Nufarm Limited

Income statement

For the year ended 31 July

	Note	Consolidated 2013 $000	2012 $000
Continuing operations			
Revenue		2,277,292	2,181,551
Cost of sales		(1,653,991)	(1,570,657)
Gross profit		623,301	610,894
Other income	7	20,677	10,124
Sales, marketing and distribution expenses		(269,582)	(240,543)
General and administrative expenses		(148,012)	(198,007)
Research and development expenses		(42,698)	(37,874)
Share of net profits/(losses) of equity accounted investees	19	(60)	378
Operating profit		183,626	144,972
Financial income excluding foreign exchange gains/(losses)[(a)]	10	5,491	7,910
Net foreign exchange gains/(losses)[(a)]	10	(10,734)	19,237
Net financing income		(5,243)	27,147
Financial expenses [(a)]	10	(65,460)	(61,796)
Net financing costs		(70,703)	(34,649)
Profit / (Loss) before income tax		112,923	110,323
Income tax benefit/(expense)	11	(31,173)	(37,501)
Profit / (Loss) for the period from continuing operations		81,750	72,822
Attributable to:			
Equity holders of the Company		80,999	72,594
Non-controlling interest		751	228
Profit / (Loss) for the period		81,750	72,822
Earnings per share			
Basic earnings/(loss) per share	30	25.5	22.3
Diluted earnings/(loss) per share	30	25.4	22.3

The income statement is to be read in conjunction with the attached notes.

(a) Comparative amounts have been reclassifed to align with current classification. Refer to note 2(e) for details.

Nufarm Limited

Statement of comprehensive income

For the year ended 31 July

	Note	Consolidated 2013 $000	2012 $000
Profit / (loss) for the period		81,750	72,822
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences for foreign operations		166,767	(135,859)
Effective portion of changes in fair value of cash flow hedges		(3,625)	-
Effective portion of changes in fair value of net investment hedges		(23,071)	-
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans		(683)	(5,494)
Income tax on share based payment transactions		252	93
Other comprehensive profit / (loss) for the period, net of income tax		139,640	(141,260)
Total comprehensive profit / (loss) for the period		221,390	(68,438)
Attributable to:			
Equity holders of the Company		220,639	(68,666)
Non-controlling interest		751	228
Total comprehensive profit / (loss) for the period		221,390	(68,438)

The amounts recognised directly in equity are disclosed net of tax.

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

Nufarm Limited

Balance sheet

As at 31 July

	Note	Consolidated 2013 $000	2012 $000
Assets			
Cash and cash equivalents	15	264,972	191,317
Trade and other receivables	16	758,534	730,496
Inventories	17	802,789	515,254
Current tax assets	18	33,866	37,664
Assets held for sale	13	-	-
Total current assets		1,860,161	1,474,731
Non-current assets			
Trade and other receivables	16	36,191	41,095
Investments in equity accounted investees	19	6,197	4,126
Other investments	20	448	6,213
Deferred tax assets	18	200,219	181,633
Property, plant and equipment	22	402,698	370,780
Intangible assets	23	865,755	722,690
Other financial assets	21	-	-
Total non-current assets		1,511,508	1,326,537
TOTAL ASSETS		3,371,669	2,801,268
Current liabilities			
Bank overdraft	15	-	-
Trade and other payables	24	550,319	474,991
Loans and borrowings	25	316,365	292,323
Employee benefits	26	19,783	18,167
Current tax payable	18	16,677	14,834
Provisions	28	3,279	6,742
Total current liabilities		906,423	807,057
Non-current liabilities			
Payables	24	48,871	10,246
Loans and borrowings	25	581,720	366,798
Deferred tax liabilities	18	119,691	95,823
Employee benefits	26	50,219	44,542
Total non-current liabilities		800,501	517,409
TOTAL LIABILITIES		1,706,924	1,324,466
NET ASSETS		1,664,745	1,476,802
Equity			
Share capital		1,063,992	1,059,522
Reserves		(198,670)	(326,915)
Retained earnings		547,302	496,663
Equity attributable to equity holders of the Company		1,412,624	1,229,270
Nufarm step-up securities		246,932	246,932
Non-controlling interest		5,189	600
TOTAL EQUITY		1,664,745	1,476,802

The balance sheet is to be read in conjunction with the attached notes.

Nufarm Limited

Statement of cash flows

For the year ended 31 July

	Note	Consolidated 2013 $000	2012 $000
Cash flows from operating activities			
Cash receipts from customers		2,464,521	2,163,049
Cash paid to suppliers and employees		(2,296,316)	(1,927,654)
Cash generated from operations		168,205	235,395
Interest received		5,491	7,910
Dividends received		73	151
Interest paid		(49,958)	(48,824)
Income tax paid		(14,347)	(28,127)
Class action settlement		(46,677)	-
Net cash from operating activities	38	62,787	166,505
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,036	591
Proceeds from sales of businesses and investments		12,630	4,915
Payments for plant and equipment		(44,229)	(47,569)
Payment for investments		-	-
Purchase of businesses, net of cash acquired		(30,706)	(53,914)
Payments for acquired intangibles and major product development expenditure		(51,874)	(34,320)
Net investing cash flows		(113,143)	(130,297)
Cash flows from financing activities			
Debt establishment transaction costs		(16,569)	(26,960)
Proceeds from borrowings		1,244,168	832,466
Repayment of borrowings		(1,094,345)	(863,406)
Distribution to Nufarm step-up security holders		(19,275)	(19,082)
Dividends paid		(14,727)	(7,614)
Net financing cash flows		99,252	(84,596)
Net increase/(decrease) in cash and cash equivalents		48,896	(48,388)
Cash at the beginning of the year		191,317	246,825
Exchange rate fluctuations on foreign cash balances		24,759	(7,120)
Cash and cash equivalents at 31 July	15	264,972	191,317

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

Nufarm Limited

Statement of changes in equity

For the year ended 31 July

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Nufarm step-up securities $000	Non-controlling interest $000	Total equity $000
Balance at 1 August 2011	1,058,151	(227,551)	33,627	714	451,472	1,316,413	246,932	773	1,564,118
Profit/(Loss) for the period	-	-	-	-	72,594	72,594	-	228	72,822
Other comprehensive income									
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	(5,494)	(5,494)	-	-	(5,494)
Foreign exchange translation differences	-	(135,859)	-	-	-	(135,859)	-	-	(135,859)
Gains/(losses) on cash flow hedges taken to equity	-	-	-	-	-	-	-	-	-
Gains/(losses) on net investment hedges taken to equity	-	-	-	-	-	-	-	-	-
Income tax on share based payment transactions	-	-	-	93	-	93	-	-	93
Total comprehensive income / (loss) for the period	-	(135,859)	-	93	67,100	(68,666)	-	228	(68,438)
Transactions with owners, recorded directly in equity									
Accrued employee share award entitlement	-	-	-	2,829	-	2,829	-	-	2,829
Issuance of shares under employee share plans	768	-	-	(768)	-	-	-	-	-
Dividends paid to shareholders	-	-	-	-	(7,865)	(7,865)	-	(351)	(8,216)
Dividend Reinvestment Plan	603	-	-	-	-	603	-	-	603
Distributions to Nufarm Step-up Security holders	-	-	-	-	(14,044)	(14,044)	-	-	(14,044)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(50)	(50)
Balance at 31 July 2012	1,059,522	(363,410)	33,627	2,868	496,663	1,229,270	246,932	600	1,476,802
Balance at 1 August 2012	1,059,522	(363,410)	33,627	2,868	496,663	1,229,270	246,932	600	1,476,802
Profit/(Loss) for the period	-	-	-	-	80,999	80,999	-	751	81,750
Other comprehensive income									
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	(683)	(683)	-	-	(683)
Foreign exchange translation differences	-	166,767	-	-	-	166,767	-	-	166,767
Gains/(losses) on cash flow hedges taken to equity	-	-	-	(3,625)	-	(3,625)	-	-	(3,625)
Gains/(losses) on net investment hedges taken to equity	-	-	-	(23,071)	-	(23,071)	-	-	(23,071)
Income tax on share based payment transactions	-	-	-	252	-	252	-	-	252
Total comprehensive income / (loss) for the period	-	166,767	-	(26,444)	80,316	220,639	-	751	221,390
Transactions with owners, recorded directly in equity									
Accrued employee share award entitlement	-	-	-	4,528	-	4,528	-	-	4,528
Issuance of shares under employee share plans	3,494	-	-	(3,494)	-	-	-	-	-
Dividends paid to shareholders	-	-	-	-	(15,703)	(15,703)	-	-	(15,703)
Dividend Reinvestment Plan	976	-	-	-	-	976	-	-	976
Distributions to Nufarm Step-up Security holders	-	-	-	-	(13,974)	(13,974)	-	-	(13,974)
Acquisition of non-controlling interest	-	-	-	(13,112)	-	(13,112)	-	3,838	(9,274)
Balance at 31 July 2013	1,063,992	(196,643)	33,627	(35,654)	547,302	1,412,624	246,932	5,189	1,664,745

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

Notes to the financial statements

1 Reporting entity

Nufarm Limited (the 'company') is a company limited by shares and domiciled in Australia that is listed on the Australian Securities Exchange. The address of the company's registered office is 103-105 Pipe Road, Laverton North, Victoria, 3026. The consolidated financial statements of the company as at and for the year ended 31 July 2013 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities. The group is a for-profit entity and is primarily involved in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease, and seed treatment products.

2 Basis of preparation

(a) Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 25 September 2013.

(b) Basis of measurement

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

The group's financial report has been prepared on the going concern basis, which assumes the realisation of assets and extinguishment of liabilities in the ordinary course of business. The going concern basis is considered appropriate by the Directors having regard to the group's access to appropriate lines of credit to support the group's working capital and general corporate financing requirements through its three year $406 million syndicated bank facility, entered into in November 2011, a debtors' securitisation facility, entered into in August 2011, and the completion of a US$325 million Senior Unsecured Notes offering in October 2012.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional currency. The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

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

2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(i) *Business combinations*
Fair valuing assets and liabilities acquired in a business combination involves making assumptions about the timing of cash inflows and outflows, growth assumptions, discount rates and cost of debt. Refer to note 14 for details of acquisitions made during the period.

(ii) *Impairment testing*
The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis or at each reporting date if required. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology. The estimation of future cash flows requires management to make significant assumptions concerning the identification of impairment indicators, earnings before interest and tax, growth rates, applicable discount rates and useful lives. Further details can be found in note 23 on intangibles.
Other non-current assets are also assessed for impairment indicators.

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

(iv) *Defined benefit plans*
A liability in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 26 for details of the key assumptions used in determining the accounting for these plans.

(v) *Valuation of inventories*
Inventories of finished goods, raw materials and work in progress are valued at lower of cost and net realisable value. The net realisable value of inventories is the estimated market price less costs to sell at the time the product is expected to be sold.

(vi) *Capitalised development costs*
Development expenditures are recognised as an intangible asset when the group judges and is able to demonstrate:
(a) the technical feasibility of completing the intangible asset so that it will be available for use
(b) intention to complete
(c) ability to use the asset; and
(d) how the asset will generate future economic benefits and the ability to measure reliably the expenditure during development.

(e) Reclassification

Net foreign exchange gains/losses on proceeds from Nufarm step-up securities financing (2012: gain $11.505 million) are now classified within net foreign exchange gains/losses, having previously been disclosed separately on the face of the income statement as part of net financing costs.

Comparatives have been adjusted to present them on the same basis as current period figures.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

(a) Basis of consolidation

(i) Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

3 Significant accounting policies

(a) Basis of consolidation (continued)

(i) Business combinations (continued)

Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions between 1 July 2004 and 1 July 2009

For acquisitions between 1 July 2004 and 1 July 2009, goodwill represents the excess of the cost of the acquisition over the group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit and loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 July 2004 (date of transition to IFRSs)

As part of its transition to IFRSs, the group elected to restate only those business combinations that occurred on or after 1 July 2003. In respect of acquisitions prior to 1 July 2003, goodwill represents the amount recognised under the Group’s previous accounting framework, Australian GAAP.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Investments in equity accounted investees

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method and are initially recognised at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the group's share of losses exceeds its interest in an equity accounted investment, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Transactions eliminated on consolidation

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are included in net financing costs as they are mostly derived from financing arrangements.

The group has on issue a hybrid security called Nufarm step-up securities (NSS). Proceeds from the NSS (note 29) have been utilised to provide funding throughout the group. This creates a foreign currency exposure when the funding currency denomination differs from the respective entity's functional currency.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. Since 1 August 2004, the group's date of transition to IFRS, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(c) Financial instruments

(i) Non-derivative financial assets

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

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

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

The group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets (continued)
Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit and loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Loans and receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as another category of financial asset. Available-for-sale financial assets are recognised initiallly at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and any changes other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

(ii) Non-derivative financial liabilities

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

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

(iii) Share capital
Ordinary shares

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

Hybrid securities

The NSS are classified as equity instruments but as non-controlling interests as they are issued by a subsidiary. After-tax distributions thereon are recognised as distributions within equity. Further details can be found in note 29.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

The group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derivative financial instruments, including hedge accounting (continued)

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in general and administrative expenses.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

* buildings	15-50 years
* leasehold improvements	5 years
* plant and equipment	10-15 years
* motor vehicles	5 years
* computer equipment	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of business combinations is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

3 Significant accounting policies (continued)

(e) Intangible assets (continued)

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs. Development expenditure that does not meet the above criteria is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Intellectual property

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. Generally, product registrations, product access rights, trademarks and task force seats, if purchased outright, are considered to have an indefinite life. Other items of acquired intellectual property are considered to have a finite life in accordance with the terms of the acquisition agreement. Intellectual property intangibles acquired by the group are measured at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is expensed when incurred.

(iv) Other intangible assets

Other intangible assets that are acquired by the group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

(vi) Amortisation

Amortisation is calculated over the cost of the asset, less its residual value. With the exception of goodwill, intangibles with a finite life are amortised on a straight-line basis in profit and loss over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for intangible assets with a finite life, in the current and comparative periods, are as follows:

* capitalised development costs	5 to 10 years
* intellectual property - finite life	over the useful life in accordance with the acquisition agreement terms
* computer software	3 to 7 years

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

(f) Leased assets

Leases where the group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the group's balance sheet.

(g) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3 Significant accounting policies (continued)

(h) Impairment

(i) Non-derivative financial assets

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.

An impairment loss on an available-for-sale financial asset is recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit and loss. The cumulative loss that is reclassified from equity to profit and loss is the difference between the acquisition cost and the current fair value less any impairment loss previously recognised in profit and loss. If, in a subsequent period, the fair value of an impaired available-for-sale financial asset increases and the increase relates to an event occurring after the impairment loss was recognised then the impairment loss is reversed, with the amount of the reversal recognised in profit and loss.

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

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

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(i) Non-current assets held for sale

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

3 Significant accounting policies (continued)

(i) Non-current assets held for sale (continued)

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

(j) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that may apply to any plan in the group. An economic benefit is available to the group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a fund are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The group recognises all actuarial gains and losses arising from the defined benefit plans directly in other comprehensive income.

The group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, change in the present value of defined obligation and any related actuarial gains and losses and past service cost that had not previously been recognised.

(iii) Other long-term employee benefits

The group's net obligation in respect of long-term employee benefits, other than defined benefit plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

3 Significant accounting policies (continued)

(j) Employee benefits (continued)

(v) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vi) Share-based payment transactions

The group has a global share plan for employees whereby matching and loyalty shares are granted to employees. The fair value of matching and loyalty shares granted is recognised as expense in the profit or loss over the respective service period, with a corresponding increase in equity, rather than as the matching and loyalty shares are issued. Refer note 27 for details of the global share plan.

The group has a short term incentive plan (STI) available to key executives, senior managers and other managers globally. A pre-determined percentage of the STI is paid in cash with the remainder deferred into shares which have either a one or two year vesting period. The cash portion is recognised immediately as an expense at the time of performance testing. The expense relating to deferred shares is expensed over the vesting period. Refer to note 27 for further details on this plan.

The group has a long term incentive plan (LTIP) which is available to key executives and certain selected senior managers. Peformance rights have been granted to acquire ordinary shares in the company subject to the achievement of global performance hurdles. The expense in relation to the LTIP is recognised over the vesting period of 3 years. Refer note 27 for further details on this plan.

(k) Provisions

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

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(l) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence of an arrangement exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised when the right to receive the payment is established. This is generally at the point the dividend has been formally declared.

(m) Lease payments

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3 Significant accounting policies (continued)

(m) Lease payments (continued)

Determining whether an arrangement contains a lease

At the inception of an arrangement, the group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the group the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the group's incremental borrowing rate.

(n) Finance income and finance costs

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

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

(o) Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Additional income taxes that arise from the distribution of cash dividends are recognised at the same time as the liability to pay the related dividend is recognised. The group does not distribute non-cash assets as dividends to its shareholders.

(i) Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Nufarm Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement (refer blow). Any difference between these amounts is recognised by the company as an equity contribution amounts or distribution.

3 Significant accounting policies (continued)

(o) Income tax (continued)

(i) Tax consolidation (continued)

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing agreements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST or equivalent), except where the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(q) Earnings per share

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

(r) Segment reporting

Determination and presentation of operating segments

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

3 Significant accounting policies (continued)

(r) Segment reporting (continued)

Determination and presentation of operating segments (continued)

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

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

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2012, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the group are set out below. The group does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The extent of the impact upon adoption of these standards has not been determined.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under AASB 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

• The group’s interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the group’s interest in those assets and liabilities.
• The group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

The group may need to reclassify its joint arrangements, which may lead to changes in current accounting for these interests.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The extent of the impact upon adoption of these standards has not been determined.

4 Determination of fair values

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

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, and willingly. The market value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches quoted market prices for similar items when available and replacement cost when appropriate.

4 Determination of fair values (continued)

(ii) *Intangibles assets*

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) *Inventories*

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on effort required to complete and sell the inventories.

(iv) *Trade and other receivables*

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

(v) *Derivatives*

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(vi) *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(vii) *Share-based payment transactions*

The fair value of the performance rights issued under the Nufarm Long Term Incentive Plan have been measured using Monte Carlo Simulation and the Binomial Tree. The fair value of the deferred shares granted to participants under the Nufarm Short Term Incentive will be measured using the volume weighted average price for the five day period subsequent to year end results announcement. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, dividends, and the risk-free rate (based on government bonds).

5 Operating segments

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

Operating segments

The group operates predominantly along two business lines, being crop protection and seed technologies.

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being Australia and New Zealand, Asia, Europe, North America and South America. The North America region includes Canada, USA, Mexico and the Central American countries. The South America region includes Brazil, Argentina, Chile, Uruguay, Paraguay, Bolivia, Columbia and the Andean countries.

The seed technologies business deals in the sale of seeds and seed treatment products. The seed technologies business is managed on a worldwide basis.

Information regarding the results of each operating segment is included below. Performance is measured based on underlying EBIT as included in the internal management reports that are reviewed by the group's CEO. Underlying EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Segment revenue is based on the geographic location of customers. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The corporate segment comprises mainly corporate expenses, interest-bearing loans, borrowings and corporate assets.

5 Operating segments (continued)

2013 Operating Segments	Crop Protection Australia and New Zealand $000	Crop Protection Asia $000	Crop Protection Europe $000	Crop Protection North America $000	Crop Protection South America $000	Crop Protection Total $000	Seed Technologies Global $000	Corporate $000	Group Total $000
Revenue									
Total segment revenue	604,432	125,201	468,253	516,278	431,440	2,145,604	131,688	-	2,277,292
Results									
Underlying EBITDA [(a)]	57,765	23,640	84,023	55,366	43,482	264,276	36,024	(39,511)	260,789
Depreciation & amortisation excluding material items	(22,413)	(4,060)	(26,778)	(13,213)	(2,887)	(69,351)	(3,575)	(1,060)	(73,986)
Underlying EBIT [(a)]	**35,352**	**19,580**	**57,245**	**42,153**	**40,595**	**194,925**	**32,449**	**(40,571)**	**186,803**
Material items included in operating profit (refer note 6)									(3,177)
Material items included in net financing costs (refer note 6)									-
Net financing costs (excluding material items)									(70,703)
Profit / (loss) before tax									**112,923**
Assets									
Segment assets	545,034	86,364	749,453	527,147	672,960	2,580,958	287,647	496,867	3,365,472
Investment in associates	-	3,882	1,992	-	-	5,874	323	-	6,197
Total assets	545,034	90,246	751,445	527,147	672,960	2,586,832	287,970	496,867	3,371,669
Liabilities									
Segment liabilities	144,996	48,888	214,159	90,307	126,072	624,422	29,677	1,052,825	1,706,924
Total liabiltiies	144,996	48,888	214,159	90,307	126,072	624,422	29,677	1,052,825	1,706,924
Other segment information									
Capital expenditure	17,322	1,629	35,491	24,839	8,168	87,449	5,356	1	92,806

2012 Operating Segments	Crop Protection Australia and New Zealand $000	Crop Protection Asia $000	Crop Protection Europe $000	Crop Protection North America $000	Crop Protection South America $000	Crop Protection Total $000	Seed Technologies Global $000	Corporate $000	Group Total $000
Revenue									
Total segment revenue	701,022	125,586	431,095	470,243	332,636	2,060,582	120,969	-	2,181,551
Results									
Underlying EBITDA [(a)]	127,036	19,387	65,801	43,501	19,365	275,090	32,721	(40,057)	267,754
Depreciation & amortisation excluding material items	(21,054)	(2,652)	(22,578)	(10,174)	(1,839)	(58,297)	(2,132)	(1,352)	(61,781)
Underlying EBIT [(a)]	**105,982**	**16,735**	**43,223**	**33,327**	**17,526**	**216,793**	**30,589**	**(41,409)**	**205,973**
Material items included in operating profit (refer note 6)									(61,001)
Material items included in net financing costs (refer note 6)									2,072
Net financing costs (excluding material items)									(36,721)
Profit / (loss) before tax									**110,323**
Assets									
Segment assets	560,976	62,128	618,347	416,170	500,660	2,158,281	224,038	414,823	2,797,142
Investment in associates	-	2,658	1,167	-	-	3,825	301	-	4,126
Total assets	560,976	64,786	619,514	416,170	500,660	2,162,106	224,339	414,823	2,801,268
Liabilities									
Segment liabilities	158,070	40,548	173,894	36,291	79,150	487,953	18,534	817,979	1,324,466
Total liabiltiies	158,070	40,548	173,894	36,291	79,150	487,953	18,534	817,979	1,324,466
Other segment information									
Capital expenditure	21,013	1,392	30,440	9,504	6,707	69,056	3,457	3	72,516

5 Operating segments (continued)

Geographical information	Revenue by location of customer		Non current assets by location	
	2013	2012	2013	2012
	$000	$000	$000	$000
Australia	567,235	672,504	257,186	269,150
New Zealand	59,480	54,412	15,999	14,443
Asia	138,603	139,213	39,831	30,289
Europe	488,711	444,624	369,692	304,895
USA	460,295	449,158	333,481	265,653
Rest of North America	106,751	70,850	30,736	29,776
Brazil	341,802	253,789	245,419	214,281
Rest of South America	114,415	97,001	18,945	16,417
Unallocated (b)	-	-	200,219	181,633
Total	2,277,292	2,181,551	1,511,508	1,326,537

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT, before depreciation, amortisation and impairments.

(b) Unallocated assets predominately include deferred tax assets.

6 Items of material income and expense

Material items are those items where their nature and/or amount is considered material to the financial statements. Such items included within the group's profit for the year are detailed below.

	Consolidated		Consolidated	
	2013	2013	2012	2012
	$000	$000	$000	$000
	Pre-tax	After-tax	Pre-tax	After-tax
Material items by category:				
Class action settlement	(3,177)	(2,224)	(43,500)	(30,450)
Restructuring costs	-	-	(7,295)	(5,013)
Debt re-financing costs	-	-	(9,931)	(6,952)
Due diligence and litigation costs	-	-	(3,552)	(2,427)
Investment in associate write down	-	-	(1,993)	(1,993)
Intangibles write off - Brazil	-	-	(3,708)	(3,708)
Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing	-	-	11,050	7,697
	(3,177)	(2,224)	(58,929)	(42,846)

Class action settlement

In 2013 the Federal Court gave final approval to the settlement of the class action brought against the company in early 2011. The settlement agreement was amended to cover an expanded number of claims, with Nufarm agreeing to pay a total of $46.6 million (previously $43.5 million). Consistent with previous treatment, the additional settlement amount and related costs have been reported as a material item.

Restructuring costs

No material restructuring costs were incurred during the year ended 31 July 2013. The prior year costs related to the reorganisation of the European business.

Debt re-financing costs

Whilst we have incurred and capitalised material debt establishment transaction costs associated with the US$325 million bond issuance, debt establishment transaction costs expensed during the year ended 31 July 2013 were not material or unusual in nature. The prior year debt refinancing costs relate to the establishment of a 12 month facility that was put in place in December 2010. These costs were treated as a material item and were partially recognised in the year ended 31 July 2011 with the balance recognised in the year ended 31 July 2012 ($6.952 million).

Due diligence and litigation costs

No material due diligence and litigation costs were incurred during the year ended 31 July 2013.
The 2012 financial year due diligence and litigation costs largely relate to the class action proceedings, the Seeds 2000 acquisition and arbitration proceedings against the previous owner of the Brazilian business.

6 Items of material income and expense (continued)

Investment in associate write down
No material write down on investment in associate occurred during the year ended 31 July 2013.
The 2012 $1.993 million write off was related to the value of a minor equity investment in an Indian crop protection company Excel Crop Care Ltd.

Intangibles write off - Brazil
Several older insecticide products have been phased out of the Brazilian product portfolio due to regulatory requirements. The company took a write down in the carrying value of the intangible assets associated with these products in the prior year ($3.708 million) with the balance written down as at 31 July 2012. No further charges were incurred during the year ended 31 July 2013.

Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing
No material foreign exchange gains/(losses) on the Nufarm Step-up Securities were incurred during the year ended 31 July 2013.
In 2012, the company benefited from a net after tax gain of $7.697 million associated with the mark-to-market revaluation of proceeds from Nufarm Step-up Securities.

Material items are classified by function as follows

Year ended 31 July 2013 $'000s	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Class action settlement	-	-	(3,177)	-	(3,177)
Restructuring costs	-	-	-	-	-
Debt re-financing costs	-	-	-	-	-
Due diligence and legal costs	-	-	-	-	-
Investment in associate write down	-	-	-	-	-
Intangibles write off - Brazil	-	-	-	-	-
Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing	-	-	-	-	-
	-	-	(3,177)	-	(3,177)
Total material items included operating profit	-	-	(3,177)	-	(3,177)

Year ended 31 July 2012 $'000s	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Class action settlement	-	-	(43,500)	-	(43,500)
Restructuring costs	(805)	(4,846)	(1,644)	-	(7,295)
Debt re-financing costs	-	-	(953)	(8,978)	(9,931)
Due diligence and legal costs	-	-	(3,552)	-	(3,552)
Investment in associate write down	-	-	(1,993)	-	(1,993)
Intangibles write off - Brazil	-	-	(3,708)	-	(3,708)
Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing	-	-	-	11,050	11,050
	(805)	(4,846)	(55,350)	2,072	(58,929)
Total material items included operating profit	(805)	(4,846)	(55,350)	-	(61,001)

7 Other income

	Consolidated 2013 $000	2012 $000
Dividend income	1	24
Rental income	199	318
Sundry income	20,477	9,782
Total other income	20,677	10,124

8 Other expenses

The following expenses were included in the period result:

	Consolidated 2013 $000	2012 $000
Depreciation and amortisation	(73,986)	(65,489)
Inventory write down	(5,773)	(2,966)

9 Personnel expenses

	Consolidated 2013 $000	2012 $000
Wages and salaries	(219,754)	(212,306)
Other associated personnel expenses	(37,370)	(32,520)
Contributions to defined contribution superannuation funds	(13,809)	(13,371)
Expenses related to defined benefit superannuation funds	(3,311)	(1,813)
Short-term employee benefits	(8,081)	(7,976)
Other long-term employee benefits	(3,319)	(2,252)
Restructuring expense	-	(4,847)
Personnel expenses	(285,644)	(275,085)

No material restructuring costs were incurred in the year ended 31 July 2013. (2012: Restructuring of the group's European operations). The prior year restructuring expenses are included in material items in note 6.

10 Finance income and expense

	Consolidated 2013 $000	2012 $000
Financial income excluding foreign exchange gains/(losses)[(a)]	5,491	7,910
Net foreign exchange gains/(losses)[(a)(b)]	(10,734)	19,237
Financial income	(5,243)	27,147
Interest expense - external	(54,537)	(47,405)
Interest expense - debt establishment transaction costs	(9,447)	(12,972)
Lease expense - finance charges	(1,476)	(1,419)
Financial expenses	(65,460)	(61,796)
Net financing costs	(70,703)	(34,649)

(a) Refer note 2(e) for an explanation of the prior year reclassification.

(b) In 2012, net foreign exchange gains on Nufarm step-up securities financing totalled $11.050 million. Refer to note 6.

11 Income tax expense

	Consolidated 2013 $000	Consolidated 2012 $000
Recognised in the income statement		
Current tax expense		
Current period	29,383	46,782
Adjustments for prior periods	(2,189)	(690)
Current tax expense	27,194	46,092
Deferred tax expense		
Origination and reversal of temporary differences and tax losses	3,446	(8,801)
Reduction in tax rates	(30)	10
Initial (recognition)/derecognition of tax assets	563	200
Deferred tax expense/(benefit)	3,979	(8,591)
Total income tax expense/(benefit) in income statement	31,173	37,501
Attributable to:		
Continuing operations	31,173	37,501
Total income tax expense/(benefit) in income statement	31,173	37,501

Numerical reconciliation between tax expense and pre-tax net profit

	Consolidated 2013 $000	Consolidated 2012 $000
Profit/(Loss) before tax	112,924	110,323
Income tax using the local corporate tax rate of 30%	33,877	33,097
Increase in income tax expense due to:		
Non-deductible expenses	2,676	7,121
Other taxable income	1,388	887
Effect of changes in the tax rate	(30)	10
Initial (recognition)/derecognition of tax assets	563	200
Decrease in income tax expense due to:		
Effect on tax rate in foreign jurisdictions	(2,838)	(1,476)
Tax exempt income	(382)	(385)
Tax incentives not recognised in the income statement	(1,892)	(1,267)
	33,362	38,187
Under/(over) provided in prior years	(2,189)	(686)
Income tax expense/(benefit)	31,173	37,501

	Consolidated 2013 $000	Consolidated 2012 $000
Income tax recognised directly in equity		
Nufarm step-up securities distribution	(4,970)	(5,038)
Income tax recognised directly in equity	(4,970)	(5,038)
Income tax recognised in other comprehensive income		
Relating to actuarial gains/(losses) on defined benefit plans	269	(1,596)
Relating to equity based compensation	(252)	(93)
Income tax recognised in other comprehensive income	17	(1,689)

12 Discontinued operations

There were no discontinued operations in the current or prior period.

13 Non-current assets held for sale

There were no assets held for sale in the current or prior period.

Assets classified as held for sale	Consolidated 2013 $000	2012 $000
Property, plant and equipment including costs incurred in preparing site for sale	-	-
Total assets held for sale	-	-

14 Acquisition of businesses and acquisition of non-controlling interests

Business acquisitions - 2013

On 1 January 2013, the group purchased the turf and ornamental business of US based Cleary Chemical Corporation for US$10 million plus working capital adjustments of US$2.5 million (A$12.0 million). The acquisition has provided a wider product offering for the group and is expected to complement and result in synergies with the existing turf and ornamental business in the region.

On 23 January 2013, the group acquired 51% of the equity in Atlantica Sementes Ltda., a Brazilian business specialising in sorghum and sunflower seeds. The 51% stake, purchased at a cost of 25 million Brazilian reais (A$12.0 million), will allow Nuseed to supply a number of existing Nuseed hybrids through the Atlantica distribution network and leverage other development programs in Australia, Argentina and the USA. The acquisition has been made to expand the seeds business in South America and is expected to complement the existing seeds business and grow our market share.

On 19 April 2013, the group purchased the pelletising business of Masmart Pty Ltd based in New South Wales, Australia for $4.8 million. Masmart is a supplier to the Australian Nufarm Crop Care business and also provides pelletising tolling services. The acquisition is expected to complement and result in synergies with the crop protection business in the region.

On 4 July 2013, the group purchased the Australian based sorghum seed business of the HSR Group for $2.5 million. The acquisition has sourced the breeding and germplasm assets of the HSR's sorghum seed business and is expected to complement Nufarm's existing global sorghum business.

Business acquisitions - 2012

On 1 December 2011, the group acquired 100% of the shares in Seeds 2000 Inc. at a total cost of US$55.2 million. Seeds 2000 is a sunflower seed research and production company based in Minnesota, USA and has activities in the USA, Canada, China, Argentina, and a number of European markets.

On 31 March 2012 the group acquired 100% of the shares in Seeds 2000 Argentina SRL, a related company of Seeds 2000 Inc, at a total cost of US$1.4 million. On 24 October 2011, the group acquired the breeding and germplasm assets of the Super Seeds sunflower business in Serbia. The Seeds 2000 Argentina SRL and Super Seeds acquisitions are individually immaterial.

	Fair value on acquisiton (a) 31 Jul 2013 $000	Fair value on acquisiton (a) 31 Jul 2012 $000
Acquiree's net assets at acquisition date		
Cash and cash equivalents	643	1,844
Receivables	9,137	1,967
Inventory	6,205	13,182
Property, plant and equipment	1,102	1,749
Deferred tax asset	-	400
Pre-acquistion intangibles assets	52	1,879
Other assets	72	164
Trade and other payables	(4,224)	(1,275)
Interest bearing loans and borrowings	-	(2,074)
Deferred tax liability	(3,173)	(14,400)
Other liabilities	(275)	(4,321)
Net identifiable assets and liabilities	9,539	(885)
Intangibles acquired on acquisition	10,034	37,287
Non controlling interest	(3,837)	-
Goodwill on acquisition	15,613	19,355
Consideration paid	31,349	55,757
Cash acquired	(643)	(1,844)
Net cash outflow	30,706	53,913

(a) Fair values established at acquisition date are provisional through to 12 months post acquisition date.

Total goodwill of $15,613,000 (2012: $19,355,000) from business acquisitions is attributable mainly to the synergies expected to be achieved from integrating the respective businesses into the group's existing business.

14 Acquisition of businesses and acquisition of non-controlling interests (continued)

Acquisition of non-controlling interest

On 1 May 2012, the group acquired an additional 49% interest in the voting shares of Nufarm Technologies (M) Sdn Bhd, increasing its ownership interest to 100%. A cash consideration of $50,000 was paid to the non-controlling interest shareholders. The carrying value of the net assets of Nufarm Technologies (M) Sdn Bhd at the acquisition date was $102,000, and the carrying value of the additional interest acquired was $50,000. The group recognised a decrease in non-controlling interests of $50,000.

15 Cash and cash equivalents

	Consolidated 2013 $000	Consolidated 2012 $000
Bank balances	230,750	103,522
Call deposits	34,222	87,795
Cash and cash equivalents	264,972	191,317
Bank overdrafts repayable on demand	-	-
Cash and cash equivalents in the statement of cash flows	264,972	191,317

16 Trade and other receivables

	Consolidated 2013 $000	Consolidated 2012 $000
Current		
Trade receivables	701,560	688,059
Provision for impairment losses	(24,172)	(22,278)
	677,388	665,781
Receivables due from associates	-	-
Derivative financial instruments	2,161	7,196
Proceeds receivable from sale of businesses	2,153	3,363
Prepayments	19,199	11,484
Other receivables	57,633	42,672
Current receivables	758,534	730,496
Non-current		
Receivables due from associates	-	38
Other receivables	36,191	39,420
Proceeds receivable from sale of businesses	-	1,637
Non-current receivables	36,191	41,095
Total trade and other receivables	794,725	771,591

17 Inventories

	Consolidated 2013 $000	Consolidated 2012 $000
Raw materials	213,880	138,018
Work in progress	16,702	13,991
Finished goods	578,609	368,172
	809,191	520,181
Provision for obsolescence of finished goods	(6,402)	(4,927)
Total inventories	802,789	515,254

18 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of $33,865,619 (2012: $37,664,065) represents the amount of income taxes recoverable in respect of prior periods and that arose from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of $16,677,067 (2012: $14,833,945) represents the amount of income taxes payable in respect of current and prior financial periods.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2013	2012	2013	2012	2013	2012
Consolidated	$000	$000	$000	$000	$000	$000
Property, plant and equipment	5,274	4,507	(11,808)	(8,215)	(6,534)	(3,708)
Intangible assets	9,123	8,511	(98,113)	(75,510)	(88,990)	(66,999)
Employee benefits	14,613	14,265	-	-	14,613	14,265
Provisions	10,654	25,951	-	-	10,654	25,951
Other items	27,500	28,319	(15,603)	(15,364)	11,897	12,955
Tax value of losses carried forward	138,888	103,346	-	-	138,888	103,346
Tax assets/(liabilities)	206,052	184,899	(125,524)	(99,089)	80,528	85,810
Set off of tax	(5,833)	(3,266)	5,833	3,266	-	-
Net tax assets/(liabilities)	200,219	181,633	(119,691)	(95,823)	80,528	85,810

Movement in temporary differences during the year

Consolidated 2013	Balance 31.07.12 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.13 $000
Property, plant and equipment	(3,708)	(571)	-	(2,255)	-	(6,534)
Intangibles assets	(66,999)	(10,671)	-	(10,836)	(484)	(88,990)
Employee benefits	14,265	(668)	(269)	1,285	-	14,613
Provisions	25,951	(15,852)	-	555	-	10,654
Other items	12,955	(3,946)	252	2,636	-	11,897
Tax value of losses carried forward	103,346	27,729	-	12,830	(5,017)	138,888
	85,810	(3,979)	(17)	4,215	(5,501)	80,528

Consolidated 2012	Balance 31.07.11 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.12 $000
Property, plant and equipment	(2,051)	(1,917)	-	260	-	(3,708)
Intangibles assets	(53,596)	(2,131)	-	3,128	(14,400)	(66,999)
Employee benefits	13,778	(1,109)	1,596	-	-	14,265
Provisions	11,174	17,110	-	(2,333)	-	25,951
Other items	36,468	3,862	93	(5,313)	(22,155)	12,955
Tax value of losses carried forward	99,831	(7,223)	-	(10,956)	21,694	103,346
	105,604	8,592	1,689	(15,214)	(14,861)	85,810

The carrying value of deferred tax assets relating to tax losses and tax credits is largely dependent on the generation of sufficient future taxable income. The Brazilian business carries total deferred tax assets of $56.3 million (2012: $59.1 million).
Based on the group's accounting policy of recouping tax losses and tax credits within a maximum time frame of 8 years, the carrying value of the deferred tax asset would be impaired if aggregate earnings over the 8 year period are 44% below management's forecasts. The carrying value of this asset will continue to be assessed at each reporting date.

Deferred tax assets and liabilities

Unrecognised deferred tax liability

At 31 July 2013, a deferred tax liability of $25,200,672 (2012: $17,589,702) relating to investments in subsidiaries has not been recognised because the company controls the repatriation of retained earnings and it is satisfied that it will not be incurred in the foreseeable future. This amount represents the theoretical withholding tax payable if all overseas retained earnings were paid as dividends.

Unrecognised deferred tax assets

At 31 July 2013, there are unrecognised tax losses and timing differences of $29,590,667 (2012: $30,805,379). These losses do not have an expiry date.

19 Investments accounted for using the equity method

The group accounts for investments in associates using the equity method.

The group had the following significant investments in associates during the year:

		Country	Balance date of associate	Ownership and voting interest 2013	2012
Excel Crop Care Ltd	Agricultural chemicals manufacturer	India	31 March	14.69%	14.69%
F&N joint ventures	Agricultural chemicals distributor	Eastern Europe	31 December	50.00%	50.00%
Lotus Agrar GmbH	Agricultural chemicals distributor	Germany	31 December	50.00%	-

The 14.69% investment in Excel Crop Care Ltd is equity accounted as Nufarm has the ability to appoint two directors to the board and, together with an unrelated partner, has significant influence over nearly 34% of the shares of the company. The relationship also extends to manufacturing and marketing collaborations.

The F&N joint ventures represents the group's interest in three joint ventures with FMC Corporation, which operate in Poland, Czech Republic and Slovakia. The joint ventures sell Nufarm and FMC products within their country.

Lotus Agrar GmbH is a joint venture established in Germany to sell generic agrochemicals.

Financial summary of material associates (at reporting date)

	Revenues (100%)	Profit/(loss) after tax (100%)	Total assets (100%)	Total liabilities (100%)	Net assets as reported by associates (100%)	Share of associate's net assets equity accounted
2013	$000	$000	$000	$000	$000	$000
Excel Crop Care Ltd	140,177	3,817	94,238	48,333	45,905	6,743
F&N joint ventures	57,633	(1,686)	65,134	64,122	1,012	506
Lotus Agrar GmbH	-	-	2,972	-	2,972	1,486
	197,810	2,131	162,344	112,455	49,889	8,735
2012						
Excel Crop Care Ltd	130,561	2,766	97,755	58,151	39,604	5,818
F&N joint ventures	49,948	668	51,158	48,824	2,334	1,167
	180,509	3,434	148,913	106,975	41,938	6,985

The financial summary information is as per the latest management accounts.

Financial summary of material associates (at reporting date)

	Consolidated 2013 $000	2012 $000
Carrying value by major associate		
Excel Crop Care Ltd	3,882	2,658
F&N joint ventures	506	1,167
Lotus Agrar GmbH	1,486	-
Others	323	301
Carrying value of associates	6,197	4,126

No write down on the Excel Crop Care Ltd investment occurred during the year ended 31 July 2013. (2012: $1.993 million). Refer to note 6.

	2013	2012
Share of profit by major associate		
Excel Crop Care Ltd	796	202
F&N joint ventures	(897)	254
Others	41	(78)
Share of net profits of associates	(60)	378

The share of net profits has been derived from the latest management reports as at 31 July 2013 for the F&N joint ventures. The Excel Crop Care share of net profits is from the 30 June 2013 management accounts.

20 Other investments

	Consolidated 2013 $000	2012 $000
Investments - available-for-sale		
Balance at the beginning of the year	5,568	5,324
New investments during the year	-	-
Disposals during the year	(5,616)	-
Exchange adjustment	48	244
Balance at the end of the year	-	5,568
Other investments		
Other investments	448	645
Total other investments	448	6,213

The group's investment in an unlisted entity is classified as available-for-sale.

21 Other non-current assets

	Consolidated 2013 $000	2012 $000
Derivative financial instruments	-	-
	-	-

22 Property, plant and equipment

Consolidated	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
2013					
Cost					
Balance at 1 August 2012	188,982	568,129	15,641	19,424	792,176
Additions	802	17,303	1,910	24,217	44,232
Additions through business combinations	617	3,074	-	11	3,702
Disposals	(1,131)	(4,033)	(244)	(4)	(5,412)
Other transfers	4,572	4,555	-	(22,912)	(13,785)
Exchange adjustment	20,279	58,115	1,330	3,122	82,846
Balance at 31 July 2013	214,121	647,143	18,637	23,858	903,759
Depreciation and impairment losses					
Balance at 1 August 2012	(61,919)	(358,657)	(820)	-	(421,396)
Depreciation charge for the year	(6,075)	(34,830)	(659)	-	(41,564)
Additions through business combinations	(189)	(2,411)	-	-	(2,600)
Disposals	385	3,501	244	-	4,130
Other transfers	-	5,732	-	-	5,732
Exchange adjustment	(9,540)	(35,721)	(102)	-	(45,363)
Balance at 31 July 2013	(77,338)	(422,386)	(1,337)	-	(501,061)
Net property, plant and equipment at 31 July 2013	136,783	224,757	17,300	23,858	402,698

22 Property, plant and equipment (continued)

	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
	Consolidated				
	2012				
Cost					
Balance at 1 August 2011	192,698	554,660	9,644	18,202	775,204
Additions	2,328	22,075	6,048	17,124	47,575
Additions through business combinations	1,303	2,283	-	-	3,586
Disposals	(125)	(4,221)	-	(4)	(4,350)
Other transfers	3,677	11,329	(31)	(14,975)	-
Exchange adjustment	(10,899)	(17,997)	(20)	(923)	(29,839)
Balance at 31 July 2012	188,982	568,129	15,641	19,424	792,176
Depreciation and impairment losses					
Balance at 1 August 2011	(60,619)	(340,140)	(640)	-	(401,399)
Depreciation charge for the year	(4,763)	(33,056)	(215)	-	(38,034)
Additions through business combinations	(376)	(1,461)	-	-	(1,837)
Disposals	75	3,855	-	-	3,930
Other transfers	(78)	48	30	-	-
Exchange adjustment	3,842	12,097	5	-	15,944
Balance at 31 July 2012	(61,919)	(358,657)	(820)	-	(421,396)
Net property, plant and equipment at 31 July 2012	127,063	209,472	14,821	19,424	370,780

Assets pledged as security for finance leases amount to $10.063 million (2012: $8.8 million).

23 Intangible assets

	Goodwill $000	Intellectual Property indefinite life $000	Intellectual Property finite life $000	Capitalised development costs $000	Computer software $000	Total $000
	Consolidated					
	2013					
Cost						
Balance at 1 August 2012	300,453	368,749	110,685	145,966	28,699	954,552
Additions	10,520	11,789	412	32,992	2,904	58,617
Additions through business combinations	15,644	374	9,661	-	20	25,699
Disposals and write-offs	-	(489)	(1,872)	(3,179)	(165)	(5,705)
Other transfers	-	(9,919)	9,919	(1,238)	2,071	833
Exchange adjustment	31,289	49,247	17,936	20,801	3,249	122,522
Balance at 31 July 2013	357,906	419,751	146,741	195,342	36,778	1,156,518
Amortisation and impairment losses						
Balance at 1 August 2012	(110,590)	(14,894)	(53,348)	(34,100)	(18,930)	(231,862)
Amortisation charge for the year	-	(560)	(14,450)	(13,633)	(3,778)	(32,421)
Impairment loss	-	(1,191)	-	-	-	(1,191)
Disposals and write-offs	-	77	1,872	2,353	36	4,338
Other transfers	-	1,919	(1,919)		-	-
Exchange adjustment	(10,189)	(2,024)	(9,257)	(6,130)	(2,027)	(29,627)
Balance at 31 July 2013	(120,779)	(16,673)	(77,102)	(51,510)	(24,699)	(290,763)
Intangibles carrying amount at 31 July 2013	237,127	403,078	69,639	143,832	12,079	865,755

23 Intangible assets (continued)

	Consolidated					
		Intellectual Property		Capitalised		Total
		indefinite	finite	development	Computer	
	Goodwill	life	life	costs	software	
	$000	$000	$000	$000	$000	$000
				2012		
Cost						
Balance at 1 August 2011	327,610	391,948	77,063	124,151	27,357	948,129
Additions	-	13	548	29,029	2,052	31,642
Additions through business combinations	19,355	28,724	8,563	1,857	22	58,521
Disposals and write-offs	-	(183)	-	(87)	(15)	(285)
Other transfers	(14,309)	(20,953)	25,730	(646)	-	(10,178)
Exchange adjustment	(32,203)	(30,800)	(1,219)	(8,338)	(717)	(73,277)
Balance at 31 July 2012	300,453	368,749	110,685	145,966	28,699	954,552
Amortisation and impairment losses						
Balance at 1 August 2011	(129,585)	(12,916)	(44,508)	(38,630)	(16,679)	(242,318)
Amortisation charge for the year	-	(3,708)	(10,422)	(10,272)	(3,053)	(27,455)
Impairment loss	-	-	-	-	-	-
Disposals and write-offs	-	-	-	(3)	-	(3)
Other transfers	-	-	(222)	10,314	86	10,178
Exchange adjustment	18,995	1,730	1,804	4,491	716	27,736
Balance at 31 July 2012	(110,590)	(14,894)	(53,348)	(34,100)	(18,930)	(231,862)
Intangibles carrying amount at 31 July 2012	189,863	353,855	57,337	111,866	9,769	722,690

The major intangibles with an indefinite economic life are the product registrations that Nufarm owns. These registrations are considered to have an indefinite life because, based on past experience, they will be renewed by the relevant regulatory authorities, the underlying products will continue to be commercialised and available for sale in the foreseeable future, the company will satisfy all of the conditions necessary for renewal and the cost of renewal is minimal. In determining that the registrations have indefinite useful life, the principal factor that influenced this determination is the expectation that the existing registration will not be subject to significant amendment in the foreseeable future.

The group has determined that operating unit by country is the appropriate method for determining the cash-generating units (CGU) of the business. This level of CGU aligns with the cash flows of the business and the management structure of the group. The goodwill and intellectual property with an indefinite life are CGU specific, as the acquisitions generating goodwill and the product registrations that are the major indefinite intangibles are country specific in nature. There is no allocation of goodwill between CGUs.

The major CGUs and their intangible value is as follows: USA $188 million (2012: $146 million), Brazil $170 million (2012: $158 million), Seeds business $200 million (2012: $166 million), UK and Holland $90 million (2012: $76 million) and Australia $58 million (2012: $57 million). The balance of intangibles is spread across multiple CGUs, with no individual amount being material relative to the total intangibles balance at balance date.

Impairment testing for cash-generating units containing goodwill

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The group uses the value-in-use method to estimate the recoverable amount. In assessing value-in-use, the estimated future cash flows are derived from the five year plan for each cash-generating unit with a growth factor applied to extrapolate a cash flow beyond year five. A perpetuity factor is then applied to the normalised cash flow beyond year five in order to include a terminal value in the value-in-use calculation. The terminal growth rate assumed for each CGU is generally a long term inflation estimate. The cash flow is then discounted to a present value using a discount rate which is the company's weighted average cost of capital, but then adjusted for country risk and asset-specific risk associated with each CGU.

The range of terminal growth rates and nominal post-tax discount rates applied for impairment testing purposes is as follows:

	Terminal growth rate		Discount rate	
	2013	2012	2013	2012
Material crop protection CGU's (USA, Brazil, UK/Holland and Australia)	2.0% to 3.5%	2.0% to 3.5%	9.2% to 11.4%	9.1% to 12.8%
Seed CGU	2.0%	2.0%	8.9%	9.1%

23 Intangible assets (continued)

Brazil cash generating unit (CGU)

The Brazil CGU has the following intangible assets:

	2013 $000	2012 $000
Goodwill	50,025	47,374
Indefinite life intangibles	108,685	102,908
Capitalised development costs	10,556	7,619
Computer software	561	397
Total	169,827	158,298

The indefinite life intangibles relates to the product registrations and trade marks acquired in June 2007.

In 2013, the company has assessed the recoverable amount of the Brazil CGU and determined the CGU's recoverable amount exceeds its carrying value.

Should the Brazil CGU fail to meet its forecast operating result going forward, this may necessitate a revision to the future forecasts or alternatively a further increase in the discount rate used in the value-in-use modelling. By way of sensitivity and all other things being equal: (a) a 1% increase in the discount rate would result in a reduction in recoverable amount of approximately $91 million; or (b) a 5% decrease in EBITDA compared to budget for all years in the forecast period and also in the terminal value calculation would result in a reduction in recoverable amount of approximately $58 million.

24 Trade and other payables

	Consolidated 2013 $000	2012 $000
Current payables - unsecured		
Trade creditors and accruals - unsecured	525,846	467,121
Payables due to associated entities	-	-
Derivative financial instruments	19,984	2,129
Payables - acquisitions	4,489	5,741
Current payables	550,319	474,991
Non-current payables - unsecured		
Creditors and accruals	9,633	8,343
Derivative financial instruments	22,313	-
Payables - acquisitions	16,925	1,903
Non-current payables	48,871	10,246

25 Interest-bearing loans and borrowings

	Consolidated 2013 $000	Consolidated 2012 $000
Current liabilities		
Bank loans - secured	231,002	215,321
Bank loans - unsecured	93,793	82,268
Deferred debt establishment costs	(9,218)	(5,995)
Other loans - unsecured	386	557
Finance lease liabilities - secured	402	172
Loans and borrowings - current	316,365	292,323
Non-current liabilities		
Bank loans - secured	225,674	359,441
Bank loans - unsecured	4,834	4,134
Senior unsecured notes	350,146	-
Deferred debt establishment costs	(11,892)	(7,993)
Other loans - unsecured	1,104	816
Finance lease liabilities - secured	11,854	10,400
Loans and borrowings - non-current	581,720	366,798
Net cash and cash equivalents	(264,972)	(191,317)
Net debt	633,113	467,804

Financing facilities

On 23 August 2011, Nufarm executed a A$300 million trade receivables securitisation facility. Subsequent to execution, the facility size was reduced to A$250 million to reflect the value of trade receivables being used to secure funding under the program at that time. On 13 June 2013 the facility size was increased to A$300 million to reflect the increase in the current value of trade receivables being used to secure funding under this program. As at 31 July 2013, the amount of funding drawn under the securitised facility by the participating Nufarm entities was A$208 million (2012: A$202 million).

On 22 November 2011, the company executed a A$625 million senior secured syndicated bank facility (SFA) with a term of 3 years. On 8 October 2012, the group completed a US$325 million Senior Unsecured Notes offering due in October 2019 (the "Notes"). Concurrent with the issuance of the Notes, US$250 million of the commitments under the A$625 million senior secured syndicated bank facility was cancelled. Subsequently, upon the admission of an additional financial institution to the syndicate on 25 January 2013, the SFA was increased by A$25 million. As at 31 July 2013, the amount of funding drawn under the SFA of A$406 million was A$164 million (2012: A$336 million) with loans being advanced in multiple currencies.

The SFA and trade receivables securitisation facility provide access to committed lines of credit to support the group's seasonal working capital demands and general corporate financing requirements. The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants throughout the financial year.

The majority of debt facilities that reside outside the Notes, the SFA and the trade receivables securitisation facility are regional working capital facilities, primarily located in Brazil and Europe totalling A$343 million (2012: A$152 million).

Total net debt at 31 July 2013 is A$633.1 million (2012: A$467.8 million).

	Accessible $000	Utilised $000
2013		
Bank loan facilities and Senior unsecured notes	1,320,116	905,449
Other facilities	1,490	1,490
Total financing facilities	1,321,606	906,939
2012		
Bank loan facilities and Senior unsecured notes	1,027,218	661,164
Other facilities	1,373	1,373
Total financing facilities	1,028,591	662,537

25 Interest-bearing loans and borrowings (continued)

Financing arrangements

Repayment of borrowings (excluding finance leases)	Consolidated 2013 $000	2012 $000
Period ending 31 July, 2013	-	298,146
Period ending 31 July, 2014	325,181	816
Period ending 31 July, 2015	194,684	363,575
Period ending 31 July, 2016 or later	387,074	-

Finance lease liabilities

Finance leases are entered into to fund the acquisition of plant and equipment.
Lease commitments for capitalised finance leases are payable as follows:

	Consolidated 2013 $000	2012 $000
Not later than one year	1,732	1,382
Later than one year but not later than two years	1,657	1,493
Later than two years but not later than five years	4,462	3,696
Later than five years	90,333	80,587
	98,184	87,158
Less future finance charges	(85,928)	(76,586)
Finance lease liabilities	12,256	10,572

Finance lease liabilities are secured over the relevant leased plant.

Average interest rates	Consolidated 2013 %	2012 %
Nufarm Step-up Securities (refer note 29)	6.95	7.60
Syndicated Bank Facility	5.06	3.79
Securitisation Program Facility	3.32	3.61
Other bank loans	5.66	5.63
Finance lease liabilities - secured	12.48	12.13
Senior unsecured notes	6.38	-

26 Employee benefits

	Consolidated 2013 $000	2012 $000
Current		
Liability for short-term employee benefits	16,400	15,066
Liability for current portion of other long-term employee benefits	3,383	3,101
Current employee benefits	19,783	18,167
Non-current		
Defined benefit fund obligations		
Present value of unfunded obligations	6,079	4,768
Present value of funded obligations	140,505	112,005
Fair value of fund assets - funded	(111,361)	(84,971)
Recognised liability for defined benefit fund obligations	35,223	31,802
Liability for other long-term employee benefits	14,996	12,740
Non-current employee benefits	50,219	44,542
Total employee benefits	70,002	62,709

The group makes contributions to defined benefit pension funds in the UK, Holland, France and Indonesia that provide defined benefit amounts for employees upon retirement.

26 Employee benefits (continued)

Historical information	Consolidated 2013 $000	2012 $000	2011 $000	2010 $000	2009 $000
Present value of defined benefit obligation	(146,584)	(116,773)	(108,817)	(117,766)	(121,657)
Fair value of plan assets	111,361	84,971	80,630	87,900	89,829
Surplus/(deficit)	(35,223)	(31,802)	(28,187)	(29,866)	(31,828)
Experience adjustments arising on plan liabilities	2,597	(1,541)	(550)	1,103	(1,223)
Experience adjustments arising on plan assets	1,821	(1,191)	3,591	6,013	(8,058)

Changes in the present value of the defined benefit obligation are as follows:	Consolidated 2013 $000	2012 $000
Opening defined benefit obligation	116,773	108,817
Service cost	2,580	2,260
Interest cost	5,090	5,858
Actuarial loss	5,647	8,391
Past service cost	4	25
Losses/(gains) on curtailment	-	(1,066)
Contributions	50	172
Benefits paid	(4,965)	(5,067)
Exchange differences on foreign funds	21,405	(2,617)
Closing defined benefit obligation	146,584	116,773
Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	84,971	80,630
Expected return	4,363	5,264
Actuarial gains/(losses)	2,679	1,492
Surplus taken to retained earnings	2,554	(191)
Contributions by employer	4,531	4,632
Distributions	(4,752)	(4,876)
Exchange differences on foreign funds	17,015	(1,980)
Closing fair value of fund assets	111,361	84,971

The actual return on plan assets is the sum of the expected return and the actuarial gain/(loss).

Expense recognised in profit or loss	Consolidated 2013 $000	2012 $000
Current service costs	2,580	2,260
Interest on obligation	5,090	5,858
Expected return on fund assets	(4,363)	(5,264)
Past service cost	4	25
Losses/(gains) on curtailment	-	(1,066)
Expense recognised in profit or loss	3,311	1,813
The expense is recognised in the following line items in the income statement:		
Cost of sales	2,013	1,436
Sales, marketing and distribution expenses	720	263
General and administrative expenses	427	36
Research and development expenses	151	78
Expense recognised in profit or loss	3,311	1,813

26 Employee benefits (continued)

	2013	2012
	$000	$000
Actuarial gains/(losses) recognised in other comprehensive income (net of tax)		
Cumulative amount at 1 August	(16,998)	(11,504)
Recognised during the period	(683)	(5,494)
Cumulative amount at 31 July	(17,681)	(16,998)

	Consolidated	
The major categories of fund assets as a percentage of total fund assets are	2013	2012
as follows:	%	%
Equities	60.9%	48.0%
Bonds	37.0%	46.6%
Property	1.3%	1.5%
Cash	0.8%	3.9%
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate at 31 July	4.5%	4.2%
Expected return on fund assets at 31 July	5.8%	6.3%
Future salary increases	3.0%	2.8%
Future pension increases	2.6%	2.2%

The overall expected long-term rate of return on assets is 5.8%. The expected rate of return on plan assets reflects the average rate of earnings expected on the funds invested to provide for the benefits included in the projected benefit obligation.

The group expects to pay $4,571,000 in contributions to defined benefit plans in 2014.

27 Share-based payments

Nufarm Executive Share Plan (2000)

The Nufarm Executive Share Plan (2000) offers shares to executives. The executives may select an alternative mix of shares (at no cost) and options at a cost determined under the 'Black Scholes' methodology. These benefits are only granted when a predetermined return on capital employed is achieved over the relevant period. The shares and options are subject to forfeiture and dealing restrictions. The executive cannot deal in the shares or options for a period of between three and ten years without board approval. An independent trustee holds the shares and options on behalf of the executives. At 31 July 2013 there were 48 participants (2012: 61 participants) in the scheme and 764,616 shares (2012: 989,830) were allocated and held by the trustee on behalf of the participants. The cost of issuing shares is expensed in the year of issue. From 1 August 2011, it was decided that there will be no further awards under this share plan and that it would be replaced by the Nufarm Short Term Incentive plan (refer below). Any unvested equities held in the executive share plan will remain and be subject to the vesting conditions under the rules of the plan.

Nufarm Short Term Incentive Plan (STI)

The STI is available to key executives, senior managers and other managers globally. The first awards under the plan were issued in October 2012. The STI is measured as follows:

- 80 per cent of the potential is based on budget measures of EBIT and return on operating assets (ROA)
- 20 per cent of the potential is based on strategic and business improvement objectives

A pre-determined percentage of the STI is paid in cash at the time of performance testing and the balance is deferred into shares in the company for nil consideration. The number of shares granted is based on the volume weighted average price (VWAP) of Nufarm Limited shares in the 5 days subsequent to the results announcement. Vesting will occur after a two year period, although for the first year only (FY12) 50 per cent of the shares will vest on the first anniversary and 50 per cent of the shares will vest on the second anniversary.

27 Share-based payments (continued)

Nufarm Executive Long Term Incentive Plan (LTIP)

On 1 August 2011, the LTIP commenced and is available to key executives and certain selected senior managers. Awards are granted to individuals in the form of performance rights, which comprise rights to acquire ordinary shares in the company for nil consideration, subject to the achievement of global performance hurdles. Under the plan, individuals will receive an annual award of performance rights as soon as practical after the announcement of results in the preceding year. The initial awards were granted to executives (excluding the managing director) on 9 February 2012. The performance and vesting period for the awards will be three years. Awards will vest in two equal tranches as follows:
- 50 per cent of the LTIP grant will vest subject to the achievement of a relative total shareholder return (TSR) performance hurdle measured against a selected comparator group of companies; and
- the remaining 50 per cent will vest subject to meeting an absolute return on funds employed (ROFE) target.

Global Share Plan (2001)

The Global Share Plan commenced in 2001, and is available to all permanent employees. Participants contribute a proportion of their salary to purchase shares. The company will contribute an amount equal to 10% of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10% of the participant's salary can be contributed but will not be matched. For each year the shares are held, up to a maximum of five years, the company contributes a further 10% of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 31 July 2013 there were 948 participants (2012: 722 participants) in the scheme and 1,925,656 shares (2012: 1,783,289) were allocated and held by the trustee on behalf of the participants.

The power of appointment and removal of the trustees for the share purchase schemes is vested in the company.

	2013	2012
Employee expenses	$000	$000
Total expense arising from share-based payment transactions	4,528	2,829

Measurement of fair values

The fair value of performance rights granted through the LTIP and deferred shares granted through the STIP were measured as follows:

Plan	Nufarm STI 2013 Deferred shares	Nufarm LTI 2013 Performance rights Dec 2012	Nufarm LTI 2013 Performance rights Oct 2012	Nufarm LTI 2012 Performance rights Feb 2012
Weighted average fair value at grant date	$5.86	$4.40	$4.73	$3.71
Share price at grant date	$5.96	$5.62	$5.96	$4.86
Grant date	9 Oct 2012	6 Dec 2012	9 Oct 2012	9 Feb 2012
Earliest vesting date	31 Jul 2013	31 Jul 2015	31 Jul 2015	31 Jul 2014
Exercise price	-	-	-	-
Expected life	1 year	2.7 years	2.8 years	2.5 years
Volatility	n/a	30%	30%	35%
Risk free interest rate	n/a	2.60%	2.41%	3.59%
Dividend yield	n/a	2.3%	2.3%	3.0%

The fair values of awards granted were estimated using a Monte-Carlo simulation methodology and a Binomial tree methodology.

27 Share-based payments (continued)

Reconciliation of outstanding share awards	Nufarm LTI number of performance rights 2013	Nufarm STI number of deferred shares 2013	Nufarm LTI number of performance rights 2012	Nufarm STI number of deferred shares 2012
Outstanding at 1 August	465,677	-	-	-
Forfeited during the year	-	(4,452)	-	-
Exercised during the year	-	(217,472)	-	-
Expired during the year	-	-	-	-
Granted during the year	555,451	518,414	465,677	-
Outstanding at 31 July	1,021,128	296,490	465,677	-
Exercisable at 31 July	-	-	-	-

The performance rights outstanding at 31 July 2013 have a $nil exercise price and a weighted average contractual life of 3 years (2012: 3 years). All performance rights granted to date have a $nil exercise price.

28 Provisions

	Consolidated 2013 $000	2012 $000
Current		
Restructuring	118	3,747
Other	3,161	2,995
Current provisions	3,279	6,742

Movement in provisions	Restructuring $000	Consolidated Other provisions $000	Total $000
Balance at 1 August 2012	3,747	2,995	6,742
Provisions made during the year	-	-	-
Provisions used during the year	(3,266)	-	(3,266)
Exchange adjustment	(363)	166	(197)
Balance at 31 July 2013	118	3,161	3,279

The provision for restructuring is mainly relating to the restructuring of the European operations.
The restructuring provision primarily consists of unpaid redundancy costs.
The other provision consists of liabilities recognised with the Agripec acquisition.

29 Capital and reserves

Share capital	Parent Company Number of ordinary shares 2013	Number of ordinary shares 2012
Balance at 1 August	262,142,247	261,833,005
Issue of shares	811,793	309,242
Balance at 31 July	262,954,040	262,142,247

The Company does not have authorised capital or par value in respect of its issued shares.

On 12 October 2012, 274,443 shares at $5.86 were issued under the executive share plan.
On 15 October 2012, 245,936 shares at $5.86 were issued under the executive share plan.
On 16 November 2012, 58,796 shares at $5.76 were issued under the dividend reinvestment program.

On 8 January 2013, 75,469 shares at $5.87 were issued under the global share plan.
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

On 10 May 2013, 157,149 shares at $4.06 were issued under the dividend reinvestment program.

29 Capital and reserves (continued)

Nufarm Step-up Securities

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

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 3.9% (2012: 3.9%). On 23 September 2011, Nufarm announced that it would 'step-up' the NSS. This resulted in the interest margin attached to the NSS being stepped up by 2.0 per cent, with the new interest margin being set at 3.9 per cent as at 24 November 2011. No other terms were adjusted and there are no further step-up dates. Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different from the presentation currency of the reporting entity.

Capital profit reserve

This reserve is used to accumulate realised capital profits.

Other reserve

This reserve represents the accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised. This reserve also holds the debit balance related to the written put option of the 49% interest held by the non-controlling shareholders of Altantica Sementes Ltda (Atlantica). As the non-controlling shareholders still have present access to the economic benefits with their underlying ownership interest, their non controlling interest continues to be recognised. In the event the written put option is exercised, this debit reserve will be utilised to complete the transaction. This reserve also holds the balances related to hedging.

Dividends

An interim dividend of 3 cents per share, totalling $7,883,907 was declared on 27 March 2013, and was paid (net of dividend re-investment program) on 10 May 2013 (2012: 3 cents per share, totalling $7,864,874).

A final dividend of 5 cents per share, totalling $13,147,702 was declared on 25 September 2013, and will be paid on 15 November 2013 (2012: 3 cents per share, totalling $7,817,469).

Distributions

Distributions recognised in the current year by Nufarm Finance (NZ) Ltd on the Nufarm Step-up Securities are:	Distribution rate	Consolidated Total amount $000	Payment date
2013			
Distribution	7.03%	8,798	15-Apr-13
Distribution	8.11%	10,146	15-Oct-12
		18,944	
2012			
Distribution	6.61% and 8.61%*	10,253	16-Apr-12
Distribution	6.94%	8,829	17-Oct-11
		19,082	

* Refer to discussion titled "Nufarm Step-up Securities" above.

The distribution on the Nufarm Step-up Securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $13.974 million (2012: $14.044 million).

Franking credit / (debit) balance	2013 $000	2012 $000
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the year at 30% (2012: 30%)	18,771	30,421
Franking credits/(debits) that will arise from the payment of income tax payable/(refund) as at the end of the year	-	(4,923)
Balance at 31 July	18,771	25,498

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit of $18,771,001 (2012: $25,498,018) franking credits.

30 Earnings per share

	Consolidated 2013 $000	2012 $000
Net profit for the year	81,750	72,822
Net profit attributable to non-controlling interest	(751)	(228)
Net profit attributable to equity holders of the parent	80,999	72,594
Nufarm Step-up Securities distribution	(13,974)	(14,044)
Earnings used in the calculations of basic and diluted earnings per share	67,025	58,550
Earnings from continuing operations	67,025	58,550
	67,025	58,550
Subtract items of material income/(expense) (refer note 6)	(2,224)	(42,846)
Earnings excluding items of material income/(expense) used in the calculation of earnings per share excluding material items	69,249	101,396

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on NSS are deducted from net profit.

	Number of shares 2013	2012
Weighted average number of ordinary shares used in calculation of basic earnings per share	262,675,412	261,983,233
Weighted average number of ordinary shares used in calculation of diluted earnings per share	263,587,730	262,203,348

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this financial report.

Earnings per share for continuing and discontinued operations	Cents per share 2013	2012
Basic earnings per share		
From continuing operations	25.5	22.3
	25.5	22.3
Diluted earnings per share		
From continuing operations	25.4	22.3
	25.4	22.3
Earnings per share (excluding items of material income/expense - see note 6)		
Basic earnings per share	26.4	38.7
Diluted earnings per share	26.3	38.7

31 Financial risk management and financial instruments

The group has exposure to the following financial risks:
* credit risk;
* liquidity risk; and
* market risk.

This note presents information about the group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has responsibility to identify, assess, monitor and manage the material risks facing the group and to ensure that adequate identification, reporting and risk minimisation mechanisms are established and working effectively. To support and maintain this objective, the audit committee has established detailed policies on risk oversight and management by approving a global risk management charter that specifies the responsibilities of the general manager global risk management (which includes responsibility for the internal audit function). This charter also provides comprehensive global authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems operating within all significant company entities worldwide.

The general manager global risk management reports to the chairman of the audit committee and functionally to the chief financial officer. He provides a written report of his activities at each meeting of the audit committee. In doing so he has direct and ongoing access to the chairman and members of the audit committee.

31 Financial risk management and financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and other financial assets.

Exposure to credit risk

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers before the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring further management approval.

The group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
Carrying amount	2013	2012
	$000	$000
Trade and other receivables	792,564	764,395
Cash and cash equivalents	264,972	191,317
Forward exchange contracts:		
Assets	2,161	7,196
	1,059,697	962,908

The group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Consolidated	
Carrying amount	2013	2012
	$000	$000
Australia/New Zealand	166,006	199,740
Asia	31,022	22,476
Europe	223,360	192,943
North America	103,750	122,663
South America	268,426	226,573
Trade and other receivables	792,564	764,395

The group's top five customers account for $120.8 million of the trade receivables carrying amount at 31 July 2013 (2012: $150.6 million). These top five customers represent 17 per cent (2012: 22 per cent) of the total receivables.

31 Financial risk management and financial instruments (continued)

Impairment losses

The ageing of the group's customer trade receivables at the reporting date was:

Consolidated	Consolidated	
Receivables ageing	2013	2012
	$000	$000
Current	598,898	578,876
Past due - 0 to 90 days	60,727	85,681
Past due - 90 to 180 days	9,325	1,801
Past due - 180 to 360 days	9,972	4,809
Past due - more than one year	22,638	16,892
	701,560	688,059
Provision for impairment	(24,172)	(22,278)
Trade receivables	677,388	665,781

Some of the past due receivables are secured by collateral from customers such as directors guarantees, bank guarantees and charges on fixed assets. The past due receivables not impaired relate to customers that have a good credit history with the group. Historically, the bad debt write-off from trade receivables has been very low. Over the past nine years, the bad debt write-off amount has averaged 0.03 percent of sales, with no greater than 0.11 percent of sales written off in any one year.

In the crop protection industry, it is normal practice to vary the terms of sales depending on the climatic conditions experienced in each country.

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

	Consolidated	
	2013	2012
	$000	$000
Balance at 1 August	22,278	26,587
Provisions made during the year	294	410
Provisions used during the year	(1,032)	(410)
Provisions acquired through business combinations	39	-
Exchange adjustment	2,593	(4,309)
Balance at 31 July	24,172	22,278

The allowance account for trade receivables is used to record the impairment losses unless the group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off against the receivable directly.

31 Financial risk management and financial instruments (continued)

Liquidity risk

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

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

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

In November 2011, the group finalised a three year A$625 million syndicated bank facility. Concurrent with the issuance of the Notes, US$250 million of the commitments under the A$625 million senior secured bank facility was cancelled. Subsequently, upon the admission of an additional financial institution to the syndicate on 25 January 2013, the syndicated bank facility was increased by A$25 million. The amount drawn down under the facility at 31 July 2013 is $164 million (2012: $336 million).

At 31 July 2013, the group had access to debt of $1,322 million (2012: $1,029 million) under the Notes, SFA, trade receivables securitisation facility and with other lenders.

The majority of debt facilities that reside outside the Notes, SFA and the trade receivables securitisation facility are regional working capital facilities, primarily located in Brazil and Europe, which at 31 July totalled $343 million (2012: $152 million).

The SFA is secured by assets in the primary geographies in which Nufarm operates including Australia, United States, Canada, United Kingdom and France. A parent guarantee is provided to support working capital facilities in Brazil and the Notes. Total net debt (net of cash) at 31 July 2013 was $633.1 million (2012: $467.8 million). The Senior Facility Agreement (SFA) includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants throughout the financial year.

31 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

The following are the contractual maturities of the group's financial liabilities:

Consolidated	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	More than 2 years $000
			2013		
Non-derivative financial liabilities					
Bank overdrafts	-	-	-	-	-
Trade and other payables	556,893	556,893	530,335	4,876	21,682
Bank loans - secured	456,676	470,867	241,563	197,102	32,202
Bank loans - unsecured	98,627	101,256	94,863	363	6,030
Senior unsecured notes	350,146	502,868	23,471	23,471	455,926
Other loans - unsecured	1,490	1,490	386	1,104	-
Finance lease liabilities - secured	12,256	98,184	1,732	1,657	94,795
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	22,313	279,592	19,321	19,751	240,520
Inflow	-	(263,639)	(20,948)	(20,948)	(221,743)
Other derivative contracts:					
Outflow	19,984	222,794	222,794	-	-
Inflow	-	(201,393)	(201,393)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	105,905	105,905	-	-
Inflow	(2,161)	(108,483)	(108,483)	-	-
	1,516,224	1,766,334	909,546	227,376	629,412
			2012		
Non-derivative financial liabilities					
Bank overdrafts	-	-	-	-	-
Trade and other payables	483,108	483,108	472,862	1,903	8,343
Bank loans - secured	574,762	604,435	228,038	12,717	363,680
Bank loans - unsecured	86,402	86,402	82,268	-	4,134
Unsecured note issues	-	-	-	-	-
Other loans - unsecured	1,373	1,373	557	816	-
Finance lease liabilities - secured	10,572	87,158	1,382	1,493	84,283
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	2,129	179,158	179,158	-	-
Inflow	-	(177,029)	(177,029)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	183,880	183,880	-	-
Inflow	(7,196)	(191,076)	(191,076)	-	-
	1,151,150	1,257,409	780,040	16,929	460,440

31 Financial risk management and financial instruments (continued)

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group. This provides an economic hedge and no derivatives are used to manage the exposure.

Market risk

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

Currency risk

The group uses derivative financial instruments to manage specifically identified foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the individual group entity. The currencies giving rise to this risk include the US Dollar, the Euro, the British Pound, the Australian Dollar, the New Zealand Dollar and the Brazilian Real. The group uses foreign exchange contracts and options to manage currency risk.

The group uses foreign exchange contracts and options to manage the foreign currency exposures between the Nufarm step-up securities issued in Australia and New Zealand, and related group funding to several jurisdictions to which the funds were advanced. During the previous financial reporting period, the funding, which was previously advanced to these jurisdictions in US dollars, the Euro and the UK pounds sterling, was converted to Australian dollars. The foreign currency contracts therefore primarily cover the exposure of the lenders to movements in the Australian dollar against their local currencies.

During the period the group completed a US$325 million Senior Unsecured Notes offering due in October 2019 (the "Notes"). Currency risk related to the principal amount of the Notes has been hedged using cross currency interest rate swap contracts that mature on the same date as the Notes are due for repayment. These contracts have been designated for hedge accounting.

For accounting purposes, other than the contracts referred to previously, the group has not designated any other derivatives in hedge relationships and all movements in fair value are recognised in profit or loss during the period. The net fair value of forward exchange contracts in the group, not designated as being in a hedge relationship, used as economic hedges of forecast transactions at 31 July 2013 was a $17.823 million liability (2012: $5.067 million asset) comprising assets of $2.161 million (2012: $7.196 million) and liabilities of $19.984 million (2012: $2.129 million).

Exposure to currency risk

The group's translation exposure to major foreign currency risks at balance date was as follows, based on notional amounts:

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	Euro	GBP
2013	$000	$000	$000	$000
Functional currency of Group operation				
Australian dollars	-	(15,380)	(14,715)	(19,778)
US dollars	2,345	-	(2,515)	-
Euro	6,820	12,581	-	(2,254)
UK pounds sterling	(14,768)	20,802	(8,771)	-
	(5,603)	18,003	(26,001)	(22,032)

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	Euro	GBP
2012	$000	$000	$000	$000
Functional currency of Group operation				
Australian dollars	-	(24,448)	(12,396)	(24,665)
US dollars	39,618	-	(1,715)	-
Euro	336	38,132	-	(9,498)
UK pounds sterling	-	56,172	(5,682)	-
	39,954	69,856	(19,793)	(34,163)

31 Financial risk management and financial instruments (continued)

Currency risk (continued)

Sensitivity analysis

Based on the aforementioned Group's net financial assets/(liabilities) at 31 July, a 1 percent strengthening or weakening of the following currencies at 31 July would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis is performed on the same basis for 2012.

	Strengthening	Weakening	Strengthening	Weakening
	Profit or (loss) after tax 2013	Profit or (loss) after tax 2013	Profit or (loss) after tax 2012	Profit or (loss) after tax 2012
Currency movement	$000	$000	$000	$000
1% change in the Australian dollar exchange rate	306	(313)	705	(714)
1% change in the US dollar exchange rate	127	(127)	226	(221)
1% change in the Euro exchange rate	(301)	303	(339)	343
1% change in the GBP exchange rate	(135)	135	(589)	593

The Group's financial asset and liability profile may not remain constant, and therefore these sensitivities should be used with care.

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
AUD	2013	2012	2013	2012
US Dollar	1.009	1.033	0.895	1.051
Euro	0.774	0.783	0.673	0.854
GBP	0.645	0.654	0.589	0.671
BRL	2.086	1.900	2.037	2.151

Interest rate risk

The group has the ability to use derivative financial instruments to manage specifically identified interest rate risks. Interest rate swaps, denominated in AUD, are entered into to achieve an appropriate mix of fixed and floating rate exposures.

The majority of the Group's debt is raised under central borrowing programs. The A$406 million syndicated bank facility and the A$300 million trade receivables securitisation facility are considered floating rate facilities. On 8 October 2012, the Group completed a US$325 million Notes issue with a fixed coupon component. Concurrent with the completion of the US$325 million Notes issue, the group entered into interest rate swaps to manage specifically identified interest rate risks associated with the fixed coupon component of the Notes. These swaps effectively converted a majority of the fixed interest payable on the Notes to floating interest, and have been designated for hedge accounting. The group's earnings are sensitive to changes in interest rates on the floating interest rate component of the Group's net borrowings.

Interest rate risk on Nufarm step-up securities

The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.90% (2012: 3.90%).

Profile

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

	Consolidated Carrying amount 2013	2012
	$000	$000
Variable rate instruments		
Financial assets	34,222	87,795
Financial liabilities	(807,416)	(673,109)
	(773,194)	(585,314)
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(111,779)	-
	(111,779)	-

31 Financial risk management and financial instruments (continued)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 31 July.
Due to the seasonality of the crop protection business, debt levels can vary during the year. This analysis is performed on the same basis for 2012.

	Profit or loss	
	100bp increase	100bp decrease
2013	$000	$000
Variable rate instruments	(7,732)	7,732
Total sensitivity	(7,732)	7,732
2012		
Variable rate instruments	(5,853)	5,853
Total sensitivity	(5,853)	5,853

Fair values

All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost, as indicated in the tables below. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling $111.8m (2012: $nil), the fair value at 31 July 2013 is $109.686 million (2012: $nil).

Consolidated

2013	Note	Available for sale $000	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Total $000
Cash and cash equivalents	15	-	-	-	264,972	264,972
Trade and other receivables	16	-	-	-	792,564	792,564
Forward exchange contracts:						-
Assets	16	-	2,161	-	-	2,161
Liabilities	24	-	(19,984)	-	-	(19,984)
Interest Rate Swaps	24	-	-	(22,313)	-	(22,313)
Trade and other payables	24	-	-	-	(579,206)	(579,206)
Bank overdraft	15	-	-	-	-	-
Secured bank loans	25	-	-	-	(456,676)	(456,676)
Unsecured bank loans	25	-	-	-	(98,627)	(98,627)
Senior unsecured notes [a]	25	-	-	-	(350,146)	(350,146)
Other loans	25	-	-	-	(1,490)	(1,490)
Finance leases	25	-	-	-	(12,256)	(12,256)
		-	(17,823)	(22,313)	(440,865)	(481,001)

Consolidated

2012	Note	Available for sale $000	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Total $000
Cash and cash equivalents	15	-	-	-	191,317	191,317
Trade and other receivables	16	-	-	-	764,395	764,395
Forward exchange contracts:						
Assets	16	-	7,196	-	-	7,196
Liabilities	24	-	(2,129)	-	-	(2,129)
Interest Rate Swaps	24	-	-	-	-	-
Trade and other payables	24	-	-	-	(483,108)	(483,108)
Bank overdraft	15	-	-	-	-	-
Secured bank loans	25	-	-	-	(574,762)	(574,762)
Unsecured bank loans	25	-	-	-	(86,402)	(86,402)
Senior unsecured notes [a]	25	-	-	-	-	-
Other loans	25	-	-	-	(1,373)	(1,373)
Finance leases	25	-	-	-	(10,572)	(10,572)
		-	5,067	-	(200,505)	(195,438)

(a) Includes $238.3 million (2012: $nil) of centrally managed fixed rate debt swapped to floating rate under fair value hedges, and is consequently fair valued for interest rate risk.

31 Financial risk management and financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	Consolidated			
2013	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
Derivative financial assets	-	2,161	-	2,161
	-	2,161	-	2,161
Derivative financial liabilities	-	(42,297)	-	(42,297)
	-	(42,297)	-	(42,297)

	Consolidated			
2012	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
Derivative financial assets	-	7,196	-	7,196
	-	7,196	-	7,196
Derivative financial liabilities	-	(2,129)	-	(2,129)
	-	(2,129)	-	(2,129)

There have been no transfers between levels in either 2013 or 2012.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the group's return on funds employed (ROFE). Return is calculated on the group's earnings before interest and tax and adjusted for any material items. Funds employed is defined as shareholder's funds plus total interest bearing debt.
The Board of Directors determines the level of dividends to ordinary shareholders and reviews the group's total shareholder return with similar groups.

The Board believes ROFE is an appropriate performance condition as it ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time. ROFE objectives are set by the Board at the beginning of each year. There is a target and a stretch hurdle. These numbers will based on the budget and growth strategy. The ROFE return for the year ended 31 July 2013 was 8.8 per cent (2012: 10.4 per cent).

There were no changes in the group's approach to capital management during the year.

32 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Consolidated 2013 $000	Consolidated 2012 $000
Not later than one year	10,114	8,569
Later than one year but not later than two years	11,453	9,429
Later than two years but not later than five years	21,806	17,956
Later than five years	141,166	127,427
	184,539	163,381

Operating leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and office equipment. Rentals are fixed for the duration of these leases. There is a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

33 Capital commitments

The Group had contractual obligations to purchase plant and equipment for $6.116 million at 31 July 2013 (2012: $8.253 million).

34 Contingencies

The directors are of the opinion that provisions are not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Consolidated 2013 $000	Consolidated 2012 $000
Guarantee facility for Eastern European joint ventures with FMC Corporation.	6,225	6,983
Environmental guarantee given to the purchaser of land and buildings at Genneviliers for EUR 8.5 million.	12,630	9,953
Insurance bond for EUR 2.717 million established to make certain capital expenditures at Gaillon plant in France.	3,843	3,182
Brazilian taxation proceedings [a]	74,624	86,163
Contingent liabilities	97,322	106,281

(a) The group has a contingent liability for an amount of $74.624 million (July 2012: $86.163 million) in respect of potential pre-acquisition tax liabilities of its Brazilian business acquired in 2007. In June 2010 the group commenced arbitration proceedings against the previous owners of the Brazilian business that sought to confirm that the tax indemnification clauses contained in the initial Investment Agreement and the subsequent Share Purchase Agreement ("the Agreements") are effective in allowing Nufarm to recover amounts from the previous owners.

In November 2012 Nufarm received the award from the Arbitral Tribunal. Whilst the award, and subsequent clarification ruling, confirmed the validity of the indemnities provided by the previous owners of the Brazilian business, Nufarm continues to work through the application of the award to the many specific tax cases.

Nufarm will only be liable to the extent that the tax authorities are ultimately successful in pursuing the claims for primary tax, penalties and interest. In which case, Nufarm will seek to enforce the tax indemnities provided by the former owners in order to recover, to the extent possible under the Agreements, the tax paid. It is acknowledged that the cash outflow (if any) in the event the tax authorities are ultimately successful in pursuing their claims will pre date cash inflows Nufarm will obtain by enforcing the indeminities.

Further to the above, the group has a contingent asset for an amount of $29.315 million (July 2012: $28.429 million) in respect of potential pre-acquisition tax credits of its Brazilian business acquired in 2007. Currently, the validity of the credits is before the Brazilian courts and if found to be valid, can be used to offset federal tax obligations.

Nufarm's share of the contingent liability after applying the former owner's indemnities' is estimated to be $31.147 million.

35 Group entities

	Notes	Place of incorporation	Percentage of shares held 2013	Percentage of shares held 2012
Parent entity				
Nufarm Limited - ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd	(a)	Australia	100	100
Agcare Biotech Pty Ltd	(a)	Australia	100	70
Agchem Receivables Corporation		USA	100	100
Agryl Holdings Limited	(a)	Australia	100	100
Ag-seed Research Pty Ltd	(a)	Australia	100	100
Agturf Inc		USA	100	100
AH Marks (New Zealand) Limited		New Zealand	100	100
AH Marks Australia Pty Ltd	(a)	Australia	100	100
AH Marks Holdings Limited		United Kingdom	100	100
Artfern Pty Ltd	(a)	Australia	100	100
Atlantica Sementes Ltda		Brazil	51	-
Australis Services Pty Ltd	(a)	Australia	100	100
Bestbeech Pty Ltd	(a)	Australia	100	100
Chemicca Limited	(a)	Australia	100	100
CNG Holdings BV		Netherlands	100	100
Crop Care Australasia Pty Ltd	(a)	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited		New Zealand	100	100
Croplands Equipment Pty Ltd	(a)	Australia	100	100
Danestoke Pty Ltd	(a)	Australia	100	100
Edgehill Investments Pty Ltd	(a)	Australia	100	100
Fchem (Aust) Limited	(a)	Australia	100	100
Fernz Canada Limited		Canada	100	100
Fernz Singapore Pte Ltd		Singapore	100	100
Fidene Limited		New Zealand	100	100
First Classic Pty Ltd	(a)	Australia	100	100
Framchem SA		Egypt	100	100
Frost Technology Corporation		USA	100	100
Greenfarm Hellas Chemicals SA		Greece	100	100
Growell Limited		United Kingdom	100	100
Grupo Corporativo Nufarm SA		Guatemala	100	100
Laboratoire European de Biotechnologie s.a.s		France	100	100
Le Moulin des Ecluses s.a		France	100	100
Lefroy Seeds Pty Ltd	(a)	Australia	100	100
Les Ecluses de la Garenne s.a.s		France	100	100
Manaus Holdings Sdn Bhd		Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Guatemala Sociedad Anomima		Guatemala	100	100
Marman de Mexico Sociedad Anomima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Masmart Pty Ltd	(a)(b)	Australia	100	100
Mastra Corporation Pty Ltd	(a)	Australia	100	70
Mastra Corporation Sdn Bhd		Malaysia	100	70
Mastra Corporation USA Pty Ltd	(a)	Australia	100	70
Mastra Holdings Sdn Bhd		Malaysia	100	70
Mastra Industries Sdn Bhd		Malaysia	100	70
Medisup International NV		N. Antillies	100	100
Medisup Securities Limited	(a)	Australia	100	100
Midstates Agri Services de Mexico		Mexico	100	100
Midstates Agri Services Inc		USA	100	100
Nufarm (Asia) Pte Ltd		Singapore	100	100
Nufarm Africa SARL AU		Morocco	100	100

35 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2013	Percentage of shares held 2012
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc		Canada	100	100
Nufarm Agriculture Inc (USA)		USA	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company		USA	100	100
Nufarm Americas Inc		USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	(a)	Australia	100	100
Nufarm BV		Netherlands	100	100
Nufarm Canada Receivables Partnership		Canada	100	100
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Chile Limitada		Chile	100	100
Nufarm Colombia S.A.		Colombia	100	100
Nufarm Crop Products UK Limited		United Kingdom	100	100
Nufarm de Costa Rica		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH		Germany	100	100
Nufarm do Brazil LTDA		Brazil	100	100
Nufarm Espana SA		Spain	100	100
Nufarm Europe GmbH		Germany	100	n/a
Nufarm Finance BV		Netherlands	-	-
Nufarm Finance (NZ) Limited		New Zealand	100	100
Nufarm GmbH		Austria	100	100
Nufarm GmbH & Co KG		Austria	100	100
Nufarm Grupo Mexico		Mexico	100	100
Nufarm Holdings (NZ) Limited		New Zealand	100	100
Nufarm Holdings BV		Netherlands	100	100
Nufarm Holdings s.a.s		France	100	100
Nufarm Hong Kong Investments Ltd		Hong Kong	100	100
Nufarm Hungaria Kft		Hungary	100	100
Nufarm Inc.		USA	100	100
Nufarm Industria Quimica e Farmaceutica SA		Brazil	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA		Netherlands	100	100
Nufarm Italia srl		Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Korea Ltd		Korea	100	n/a
Nufarm Labuan Pte Ltd		Malaysia	100	100
Nufarm Limited		United Kingdom	100	100
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm Materials Limited	(a)	Australia	100	100
Nufarm NZ Limited		New Zealand	100	100
Nufarm Peru SAC		Peru	100	100
Nufarm Platte Pty Ltd	(a)	Australia	100	100
Nufarm Portugal LDA		Portugal	100	100
Nufarm Romania SRL		Romania	100	100
Nufarm s.a.s		France	100	100
Nufarm SA		Argentina	100	100
Nufarm Suisse Sarl		Switzerland	100	100
Nufarm Technologies (M) Sdn Bhd		Malaysia	100	100
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd	(a)	Australia	100	100
Nufarm Treasury Pty Ltd	(a)	Australia	100	100

35 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2013	2012
Nufarm UK Limited		United Kingdom	100	100
Nufarm Ukraine LLC		Ukraine	100	100
Nufarm USA Inc		USA	100	100
Nugrain Pty Ltd	(a)	Australia	100	100
Nuseed Americas Inc		USA	100	100
Nuseed do Brazil S.A.		Brazil	100	n/a
Nuseed Holding Company		USA	100	100
Nuseed Pty Ltd	(a)	Australia	100	100
Nuseed SA		Argentina	100	100
Nuseed Serbia d.o.o.		Serbia	100	100
Nutrihealth Grains Pty Ltd	(a)	Australia	100	100
Nutrihealth Pty Ltd	(a)	Australia	100	100
Opti-Crop Systems Pty Ltd		Australia	75	75
Pharma Pacific Pty Ltd	(a)	Australia	100	100
PT Agrow		Indonesia	100	100
PT Crop Care		Indonesia	100	100
PT Nufarm Indonesia		Indonesia	100	100
Richardson Seeds Ltd		USA	100	100
Seeds 2000 Inc		USA	100	100
Seeds 2000 Argentina SRL		Argentina	100	100
Selchem Pty Ltd	(a)	Australia	100	100

Note (a): These entities have entered into a deed of cross guarantee dated 21 June 2006 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.

Note (b): Masmart Pty Ltd was previously named "ACN000425927 Pty Ltd".

36 Deed of cross guarantee

Under ASIC Class Order 98/1418, the Australian wholly-owned subsidiaries referred to in note 35 are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and director's reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The parent entity and all the Australian controlled entities have entered into a deed of cross guarantee dated 21 June 2006 which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated income statement and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 31 July 2013 is set out as follows:

36 Deed of cross guarantee (continued)

	Consolidated 2013 $000	Consolidated 2012 $000
Summarised income statement and retained profits		
Profit before income tax expense	1,019	(32,368)
Income tax expense	10,446	(3,039)
Net profit attributable to members of the closed group	11,465	(35,407)
Retained profits at the beginning of the period	126,356	169,628
Adjustments for entities entering the Deed of Cross Guarantee	(1,459)	-
Dividends paid	(15,703)	(7,865)
Retained profits at the end of the period	120,659	126,356
Balance sheet		
Current assets		
Cash and cash equivalents	25,224	29,073
Trade and other receivables	664,394	407,800
Inventories	194,463	159,509
Current tax assets	9,472	13,327
Total current assets	893,553	609,709
Non-current assets		
Equity accounted investments	4,177	2,658
Other investments	1,153,447	1,120,632
Deferred tax assets	52,310	38,019
Property, plant and equipment	155,366	159,337
Intangible assets	107,758	23,806
Total non-current assets	1,473,058	1,344,452
TOTAL ASSETS	2,366,611	1,954,161
Current liabilities		
Trade and other payables	568,350	512,574
Employee benefits	11,155	11,656
Current tax payable	-	-
Total current liabilities	579,505	524,230
Non-current liabilities		
Payables	24,313	-
Interest bearing loans and borrowings	460,059	131,914
Deferred tax liabilities	16,629	7,126
Employee benefits	11,143	9,464
Total non-current liabilities	512,144	148,504
TOTAL LIABILITIES	1,091,649	672,734
NET ASSETS	1,274,962	1,281,427
Equity		
Share capital	1,063,992	1,059,522
Reserves	90,311	95,549
Retained earnings	120,659	126,356
TOTAL EQUITY	1,274,962	1,281,427

37 Parent entity disclosures

	Company 2013 $000	Company 2012 $000
Result of the parent entity		
Profit/(Loss) for the period	8,833	(30,344)
Other comprehensive income	2,385	(1,205)
Total comprehensive profit/(loss) for the period	11,218	(31,549)
Financial position of the parent entity at year end		
Current assets	1,106,952	1,096,826
Total assets	1,447,739	1,432,484
Current liabilities	188,746	173,448
Total liabilities	189,073	173,714
Total equity of the parent entity comprising of:		
Share capital	1,063,992	1,059,522
Reserves	38,651	36,355
Accumulated losses	(30,344)	(30,344)
Retained earnings	186,367	193,237
Total equity	1,258,666	1,258,770

Parent entity contingencies

The parent entity is one of the guarantors of the Senior Facility Agreement (SFA) and would be obliged, along with the other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers. The parent entity also provides guarantees to support several of the regional working capital facilities located in Brazil and Europe, and the Senior unsecured notes.

Parent entity capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the parent entity in 2013 or 2012.

38 Reconciliation of cash flows from operating activities

	Consolidated 2013 $000	2012 $000
Cash flows from operating activities		
Profit/(Loss) for the period	81,750	72,822
Adjustments for:		
Dividend from associated company	73	151
Amortisation and impairment of intangibles	33,612	27,455
Depreciation	41,564	38,034
Investment in associates write down	-	1,993
Gain on disposal of non current assets and investments	(2,744)	(333)
Share of (profits)/losses of associates net of tax	60	(378)
Financial expense	65,460	61,796
Interest paid	(49,958)	(48,824)
Tax expense	31,173	37,501
Taxes paid	(14,347)	(28,127)
	186,643	162,090
Movements in working capital items:		
(Increase)/decrease in receivables	(16,005)	(61,231)
(Increase)/decrease in inventories	(281,329)	39,607
Increase/(decrease) in payables	65,917	84,830
Exchange rate change on foreign controlled entities working capital items	107,561	(58,791)
	(123,856)	4,415
Net operating cash flows	62,787	166,505

39 Key management personnel disclosures

The following were key management personnel of the consolidated entity at any time during the reporting period and were key management personnel for the entire period (except where denoted otherwise).

Non-executive directors	**Executives**	**Title**
DG McGauchie AO (Chairman)	BF Benson	Group executive, agriculture
AB Brennan	P Binfield [(1)]	Chief financial officer (CFO)
GR Davis	BJ Croft	Group executive, HR and organisation development
FA Ford (appointed 10 October 2012)	R Heath	Group executive, corporate services and company secretary
Dr RJ Edgar (retired 27 March 2012)		
Dr WB Goodfellow	G Hunt [(2)]	Group executive, global marketing and business development
GA Hounsell (retired 8 October 2012)	DA Mellody [(3)]	Group executive, supply chain and strategic procurement
PM Margin (appointed 3 October 2011)	RF Ooms [(4)]	Group general manager chemicals
Dr JW Stocker AO (retired 1 December 2011)	MJ Pointon	Group executive, innovation and development
	DA Pullan [(5)]	Group executive, operations
T Takasaki (appointed 6 December 2012)	RG Reis	Group executive, corporate strategy and external affairs
	E Prado [(6)]	Group executive, manufacturing

Executive director

DJ Rathbone AM	Managing director and chief executive officer

1 Mr P Binfield was appointed as CFO with effect from 6 November 2011.
2 Mr G Hunt was appointed as group general manager of global marketing and business development with effect from 6 February 2012.
3 Mr DA Mellody, formerly the group general manager global marketing, moved into a new executive role of group general manager supply chain and strategic procurement with effect from 1 February 2012.
4 Mr RF Ooms resigned as group general manager chemicals with effect from 29 February 2012.
5 Mr DA Pullan resigned as group general manager operations with effect from 31 July 2013.
6 Mr E Prado was appointed as group executive, manufacturing with effect from 1 July 2013.

39 Key management personnel disclosures (continued)

Key management personnel compensation

The key management personnel compensation included in personnel expenses (see note 9) are as follows:

	Consolidated 2013 $	Consolidated 2012 $
Short term employee benefits	9,182,961	10,051,964
Post employment benefits	358,079	483,344
Equity compensation benefits	1,811,459	1,141,807
Termination benefits	799,000	1,525,000
Other long term benefits	200,271	267,505
	12,351,770	13,469,620

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the remuneration report section of the director's report.

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the group since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

Loans to key management personnel and their related parties

There were no loans to key management personnel at 31 July 2013 (2012: Nil).

Other key management personnel transactions with the company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

39 Key management personnel disclosures (continued)

Options and rights over equity instruments granted as compensation

The movement during the reporting period in the number of rights over ordinary shares in Nufarm Limited held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows

Options/rights over ordinary shares in Nufarm Ltd (2013)	Scheme	Balance at 1 August 2012	Granted as remun-eration	Exercised	Net change other	Balance at 31 July 2013	Vested during 2013	Vested at 31 July 2013 (a)
Directors								
DJ Rathbone(b)	LTI performance	180,749	134,282	-	-	315,031	-	-
Executives								
BF Benson	LTI performance	34,740	25,562	-	-	60,302	-	-
	STI deferred	-	42,404	(21,202)	-	21,202	21,202	-
P Binfield	LTI performance	54,710	42,578	-	-	97,288	-	-
	STI deferred	-	18,624	(9,312)	-	9,312	9,312	-
BJ Croft	LTI performance	16,040	12,258	-	-	28,298	-	-
	STI deferred	-	19,580	(9,790)	-	9,790	9,790	-
R Heath	LTI performance	15,790	11,954	-	-	27,744	-	-
	STI deferred	-	19,274	(9,637)	-	9,637	9,637	-
G Hunt	LTI performance	52,588	38,288	-	-	90,876	-	-
	STI deferred	-	11,776	(5,888)	-	5,888	5,888	-
DA Mellody	LTI performance	26,320	19,552	-	-	45,872	-	-
	STI deferred	-	31,204	(15,602)	-	15,602	15,602	-
MJ Pointon	LTI performance	18,340	16,271	-	-	34,611	-	-
	STI deferred	-	22,028	(11,014)	-	11,014	11,014	-
DA Pullan	LTI performance	36,320	26,724	-	(63,044)	-	-	-
	STI deferred	-	44,332	(22,166)	(22,166)	-	22,166	-
RG Reis	LTI performance	30,080	22,770	-	-	52,850	-	-
	STI deferred	-	36,714	(18,357)	-	18,357	18,357	-
Total		**465,677**	**596,175**	**(122,968)**	**(85,210)**	**853,674**	**122,968**	**-**

Options/rights over ordinary shares in Nufarm Ltd (2012)	Scheme	Balance at 1 August 2011	Granted as remun-eration	Exercised	Net change other	Balance at 31 July 2012	Vested during 2012	Vested at 31 July 2012 (a)
Directors								
DJ Rathbone	LTI performance	-	180,749	-	-	180,749	-	-
Executives								
BF Benson	LTI performance	-	34,740	-	-	34,740	-	-
P Binfield	LTI performance	-	54,710	-	-	54,710	-	-
BJ Croft	LTI performance	-	16,040	-	-	16,040	-	-
R Heath	LTI performance	-	15,790	-	-	15,790	-	-
G Hunt	LTI performance	-	52,588	-	-	52,588	-	-
DA Mellody	LTI performance	-	26,320	-	-	26,320	-	-
MJ Pointon	LTI performance	-	18,340	-	-	18,340	-	-
DA Pullan	LTI performance	-	36,320	-	-	36,320	-	-
RG Reis	LTI performance	-	30,080	-	-	30,080	-	-
Total		**-**	**465,677**	**-**	**-**	**465,677**	**-**	**-**

(a) All options/rights that are vested are exerciseable.
(b) D J Rathbone STI is deferred in cash.

39 Key management personnel disclosures (continued)

Movements in shares

The movement during the reporting period in the number of ordinary shares in Nufarm Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Shares held in Nufarm Ltd		Balance at 1 August 2012	Granted as remun-eration	2013 On exercise of rights	Net change other	Balance at 31 July 2013
Directors						
DG McGauchie	1	31,239	-	-	15,000	46,239
DJ Rathbone	4	11,676,031	-	-	50,000	11,726,031
AB Brennan		10,000	-	-	-	10,000
GR Davis		40,000	-	-	-	40,000
FA Ford (appointed 10 October 2012)		-	-	-	-	-
Dr WB Goodfellow	1,2	1,141,491	-	-	1,925	1,143,416
GA Hounsell (retired 8 October 2012)	1, 3	43,723	-	-	(43,723)	-
PM Margin		2,458	-	-	-	2,458
T Takasaki (appointed 6 December 2012)		-	-	-	-	-
Executives						
BF Benson		70,783	-	21,202	-	91,985
P Binfield		30,000	-	9,312	-	39,312
BJ Croft		36,040	-	9,790	52	45,882
R Heath		218,300	-	9,637	-	227,937
G Hunt		10,000	-	5,888	10,000	25,888
DA Mellody		34,848	-	15,602	(18,075)	32,375
MJ Pointon		37,292	-	11,014	-	48,306
E Prado (appointed 1 July 2013)		-	-	-	-	-
DA Pullan (retired 31 July 2013)	3	187,242	-	22,166	(209,408)	-
RG Reis		131,811	-	18,357	-	150,168
Total		**13,701,258**	**-**	**122,968**	**(194,229)**	**13,629,997**

Shares held in Nufarm Ltd		Balance at 1 August 2011	Granted as remun-eration	2012 On exercise of rights	Net change other	Balance at 31 July 2012
Directors						
DG McGauchie	1	31,239	-	-	-	31,239
DJ Rathbone	4	11,676,031	-	-	-	11,676,031
AB Brennan		10,000	-	-	-	10,000
GR Davis		20,000	-	-	20,000	40,000
Dr RJ Edgar (resigned 27 March 2012)		13,000	-	-	(13,000)	-
Dr WB Goodfellow	1,2	1,120,551	-	-	20,940	1,141,491
GA Hounsell	1	43,723	-	-	-	43,723
PM Margin (appointed 3 October 2011)		-	-	-	2,458	2,458
Dr JW Stocker (retired 1 December 2011)	1,3	41,521	-	-	(41,521)	-
Executives						
BF Benson		33,068	27,715	-	10,000	70,783
P Binfield (appointed 7 November 2012)		-	-	-	30,000	30,000
BJ Croft		19,990	12,050	-	4,000	36,040
R Heath		206,250	12,050	-	-	218,300
G Hunt (appointed 6 February 2012)		-	-	-	10,000	10,000
DA Mellody		16,773	18,075	-	-	34,848
RF Ooms (retired 27 March 2012)		333,409	18,075	-	(351,484)	-
MJ Pointon		19,217	18,075	-	-	37,292
DA Pullan		159,527	27,715	-	-	187,242
RG Reis		104,096	27,715	-	-	131,811
Total		**13,848,395**	**161,470**	**-**	**(308,607)**	**13,701,258**

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

39 Key management personnel disclosures (continued)

1 The shareholdings of Dr WB Goodfellow, GA Hounsell, DG McGauchie and Dr JW Stocker include shares issued under the company's non-executive director share plan and are held by Pacific Custodians Pty Ltd as trustee of the plan.

2 The shareholding of Dr WB Goodfellow includes his relevant interest in:

(i) St Kentigern Trust Board (430,434 shares and 19,727 Nufarm Step-up Securities) - Dr Goodfellow is chairman of the Trust Board. Dr Goodfellow does not have a beneficial interest in these shares or step-up securities.

(ii) Sulkem Company Limited (120,000 shares).

(iii) 531 Trust (400,861 shares). Dr Goodfellow and EW Preston are trustees of 531 Trust.

(iv) Auckland Medical Research Foundation (26,558 Step-up Securities). Dr Goodfellow does not have a beneficial interest in these step-up securities.

(v) Trustees of the Goodfellow Foundation (33,854 shares and 1,338 Step-up Securities). Dr Goodfellow is chairman of the Foundation Board and does not have a beneficial interest in these shares or step-up securities.

(vi) Archem Trading (NZ) Ltd (700 step up securities)

3 The shareholding of GA Hounsell, Dr JW Stocker, Dr RJ Edgar and GDW Curlewis has been removed under the net change other' column due to their retirement as a directors. The shareholding of DA Pullan has been removed under the 'net change other' column due to his resignation from the company on 31 July 2013.

4 DJ Rathbone holds 1,500 step up securities at 31 July 2013 (2012: 1,500).

40 Non-key management personnel disclosures

a) Transactions with related parties in the wholly-owned group

The parent entity entered into the following transactions during the year with subsidiaries of the group:
- loans were advanced and repayments received on short term intercompany accounts; and
- management fees were received from several wholly-owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

b) Transactions with associated parties

		Consolidated 2013 $000	2012 $000
Excel Crop Care Ltd	purchases from	-	-
	trade payable	-	-
F&N joint ventures	sales to	41,427	32,454
	trade payable	-	99
	trade receivable	38,249	25,554
Sumitomo Chemical Company Ltd	sales to	30,822	15,737
	purchases from	48,840	27,545
	trade receivable	1,913	5,868
	trade payable	12,618	14,675

These transactions were undertaken on commercial terms and conditions.

41 Auditors' remuneration

	Consolidated 2013 $000	2012 $000
Audit services		
KPMG Australia		
Audit and review of group financial report	546	615
Overseas KPMG firms		
Audit and review of group and local financial reports	1,149	1,022
	1,695	1,637
Other auditors		
Audit and review of financial reports	79	259
Audit services remuneration	1,774	1,896
Other services		
KPMG Australia		
Other assurance services	55	356
Other advisory services	-	41
Overseas KPMG firms		
Other assurance services	79	2
Other services remuneration	134	399

42 Subsequent events

A final dividend of 5 cents per share, totalling $13,147,702 was declared on 25 September 2013, and will be paid on 15 November 2013 (2012: 3 cents per share, totalling $7,817,469).

Directors' declaration

1 In the opinion of the directors of Nufarm Limited (the company):

(a) the consolidated financial statements and notes, and the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the group's financial position as at 31 July 2013 and of its performance for the financial year ended on that date; and

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

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

2 There are reasonable grounds to believe that the company and the group entities identified in note 36 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 31 July 2013.

4 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 25th day of September 2013

DG McGauchie
Director

DJ Rathbone
Director