

Annual Report 2000

2000
Buderim Ginger Limited



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Buderim Ginger

Buderim Ginger is the world's pre-eminent producer of processed, confectionery ginger. The company, which is based on the Sunshine Coast, has the capacity to process around 4,000 tonnes of raw ginger per annum. Approximately 80% of output is produced in Australia with the remainder from the company's processing facilities in Fiji.

Underpinning an active export program to 17 countries, which generates over 50% of group sales, are wholly owned sales and distribution offices in UK, USA and Germany. Buderim Ginger's wholesale products are marketed to the confectionery, beverage and food industries both in Australia and overseas.

The company also produces a range of "Buderim Ginger" branded retail products including jams, toppings and crystallised ginger, which are sold via convenience stores, speciality food stores and supermarkets locally and internationally.

Buderim Ginger is recognised for its leadership in ginger processing technology in line with world best practice.

As a complement to its ginger processing operations, the company operates a popular tourist attraction "The Ginger Factory", at its site at Yandina, on Queensland's Sunshine Coast.

Buderim Ginger employs approximately 160 people and has around 2,400 shareholders.

FINANCIAL CALENDER

December 31	Financial Year End
March 5	Announcement of Results and Dividend
April 27	Annual General Meeting

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Buderim Ginger Limited will be held at the Country Comfort Lennons Hotel Brisbane, 66-76 Queen Street, Brisbane, on Friday April 27, 2001, at 10.00 a.m.

Year in Review

Achievements

- Strong domestic trading performance with Australian ginger sales up 6% to \$10,410,311.
- Cost cutting program implemented in late 2000 expected to provide future, annualised savings of \$500,000.
- Conversion to butane powered steam generators to provide further savings of \$250,000 per annum.
- Appointment of new managing director, Gerard O'Brien (effective 5 March 2001).

Disappointments

- 2.5% sales drop in export sales attributable mostly to the UK market as a result of severe competition and price discounting.
- Inventory build-up due to export sales slow down and resultant stock value write-downs.
- Difficult trading environment in Fiji and subsequent write-down of goodwill of Buderim Ginger's Fijian processing operations.
- Abnormal write-downs of \$2,491,000 including \$1,482,000 for Fiji.
- A series of one-off production problems which increased costs by \$600,000.

FINANCIAL SUMMARY

	2000	1999	1998	1997	1996
	\$000	\$000	\$000	\$000	\$000
Revenue	28,256	28,017	25,559	23,242	19,365
Operating profit before tax and abnormals	734	1,634	1,057	1,618	1,741
Operating profit/(loss) after tax and abnormals	(1,611)	1,095	719	1,181	1,190
Total assets	28,271	28,303	22,534	21,369	20,683
Dividends declared/recommended	-	837	793	933	933
Earnings per share (cents)	(7.70)	5.34	3.82	6.33	6.4
Net tangible asset backing (cents)	76	85	83	84	79
Dividend per share	-	4	4	5	5

Buderim Ginger Limited

Review of Operations

TRADING RESULT During the 2000 financial year, Buderim Ginger confronted what proved its most difficult trading conditions since its listing on the ASX in 1989. These conditions resulted in a number of substantial, abnormal write-downs which impacted on the full year result.

In many major export markets the company faced sustained competitive pressure which capped the price at which product could be sold. With lowered margins, the company maintained an aggressive stance by meeting market prices and increasing promotional expenditure in a bid to underpin its market position. This has been largely successful, but at a cost.

The need to underpin the company's market position was particularly so in the UK market where intense pressure from low cost Chinese competitors resulted in a loss of a large portion of the company's existing jam processing market. Sales lost from this source contributed to a 2.5% drop in overall export sales from the prior year.

While pricing adjustments in the UK were made during the year with a view to recapturing sales, there is every likelihood that discounting will need to be maintained to fully restore Buderim Ginger's market position in this segment. In recognition of this situation, directors made a decision to write-down the value of certain lines of inventory by \$611,000.

The second major issue affecting the company's result for the year were events in Fiji. Following the May coup's disruption to the Fijian economy and the emergence of two, small processors in that market, directors sought an independent valuation of the company's Fiji operations. In line with this

valuation, the goodwill of Buderim Ginger's Fijian investment has been written down by \$1,482,000 in the 2000 accounts. The Fiji operations continue to make a positive contribution to the group's profits.

In addition, a further \$398,000 in abnormal expenses were incurred through a write-down of tourism and retail fixed assets, and a staff restructuring program.

The advent of new processing competitors in Fiji significantly increased demand for locally grown raw material, with the buying price doubling over the year before. As a direct response to this, the Board decided that the company should grow a portion of its own ginger requirements. Land was leased, cleared and planted in time for ginger to be available for the 2001 harvest. It is expected that about one third of the company's Fijian requirements will come from this venture. In addition, the quantity produced will have a significant effect on the ginger supply/demand balance in Fiji and should ease the pressure on ginger purchase price.

Along with a stock build-up in Australia following the export sales slow down, the increased costs of the Fijian ginger intake necessitated higher levels of borrowings for part of the year under review.

Production costs were increased by a series of incidents which occurred at the Yandina and Fijian factories. Most of these were isolated, independent issues and all have

been corrected. However, in total, they increased factory costs by some \$600,000.

In summary, reduced export margins, higher Fijian ginger costs, increased interest charges and unplanned factory costs resulted in a fall of pre-tax profit before abnormals to \$734,000, compared with \$1,634,000 in the prior year.

After allowance for the write-downs of \$2,491,000 referred to previously, the company incurred a net operating loss after abnormals and tax of \$1,611,000 for the year ended 31 December 2000.

A cost reduction programme was implemented early in October. On-going annual savings of approximately \$500,000 should be achieved from 2001 as a consequence of these steps. Since November, 2000, a wide ranging systematic programme of cost reductions has been commenced and this will have a further positive impact on the 2001 results.

Given the disappointing results for 2000, directors have elected not to declare a final dividend for the 2000 financial year.

SALES

Total revenue for the year to 31 December 2000 increased by 1% over the prior year to \$28,256,000. The increase was due primarily to sales in the Australian market.

Growth in the domestic market was largely driven by increased sales of the company's retail product through national supermarkets. In recognition of the company's continued expansion within this segment, Buderim Ginger was judged the number one specialty brand in 2000 by leading trade magazine, "Retail World."

The continued strong growth of crystallised ginger as a healthy snackfood was a feature of the year and this was complemented by the launch of a number of new products, such as the Ginger Refresher beverage, which is proving very popular.

On the export front, the competitive pressures in the UK were not new, but our response in increasing discounts on some lines had, by year's end, led to an 80% recovery of this previously lost business. The benefit of this recovery will be evident in 2001.

On the whole, established markets in North America proved satisfactory and major interest has been focussed on the newly established business on the US east coast. From a low base, there was steady sales improvement on a quarter by quarter basis during the year and some growth is expected in 2001.

Looking ahead, the company's continuing strategy is to support the basic commodity lines of syruped and crystallised ginger with a range of newer "value added" products. Sharp focus will be maintained on specific market regions and specific product groups.

TOURISM

It has been widely reported that retail sales throughout the nation dropped sharply after the introduction of the GST in July 2000. In addition, the Sydney Olympics led to a downturn being experienced by tourism destinations throughout Queensland.

Buderim Ginger's tourism business felt the impact of both of these factors, but by year's end, a distinct recovery was in place. Overall, revenue dropped to \$3,216,000.

In spite of these issues, the trend of increased spending per capita by tourism visitors was maintained.

The presentation of themed festivals is an important aspect of the tourism business. The regular January Ginger Flower Festival is widely acclaimed as an outstanding event.

OUTLOOK

With the benefit of the cost cutting programme outlined in this report, and the elimination of a number of costly one-off events, directors are confident that profitability in 2001 will increase over the poor result for 2000.

Management

Gerard D. O'Brien

B. Admin., M.B.A. AASCPA

Gerard O'Brien joined Buderim Ginger as Managing Director and Chief Executive Officer in March 2001. He has an extensive career in the food industry, most recently as Business Development Director for Goodman Fielder Milling. He was formerly National Logistics Manager for Bunge Defiance following executive positions as General Manager of Regional Bakeries for Defiance Mills and General Manager, Cobbity Farm Bakeries.

Paul G. Ritchie

Paul Ritchie joined Buderim Ginger Limited in January 1997 as General Manager of Marketing and Sales. He has held executive positions in the USA, Australia and PNG in the food, chemical and manufacturing industries.

Karon L. Rogers

B.Bus., CPA., FTIA, FCIS, MAICD

Karon Rogers is Company Secretary and Principal Financial Officer of Buderim Ginger Limited, having been appointed on 15 November 1995. She joined the company in 1988 as Accountant. In 1992 she was promoted to Corporate Services Manager responsible for company accounting, EDP and human resource management. Prior to joining the company she held management accounting positions in food manufacturing, government and construction.

Peter J. Robinson

B.App.Sc., AFAIM, AAFST

As the company's Manufacturing Manager, Peter Robinson is responsible for all ginger processing production and operations. He joined Buderim Ginger Limited in 1992 after a 16 year career with Carlton and United Breweries, including production management positions in Australia, Fiji, Canada, UK and Sweden.

Stephen J. Dennis

B.Mech.Eng (Hons), Grad. Dip.Mgt (Tech Mgt), MIE Aust, CPEng

As the company's Engineering Manager, Stephen Dennis is responsible for all capital projects and plant maintenance within the group. He joined Buderim Ginger Limited in 1998 after a 10 year career with Nestle where, as Project and Factory Engineer, he was responsible for major design and construction projects. Prior to joining the company, Stephen also spent seven years of his career within the Victorian power industry.

Joy L. Varney

AIMM., AMIA

Joy Varney is the company's Tourism Manager responsible for the development and promotion of the tourism facility as well as its day to day operation. She joined Buderim Ginger Limited in 1991 after a background in tourism spanning 25 years.

Directors' Report

Your directors submit their report for the year ended 31 December 2000.

DIRECTORS

The names and details of the directors of the company in office during the financial year and until the date of this report are:
Names, qualifications, experience and special responsibilities

J.O. Cain

Chairman (resigned as Chairman on 30 January 2001)

Mr Cain has been a director since February 1995 and was appointed chairman on 30 August 1996, serving in this role until 30 January 2001. Mr Cain also acted as executive chairman from the time the managing director's position became vacant on 30 November 2000 to 5 March 2001. He has a distinguished career in the fertiliser and chemical industries, including five years as managing director of Incitec Limited, prior to his retirement.

D.D.H. Graham B.Com., B.Econ. (Hons), M.B.A., FCPA.

Chairman (appointed as Chairman on 30 January 2001)

Member of the Audit & Compliance Committee

Mr Graham was appointed a director of Buderim Ginger Limited in September 1995 and chairman of Buderim Ginger Limited on 30 January 2001. He is the managing director and major shareholder of DDH Graham Limited, a corporate advisory and funds management company based in Brisbane. He has extensive experience in merchant banking. Mr Graham is a non-executive director of Centro Properties Limited and is the chairman of Mincom Limited.

R.F. Cormie B.Com., A.A.U.Q., A.S.A., F.S.I.A., F.A.I.C.D.

Chairman of the Audit & Compliance Committee

Mr Cormie joined the board of Buderim Ginger Limited in 1991, and was appointed deputy chairman in 1995. He is a director of Magellan Petroleum Australia Limited, Bligh Oil & Minerals N.L. (Group), Suncorp-Metway Limited, Suncorp-Metway Insurance Limited, Suncorp Life & Superannuation Limited, and Techniche Limited.

A.R. Everingham H.D.A.

Mr Everingham has been a director of Buderim Ginger Limited and the previous co-operative since 1983. He resigned as chairman on 30 August 1996 after having served 11 years in that position. He was also chairman of the former Ginger Marketing Board for four years. Following farming and grazing ventures in central and south-west Queensland, Mr Everingham moved to the Sunshine Coast in 1981 where he purchased a ginger farm in the Yandina area.

J.C.S. Spencer B.Com.

Member of the Audit & Compliance Committee

Mr. Spencer was appointed a director of Buderim Ginger Limited in March 1996. Mr. Spencer has had extensive experience in retail marketing and business management. He is chairman of Burnett Valley Holdings Limited.

Yee.Wah.Sing Dip Trop.Agric.

Mr Yee Wah Sing was appointed a director of Buderim Ginger Limited on 11 March 1999. Mr Yee Wah Sing has been involved with a number of agricultural related activities for the last 19 years as a farmer, processor and exporter of fresh produce. He was a director of the Fiji Trade and Investment Board and serves on the Fiji Land Conservation Board. He is currently director of Grow Fiji Limited and Rewa Rice Limited as well as a partner in Eco-Connsult Pacific, a company which provides support towards sustainable development in agriculture, forestry and the management of the environment throughout the Pacific region.

All directors shown were in office from the beginning of the financial year until the date of this report.

Buderim Ginger Limited

Interests in the shares of the company and related bodies corporate

As at the date of this report the interests of the directors in the shares of the company and related bodies corporate were:

	BUDERIM GINGER LIMITED
	Ordinary Shares
	Fully Paid
J.O. Cain	-
R.F. Cormie	5,625
A.R. Everingham (1)	-
D.D.H. Graham (2)	-
J.C.S. Spencer	9,000
Yee Wah Sing	1,800,000

(1) Mr A.R. Everingham has a relevant interest in 146,029 shares registered in the name of A.R. & A.B. Everingham Pty. Ltd. (Everingham Super Fund A/c)

(2) Mr D.D.H. Graham has a relevant interest in 124,767 shares registered in the name of Jiggi Investments Pty Ltd.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year were the processing and marketing of ginger. There have been no significant changes in the nature of these activities during the year.

	2000	1999
	\$'000	\$'000
RESULTS AND DIVIDENDS		
Consolidated Results		
Consolidated entity profit/(loss) after tax	(1,611)	1,157
Share of associated company results (less dividends of \$Nil)	-	(62)
	(1,611)	1,095
Earnings per Share		
Basic earnings per share	(7.70)	5.34
(Diluted earnings per share does not differ from basic earnings per share)		
Dividends		
Final dividends recommended	-	418
Dividends paid in the year:		
Interim for the year	-	418
Final for 1999 shown as recommended in the 1999 financial report (ordinary shares)	419	416

REVIEW OF OPERATIONS

A review of operations is contained on pages 2 to 3 of the annual report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period under review, directors wrote off the goodwill component of the company's investment in Fiji, based on an independent valuation. A significant cost cutting program was implemented during the year, resulting in a number of redundancies, the cost of which is represented in the financial report as an abnormal item. Mr G Tuer resigned as managing director on 30 November 2000. Mr G O'Brien has been appointed as the company's new chief executive. He commenced on 5 March 2001.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In the opinion of the directors, there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or the financial reports.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors foresee that the 2001 financial year will be a period of consolidation during which the changes made in the 2000 financial year will have their full impact. These changes include a management restructure, the continuation of the cost cutting program and the positioning of the company to compete aggressively in overseas markets.

Although directors have devalued the Fiji investment by the goodwill component, this operation is still expected to continue as a contributor to overall profitability.

It is anticipated that the 2001 financial year will show substantial improvement in profit.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity holds licenses issued by the Environmental Protection Agency which specify limits for discharges to the environment which are due to the consolidated entity's operations. These licenses regulate the management of discharges to the air and storm water run-off associated with the ginger processing operations as well as the storage of hazardous materials in storage.

There have been no significant known breaches of the consolidated entity's license conditions.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has paid premiums in respect of a contract insuring all the directors of Buderim Ginger Limited against a liability incurred in their role as directors of the company, except where:

- (a) the liability arises out of conduct involving a wilful breach of duty; or
- (b) there has been a contravention of Sections 232(5) or (6) of the Corporations Law.

The total amount of insurance contract premiums paid was \$13,847.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

The board annually determines the remuneration for executive and non-executive directors and for the most senior management personnel. The board assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

To assist in achieving corporate objectives, the board links the amount of executive director and senior management emoluments to the company's financial and operational performance. Senior executives have the opportunity to qualify for performance bonuses where specified criteria are met including criteria relating to departmental and corporate performance.

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and the consolidated entity receiving the highest emoluments for the financial year are as follows overleaf.

	Annual Emoluments			Long Term Emoluments			
	Non-Executive Directors	Executive Remuneration	Committee Fees & Other	Termination & Similar Payments	Superannuation Paid	Leave Entitlements Paid	Leave Accruals On Hand
	\$	\$	\$	\$	\$	\$	\$
Emoluments of directors of Buderim Ginger Limited							
J.O. Cain *	33,500	24,000	750		4,435		
R.F. Cormie	21,000		1,000		1,575		
D.D.H. Graham	19,000		500		1,425		
A.R. Everingham	19,000		-		1,425		
J.C.Spencer	19,000		1,173		1,425		
Yee Wah Sing	19,000		-		1,425		
G.W.Tuer		180,000	29,136	96,174	17,896	64,177	
Emoluments of the five most highly paid executive officers of the company and the consolidated entity							
P.G. Ritchie		134,950	20,378		16,897		21,539
A. Chinlyn		176,762	15,182				
R. Kaiser		167,706					
K. Rogers		91,500	20,426		10,516		26,756
P. Bialkowski		86,881	24,292		18,655		

The terms 'director' and 'officer' have been treated as mutually exclusive for the purpose of this disclosure.

The elements of emoluments have been determined on the basis of the cost to the company and the consolidated entity. Executives are those directly accountable and responsible for the operational management and strategic direction of the company and the consolidated entity.

The category 'Other' includes the value of any non-cash benefits provided, such as fully maintained motor vehicle, professional membership subscriptions and/or board sub-committee fees.

* Mr J.O. Cain performed the role of Executive Chairman for the period 1 November 2000 to 31 December 2000.

DIRECTORS' MEETINGS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors Meetings	Meetings of Committees Audit & Compliance
Number of meetings held:	11	2
Number of meetings attended:		
J.O. Cain	10	-
R.F. Cormie	10	2
G.W. Tuer	10	-
A.R. Everingham	11	-
D.D.H. Graham	9	2
J.C.S. Spencer	11	2
Yee Wah Sing	9	-

As at the date of this report, the company had an Audit and Compliance Committee.

The members of the Audit and Compliance Committee are:

R.F. Cormie (Chairman)

D.D.H. Graham

J.C.S.Spencer

ROUNDING

The amounts contained in this report and in the financial statements have been rounded off under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Buderim Ginger Limited support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained in the additional ASX information section of this annual report.

Dated at Yandina this 8 March 2001.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'D.D.H. Graham', with a long horizontal flourish extending to the right.

D.D.H. Graham

Director

Profit & Loss Statement

Year ended 31 December 2000

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
OPERATING REVENUE	2	28,256	28,017	24,907	25,353
OPERATING PROFIT BEFORE ABNORMAL ITEMS AND INCOME TAX	2	734	1,634	488	1,050
ABNORMAL ITEMS BEFORE INCOME TAX		(2,491)	-	(2,181)	-
OPERATING PROFIT/(LOSS) BEFORE INCOME TAX		(1,757)	1,634	(1,693)	1,050
INCOME TAX ATTRIBUTABLE TO OPERATING ACTIVITIES	4	(146)	539	(200)	379
OPERATING PROFIT/(LOSS) AFTER INCOME TAX		(1,611)	1,095	(1,493)	671
RETAINED PROFITS at the beginning of the financial year		4,300	4,042	1,913	2,079
TOTAL AVAILABLE FOR APPROPRIATION		2,689	5,137	420	2,750
DIVIDENDS PROVIDED FOR OR PAID	5	-	837	-	837
RETAINED PROFITS at the end of the financial year		2,689	4,300	420	1,913

Balance Sheet

Year ended 31 December 2000

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS					
Cash on hand		434	1,138	81	112
Receivables	6	6,438	5,967	5,850	5,929
Inventories	7	9,864	8,332	8,320	6,998
Other	8	270	418	258	397
TOTAL CURRENT ASSETS		17,006	15,855	14,509	13,436
NON-CURRENT ASSETS					
Receivables	9	-	-	1,653	2,636
Investments	10	-	-	-	-
Property, plant and equipment	11	10,185	10,489	7,826	8,346
Intangibles	12	293	1,780	113	85
Other	13	787	179	785	179
TOTAL NON-CURRENT ASSETS		11,265	12,448	10,377	11,246
TOTAL ASSETS		28,271	28,303	24,886	24,682
CURRENT LIABILITIES					
Accounts payable	14	3,505	1,952	3,507	1,996
Borrowings	15	5,931	4,712	5,931	4,708
Provisions	16	652	1,704	617	1,569
TOTAL CURRENT LIABILITIES		10,088	8,368	10,055	8,273
NON-CURRENT LIABILITIES					
Borrowings	17	1,534	1,851	377	635
Provisions	18	482	306	468	295
TOTAL NON-CURRENT LIABILITIES		2,016	2,157	845	930
TOTAL LIABILITIES		12,104	10,525	10,900	9,203
NET ASSETS		16,167	17,778	13,986	15,479
SHAREHOLDERS' EQUITY					
Issued capital	19	12,911	12,911	12,911	12,911
Reserves	20	567	567	655	655
Retained profits		2,689	4,300	420	1,913
TOTAL SHAREHOLDERS' EQUITY		16,167	17,778	13,986	15,479

Buderim Ginger Limited

Statement of Cash Flows

Year ended 31 December 2000

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		27,252	26,622	24,557	23,668
Payments to suppliers and employees		(26,314)	(26,237)	(24,707)	(22,604)
Other income		668	405	560	454
Interest received		15	23	9	18
Borrowing costs		(595)	(410)	(491)	(343)
Research and development expenditure		(134)	(109)	(134)	(109)
Goods and Services Tax paid		(114)	-	(114)	-
Income tax paid		(784)	(195)	(629)	(98)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	21	(6)	99	(949)	986
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(1,152)	(3,200)	(580)	(838)
Acquisition of goodwill in purchase of business assets		-	(181)	-	-
Proceeds from sale of property, plant and equipment		12	52	12	52
Purchase of shares in associate	10	-	(238)	-	-
Trademark registrations		(41)	(54)	(43)	(52)
Cash used in short term deposits		(3,000)	(8,000)	(3,000)	(8,000)
Proceeds from short term deposits		3,000	8,000	3,000	8,000
Other		(201)	-	846	(3,130)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(1382)	(3,621)	235	(3,968)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issues of securities (shares, options etc.)		-	1,620	-	1,620
Borrowings		1,500	3,005	1,500	1,800
Borrowing repayments		(151)	(208)	(151)	(208)
Dividends paid (Net of Dividend Reinvestment Plan)		(418)	(724)	(418)	(724)
NET CASH FLOWS FROM FINANCING ACTIVITIES		931	3,693	931	2,488
NET INCREASE/(DECREASE) IN CASH HELD		(457)	171	217	(494)
Add opening cash brought forward		789	618	(238)	256
CLOSING CASH CARRIED FORWARD	21	332	789	(21)	(238)

Notes to and forming part of the accounts

Year ended 31 December 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial report has been prepared in accordance with the historical cost convention, except for freehold land which is measured at the revalued amount.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law, including applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

Change in accounting policies

Accounting policies adopted are consistent with those of the previous year with exception of the following:

In the previous year the method of valuing Frespac Ginger (Fiji) Limited's inventory was changed to ensure the basis of valuation was consistent with that of Buderim Ginger Limited. The impact of this change was an increase in profit of \$140,000 which was recorded in the half year ended 30 June 1999, and an increase in earnings per share for the year ended 31 December 1999 of 0.4 cents to 5.34 cents.

Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Buderim Ginger Limited (the parent entity) and all entities which Buderim Ginger Limited controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases.

Subsidiary acquisitions are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to Australian currency at the rate of exchange ruling at the date of the transaction unless hedged prior to the date of the transaction, whereupon the hedged rate is used.

Assets and liabilities of entities within the consolidated entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to Australian currency using rates of exchange ruling at the end of the financial year.

Except for certain specific hedges, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the profit or loss for the financial year, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

Translation of financial statements of overseas operations

All overseas operations are deemed to be integrated as they are financially and operationally dependent on Buderim Ginger Limited. The financial statements of overseas operations are translated using the temporal method and any exchange differences are brought to account in the profit and loss statement.

Cash

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value.

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

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Investments

Investments in associates are carried at the lower of the equity-accounted amount and recoverable amount in the consolidated financial report and the lower of cost and recoverable amount in Buderim Ginger Limited's financial report. Upon acquisition of total control, financial statements are consolidated until the end of the financial period.

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Bills of exchange and promissory notes are measured at the lower of cost and net realisable value.

Inventories

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

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

- Raw Materials - purchase cost on a first-in-first-out basis; and
- Finished Goods and work in progress - cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

Recoverable Amount

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

Property, plant and equipment

Cost and valuation

Property, plant and equipment are carried at cost or at independent valuation. Any surplus on revaluation is credited directly to the asset revaluation reserve and excluded from the profit and loss account.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land, at rates calculated to allocate the cost or valuation, less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

Major depreciation periods are:

Tourism Buildings	15 years
Freehold Buildings	50 years
Plant and Equipment	3-10 years
Plant and Equipment under lease	Lease Period

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis. The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the rate implicit in the lease.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease terms. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to profit and loss.

Intangibles

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised by the straight-line method over the period during which benefits are expected to be received.

Trademarks

Trademarks are amortised over their useful lives, being 10 years.

Other non-current assets

Research and development costs

Research and development costs are expensed as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where research and development costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

Expenditure carried forward

Significant items of expenditure having a benefit or relationship to more than one period are written off over the periods to which such expenditure relates.

Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange are carried at the principal amount plus deferred interest.

Finance leases are accounted for in accordance with the requirements of AASB1008: Leases.

Share Capital

Ordinary share capital is recognised at the fair value of the consideration received by the company.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Control of goods has passed to the buyer.

Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Rental Income

Rental income is recognised in line with lease commitments defined in lease agreements.

Income Tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent differences occur between the time items recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Where assets are revalued no provision for potential capital gains tax has been made.

Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee entitlements are charged against profits on a net basis in their respective categories.

Derivative financial instruments

Forward exchange contracts

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are usually for no longer than 12 months.

Forward exchange contracts are recognised at the date the contract is entered. Exchange gains or losses on forward exchange contracts are charged to profit and loss except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

Earnings per share

Basic earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share does not differ from basic earnings per share.

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
2. OPERATING PROFIT					
The operating profit before income tax is arrived at after charging/(crediting) the following items:					
Amortisation of non-current assets					
Plant and equipment under lease		164	170	154	160
Goodwill		47	73	-	-
Trade Marks		15	15	15	15
		226	258	169	175
Depreciation of non-current assets					
Plant and equipment		787	648	537	487
Buildings		338	242	219	215
		1,125	890	756	702
Bad and doubtful debts					
Trade debtors - other persons/bodies corporate		60	5	12	5
Borrowing costs expensed					
Interest expense		595	354	450	287
Finance charges - lease liability		40	56	40	56
Other borrowing costs - Stamp Duty & Legal Fees		5	4	4	-
		640	414	494	343
Net loss/(profit) on disposal of property, plant and equipment		211	(4)	211	(4)
Rental - operating leases		171	175	171	175
Net foreign currency losses		5	7	5	-
Provision for employee entitlements		39	71	36	60
Research and development costs		127	109	127	109
Superannuation contributions - Accumulated benefit fund		468	443	447	380
Included in the operating profit are the following items of operating revenue:					
Sale of Goods		27,690	27,613	24,454	24,881
Other revenue					
Share of operating profit of associated companies	10	-	(62)	-	-
Rental Income		275	259	275	259
Other Income		276	132	169	143
		551	329	444	402
Interest Income - other persons/corporations		15	23	9	18
Proceeds on sale of non-current assets		-	52	-	52
		566	404	453	472
Operating revenue		28,256	28,017	24,907	25,353

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	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
3. ABNORMAL ITEMS					
Included in the operating profit are the following abnormal items:					
Items debited					
Write-down of goodwill		1,482	-	-	-
Applicable income tax		-	-	-	-
		1,482	-	-	-
Provision for non-recovery of inter-company loan		-	-	1,172	-
Applicable income tax		-	-	(421)	-
		-	-	751	-
Write-down of inventory to net realisable value		611	-	611	-
Applicable income tax		(220)	-	(220)	-
		391	-	391	-
Cost of redundancies and terminations		186	-	186	-
Applicable income tax		(67)	-	(67)	-
		119	-	119	-
Write-down of certain tourism and retail assets to recoverable amount		212	-	212	-
Applicable income tax		(76)	-	(76)	-
		136	-	136	-
Total abnormal items		2,491	-	2,181	-
Applicable income tax		(363)	-	(784)	-
		2,128	-	1,397	-

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000

4. INCOME TAX

The prima facie tax, using tax rates applicable in the country of operation, on operating profit differs from the income tax provided in the financial statements as follows:

Prima facie tax on operating profit/(loss)		(633)	588	(609)	378
Tax effect of permanent differences					
Research & development deductions (net)		(17)	(26)	(17)	(26)
Depreciation of buildings		26	26	26	26
Amortisation of intangibles		22	-	5	-
Share of operating profit from associated company		-	22	-	-
Permanent difference in write-down of goodwill		534	-	421	-
Other items (net)		(55)	(71)	(3)	1
Under/(over) provision of previous year		(23)	-	(23)	-
Income tax expense attributable to operating profit		(146)	539	(200)	379
Future income tax benefit at 100% arising from tax losses not brought to account at balance date as realisation of the benefit is not regarded as virtually certain		97	35	-	-

This future income tax benefit will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

5. DIVIDENDS PAID OR PROVIDED FOR

Dividends proposed					
Franked dividends *	16	-	102	-	102
Unfranked dividends		-	317	-	317
Dividends paid during the year					
Current year interim					
Franked dividends *		-	-	-	-
Unfranked dividends		-	418	-	418
		-	837	-	837
Previous year final					
Franked dividends *		102	329	102	329
Unfranked dividends *		317	87	317	87
		419	416	419	416

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
5. DIVIDENDS PAID OR PROVIDED FOR cont.					
* The amount of franking credits available for the subsequent financial year are:					
- franking account balance as at the end of the financial year		1,167	48	1,167	48
- franking credits that will arise from the payment of income tax payable as at the end of the financial year		-	732	-	732
- franking debits that will arise from the anticipated refund of tax installments paid for the financial year		(290)	-	(290)	-
- franking debits that will arise from the payment of dividends as at the end of the financial year		-	(102)	-	(102)
		877	678	877	678
The final dividend for 1999 was partially franked at 36%.					
6. RECEIVABLES (CURRENT)					
Trade debtors		6,086	5,542	5,747	5,718
Provision for doubtful debts	6(b)	(52)	(40)	(52)	(40)
		6,034	5,502	5,695	5,678
Deposits & other loans		8	12	8	12
Other receivables		396	453	147	239
		6,438	5,967	5,850	5,929
(a) Aggregate amounts receivable from related parties:					
Wholly-owned group		-	-	1,938	2,377
Associated company		-	-	-	-
		-	-	1,938	2,377
(b) Movement in provision for doubtful debts					
- balance at beginning of year		(40)	(35)	(40)	(35)
- bad and doubtful debts provided for during the year		(12)	(5)	(12)	(5)
- balance at end of year		(52)	(40)	(52)	(40)

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
7. INVENTORIES (CURRENT)					
Raw materials and stores					
At cost		949	1,187	847	1,075
Work-in-progress					
At cost		2,329	1,632	1,399	927
Finished goods					
At cost		4,452	5,499	3,940	4,982
At net realisable value		2,134	14	2,134	14
		6,586	5,513	6,074	4,996
Total inventories at lower of cost and net realisable value		9,864	8,332	8,320	6,998
8. OTHER CURRENT ASSETS					
Prepayments		270	418	258	397
9. RECEIVABLES (NON-CURRENT)					
Wholly owned group					
- Loan to controlled entity		-	-	2,825	2,636
Provision for non-recovery of inter-company loan		-	-	(1,172)	-
		-	-	1,653	2,636

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity 2000 1999		BUDERIM GINGER (OVERSEAS) HOLDINGS PTY LTD		BUDERIM GINGER (UK) LTD		BUDERIM GINGER LIMITED	
				2000	1999	2000	1999	2000	1999
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

10. INVESTMENTS (NON-CURRENT)

10(a) Investments in controlled entities

Australian Golden Ginger Pty Ltd	Australian	100	100	(i)				6	6
Gingertown Pty Ltd	Australian	100	100	(i)				2	2
Buderim Ginger (Overseas) Holdings Pty Ltd	Australian	100	100	(i)				5	5
Buderim Ginger (UK) Ltd	United Kingdom	100	100	(ii)				-	-
Buderim Ginger Sales GmbH	Germany	100	100	(iii)	41,467	41,467	-	-	-
Buderim Ginger America, Inc.	United States	100	100	(iv)	-	-	146,987	146,987	-
Frespac Ginger (Fiji) Limited	Fiji	100	100	(v)	1,113,705	2,632,540	-	-	-
					1,155,172	2,674,007	146,987	146,987	13
									13

(i) Entities subject to class order relief

Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of Buderim Ginger Limited from the Corporations Law requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Buderim Ginger Limited and the controlled entities subject to the Class Order 98/1418 entered into a deed of indemnity on 4 February 1990.

The effect of the deed is that Buderim Ginger Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entities. The controlled entities have also given a similar guarantee in the event that Buderim Ginger Limited is wound up.

The consolidated profit and loss statement and balance sheet of the entities which are subject to the deed are as follows:

	2000 \$'000	1999 \$'000
Consolidated profit and loss statement		
Operating profit/(loss) before income tax	(3,213)	987
Income tax attributable to operating profit	200	(379)
Operating profit/(loss) after income tax	(3,013)	608
Retained profits at the beginning of the financial year	3,327	3,556
Dividends provided for or paid	-	(837)
Retained profits at the end of the financial year	314	3,327

	2000	1999
	\$'000	\$'000
10. INVESTMENTS (NON-CURRENT) cont.		
Consolidated balance sheet		
Current assets		
Cash on hand	81	111
Receivables	5,850	5,929
Inventories	8,320	6,998
Other	258	397
Total current assets	14,509	13,435
Non-current assets		
Receivables	280	1,258
Investments	1,155	2,674
Property, plant and equipment	7,826	8,348
Intangibles	113	85
Other	355	180
Total non-current assets	9,729	12,545
Total Assets	24,238	25,980
Current liabilities		
Accounts payable	3,508	1,993
Borrowings	5,931	4,708
Provisions	592	1,544
Total current liabilities	10,031	8,245
Non-current liabilities		
Borrowings	377	635
Provisions	38	295
Total non-current liabilities	415	930
Total liabilities	10,446	9,175
Net assets	13,792	16,805
Shareholders' equity		
Parent entity interest		
Share capital	12,911	12,911
Reserves	567	567
Retained profits	314	3,327
	13,792	16,805
Outside equity interest	-	-
Total shareholders' equity	13,792	16,805

(ii) *Controlled entity which is audited by another member firm of Ernst & Young International.*

(iii) *Controlled entity which is incorporated in Germany. Under German law the financial statements of this entity are not required to be audited and, accordingly, no auditor has been appointed.*

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(iv) *Controlled entity which is incorporated in Delaware. Under United States law the financial statements of this entity are not required to be audited and, accordingly, no auditor has been appointed.*

(v) *Controlled entity which is incorporated in Fiji which is audited by Ernst & Young, Suva, Fiji.*

10(b) Investments in associated company

Name	Consolidated Entity Interest		% of Equity Interest Held By Economic Entity		Dividend Revenue	
	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	%	%	\$'000	\$'000
Frespac Ginger (Fiji) Limited. - equity accounted	-	-	100	100	-	-
Total investments in balance sheet	-	-	100	100	-	-

(i) Principal activities of associated company

The principal activity of Frespac Ginger (Fiji) Limited is the manufacture of value added ginger products.

The balance date of this company is 31 December 2000. Frespac Ginger (Fiji) Limited ceased to be an associate company on 11 March 1999 when the company was acquired as a wholly owned subsidiary of Buderim Ginger (Overseas) Holdings Pty Ltd.

(ii) Share of associate's profit/(loss)

	2000	1999
	\$'000	\$'000
Share of associate's operating loss after income tax	-	(60)
Adjusted for amortisation of goodwill on acquisition	-	(2)
Share of associate's net profit	-	(62)
Frespac Ginger (Fiji) Limited is exempt from income tax on corporate profits for a period of 13 years. This tax free status will expire in May 2007.		
(iii) Carrying amount of investment in associated company		
Balance at beginning of financial year	-	736
Add share of retained profits	-	(62)
Write-down of investment in associate to foreign translation reserve	-	(88)
Transfer of assets on 100% acquisition	-	(586)
Equity accounted amount of investment in associated company.	-	-

The equity-accounted amount for the investment in the associated company is \$Nil due to 100% acquisition of the company. (1999: \$735,722).

The financial statements of Frespac Ginger (Fiji) Limited were equity accounted from the beginning of the previous trading year until the acquisition of the second 50% shareholding by Buderim Ginger (Overseas) Holdings Pty Ltd, on 11 March 1999. Thereafter this company converted to a subsidiary and financial statements were consolidated until the end of the financial year.

(iv) The consolidated entity's share of the assets and liabilities of the associated company

The status of associate company was eliminated on 100% acquisition of Frespac Ginger (Fiji) Ltd in March 1999.

There are no subsequent events affecting this company's profits/losses for the ensuing year.

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
11. PROPERTY, PLANT AND EQUIPMENT					
Freehold land					
At independent valuation 30 June 1997		950	950	950	950
Buildings on freehold land					
At cost		8,408	8,106	7,053	6,832
Provision for depreciation		(2,566)	(2,278)	(2,470)	(2,251)
		5,842	5,828	4,583	4,581
Total land and buildings		6,792	6,778	5,533	5,531
Plant and equipment					
At cost		8,431	7,959	6,679	6,730
Provision for depreciation		(5,539)	(4,907)	(4,887)	(4,570)
		2,892	3,052	1,792	2,160
Plant and equipment under lease					
At cost		1,697	1,734	1,697	1,697
Provision for amortisation		(1,196)	(1,075)	(1,196)	(1,042)
		501	659	501	655
Total plant and equipment		3,393	3,711	2,293	2,815
Total property, plant and equipment					
Cost		18,536	17,799	15,429	15,259
Independent valuation 30 June 1997		950	950	950	950
		19,486	18,749	16,379	16,209
Provision for depreciation and amortisation		(9,301)	(8,260)	(8,553)	(7,863)
Total written down amount		10,185	10,489	7,826	8,346

(a) Valuations

Leasehold property at Yandina was converted to freehold in June 1997 and was restated to the independent valuation determined by Edward Rushton Australia Pty Ltd at that date. All valuations are estimates of the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date. The consolidated entity has a set policy for regular valuation of freehold land and buildings at least once every three financial years. At 31 December 1998, buildings on freehold land were valued by Edward Rushton Pty Ltd, registered valuers, at \$7,386,000, on the basis of market value for existing use.

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
12. INTANGIBLES					
Goodwill		188	1,766	-	-
Provision for amortisation		(9)	(73)	-	-
		179	1,693	-	-
Trademarks		143	102	143	100
Provision for amortisation		(30)	(15)	(30)	(15)
		113	87	113	85
		293	1,780	113	85
13. OTHER NON-CURRENT ASSETS					
Construction in progress		355	169	355	169
Expenditure carried forward		2	10	-	10
Future tax benefit		430	-	430	-
		787	179	785	179
14. ACCOUNTS PAYABLE (CURRENT)					
Trade creditors		2,491	1,216	2,334	1,093
Other creditors		1,014	736	1,173	903
		3,505	1,952	3,507	1,996
Aggregate amounts payable to related parties:					
Wholly owned group	31	138	-	543	365
15. BORROWINGS (CURRENT)					
Secured					
- lease liability	22	121	155	121	151
- bank overdrafts	33,34	102	349	102	349
- bank bill finance	33,34	5,700	4,200	5,700	4,200
		5,923	4,704	5,923	4,700
Unsecured					
- other loans	33,34	8	8	8	8
		5,931	4,712	5,931	4,708

The bank overdraft and bill finance are secured by a registered equitable mortgage over the company's assets and uncalled capital. The lease liability is secured by a charge over the leased assets.

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
16. PROVISIONS (CURRENT)					
Dividends on ordinary shares	5	-	418	-	418
Taxation		(112)	577	(147)	442
Employee entitlements	23	764	709	764	709
		652	1,704	617	1,569
17. BORROWINGS (NON-CURRENT)					
Secured					
Lease liability - finance lease	22	390	507	377	497
Unsecured					
Bank loan		338	354	-	-
Directors and director related entities		806	990	-	138
		1,534	1,851	377	635
The lease liability is secured by a charge over the leased assets.					
18. PROVISIONS (NON-CURRENT)					
Employee entitlements	23	102	118	88	107
Deferred income tax liability		380	188	380	188
		482	306	468	295
19. SHARE CAPITAL					
Issued and paid up capital					
20,919,189 ordinary shares fully paid paid (1999: 20,919,189).	33,34	12,911	12,911	12,911	12,911
		12,911	12,911	12,911	12,911
Shares issued during the year					
There were no shares issued during the financial year.					
20. RESERVES					
Asset revaluation reserve		655	655	655	655
Foreign currency translation		(88)	(88)	-	-
		567	567	655	655
Movements in reserves					
Asset revaluation					
- Balance at beginning of year		655	655	655	655
- Transfer to retained profits on sale of revalued assets		-	-	-	-
- Balance at end of year		655	655	655	655

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
20. RESERVES cont.					
Foreign currency translation					
- Balance at beginning of year		(88)	(51)	-	-
- Loss on translation of investment in overseas associate company		-	(37)	-	-
- Balance at end of year		(88)	(88)	-	-

21. STATEMENT OF CASH FLOWS

a) Reconciliation of the operating profit/(loss) after tax to the net cash flows from operations

Operating profit/(loss) after tax	(1,611)	1,095	(1,493)	671
Depreciation of non-current assets	1,125	890	756	702
Amortisation of non-current assets	225	258	169	175
Write-down of goodwill	1,482	-	-	-
Decrement in value of inventories	-	1	-	1
Provision for employee entitlements	39	71	36	60
Net loss on disposal of property, plant and equipment	211	(4)	211	(4)

Changes in assets and liabilities

Trade receivables	(529)	(597)	(15)	(1,108)
Inventory	(1,528)	(1,416)	(1,318)	(398)
Trade and other creditors	1,302	(176)	1,296	750
Tax provision	(691)	433	(591)	370
Future tax benefit	(430)	-	(430)	-
Deferred income tax liability	192	(90)	192	(90)
Prepayments	208	(371)	236	(145)
Other	-	5	2	-
Net cash flow from/(used in) operating activities	(6)	99	(949)	984

b) Reconciliation of cash

Cash balance comprises:				
- cash on hand	434	1,138	81	111
- bank overdraft	(102)	(349)	(102)	(349)
Closing cash balance	332	789	(21)	(238)

c) Bank Overdraft Facility

The consolidated entity has a bank overdraft facility available to the extent of \$450,000 (1999: \$370,000), and a bank bill facility to the extent of \$6,600,000 (1999: \$6,000,000).

d) Non-Cash Financing and Investing Activities

Finance Lease Transactions

There has been no acquisition of plant and equipment by means of finance leases and hire purchase contracts during the current or previous year.

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
22. EXPENDITURE COMMITMENTS					
(a) Lease expenditure commitments					
(i) Operating leases (non-cancellable)					
- not later than one year		165	269	165	269
- later than one year and not later than five years		213	339	213	339
- aggregate lease expenditure contracted for at balance date		378	608	378	608
Amounts not provided for:					
- future rental commitments		378	608	378	608
Operating lease commitments relate to liabilities arising from the lease of motor vehicles, rental of off-site retail premises and a tourism facility on the Yandina premises. Operating leases have an average lease term of 4 years and an average implicit interest rate of 7.1%.					
(ii) Finance leases:					
- not later than one year		156	201	153	197
- later than one year and not later than five years		417	570	407	560
- total minimum lease payments		573	771	560	757
- future finance charges		(62)	(109)	(62)	(109)
		511	662	498	648
- lease liability					
- current liability	15	121	155	121	151
- non-current liability	17	390	507	377	497
		511	662	498	648

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is comprised of:

Accrued wages, salaries and on costs

Provisions (current)	16	764	709	764	709
Provisions (non-current)	18	102	118	88	107
		866	827	852	816

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS cont.

Superannuation Commitments

All employees are entitled to varying levels of benefits on retirement, resignation, death and total and permanent disability. The superannuation plan provides benefits in the form of lump sum payments.

Contributions are based on a percentage of salaries and employees are invited to make personal contributions. The company also makes contributions in accordance with award based superannuation requirements. The plan is an accumulation style plan and as such, all accrued benefits are represented by existing plan assets.

The plan complies with the Occupational Superannuation Standards Act and Regulations. The company contributions are legally enforceable.

24. CONTINGENT LIABILITIES

Controlled entities

The parent entity has guaranteed under the terms of an ASIC Class Order any deficiency of funds if Australian Golden Ginger Pty Ltd, Gingertown Pty Ltd and Buderim Ginger (Overseas) Holdings Pty Ltd are wound up. No such deficiencies exist.

The parent entity has provided a guarantee to Westpac, Suva, Fiji in the sum of \$AUD500,000 to indemnify the Westpac Banking Corporation for an overdraft facility made available to Frespac Ginger (Fiji) Limited.

A complaint has been lodged under the Queensland Anti-Discrimination Act 1991 by a former employee against Buderim Ginger Limited, and two officers of the company. The employee alleges discrimination on the basis of impairment. At the time of writing this report, the Anti-Discrimination Commission had not yet determined the matter. Legal advice is hopeful that the matter will be struck out, in which case there will be no exposure at all. However, if the matter is accepted by the Commission then the company will be exposed to a potential compensation award. There is no limit on compensation that can be awarded, but legal advice is that compensation is unlikely to exceed \$50,000.

There are no contingent liabilities in respect of termination of service agreements with executives or directors.

25. SUBSEQUENT EVENTS

There have been no subsequent events to report since the end of the financial year.

26. ECONOMIC DEPENDENCY

A large proportion of the base ingredient, Ginger, used in the Australian manufacturing operations of the consolidated entity is only available from quota holders. All ginger growers who supply ginger have entered into long term agreements with the company.

The Ginger Supply Agreements held with Australian growers provide the company with a secure source of ginger and the growers with an outlet for their product.

Ginger used in the Fiji manufacturing operation is purchased under open market conditions.

27. EARNINGS PER SHARE

	2000	1999
(a) Basic earnings per share (cents per share)	(7.70)	5.34
(b) Diluted earnings per share (cents per share)		
The diluted earnings per share is the same as the basic earnings per share.		
(c) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	20,919,189	20,523,972

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$	\$	\$	\$

28. REMUNERATION OF DIRECTORS

(a) Directors' remuneration

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party:

Non-Executive Directors	145,634	146,534
Executive Directors (Termination payment included)	411,383	192,498
Total	557,017	339,032

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of Buderim Ginger Limited, directly or indirectly, from the entity or any related party:

Non-Executive Directors	145,634	146,534
Executive Directors (Termination payment included)	411,383	192,498
Total	557,017	339,032

The number of directors of Buderim Ginger Limited whose income (including superannuation contributions) falls within the following bands is:

	2000	1999
\$0 - \$ 9,999	-	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	5	4
\$30,000 - \$39,999	-	1
\$60,000 - \$69,999	1	-
\$190,000 - \$199,999	-	1
\$300,000 - \$399,999	1	-

(b) Prescribed benefits approved at general meeting

No prescribed benefits have been paid which would require approval at an Annual General Meeting.

Buderim Ginger Limited

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$	\$	\$	\$

29. REMUNERATION OF EXECUTIVES

Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is \$100,000 or more, from entities in the consolidated entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity whether as an executive officer or otherwise:

832,440	706,343
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Remuneration received or due and receivable by executive officers of the company whose remuneration is \$100,000 or more, from the company or any related party, in connection with the management of the affairs of the company or any related party, whether as an executive officer or otherwise

342,962	284,281
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The number of executives of the consolidated entity and the company whose remuneration falls within the following bands:

	CONSOLIDATED ENTITY		BUDERIM GINGER LIMITED	
	2000	1999	2000	1999
\$110,000 - \$119,999	-	1	-	-
\$120,000 - \$129,999	1	1	-	1
\$140,000 - \$149,999	1	1	1	-
\$160,000 - \$169,999	1	2	-	1
\$190,000 - \$199,999	2	-	1	-

	Notes	CONSOLIDATED		BUDERIM GINGER LIMITED	
		2000	1999	2000	1999
		\$	\$	\$	\$

30. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of Buderim Ginger Limited for:

- an audit or review of the financial statements of the entity and any other entity in the consolidated entity	50,186	45,050	50,186	45,050
- other services in relation to the entity and any other entity in the consolidated entity	38,735	29,400	38,735	29,400
	88,921	74,450	88,921	74,450

Amounts received or due and receivable by the auditors other than the auditors of Buderim Ginger Limited for:

- an audit of the financial statements of subsidiary entities	21,550	15,100	-	-
- other services in relation to the entity	10,856	7,650	-	-
	121,327	97,200	88,921	74,450

31. RELATED PARTY DISCLOSURES

(a) The directors of Buderim Ginger Limited during the financial year were:

J.O. Cain (Chairman)

R.F. Cormie (Deputy Chairman)

G.W. Tuer (Managing Director - Resigned 30 November 2000)

A.R. Everingham

D.D.H. Graham

J.C.S. Spencer

Yee Wah Sing

(b) The following related party transactions occurred during the financial year:

(i) Transactions with related parties in wholly-owned group.

Sales and purchases made under normal commercial terms and conditions.

(ii) Transactions with the directors of Buderim Ginger Limited and the consolidated entity

Ginger supplies were purchased during the year from A.R. Everingham to the value of \$176,932 (1999: \$182,010) in a normal customer relationship on terms and conditions no more favourable than those available on similar transactions to other suppliers.

Consultancy fees of \$Nil (1999: \$31,432) paid by Frespac Ginger (Fiji) Ltd to Yee Wah Sing under a service level agreement which commenced in March 1999.

Repayments relating to the purchase of crown lease properties CL 5413 and CL 5415, Wailada, Fiji in 1999 from Yee Wah Sing for \$1,100,000, payable over an 11 year 11 months period at an interest rate of 8.5% per annum.

(iv) Transactions with director-related entities

Mr. D.D.H. Graham is Managing Director of DDH Graham Limited, which performed consultancy work during the year aggregating \$5,238 (1999: \$34,695) in fees.

(c) Buderim Ginger Limited is the ultimate controlling entity.

(d) Equity instruments of directors

(i) Interests in the equity instruments held by directors of the reporting entity and their director-related entities at balance date:

	BUDERIM GINGER LIMITED	
	Ordinary Shares	
	Fully Paid	
	2000	1999
J.O. Cain	-	-
R.F. Cormie	5,625	5,625
G.W. Tuer	1,807	10,807
A.R. Everingham	146,029	146,029
D.D.H. Graham	124,767	124,767
J.C.S. Spencer	9,000	9,000
Yee Wah Sing	1,800,000	1,800,000
	2,087,228	2,096,228

(ii) Movements in directors' equity holdings

On 11 December 2000, G Tuer disposed of 9,000 ordinary shares.

The terms and conditions of all movements in directors' equity holdings were provided on an arm's length basis.

Buderim Ginger Limited

	Notes	GINGER PROCESSING		TOURISM		ELIMINATIONS		CONSOLIDATED	
		2000	1999	2000	1999	2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

32. SEGMENT INFORMATION

(a) Industry segments

Operating revenue

Sales to customers outside

the consolidated entity

Intersegment Sales

		25,040	24,623	3,216	3,394	-	-	28,256	28,017
		799	819	-	-	(799)	(819)	-	-
Total revenue	2	25,839	25,442	3,216	3,394	(799)	(819)	28,256	28,017
Segment result		(2,080)	1,230	323	404	-	-	(1,757)	1,634
Consolidated entity operating profit	2							(1,757)	1,634

The basis of intersegment pricing is market prices less 10%,

Segment assets		26,193	26,348	1,648	1,955	-	-	27,841	28,303
Total assets								27,841	28,303

	Notes	AUSTRALIA		FIJI		ELIMINATIONS		CONSOLIDATED	
		2000	1999	2000	1999	2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

(b) Geographical segments

Operating revenue

Sales to customers outside

the consolidated entity

Intersegment Sales

		26,509	26,401	1,747	1,616	-	-	28,256	28,017
		799	819	2,281	863	(3,080)	(1,682)	-	-
Total revenue	2	27,308	27,220	4,028	2,479	(3,080)	(1,682)	28,256	28,017
Segment result		(1,932)	1,296	175	338	-	-	(1,757)	1,634
Consolidated entity operating profit	2							(1,757)	1,634

Segment assets		23,768	24,605	4,073	3,699	-	-	27,841	28,030
Total assets								27,841	28,030

The consolidated entity operates predominantly in the ginger processing industry, and in two geographic areas, Australia and Fiji, although it has marketing operations in the U.K., Germany and USA. The ginger processing operations comprise the production and sale of a variety of sugar processed, brined and dried products to both wholesale and retail operations throughout the world.

The tourism operations comprise the sale of ginger and other retail gift and food products within the Australian tourism market.

33. FINANCIAL INSTRUMENTS

Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability, and equity instrument, both recognised and unrecognised at the balance date, are as follows:

RECOGNISED FINANCIAL INSTRUMENTS	BALANCE SHEET NOTES	ACCOUNTING POLICIES	TERMS AND CONDITIONS
<i>(i) Financial assets</i>			
Receivables - trade	6	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A minimum doubtful debt provision of 2.5% of domestic debtors is maintained, supplemented by the recognition of possible non-collection of full nominal amounts. Export debtors are covered by EFIC credit insurance.	Terms for credit sales average between 30-60 Days
Deposits & other loans	6	Short term deposits are stated at cost. Amounts receivable from related parties are carried at nominal amounts due.	Terms and conditions of all transactions in this category, are provided on an arm's length basis.
<i>(ii) Financial liabilities</i>			
Bank Overdraft	15	The bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. Details of the security over the bank overdrafts is set out in note 15.
Trade Creditors and accruals	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity.	Trade liabilities are normally settled on 30 day terms.
Bills of Exchange	15	Bills of Exchange are carried at the principal amount.	Bills of Exchange have an average maturity of 30 days with variable interest linked to BBSY rates, as in 1999.
Other Loans	15	Other loans are carried at the principal amount.	The redemption date for members loans funds was October 1996. The balance of these loans are maintained in a short terms deposit account until claimed.
Finance Lease Liability	15,17	The lease liability is accounted for in accordance with AASB 1008.	As at balance date, the consolidated entity had finance leases with an average lease term of 3 years. The average discount rate implicit in the leases is 8.05% (1999: 8.6%). The lease liability is secured by a charge over the leased assets.
Dividends Payable	5	Dividends payable are recognised when declared by the company.	There are no dividends payable for the financial year ended 31 December 2000 (1999: 2 cents final dividend per ordinary share, 24% franked) There was no interim dividend paid during 2000 (1999: 2 cents unfranked).

33. FINANCIAL INSTRUMENTS cont.

RECOGNISED FINANCIAL INSTRUMENTS	BALANCE SHEET NOTES	ACCOUNTING POLICIES	TERMS AND NOTES CONDITIONS
<i>(iii) Equity</i>			
Ordinary Shares	19	Ordinary share capital is recognised at the original par value of the amount paid-up, share premium transferred from reserves on 1 July 1998, and the fair value of consideration received since that date.	There were no shares issued during the reporting period.

Unrecognised Financial Instruments

Forward exchange contracts		Overseas subsidiaries within the consolidated entity enter into forward exchange contracts to secure purchases in Australian dollars in future accounting periods at predetermined exchange rates. The objective is to protect the company against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are for no longer than 12 months. It is the company's policy not to recognise forward exchange contracts in its financial statements.	At balance date, the company had entered into forward exchange contracts for the conversion of GBP220,341 to AUD595,939, at an effective exchange rate of \$0.3697, and the conversion of AUD234,869 to USD134,040 at an effective exchange rate of \$1.7522 and USD79,279 to AUD123,694 at an effective exchange rate of \$0.6409.
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34. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

FINANCIAL INSTRUMENTS	FLOATING INTEREST		FIXED INTEREST RATE MATURING IN:						NON-INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER THE BALANCE SHEET		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
			1 YEAR OR LESS		OVER 1 TO 5 YEARS		MORE THAN 5 YEARS							
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000	1999
<i>(i) Financial assets</i>														
Cash	426	1,127	-	-	-	-	-	-	8	11	434	1,138	4.58	7.59
Receivables - trade	-	-	-	-	-	-	-	-	6,034	5,502	6,034	5,502	N/A	N/A
Deposits and other loans	-	-	-	-	-	-	-	-	8	12	8	12	N/A	N/A
Total financial assets	426	1,127	-	-	-	-	-	-	6,050	5,525	6,476	6,652	-	-

FINANCIAL INSTRUMENTS	FLOATING INTEREST		FIXED INTEREST RATE MATURING IN:						NON-INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER THE BALANCE SHEET		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
			1 YEAR OR LESS		OVER 1 TO 5 YEARS		MORE THAN 5 YEARS							
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000	1999

34. FINANCIAL INSTRUMENTS cont.

(i) Financial liabilities

Bank Overdraft	102	349	-	-	-	-	-	-	-	-	102	349	8.91	7.72
Trade creditors and accruals	-	-	-	-	-	-	-	-	3,505	1,952	3,505	1,952	N/A	N/A
Bills of Exchange	-	-	5,700	4,200	-	-	-	-	-	-	5,700	4,200	7.14	5.62
Other loans	338	354	-	-	-	-	-	-	8	8	346	362	7.90	7.90
Finance Lease Liabilities	-	-	121	155	390	507	-	-	-	-	511	662	8.05	8.60
Dividends payable	-	-	-	-	-	-	-	-	-	418	-	418	N/A	N/A
Total financial liabilities	440	703	5,821	4,355	390	507	-	-	3,513	2,378	10,164	7,943	-	-

(b) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, have been reviewed. Buderim Ginger Limited does not have any financial instruments that differ materially from carrying values. The carrying amount approximates fair value because of their short-term to maturity for all financial assets and liabilities.

(c) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangements. The consolidated entity's maximum credit risk exposure in relation to these is as follows:

- forward exchange contracts - the full amount of the foreign currency it will be required to pay when settling the forward exchange contracts, should the counterparties not pay the dollars it is committed to deliver to the company. At balance date this amount was \$954,501 (1999: \$645,977).

34. FINANCIAL INSTRUMENTS cont.

Concentrations of credit risk

Concentrations of credit risk on trade accounts receivable arise in the following market sectors:

MARKET SECTOR	MAXIMUM CREDIT RISK EXPOSURE* FOR EACH CONCENTRATION CONSOLIDATED			
	PERCENTAGE OF TOTAL TRADE DEBTORS (%)		\$'000	
	2000	1999	2000	1999
Wholesale	75	81	4,520	4,458
Retail	25	19	1,514	1,044
	100	100	6,034	5,502
COUNTRY	PERCENTAGE OF TOTAL TRADE DEBTORS (%)		\$'000	
	2000	1999	2000	1999
	Australia	41	45	2,486
U.K.**	22	29	1,342	1,605
Europe **	17	9	1,005	504
Canada **	6	4	359	240
U.S.A. **	14	11	830	603
Asia/Pacific **	-	2	12	98
	100	100	6,034	5,502

Credit risk in trade receivables is managed in the following ways:

- payment terms average 30 days.
- a risk assessment process is used for all customers;
- Export Finance Insurance Cover (EFIC) is obtained for all export sales. EFIC insurance covers 95% of export credit exposure.**

* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

(d) Hedging instruments

(i) Hedges of anticipated future transactions

Buderim Ginger Limited has entered into forward exchange contracts as at balance date. These transactions were designed as general hedges of anticipated future receipts from sales yet to be written. The amount of unrealised losses as at 31 December 2000 was \$33,640.89 (1999: \$7,483.21). The unrealised losses will be recognised in the profit and loss account on settlement of the relevant foreign exchange contracts during 2000.

(ii) Specific Hedges

Forward exchange contracts are established to hedge contracted purchases by customers in the United Kingdom, United States and Germany.

Directors' Declaration

In accordance with a resolution of the directors of Buderim Ginger Limited , we state that:

(1) In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Law including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2000 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(2) In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 10(a) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



D.D.H. Graham

Director

8 March 2001

Corporate Governance Statement

Year ended 31 December 2000

This statement outlines the principal Corporate Governance practices that were in place throughout the financial year.

1. BOARD OF DIRECTORS AND COMMITTEES

The board of directors of Buderim Ginger Limited is responsible for the corporate governance of the consolidated entity.

It has established an audit committee to assist in the execution of its responsibilities and solicits regular representations from management on key performance issues.

1.1 Board of Directors

The directors of the company in office at the date of this statement are as follows:

COMPOSITION OF THE BOARD

NAME	POSITION
D.D.H. Graham	<i>Chairman</i>
R.F. Cormie	<i>Deputy Chairman</i>
J.O. Cain	<i>Acting Chief Executive Officer</i>
A.R. Everingham	<i>Director</i>
J.C.S. Spencer	<i>Director</i>
Yee Wah Sing	<i>Director</i>

Directors are appointed for a 3 year term (with the exception of the Managing Director) after which time they are required to seek re-election by shareholders.

The composition of the board is determined by all directors using the following principles:

- The board comprises six non-executive directors and one executive director. Until otherwise determined by the company in General Meeting the number of directors may not be more than seven.
- The chairman of the board should be a non-executive director.
- The board should comprise a majority of non-executive directors.
- The maximum age for directors is 72 years.

When a board vacancy exists or where it is considered that a director with particular skills or experience is required, the board selects a panel of candidates with the appropriate expertise and experience from which the most suitable candidate is appointed on merit.

The board annually determines the remuneration for the executive and non-executive directors and for the most senior management personnel.

The board reviews the operational and financial performance of the consolidated entity and each operational unit. The board also receives and considers reports on the group's performance in the areas of occupational health and safety, inventory management and environmental control. Each year the board considers, and if appropriate, approves annual budgets, proposed capital expenditure and operating plans and strategies against which technical and financial performance is regularly reported.

With the prior approval of the chairman, each director has the right, at the company's expense, to seek independent professional advice relevant to the company's affairs. A copy of the advice is to be provided to all directors.

1.2 Audit & Compliance Committee

The audit and compliance committee was established in 1989 with terms of reference approved by the board. It is policy of the board and committee that the committee comprise a majority of non-executive directors. During the year the committee was comprised entirely of non-executive directors being:

R.F. Cormie (Chairman)
D.D.H. Graham
J.C.S. Spencer

The committee has a charter approved by the board and reports to the board throughout the year on its activities.

Minutes of all its meetings are tabled at board meetings.

The responsibilities of the audit and compliance committee include:

- reviewing all financial statements and making the necessary recommendations to the board for approval and external release.
- providing a right of direct access for external auditors either to the committee or to the board.
- reviewing the scope and results of external audits with the auditors. The external auditors each year write to the committee chairman setting out in detail the scope and issues arising from the audit. The committee discusses this report with the auditors at a formal meeting.
- consideration of the company's financial statements and announcement of results before release.
- reviewing the group's accounting policies and taxation affairs, and the adequacy of internal controls.

The audit and compliance committee has the right to consult with external auditors in the absence of management and to consult with the Chief Executive Officer and may obtain independent professional advice at the cost of the company.

2. MANAGEMENT OF RISKS

Internal policies and procedures for accounting and financial reporting, internal control, foreign exchange committees, equal opportunity employment, internal industrial relations, and environmental performance reporting are regularly reviewed by the board.

3. ETHICAL STANDARDS

Board members, executive management and all employees are made aware of the requirements to follow corporate policies and procedures, to obey the law and to behave with high standards of honesty, integrity, fairness and equity. This awareness is created through the company's induction program.

Auditors' Report

INDEPENDENT AUDIT REPORT

To the members of Buderim Ginger Limited

SCOPE

We have audited the financial report of Buderim Ginger Limited for the financial year ended 31 December 2000, as set out on pages 5 to 41, including the Directors' Declaration. The financial report includes the financial statements of Buderim Ginger Limited, and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Audition Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

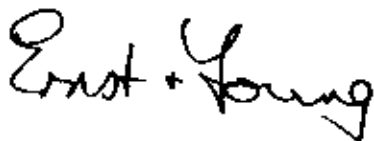
AUDIT OPINION

In our opinion, the financial report of Buderim Ginger Limited is in accordance with;

(a) the Corporation Law including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2000 and of their performance for the year ended on the date; and
- (ii) complying with Accounting Standards and the Corporations Regulation; and

(b) other mandatory professional reporting requirements.



Ernst & Young

Date: 8 March 2001



TC Eddy

Partner - Brisbane

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd. and not shown elsewhere in this report is as follows. The information is made up to 8 March, 2001.

(a) Statement of shareholdings

Holding range	Name of 20 largest shareholders in each class of share	Ordinary Shares Fully paid			Interest Notified Under s.709 Ordinary Shares		
		No. of holders	No. of shares held	% held	No. of shares held	% held	Fully paid
100,001 or more	Yee Wah Sing & Luo Yun Ying		1,800,000	8.60%	1,800,000	8.60%	1,800,000
	Hatterwick Pty Ltd		1,039,294	4.97%			
	BK Hospitality Pty Limited		449,268	2.15%			
	Siben Nominees Pty Ltd		440,000	2.10%			
	Vittorio Alberti		373,800	1.79%			
	Mr Frederick Dannecker		367,700	1.76%			
	Douglas Meaden Pty Ltd		216,090	1.03%			
	Mr John Barr		214,774	1.03%			
	Kosata Pty Ltd		209,900	1.00%			
	Walton Ginger Pine Pty Ltd		196,600	0.94%			
	Rathvale Pty Limited		162,338	0.78%			
	Mr Samuel Noel Elms		151,339	0.72%			
	Mrs Cathrina Penny Elizabeth Brown		148,000	0.71%			
	Mrs Hazel Vivienne Gill		148,000	0.71%			
	Mrs Shirley Florence Kropp		148,000	0.71%			
	A.R. & A.B. Everingham Pty Ltd		146,029	0.70%			
	Comfra Pty Ltd		144,000	0.69%			
	Gordon Benjamin Love		142,104	0.68%			
	Darrell Lea Chocolate Shops Pty Limited		134,948	0.65%			
	Sunshine Imports Pty Ltd		125,861	0.60%			
	Other		124,767	0.60%			
		21	6,882,812	32.9%	1,800,000	8.60%	1,800,000
10,001 - 1000,000	Various	314	7,353,802	35.15%			
5,001 - 10,000	Various	418	3,174,032	15.17%			
1,001 - 5,000	Various	1,223	3,250,224	15.54%			
1 - 1000	Various	406	258,319	1.23%			
All ranges		2,382	20,919,189	100.00%	1,800,000	8.60%	1,800,000
Number of shareholders holding less than marketable parcel		502	360,898				

(b) Voting rights

The voting rights are set out in Article number 24 of the company's Constitution. In summary, voting by or on behalf of members at a meeting shall be by show of hands or upon a poll exercised by one vote for each fully paid ordinary share held or proportionate to the amount paid on each partly paid ordinary share held.

Buderim Ginger Limited

Corporate Directory

DIRECTORS

Jack O. Cain

Chairman (resigned as Chairman
30 January 2001)

David D.H. Graham

Chairman (elected Chairman
30 January 2001)

Rodney F. Cormie

Deputy Chairman

Gerard D. O'Brien

Managing Director and Chief
Executive Officer (effective
5 March 2001)

Anthony R. Everingham

John C.S. Spencer

Yee Wah Sing

COMPANY SECRETARY

Karon L. Rogers

SENIOR MANAGEMENT

Paul G. Ritchie

General Manager -
Marketing & Sales

Karon L. Rogers

Financial Controller /
Company Secretary

Peter J. Robinson

Manufacturing Manager

Stephen J. Dennis

Engineering Manager

Joy L. Varney

Tourism Manager

SHARE REGISTRY

Computershare Registry Services

345 Queen Street
Brisbane Qld 4000

BANKERS

Westpac Banking Corporation

107 Currie Street
Nambour Qld 4560

LAWYERS

Clarke and Kann

Hong Kong Bank Building
Post Office Square
Brisbane Qld 4000

Corrs Chambers Westgarth

Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Deacons

Comalco Place
12 Creek Street
Brisbane Qld 4000

AUDITORS

Ernst & Young

Chartered Accountants
1 Eagle Street
Brisbane Qld 4000

ASX CODE

BUG

AUSTRALIAN BUSINESS NUMBER

68 010 978 800

OFFICES

Registered and Operational Office

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Facsimile: 07 5446 7520
Email:
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United Kingdom

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306 Stafford Road
Croydon, London CRO 4NH
Telephone: 44 181 681 8459
Facsimile: 44 181 680 8049
Email: buderim@btconnect.com

Germany

Buderim Ginger Sales GmbH
Kolkwiese 1
22159 Hamburg Germany
Telephone: 49 40 643 1124
Facsimile: 49 40 643 0919
Email: buderim@t-online.de

United States

Buderim Ginger America, Inc
One Halstead Way
Mahwah New Jersey 07430
United States of America
Telephone: 201 847 8417
Facsimile: 201 847 8184
Email: america1@buderimginger.com

Fiji

Yee Wah Sing Frespac Ltd
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PO Box 15128
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Telephone: 679 362 863
Facsimile: 679 361 225
Email: frespac@is.com.fj

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Buderim Ginger Limited