use rights based on the assets' highest and best use, taking into account the use of the asset that is physically possible, legally permissible and financially feasible.

In line with the Group's policy, an internal assessment of the carrying value is performed annually to ascertain if there is any matter or circumstance that might have significantly influenced the carrying value. An independent valuation will be obtained every three years to confirm the value.

Key assumptions used in valuation

The following describes the key assumption used in the land-right use valuation:

- Total land area of 11,800 hectare.
- Tree density of 1,600 trees per hectare.
- Price of palm sugar syrup at an average of IDR12,500 per litre.
- Sap tapping yield levels of between 0.8 litres to 1.6 litres.
- Foreign exchange rate of IDR11,235 to one AUD.
- Tapping duration of an average 75 days per year.
- Sugar contents at an average of 14%.
- Discount rate of 16%.

11. Intangible assets

	Consolidated	
	2014	**2013**
	$	**$**
Balance - beginning of year	202,314	170,489
Additions to development and technology costs	7,700	31,825
Impairment expense	(210,014)	-
Balance - end of year	-	202,314

The Group's Indonesian subsidiary (PTFF) has previously recognised intangible assets which relates to capitalised development and technological expenditures. This is also the reportable segment for impairment testing.

The Group determines whether intangibles assets are impaired at least on an annual basis unless there are other impairment indicators.

The Group performed an assessment of the carrying value of the previously capitalised expenditure which resulted in the Group impairing this amount at year end. The Group consequently recognised an impairment charge of $210,014 in the statement of profit or loss and other comprehensive income for the year ended 30 June 2014.

12. Trade and other payables

	Consolidated 2014 $	Consolidated 2013 $
Trade payables[(i)]	100,270	24,262
Other payables	71,589	69,396
	171,859	93,658

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms.

13. Loans

	Consolidated 2014 $	Consolidated 2013 $
Shareholder loan [(i)]	344,768	762,220
Related entities (previous WAG Limited)	-	24,952
	344,768	787,172

(i) The shareholder loan relates to a loan payable to Mr Kim Kea, the previous majority shareholder of PT First Flower and currently the Company's CEO. The loan is interest free and re-payable on demand.

14. Issued capital

	Consolidated 2014 $	Consolidated 2013 $
1,540,000,642 fully paid ordinary shares (2013: 1,500,000,000 post ratio adjustment)	3,204,484	202,856

Date	Details	No.	$
01 Jul 2012	Balance at beginning of financial year	12,000	202,856
	Movement in financial year	-	-
30 Jun 2013	Balance at the end of the financial year	12,000	202,856
	Movement during the financial year	-	-
10 Feb 2014	Balance before reverse acquisition	12,000	202,856
11 Feb 2014	Elimination of existing legal acquiree shares	(12,000)	-
11 Feb 2014	Shares of legal acquirer at acquisition date (704,530,706 share consolidation at 28.1812 per share)	25,000,642	-
11 Feb 2014	Issue of shares on acquisition	1,500,000,000	17,744
11 Feb 2014	Balance after reverse acquisition	1,525,000,642	220,600
11 Feb 2014	Issue of shares under Prospectus at $0.20 per share	15,000,000	3,000,000
	Share issue costs	-	(16,116)
30 Jun 2014	Balance at the end of the financial year	1,540,000,642	3,204,484

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.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share options

The Company had 59,921,543 options on issue during the year, exercisable at $0.03 per option. These expired unexercised on 31 December 2013. Under the terms, the options only vest upon completion of a transaction entered into by the Company which resulted from the introduction, negotiation and involvement of Enviro Capital and which is approved by shareholders. The Company did not previously recognised any expense for these options.

15. Reserves

	Consolidated 2014 $	Consolidated 2013 $
Revaluation reserve	1,233,598	1,475,492
Foreign currency translation reserve	(14,413)	-
	1,219,185	1,475,492

Revaluation reserve
The revaluation reserve is used to recognise increments and decrements in the fair value of property.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian Dollars.

16. Loss per share

	Consolidated 2014 Cents per share	Consolidated 2013 Cents per share
Basic loss per share attributable to ordinary equity holders of the parent	(0.077)	(0.006)

Basic loss per share
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2014 $	2013 $
Net loss attributable to ordinary equity holders of the parent	(1,173,174)	(94,423)

	2014 No.	2013 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	1,519,452,301	1,500,000,000

Diluted loss per share
Diluted loss per share is the same as basic loss per share.

17. Commitments for expenditure

Operating lease commitments
<u>Operating leasing arrangements</u>
The Group did not have any operating lease commitments at reporting date, a position that remains unchanged at the date of this report.

18. Contingent liabilities and contingent assets

In the opinion of the directors, there were no contingent assets or liabilities as at 30 June 2014 and no contingent assets or liabilities were incurred in the interval between the period end and the date of this financial report.

19. Subsidiaries

Name of entity	Country of incorporation	Ownership interest 2014 %	Ownership interest 2013 %
Legal Parent entity			
Ephraim Resources Limited	Australia	N/A	N/A
Legal Subsidiaries			
Ephraim Resources Limited	British Virgin Island	100	-
PT First Flower	Indonesia	99	-

20. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Cash and cash equivalents per statement of cashflows and statement of financial position	1,672,073	26,754

(b) Non-cash financing and investing activities

During the current financial year and the prior financial year, there were no non-cash financing or investing activities.

(c) Financing facilities

The Group did not have any financing facilities at reporting date, nor at the date of this report.

(d) Reconciliation of loss for the year to net cash outflows from operating activities

	Consolidated	
	2014	**2013**
	$	**$**
Loss for the year	(1,178,891)	(95,377)
Depreciation and amortisation	4,214	4,387
Share-based payment for cost of listing	527,474	-
Net foreign exchange loss	92,724	31,347
Impairment of intangible assets	210,014	-
(Increase)/decrease in assets:		
Trade and other receivables	32,823	(37,233)
Increase/(decrease) in liabilities:		
Trade and other payables	(159,873)	81,212
Net cash outflow from operating activities	**(471,515)**	**(15,664)**

21. Financial instruments

(a) Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Capital Management

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

21. Financial instruments (contd)

(b) Credit risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the receivables from customers and receivables due from subsidiaries. The Group has no significant concentrations of credit risk. The Group obtains, where appropriate, relevant guarantees and securities to ensure recoverability of the amounts owed.

The Group has policies in place to ensure that sale of products and services are made to customers with an appropriate credit history. Cash deposits are limited to high credit quality financial institutions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(c) Liquidity risk management
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 6 months, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters.

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturities for its non-derivative financial assets and liabilities and have been prepared on the following basis:

- Financial assets - based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period; and
- Financial liabilities - based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows.

	CONSOLIDATED						
2014	Less than 1 month $	1 - 3 months $	3 months to 1 year $	1 - 5 years $	5+ years $	No fixed term $	Total $
Financial assets							
Non-interest bearing	1,798	5,626	-	-	-	-	7,424
Variable interest rate	1,670,275	-	-	-	-	-	1,670,275
	1,672,073	5,626	-	-	-	-	1,677,699
Financial liabilities							
Non-interest bearing	171,859	-	344,768	-	-	-	516,627
Fixed interest rate	-	-	-	-	-	-	-
	171,859	-	344,768	-	-	-	516,627

	CONSOLIDATED						
2013	Less than 1 month $	1 - 3 months $	3 months to 1 year $	1 - 5 years $	5+ years $	No fixed term $	Total $
Financial assets							
Non-interest bearing	1,536	3,916	-	-	-	-	5,452
Variable interest rate	25,218	-	-	-	-	-	25,218
	26,754	3,916	-	-	-	-	30,670
Financial liabilities							
Non-interest bearing	93,658	-	787,172	-	-	-	880,830
Fixed interest rate	-	-	-	-	-	-	-
	93,658	-	787,172	-	-	-	880,830

The Group did not have any unsettled derivative financial instruments at reporting date (2013: $Nil).

21. Financial instruments (contd)

(d) Market risk
Market risk is the risk that changes in market prices will affect the Group's income. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and sugar prices. The Group manages market risks as follows:

Customers - by diversifying supply into different markets.
- by packaging solutions to meet specific needs.

Suppliers - by diversifying the number of suppliers for any major given product line.
- by entering into supply contracts over short to medium time frames.

During the year the Group was impacted by changes to foreign currency exchange rate changes and changes in the sugar price. This is further explained in note 10 and note 21(e) below. There has been no change to the manner in which the Group manages and measures the risk from the previous period.

(e) Foreign currency risk management
Currency risk is the risk that the value of a financial commitment, probable transaction, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Group operated internationally and was exposed to foreign exchange risk arising from currency exposures to major currencies. In the current year and prior year, exchange rate exposures have been managed using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date, expressed in Australian dollar, is as follows:

	Assets		Liabilities	
	2014 $	2013 $	2014 $	2013 $
SGD	40,474	-	344,768	762,220
USD	92	92	-	-

Foreign currency sensitivity
The Group is exposed to Singaporean Dollar (SGD) and US Dollar (USD) currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit or loss and other equity and the balances below would be negative.

	Consolidated	
	2014 $	2013 $
Net profit/loss	38,533	76,231
Equity	38,533	76,231

(f) Interest rate risk management
The Group is exposed to interest rate risk and manages this risk by keeping liabilities to a financially tolerable level and taking into account expected movements in interest rates.

Some of the Group's assets are subject to interest rate risk but the Group is not dependent on this income. Interest income is only incidental to the Group's operations and operating cash flows. The Company and Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis
The sensitivity analyses of the Group's exposure to interest rate risk at the reporting date has been determined based on the change of 50 basis points in interest rates. At reporting date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net loss would have decreased by $8,351 (2013: net loss decrease of $126) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the profit.

The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in variable cash and cash equivalents.

21. Financial instruments (contd)

(g) Capital management

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, to ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes only ordinary share capital. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market taking into account the level of the Group's operations.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

(h) Fair value measurement

The following tables detailed the Groups' assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – unobservable inputs for the asset or liability.

Consolidated – 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land-use rights	-	-	2,096,891	2,096,891
	-	-	2,096,891	2,096,891
Liabilities				
	-	-	-	-

Consolidated – 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
			2,419,416	2,419,416
	-	-	2,419,416	2,419,416
Liabilities				
	-	-	-	-

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Land-use rights				
	DCF method	AUD / IDR exchange rate	5-10%	A 10% increase / (decrease) in the AUD/ IDR exchange rate would result in an increase / (decrease) in fair value of $211,807
		Sugar prices	5-10%	A 5% increase / (decrease) in sugar prices would result in an increase / (decrease in fair value of $111,156

There were no transfers between levels during the year. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

A reconciliation of the fair value measurement of the land-use right assets is provided in note 10.

22. Share-based payments

During the financial year ended 30 June 2014 and 30 June 2013 no share-based payments were made, other than the share-based payment in respect of the reverse acquisition, as disclosed in Note 4.

23. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note19 to the financial statements.

(b) Transactions with key management personnel

i. Key management personnel compensation

Details of key management personnel compensation are disclosed in the Remuneration Report which forms part of the Directors' Report and have been audited.

The aggregate compensation paid to key management personnel of the Group is set out below:

	Consolidated	
	2014 $	2013 $
Short term employee benefits	61,414	-
Post employment benefits	-	-
Share based payments	-	-
	61,414	-

23. Related party transactions (contd)

(c) Parent entity

The parent entity in the Group is Ephraim Resources Ltd. Interests in subsidiaries are set out in Note 19.

(d) Loans to key management personnel

There were no loans advanced to any key management personnel during the current or previous financial years.

(e) Other transactions with key management personnel of the Group

During the financial year the Company repaid an advance received from Mr Ng during the previous financial year, totalling $3,000. The Company also paid consulting fees of $5,000 and $2,500 to Mr Pynt and Mr Pixley respectively during the financial year for services rendered in relation to the Group's ASX re-compliance.

Mr Kim Kea received a payment of $530,680 on 26 June 2014 as part payment of his outstanding loan balance with PT First Flower. His remaining loan balance at year end was $344,768 (SGD: 359,625).

There were no other transactions with key management personnel.

(f) Transactions with other related parties

There were no other transactions entered into with related parties by the Group.

24. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Group has two reportable operating segments those being Australia and Indonesia.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

24. Segment reporting (contd)

	Australia	Indonesia	Unallocated	Total
2014				
Revenue				
Interest income	13,757	95	-	13,852
Total revenues	13,757	95	-	13,852
Results				
Total pre-tax segment expenditure	(93,514)	(571,753)	(527,474)	(1,192,741)
Income tax benefit	-	-	-	-
Segment loss after income tax	(79,757)	(571,658)	(527,474)	(1,178,889)
As at 30 June 2014				
Segment assets				
Cash and cash equivalents	1,631,118	40,955	-	1,672,073
Receivables	4,092	2,132	-	6,224
Other current assets	12,623	24,863	-	37,486
Property, plant and equipment	-	2,104,322	-	2,104,322
Other non-current assets	-	1,549	-	1,549
Total assets	1,647,833	2,173,821	-	3,821,654
Segment liabilities				
Current liabilities	73,773	98,086	-	171,859
Loans payable	-	344,768	-	344,768
Non-current liabilities (deferred tax liabilities)	-	411,200	-	411,200
Total liabilities	73,773	854,054	-	927,827
Net assets	**1,574,060**	**1,319,769**	**-**	**2,893,827**

During the 2013 financial year there was only one segment, that being of the Indonesian operations. The revenues and results of that segment are set out in the comparative figures in the statement of profit and loss and other comprehensive income. The segment assets and liabilities are set out in the comparative figures in the statement of financial position.

25. Dividends

The Company did not declare or pay a dividend during the financial year (2013: $ Nil).

26. Remuneration of auditors

	Consolidated	
	2014	**2013**
	$	**$**
Auditor of the Group (Australia)		
Audit or review of the financial report	18,000	10,000
	18,000	10,000

The auditor of Ephraim Resources Ltd is Crowe Horwath Perth. Crowe Horwath did not provide or receive payment for any other services.

Auditor of PT First Flower (Indonesia)		
Audit or review of the financial report	4,335	2,185
	4,335	2,185

The auditor of PT First Flower in Indonesia is Fajar Sutrisno. Fajar Sutrisno did not provide or receive payment for any other services.

27. Parent entity disclosures

	Consolidated	
Financial position	**2014**	**2013**
	$	**$**
Assets		
Current assets	62,170	67,283
Non-current assets	2,105,872	2,632,775
Total assets	2,168,041	2,700,058
Liabilities		
Current liabilities	437,073	880,830
Non-current liabilities	1,218,899	491,831
Total liabilities	1,655,972	1,372,661
Equity		
Issued capital	202,856	202,856
Accumulated losses	(913,384)	(347,441)
Revaluation reserve	1,233,598	1,475,492
Foreign currency translation reserve	(1,774)	-
Non-controlling interest	(9,226)	(3,510)
	512,070	1,327,397
Financial Performance		
Loss for the year	(571,658)	(95,378)
Total comprehensive (loss)/income	(813,552)	1,380,115

Guarantees entered into by the parent entity
There have been no guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Contingencies of the parent entity
In the opinion of the directors, there were no contingent assets or liabilities as at 30 June 2014 which related to the parent entity.

Commitments for the acquisition of property, plant and equipment by the parent entity
The parent entity had no commitments at 30 June 2014 for the acquisition of property, plant and equipment.

28. Subsequent events

On 12 August 2014 the Group advanced a working capital loan of $300,000 to GBM Gold Limited, a company associated with Mr Ng. Under the terms of the loan agreement full repayment of the loan is required by no later than 12 February 2015, being 6 months after the date of the advance. The loan carries interest at 10% per annum, repayable at the end of the loan term. The Group received a personal guarantee from Mr Ng as security for the loan.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the current operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Additional ASX information as at 30 September 2014

1. Number of holders of equity securities

Ordinary share capital

1,540,000,642 fully paid ordinary shares are held by 1,550 individual shareholders.

2. Distribution of holders of equity securities

	Fully paid ordinary shares	Number of equity security holders
1 – 1,000	106,894	836
1,001 – 5,000	374,192	139
5,001 – 10,000	476,028	67
10,001 – 100,000	13,881,959	326
100,001 – 9,999,999,999	1,525,161,569	182
	1,540,000,642	**1,550**

3. Less than marketable parcels of shares

The number of shareholdings held in less than marketable parcels is 1,364 given a share value of 0.5 cents per share.

4. Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

5. Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares Number
Citicorp Nominees Pty Ltd (Mr Kim Kea & Ms Tang Nee Ooi)	600,000,000
Firstbeet International Limited [a]	127,500,000
	727,500,000

(a) Mr Eric Ng is a director of Firstbeet International Limited, who holds these management shares on trust. Mr Eric Ng is also the holder of 4,258,158 ordinary shares, held through a separate holding.

6. Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares Number	Percentage
1. CITICORP NOMINEES PTY LIMITED	600,000,000	38.96
2. UOB KAY HIAN PRIVATE LIMITED <CLIENTS A/C>	214,755,844	13.95
3. CITICORP NOMINEES PTY LIMITED	169,040,275	10.98
4. FIRSTBEET INTERNATIONAL LIMITED	127,500,000	8.28
5. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	115,155,311	7.48
6. NEFCO NOMINEES PTY LTD	59,483,580	3.86
7. DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	30,886,750	2.01
8. J P MORGAN NOMINEES AUSTRALIA LIMITED	30,690,516	1.99
9. NATIONAL NOMINEES LIMITED	26,009,202	1.69
10. ANG CHOON JIN	20,000,000	1.30
11. MS WONG HIE ENG	14,399,963	0.94
12. MRS AUDREY BEE NGO LING	12,720,400	0.83
13. MR SIN ANN LIAW	8,919,285	0.58
14. MR BARU LANGUB	7,650,625	0.50
15. MR KIM SENG ANG	7,500,000	0.49
16. RISKHAUS GROUP PTE LTD	6,410,835	0.42
17. MS ALICE SIM YEA LEE	4,585,643	0.30
18. MISS MARGARET ROSE KIN LIN CHIA	2,929,375	0.19
19. MS SHARON MUNGA LANGUB	2,835,000	0.18
20. HON CHEE PENG	2,000,000	0.13
	1,463,472,604	95.06

7. Unquoted equity securities
The Company did not have any unquoted equity securities on issue at 30 September 2014.

8. Securities exchange listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited (ASX). The Company's ASX code is "EPA".

9. Restricted Securities
There are 727,500,000 restricted securities on issue, consisting of 600,000,000 ordinary shares held by Mr Kim Kea and Ms Tang Nee Ooi (related) and 127,500,000 held on trust by Firstbeet International Ltd, a company of which Mr Eric Ng is a director.

The 727,500,000 fully paid ordinary shares will be subject to restriction up to 18 February 2016.

There are no other restricted securities or securities in voluntary escrow at the date of this report.

10. Statement of use of cash and assets
The Company used the cash and assets in a form readily convertible to cash that it had at the time of re-admission (11 February 2014) in a way consistent with its business objectives. The use of funds included the acquisition of machinery and equipment, payment of re-compliance costs and for working capital purposes progressing operations in Indonesia.

11. On-market Buy Back
At the date of this report, the company is not involved in an on-market buy back.

12. Registered office and principal place of business
The address of the registered office is Nexia Perth, Level 3, 88 William Street, Perth, WA, 6000.
Telephone + 61 8 9463 2463
The principal place of business in Australia is Nexia Perth, Level 3, 88 William Street, Perth, WA, 6000.
Telephone + 61 8 9463 2463

13. Company Secretary
The name of the company secretary is Mr Henko Vos.

14. Registers of securities are held at the following address:
Comptureshare Investor Services Pty Ltd
Reserve Bank Building
Level 2, 45 St Georges Terrace
Perth, WA, 6000
Telephone + 61 8 9323 2000