
2024 Annual Report
ravensdown

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Separate to this Annual Report, Ravensdown has published an Integrated Report which is available on its website: https://bit.ly/integratedreport2024

The Board of Directors of Ravensdown Limited is pleased to present to shareholders the Annual Report and financial statements for Ravensdown Limited and its subsidiaries (together Ravensdown) and Ravensdown's interest in associates and joint ventures for the year ended 31 May 2024.

Bruce Wills - Chair

Mike Davey

Nicky Hyslop

Jane Montgomery

Pete Moynihan










Jacqueline Rowarth

David Biland

Tony Carter
joined 1 September 2023

Jason Dale
left 24 May 2024

Graham Stuart
joined 27 May 2024

Beyond immediate challenges

Ravensdown's financial performance for 2024 delivered solid profitability while strengthening its working capital and balance sheet in a challenged environment.

The co-operative achieved total revenue of $756.8m and achieved a net profit before tax and after impairments of $4.8m. Close attention to working capital and costs saw the co-operative's equity ratio increase to 79.4%.

Volumes at 891,000 mt were largely flat on 2023.

They were slightly down overall including sales to commercial customers and only marginally up for volumes sold exclusively into primary sector applications.

This reflected ongoing caution for on-farm spending as customers continued to grapple with low margins. Lower commodity prices, albeit improving for dairy, and structurally higher costs for key inputs continued to put farm budgets under pressure, dampening demand.

Customers bought similar volumes to last year but paid 20% less for them as we passed on reductions as global prices improved.

Global fertiliser prices continued to stabilise following the volatility of previous years. Disruptions caused by the Ukraine war eased in global fertiliser supply-chains with supply in certain key products recovering strongly. In addition, softer global demand saw prices ease in the latter part of the financial year. This gradual but steady return to more usual seasonal patterns for global demand and supply means prices are likely to firm as we head into spring, consistent with the seasonal pick-up in global demand.

Margins performed solidly. Reductions in stock holdings across the year enabled us to re-stock quickly with better-priced product as it became available.

This also supported strong cash performance from improved working capital, which in turn enabled ongoing investment in our operational capability and strategic initiatives.

Operating costs were marginally up on last year but generally tightly managed given ongoing inflationary pressures for many of our input costs, including salaries and wages.

Better margins, tight costs management, and a strategy to reduce and tighten debt driving interest costs down, led to a solid operational profit outcome before non-cash impairments.

Higher impairments this year reflected constrained buying by a challenged primary sector. Lower volumes through our manufacturing plants reduced cash generated by them. As a result, carrying values were adjusted downwards. This also affected independent valuations for certain land and buildings, with our decision to sell certain quarry assets also requiring adjustments to their carrying value.

Insurance-related work continued, particularly for restoring the Napier Works at Awatoto following a fire and Cyclone Gabrielle damage, with insurance monies funding these works.

Solid cash generation from improved profitability and inventory enabled us to further reduce debt. Drawn debt at the end of the year was $52m better than last year.

Significant interest savings were achieved from running a tighter working capital structure that sought to balance liquidity with interest cost.

While equity reduced as a number, it improved as a ratio of total assets underpinning overall balance sheet strength.

Finance at a glance continued

Our results in more detail

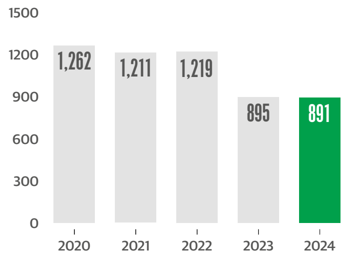
Positive trend compared with 22/23

Negative trend compared with 22/23

Fertiliser Sales

Thousand Tonnes

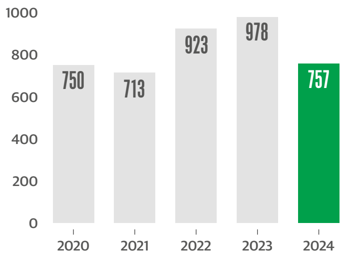
Lower fertiliser volumes were a result of higher commodity prices reducing demand.



Revenue (before rebates and bonus shares)

$M

Revenue was down on prior years due to lower fertiliser pricing passing through to customers. Revenue also includes insurance proceeds from flooding and a fire in Napier during 2023.

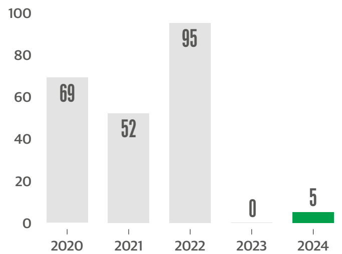


(including insurance proceeds and results from discontinued operations)

Profit from continuing operations before rebate, bonus shares & tax

$M

Profit was impacted by lower sales volumes, higher commodity prices and impairments to assets.

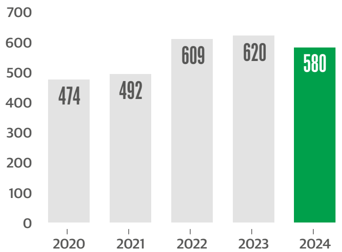


(from continuing operations)

Total equity

$M

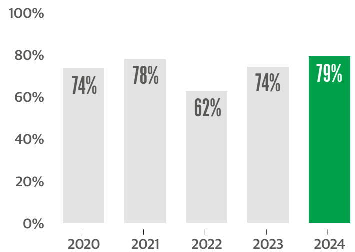
Equity reduced as a result of decreased fair values and share capital redemptions.



Equity ratio

%

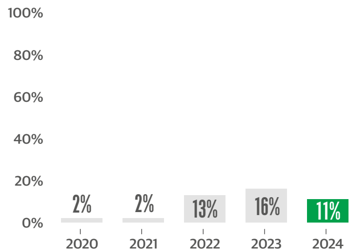
The equity ratio improved by reducing the working capital requirements funded by banks and creditors.



Debt ratio

%

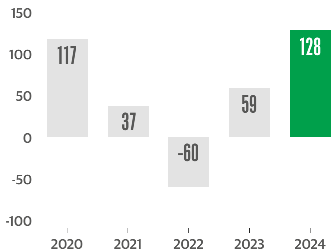
Surplus operating cash flows enabled bank debt to be repaid.



Operating cash flow

$M

Operating cash flows improved as inventory converted to cash to repay creditors and bank debt.

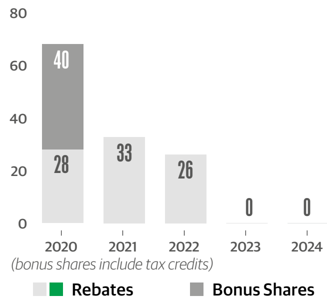


(after rebates to shareholders – 2020 restated)

Value of shareholder distributions

$M

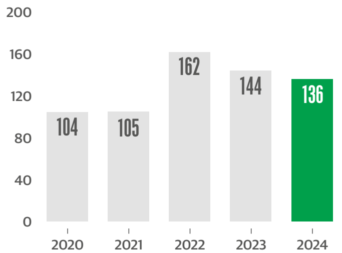
During 2024 and 2023 there were insufficient profits to declare rebates or bonus issues.



Working capital

$M

Working capital continued to reduce during 2024 as higher commodity prices of the past two years unwound.



Financial Statements /

Directors' Declaration

The Board of Directors of Ravensdown Limited is pleased to present to shareholders the financial statements for Ravensdown Limited and its subsidiaries (together Ravensdown) and Ravensdown's interest in associates and joint ventures for the year ended 31 May 2024.

In the opinion of the Directors, the financial statements and notes on pages 6 to 45:

- comply with New Zealand Generally Accepted Accounting Practice ("GAAP") and give a true and fair view of the financial position of Ravensdown as at 31 May 2024 and the results of its operations and cash flows for the year ended on that date; and
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Ravensdown and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of Ravensdown, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Board does not consider that there has been any change during the year ended 31 May 2024 in the nature of Ravensdown's business or the classes of business in which Ravensdown has an interest.

For and on behalf of the Board of Directors:

Bruce Wills
Chair

9 August 2024

Graham Stuart
Chair, Audit & Risk Committee

Contents

Consolidated Income Statement

For the year ended 31 May

In thousands of New Zealand dollars	Note	2024	2023
Continuing operations			
Revenue from contracts with customers	A1	739,136	925,271
Insurance proceeds	A1	17,622	52,211
Revenue		**756,758**	**977,482**
Cost of sales		(666,588)	(897,856)
Gross profit		**90,170**	**79,626**
Sales and marketing expenses		(31,365)	(31,258)
Administrative expenses		(43,460)	(40,721)
Other operating expenses		(3,796)	(5,420)
Operating expenses		**(78,621)**	**(77,399)**
Finance income		1,686	1,888
Finance expenses		(15,145)	(16,638)
Net finance costs	A2	**(13,459)**	**(14,750)**
Share of profit of equity accounted investees (after tax)	D2	6,708	12,952
Profit before income tax		**4,798**	**429**
Income tax (expense)/benefit	A4	(1,954)	2,428
Profit for the year from continuing operations		**2,844**	**2,857**
Discontinued operations			
Profit after tax for the year		–	762
Profit for the year attributable to equity holders		**2,844**	**3,619**

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 May

In thousands of New Zealand dollars	Note	2024	2023
Profit for the year		**2,844**	**3,619**
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment		(32,972)	15,548
Related tax	A4	8,014	(5,863)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	A4	(2,849)	136
Net change in fair value of cash flow hedges	A4	2,704	41,940
Related tax	A4	(717)	(8,400)
Other comprehensive (loss)/income for the year		**(25,820)**	**43,361**
Total comprehensive (loss)/income for the year		**(22,976)**	**46,980**
Attributable to:			
Continuing operations		(22,976)	46,295
Discontinued operations		–	685
		(22,976)	**46,980**

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 May

In thousands of New Zealand dollars	Note	2024	2023
Assets			
Cash and cash equivalents	C5	2,008	4,515
Trade and other receivables	C2	101,313	114,268
Inventories	B4	149,738	206,753
Derivative financial assets	C2	1,137	9,073
Current tax assets		1,789	1,735
Assets held for sale	B6	11,982	2,085
Total current assets		**267,967**	**338,429**
Property, plant and equipment	B1	387,508	416,377
Intangible assets	B2	18,546	21,394
Mining deposits	B3	2,765	14,511
Right of use assets	B5	12,056	15,298
Investments in equity accounted investees	D2	37,851	36,708
Other Investments	D5	2,772	-
Total non-current assets		**461,498**	**504,288**
Total assets		**729,465**	**842,717**
Liabilities			
Trade and other payables	C2	39,785	49,751
Employee entitlements	A3	11,303	11,851
Lease liabilities	C3	3,588	3,711
Loans and borrowings	C6	76,471	128,873
Derivative financial liabilities	C2	1,205	-
Total current liabilities		**132,352**	**194,186**
Deferred tax liabilities	A4	13,101	21,639
Lease liabilities	C3	4,496	6,474
Total non-current liabilities		**17,597**	**28,113**
Total liabilities		**149,949**	**222,299**
Net assets		**579,516**	**620,418**

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Financial Position continued

As at 31 May

In thousands of New Zealand dollars	Note	2024	2023
Equity			
Co-operative shares	C7	325,035	334,538
Reserves		108,528	142,771
Retained earnings		145,953	143,109
Total equity		**579,516**	**620,418**

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 May

In thousands of New Zealand dollars	Note	2024	2023
Cash flows from operating activities			
Cash receipts from customers		738,379	967,523
Insurance proceeds		31,431	15,851
Dividends received		2,033	13,722
Payments to suppliers and employees		(644,343)	(912,030)
Payment of rebates		–	(18,205)
Income tax refunded/(paid)		29	(7,689)
Net cash flows from operating activities	C5	**127,529**	**59,172**
Cash flows from investing activities			
Proceeds from sale of shares in associates		–	325
Proceeds from discontinued operations		–	3,065
Proceeds from sale of property, plant and equipment		74	5,743
Net movements in loans provided to equity accounted investees		(240)	589
Acquisition of property, plant and equipment		(45,960)	(39,460)
Acquisition of other non-current assets		(2,320)	(4,043)
Acquisition of shares in associates		–	(1,375)
Acquisition of other investments		(1,833)	-
Net cash flows (used in) investing activities		**(50,279)**	**(35,156)**
Cash flows from financing activities			
Interest received		1,686	1,898
Proceeds from issue of share capital		14	14
Interest paid		(14,622)	(16,136)
Repayment of principal and interest on lease liabilities		(4,618)	(11,419)
Repayment of share capital		(9,517)	(9,783)
Net movements in loans and borrowings		(52,700)	10,100
Net cash flows (used in) financing activities		**(79,757)**	**(25,326)**
Net (decrease) in cash and cash equivalents		(2,507)	(1,310)
Cash and cash equivalents at 1 June		4,515	5,825
Cash and cash equivalents at 31 May		**2,008**	**4,515**

The notes to the financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 May

In thousands of New Zealand dollars	Note	Co-operative shares	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total equity
Balance at 1 June 2022		**335,921**	**1,650**	**6,650**	**126,528**	**137,881**	**608,630**
Profit for the year attributable to equity holders		–	–	–	–	3,619	3,619
Foreign currency translation differences for foreign operations, net of tax		–	112	–	–	–	112
Revaluation of property, plant and equipment, net of tax		–	–	–	9,685	–	9,685
Revaluation reserve transferred to retained earnings on disposal of property, plant and equipment, net of tax		–	–	–	(1,609)	1,609	–
Net change in fair value of cash flow hedges, net of tax		–	–	33,564	–	–	33,564
Total comprehensive income for the year		**–**	**112**	**33,564**	**8,076**	**5,228**	**46,980**
Hedging (gains)/losses transferred to the cost of inventory, net of tax		–	–	(33,809)	–	–	(33,809)
Total contributions by and distributions to equity holders	C7	(1,383)	–	–	–	–	(1,383)
Balance at 31 May 2023		**334,538**	**1,762**	**6,405**	**134,604**	**143,109**	**620,418**
Balance at 1 June 2023		**334,538**	**1,762**	**6,405**	**134,604**	**143,109**	**620,418**
Profit for the year attributable to equity holders		–	–	–	–	2,844	2,844
Foreign currency translation differences for foreign operations, net of tax		–	(2,849)	–	–	–	(2,849)
Revaluation of property, plant and equipment, net of tax		–	–	–	(24,958)	–	(24,958)
Net change in fair value of cash flow hedges, net of tax		–	–	1,987	–	–	1,987
Total comprehensive income for the year		**–**	**(2,849)**	**1,987**	**(24,958)**	**2,844**	**(22,976)**
Hedging (gains)/losses transferred to the cost of inventory, net of tax		–	–	(8,423)	–	–	(8,423)
Total contributions by and distributions to equity holders	C7	(9,503)	–	–	–	–	(9,503)
Balance at 31 May 2024		**325,035**	**(1,087)**	**(31)**	**109,646**	**145,953**	**579,516**

The notes to the financial statements form an integral part of these financial statements.

Explanation of Reserves

Foreign Currency Translation Reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of Ravensdown's net investment in foreign operations.

Hedging Reserve
The hedging reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship.

Revaluation Reserve
The revaluation reserve relates to the revaluation of freehold land and buildings in accordance with accounting policies stated in note B1.

Notes to the Consolidated Financial Statements

About this report

In this section

The notes to the consolidated financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and position of Ravensdown. Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Ravensdown;
- it helps to explain changes in Ravensdown's business; or
- it relates to an aspect of Ravensdown's operations that is important to future performance.

Reporting Entity

The parent company, Ravensdown Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and the New Zealand Co-operative Companies Act 1996. The company is a FMC Reporting Entity under the Financial Markets Conduct Act 2013 and prepares its financial statements in accordance with this Act.

These consolidated financial statements are for Ravensdown Limited and its subsidiaries (together referred to as "Ravensdown") and Ravensdown's interests in associates and joint ventures as at and for the year ended 31 May 2024.

Ravensdown is primarily involved in the supply of inputs and services to the agricultural sectors in New Zealand and is a profit-oriented entity.

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP"). They comply with New Zealand International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

Certain comparatives have been re-presented to conform with the current period's presentation. There has been no impact on comprehensive income, cashflows, or equity.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis which assumes that Ravensdown will be able to discharge its liabilities as and when they fall due. Ravensdown recognised a net profit after tax of $2.8 million for the year ended 31 May 2024.

The financial statements are presented in New Zealand dollars rounded to the nearest thousand. The financial statements were authorised for issue by the directors on 9 August 2024.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the exchange rate at the date that the fair value was determined.

About this report continued

Critical Judgements and Estimates

In the process of applying Ravensdown's accounting policies and the application of accounting standards, Ravensdown has made a number of judgements and estimates. These estimates and underlying assumptions are based on historic experience and various other factors that are considered to be appropriate under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Primary Industry itself is experiencing and adapting for change including for environment, technology-use and on-farm economics reasons that have implications for the cash generated by our assets and consequently the value at which we carry them in our financial statements. Reductions in value for land and buildings, non-financial assets and assets held for sale are disclosed accordingly.

Judgements and estimates which are considered material to understanding the performance of Ravensdown are found in the following notes:

Property, Plant and Equipment	Note B1
Impairment of non-financial assets	Note B1
Inventories	Note B4

Measurement System

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- certain items of property, plant and equipment are revalued in accordance with Ravensdown's policy of revaluation
- assets held for sale are measured at the lower of fair value less costs to sell and carrying value
- investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Accounting Policies

The accounting policies set out in these financial statements have been applied consistently in all periods presented in these financial statements. Other accounting policies that are relevant to understanding the financial statements are provided within the notes to the financial statements.

Basis of Consolidation

Ravensdown's financial statements comprise the financial statements of Ravensdown Limited and its subsidiaries (being entities controlled by Ravensdown Limited), as contained in note D1 Subsidiaries.

The financial statements of members of Ravensdown are prepared for the same reporting period as Ravensdown Limited, using consistent accounting policies.

In preparing Ravensdown's financial statements, intra-group balances, 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 Ravensdown'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.

A. Financial performance

In this section

This section explains the financial performance of Ravensdown, providing additional information about individual items in the income statements, including:

a) Accounting policies, judgements and estimates that are relevant for understanding items recognised in the income statements; and

b) Analysis of Ravensdown's performance for the year by reference to key areas including: rebates, expenses and taxation.

A1. Revenue

Measurement and Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Ravensdown recognises revenue from the sale of goods at the point when it transfers control of the goods over to the customer, which is when the goods are picked up by the customer or upon shipment of the goods to the customer. Where Ravensdown delivers product directly to customers, Ravensdown is responsible for care of the product until it is delivered. This is a performance obligation of Ravensdown, and therefore revenue for delivery is recognised gross in revenue, and costs of delivery are recognised within cost of sales. For services, Ravensdown recognises revenue over time using an input method to measure progress towards completing the satisfaction of the service.

Insurance claim reimbursements from an insurer are recognised as a receivable when there is virtual certainty that income under the claim will be received. The insurer has accepted claims exist for business interruption, material damage and stock loss in relation to prior year fire and cyclone events. The income receivable is measured based on management's best estimate as at 31 May, there are a number of assumptions and judgements in estimating the amount receivable as the final amount will be determined based on factors that are still uncertain (such as determining losses incurred or costs to repair buildings). Payments made to date are on account, and the insurer retains their right to adjust the payments made to reflect the final extent and amount of the claims.

Disaggregation of Revenue

Set out below is the disaggregation of Ravensdown's revenue:

	2024	2023
Revenue from contracts with customers	739,136	925,271
Insurance proceeds	17,622	52,211
Revenue	**756,758**	**977,482**

Insurance proceeds include recoveries relating to the claim for the fire and flood damage to the Napier manufacturing site during the 2023 financial year as well as the flood damage to the Napier laboratory. Material damage and business interruption progress payments of $29.0 million for the fire and $31.5 million for the cyclone have been approved with $31.4 million cash received during the 2024 financial year and $15.7 million received during the 2023 financial year. The total amount of the proceeds outstanding at 31 May 2024 was $22.6 million (2023: $36.4 million) (note C2). There were no impairments recognised within total comprehensive income in the 2024 financial year (2023: $7.3 million).

A. Financial performance continued

A2. Finance Income and Expenses

	2024	2023
Interest income	1,686	1,898
Finance income	1,686	1,898
Interest expense on financial liabilities measured at amortised cost	(14,622)	(16,136)
Interest on lease liabilities	(523)	(527)
Finance expense	(15,145)	(16,663)
Net finance costs	**(13,459)**	**(14,765)**

Measurement and Recognition

Finance income includes interest income on funds invested and deferred payment arrangements. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and the interest component of lease payments. All borrowing costs other than those relating to hedging instruments are recognised in profit or loss using the effective interest method.

A3. Personnel Expenses

	2024	2023
Wages and salaries	68,008	72,395
Superannuation – defined contribution	3,874	4,227
Increase in liability for long-service leave	123	4
Total personnel expenses	**72,005**	**76,626**
Transactions with entities that key management personnel have an interest		
Sales of goods and services	1,255	1,834
Purchases of goods and services	(5,916)	(6,035)
Closing receivables	214	342
Key management personnel compensation comprised:		
Employee benefits	5,557	4,813
Directors' fees	895	827
Superannuation contributions	406	377

Measurement and Recognition - Employee Benefits

Provision is made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave, redundancy and short-term and long-term employee incentives for services rendered. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

There is a Defined Contribution superannuation scheme that employees are entitled to join where Ravensdown matches their contributions up to specified limits.

Key management personnel are Ravensdown's Leadership Team and the Ravensdown Limited Board of Directors. Close family members of key management personnel have also been included within the transactions with key management personnel. Close family members are defined as their spouse or domestic partner and their respective children. All transactions with key management personnel were carried out on a commercial basis.

The Board of Directors do not receive superannuation contributions as part of their remuneration package.

A. Financial performance continued

A4. Taxation

Income Tax Expense Recognised in the Income Statement	2024	2023
Current tax expense/(benefit)		
Current period tax charge	674	(13,635)
Adjustment for prior periods	1	53
	675	(13,582)
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	603	12,501
Adjustment for prior periods	676	(1,340)
	1,279	11,161
Total income tax expense/(benefit)	**1,954**	**(2,421)**
Reconciliation of tax expense		
Profit – continuing operations	2,844	2,857
Profit – discontinued operations	–	762
Total income tax expense/(benefit) – continuing operations	1,954	(2,428)
Total income tax expense – discontinued operations	–	7
Profit before tax	**4,798**	**1,198**
Income tax using the Company's domestic tax rate of 28%	1,342	379
Non deductible/ (taxable) items	406	(120)
Derecognition of previously recognised deferred tax	1,407	2,242
Tax effect of post tax equity accounted earnings	(1,878)	(3,635)
Under/(Over) provided in prior periods	677	(1,287)
Total income tax expense/(benefit)	**1,954**	**(2,421)**

Measurement and Recognition

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current Income Tax Expenses

Current tax is the expected tax payable on the taxable income 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.

Total income tax expense/(benefit) is net of the income tax benefit from the discontinued operations.

A. Financial performance continued

Income Tax Recognised Directly in Other Comprehensive Income	2024			2023		
	Before tax	Tax benefit/ (expense)	Net of tax	Before tax	Tax benefit/ (expense)	Net of tax
Foreign currency translation differences for foreign operations	(2,849)	–	(2,849)	136	(24)	112
Net change in revaluation reserve	(32,972)	8,014	(24,958)	15,548	(5,863)	9,685
Total movements attributable to revaluation reserves	**(35,821)**	**8,014**	**(27,807)**	**15,684**	**(5,887)**	**9,797**
Net change in fair value of cash flow hedges	2,704	(717)	1,987	41,940	(8,376)	33,564
Total movements attributable to derivatives	**2,704**	**(717)**	**1,987**	**41,940**	**(8,376)**	**33,564**
Total	**(33,117)**	**7,297**	**(25,820)**	**57,624**	**(14,263)**	**43,361**

Income Tax Recognised Directly in Equity	2024			2023		
	Before tax	Tax benefit/ (expense)	Net of tax	Before tax	Tax benefit/ (expense)	Net of tax
Net change in fair value of cash flow hedges transferred to inventory	(11,699)	3,276	(8,423)	(46,957)	13,148	(33,809)
Total movements attributable to derivatives	**(11,699)**	**3,276**	**(8,423)**	**(46,957)**	**13,148**	**(33,809)**
Total	**(11,699)**	**3,276**	**(8,423)**	**(46,957)**	**13,148**	**(33,809)**

A. Financial performance continued

Deferred Tax	**2024**	**2023**
Balance at beginning of year	**21,639**	**22,645**
Temporary differences in profit or loss:		
Property, plant and equipment	(6,099)	(1,309)
Payables	967	(393)
Insurance receivables	4,285	12,585
Other items	2,126	278
	1,279	11,161
Temporary differences in other comprehensive income:		
Revaluation reserve movements	(8,014)	6,092
Derivatives	717	10,641
	(7,297)	16,733
Temporary differences in equity:		
Derivatives	(3,276)	(13,148)
Tax losses recognised for deferred tax	756	(15,752)
Balance at end of year	**13,101**	**21,639**
Consisting of:		
Property, plant and equipment	11,945	26,058
Derivatives	–	2,540
Other items	19,775	14,617
Deferred tax liability	**31,720**	**43,215**
Trade and other payables	(3,315)	(4,280)
Derivatives	(19)	–
Tax losses	(14,650)	(15,752)
Other items	(635)	(1,544)
Deferred tax asset	**(18,619)**	**(21,576)**
Net deferred tax liability	**13,101**	**21,639**

Deferred Tax

Deferred tax is income tax which is expected to be payable or recoverable in the future as a result of the unwinding 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:

- *from the initial recognition of goodwill;*
- *from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss; and*
- *differences relating to investments in subsidiaries and equity accounted investees to the extent that they probably will not reverse in the foreseeable future.*

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 are recognised to the extent it is probable that future taxable profit will be available to use the asset. This is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in the future to utilise the deferred tax asset.

Imputation credits

As at balance date imputation credits available for use in subsequent periods totalled $68.2 million (2023: $68.2 million).

B. Key operating assets

In this section

This section shows the assets Ravensdown uses to generate operating revenues, including:

a) Property, plant and equipment;
b) Intangible assets;
c) Mining deposits;
d) Inventories;
e) Right of use assets; and
f) Assets held for sale.

B1. Property, Plant and Equipment

	Land and improvements	Buildings and improvements	Plant, machinery and vehicles	Capital works in progress	Total
Cost or valuation					
Balance at 1 June 2022	99,924	147,286	345,642	20,570	613,422
Additions	1,194	317	9,505	27,819	38,835
Transfer from capital works in progress	447	439	7,115	(8,001)	–
Revaluations	(6,096)	19,973	–	–	13,877
Impairment[1]	–	(2,160)	(2,854)	(1,255)	(6,269)
Disposals	(1,584)	(635)	(5,110)	–	(7,329)
Reclassification to assets held for sale	(2,148)	–	–	–	(2,148)
Balance at 31 May 2023	**91,737**	**165,220**	**354,298**	**39,133**	**650,388**
Balance at 1 June 2023	91,737	165,220	354,298	39,133	650,388
Additions	3,588	3,467	9,017	31,265	47,337
Transfer from capital works in progress	398	7,973	11,037	(19,408)	–
Revaluations	(7,515)	(30,213)	–	–	(37,728)
Disposals	–	(5)	(2,089)	(478)	(2,572)
Reclassification to assets held for sale[2]	(1,436)	(1,071)	(2,144)	–	(4,651)
Balance at 31 May 2024	**86,772**	**145,371**	**370,119**	**50,512**	**652,774**

1 The impairment in 2023 is related to damaged Napier buildings and plant following a fire in September 2022 and flooding in February 2023. An impairment loss of $5.5 million was recognised in Cost of sales.

2 The reclassification to assets held for sale is related to the reclassification of lime quarries assets (refer to note B6 for further details).

B. Key operating assets continued

	Land and improvements	Buildings and improvements	Plant, machinery and vehicles	Capital works in progress	Total
Depreciation and impairment losses					
Balance at 1 June 2022	–	1,499	219,304	–	220,803
Depreciation for the year	74	4,377	17,015	–	21,466
Revaluations	(74)	(4,079)	–	–	(4,153)
Impairment[1]	–	–	(222)	–	(222)
Disposals	–	(3)	(3,880)	–	(3,883)
Balance at 31 May 2023	**–**	**1,794**	**232,217**	**–**	**234,011**
Balance at 1 June 2023	–	1,794	232,217	–	234,011
Depreciation for the year	73	5,222	16,671	–	21,966
Revaluations	(73)	(4,881)	–	–	(4,954)
Impairment[2]	642	1,244	8,921	5,089	15,896
Disposals	–	–	(1,653)	–	(1,653)
Balance at 31 May 2024	**642**	**3,379**	**256,156**	**5,089**	**265,266**
Carrying amounts					
At 1 June 2022	99,924	145,787	126,338	20,570	392,619
At 31 May 2023	**91,737**	**163,426**	**122,081**	**39,133**	**416,377**
At 31 May 2024	**86,130**	**141,992**	**113,963**	**45,423**	**387,508**

1 The impairment in 2023 is related to damaged Napier buildings and plant following a fire in September 2022 and flooding in February 2023. An impairment loss of $5.5 million was recognised in Cost of sales.

2 The impairment in 2024 is related to the reclassification of lime quarries assets as held for sale (refer to note B6 for further details) and impairment losses recognised as part of impairment testing performed on fertiliser manufacturing assets (refer to Key Judgements and estimates impairment of non-financial assets). An impairment loss of $15.0 million was recognised in Cost of sales and $0.9 million was recognised in Other Comprehensive Income.

Measurement and Recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are revalued with changes in fair value recognised directly in equity.

Cost includes expenditures that are 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. 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.

Depreciation

Depreciation is recognised in profit or loss to allocate the cost or revalued amount of an asset, less any residual value, over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

B. Key operating assets continued

Impairment

The carrying amounts of Ravensdown'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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Cash-generating units are the lowest levels for which there are separately identifiable cash flows. Impairment losses are recognised in the income statement, unless the assets are carried at a revalued amount, in which case the impairment is treated as a revaluation decrease in equity. The recoverable amount is the higher of an asset or cash-generating unit's fair value less costs to sell and present value of future cash flows expected to be generated by the assets (value in use).

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 would have been determined had no impairment loss been recognised.

Key judgements and estimates useful lives

Ravensdown makes estimates of the remaining useful lives of assets, which are as follows:

Land	Indefinite		Fixed plant and equipment	3-40 years	Straight line
Land Improvements	25 years	Diminishing value	Mobile plant and motor vehicles	5 years	Diminishing value
Buildings and fitout	3-50 years	Straight line	Fixed-wing aircraft	4-32 years	Straight line

Aircraft are subject to ongoing maintenance programmes which include the use of rotable assets held as spare parts.

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

Valuation Basis of Land and Buildings

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates.

The fair value of property 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, prudently and without compulsion. Given the judgments involved and the adjustments to inputs in valuing the land and buildings, the fair value of the land and buildings are not determined based on observable market data and is classified as Level 3 in the fair value hierarchy of NZ IFRS 13 Fair Value Measurement.

New Zealand land and buildings were independently valued as at 31 May 2024 and 31 May 2023 by Nigel Fenwick (Registered Valuer, BBS(VPM), NZIV, MPINZ, MRICS) and Graeme McDonald (Registered Valuer, VP Urb, FPINZ, FNZIV, MRICS) of Jones Lang Lasalle.

B. Key operating assets continued

Key judgments, estimates and assumptions applied during the 2024 financial year:

The fair value of the land and buildings have been determined by the independent valuers, with reference to the following industry accepted methods of fair value measurement:

Depreciated replacement cost ("DRC") or cost approach:

A valuation technique that reflects the amount that would be required currently to replace the depreciated property. This approach considers the current replacement cost ("CRC") of assets and depreciates them based on a diminishing value ("DV") method across their estimated useful lives. This approach is generally used in the valuation industry for highly specialised assets where other market data is limited or unavailable, and therefore more highly informs the determination of fair value for Ravensdown's manufacturing sites, quarries and newer, more specialised stores.

The residual value in the DV rate applied by the independent valuer is 5% (2023: 10%), while CRC depends on the individual assets and their current condition. The residual value was decreased in 2024 to better reflect the corrosive nature of fertiliser and the impact on the buildings. The relationship between DV/CRC and the fair value of land and buildings is summarised below:

	DV		CRC	
	Increase in DV	**Decrease in DV**	**Increase in CRC**	**Decrease in CRC**
Impact to fair value of land and buildings	Decrease	Increase	Increase	Decrease

Income approach:

The income approach uses rental rates generated by market transactions involving comparable properties and converts to a current (i.e. discounted) value based on an appropriate market derived rate of return (or capitalisation rate).This approach is generally used in the valuation industry when there are comparable properties, and therefore more highly informs the determination of fair value for Ravensdown's older, less specialised stores.

The capitalisation rates applied by the independent valuer ranges from 6.8% to 13.5% (2023: 5.5% to 12.75%). The relationship between capitalisation/rental rates and the fair value of land and buildings is summarised below:

	Capitalisation rate		Rental rate	
	Increase in rate	**Decrease in rate**	**Increase in rate**	**Decrease in rate**
Impact to fair value of land and buildings	Decrease	Increase	Increase	Decrease

Judgment is required in respect of which methodology, or the weighting of each methodology, is applied. Assumptions are also required in respect of judgments such as land use and relevant market values, in addition to key valuation inputs for each approach as discussed above.

The independent valuers also considered comparable sales transactions and the discounted cashflow approach in combination with the above approaches, in determining the adopted fair value for land and buildings, based on their judgment and expertise. For this reason it is not possible to present specific sensitivity analysis. However, based on the DRC method only, and for the Ravensdown's key three manufacturing sites (which comprise $110.4 million (2023: $128.4 million) of the total fair value of land and buildings) only:

- An increase of one percentage point in the DV rate would decrease Ravensdown's property by $3.7 million (2023: $2.4 million). A decrease of one percentage point would increase Ravensdown's property by the same amount.
- An increase to the current replacement cost of assets by one percentage point would increase Ravensdown's property by $0.6 million (2023: $0.7 million). A decrease by one percentage point would decrease Ravensdown's property by the same amount.

B. Key operating assets continued

The valuation approach primarily referenced to measure fair value by the independent valuer is summarised by site type below:

Site Type	2024 Valuation Approach	2023 Valuation Approach
Manufacturing sites	Replacement cost approach	Replacement cost approach
Quarries	Replacement cost approach	Replacement cost approach
Store sites (with ground lease)	Replacement cost approach	Replacement cost approach
Store sites (owned freehold)	Market based approach	Market based approach
Vacant land	Market based approach	Market based approach
Sites identified for potential sale	Market based approach	Market based approach
Labs, head office, other sites	Market based approach	Market based approach

Had Ravensdown's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2024	2023
Land and improvements	28,719	29,878
Buildings	81,686	71,871

Key judgements and estimates impairment of non-financial assets

Ravensdown makes judgements and estimates when assessing non-financial assets for indications of impairment. Ravensdown has identified three cash-generating units (CGUs) in relation to bulk fertiliser, each being the assessed lowest groupings of assets within the business capable of generating separately identifiable cash in-flows independently of other assets, and has allocated its non-financial assets to each CGU necessary to support its respective activity. These include core assets that contribute directly to the CGU activity and shared or corporate assets that contribute indirectly to the CGU's activity.

The three CGUs identified are 1) the manufacture of fertiliser products, 2) the procurement and handling of imported products, and 3) the network of silos situated throughout the country.

The recoverable amount for each CGU has been estimated based on the value in use (VIU) method, by using discounted cashflows (DCF) over a 5-year time horizon and a terminal value (TV). TV is the value of a CGU's year-5 discounted free cash flow projected into perpetuity using the Gordon Growth Model assuming 2% (2023: 2%) for the growth factor. Cashflows are based on a number of assumptions regarding volume, price and cost movements, with reference to the 2025 forecasts. Volume increases are forecast over the 5-year time horizon.

B. Key operating assets continued

Key assumptions used for the VIU DCF method are: growth rate, weighted average cost of capital (WACC), and terminal value growth rate (TV). The growth rate is management's assessment of product volume growth only over the assessed period and in part reflects recovery from the recent cyclical low. WACC is the cost of funding the assets and operations of the CGUs, adjusted for risk. Separate WACCs have been used for the different CGUs reflecting their respective risk profiles and asset bases. The TV growth rate is the rate that assumes steady-state operations for the period beyond the 5-year horizon. Values assigned to these assumptions reflects Management's assessment of future industry and market trends based on current and historical data and are set out below.

Driver	Assumption Fertiliser manufacture CGU	Assumption Finished products CGU	Assumption Silo CGU
Volume growth rate (2026, 2027, 2028, 2029)	8%, 4%, 2.5%, 2%	0.5%	2.5%
WACC (Post-tax)	8.4%	9.3%	9.3%
Terminal value growth rate	2.0%	2.0%	2.0%

The relationship between the WACC, growth rates and recoverable amount of the identified assets is summarised below:

	WACC rate		Growth rate	
	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Impact to estimated recoverable amount	Decrease	Increase	Increase	Decrease

Estimated recoverable amount and sensitivity

The estimated recoverable amount for the group of assets associated with the manufacture of fertiliser CGU is particularly sensitive given the relatively higher level of assets for its manufacturing activity. The carrying amount of fertiliser manufacture CGU ($307.3 million) was determined to be higher than its recoverable amount and an impairment loss of $12.7 million was recognised. The impairment loss was allocated to the Plant, machinery and vehicles, Capital works in progress and Right of use assets. The impairment loss is also included in Cost of sales.

The conclusion of an impairment to the fertiliser manufacture CGU is sensitive to changes in the key assumptions as follows:

- An increase of 10 basis points in the WACC rate to 8.5% would decrease Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU on a VIU method by $4.4 million and would result in an impairment of $17.1 million. A decrease of 10 basis points to 8.3% would increase Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU by $4.5 million and result in an impairment of $8.2 million.
- An increase of 100 basis points in the volume growth rate (e.g. for 2026 to 9%) would increase Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU on a VIU method by $7.2 million and result in an impairment of $5.5 million. A decrease of 100 basis points (eg for 2026 to 7%) would decrease Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU by $7.2 million and would result in an impairment of $19.9m.
- An increase of 25 basis points in the terminal growth rate to 2.25% would increase Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU on a VIU method by $9.3 million and result in an impairment of $3.4 million. A decrease of 25 basis points in the terminal growth rate to 1.75% would decrease Ravensdown's estimated recoverable amount of the fertiliser manufacturing CGU on a VIU method by $8.6 million and would result in an impairment of $21.3 million.

B. Key operating assets continued

B2. Intangible Assets

	Patents and Registrations	Resource Consents	Goodwill	Software	Total
Balance at 1 June 2022	1,089	4,192	722	18,024	24,027
Additions	22	528	–	2,967	3,517
Disposals	–	–	–	(73)	(73)
Amortisation for the year	(70)	(283)	–	(5,724)	(6,077)
Net book value at 31 May 2023	**1,041**	**4,437**	**722**	**15,194**	**21,394**
Additions	136	751	–	1,605	2,492
Disposals	(3)	–	–	(329)	(332)
Amortisation for the year	(71)	(317)	–	(3,898)	(4,286)
Impairment[1]	–	–	(722)	–	(722)
Net book value at 31 May 2024	**1,103**	**4,871**	**–**	**12,572**	**18,546**
Cost	4,105	9,815	775	52,741	67,436
Less accumulated amortisation and impairment	(3,002)	(4,944)	(775)	(40,169)	(48,890)
Net book value at 31 May 2024	**1,103**	**4,871**	**–**	**12,572**	**18,546**

1 The impairment in 2024 is related to the reclassification of the Supreme lime quarry as held for sale. The impairment loss was recognised in Cost of sales. Refer to note B6.

Measurement and Recognition

Patents and registrations

Costs associated with acquiring patents and registrations are capitalised and amortised over the life of the assets. The assets primarily comprise patents and registrations that enable Ravensdown to distribute animal health and agrochemical products throughout New Zealand.

Resource consents

Costs incurred in obtaining resource consents for Ravensdown's three manufacturing sites are capitalised and amortised from the granting of the consent on a straight line basis for the period of the consent. The remaining life of the resource consents range between 1 and 35 years.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

B. Key operating assets continued

Software

Costs associated with acquiring software are capitalised at cost and amortised over the life of the assets. The costs of internally generated software comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Configuration and customisation costs are capitalised as software if they create an identifiable intangible asset controlled by Ravensdown where future economic benefits are expected to flow from the asset.

The assets primarily comprise software costs for Ravensdown's operating and information technology systems, aviation systems and customer centred applications based around farm management systems.

Amortisation and estimated useful lives

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Ravensdown uses its judgement in determining the remaining useful lives and residual value of intangible assets. These are reviewed and, if appropriate, adjusted at each balance date. Amortisation rates selected are as follows:

Patents and registrations	4-20 years
Resource consents	14-35 years
Software	3-10 years

Intangible assets with an indefinite useful life are not amortised. Instead, they are assessed annually for any indication of impairment.

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 costs are capitalised if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Ravensdown intends to and has sufficient resources to complete development and to use or sell the asset.

Ravensdown's primary focus of its research and development activities is the improvement of the science of cycling nutrients through pastoral and arable farming systems.

Total research and development expense recognised in the Consolidated Income Statement is $3.8 million (2023: $5.5 million).

B. Key operating assets continued

B3. Mining Deposits

	2024	2023
Balance at 1 June	14,511	14,155
Other additions and restatements	156	462
Impairment recognised in the income statement[1]	(6,671)	(12)
Amortisation for the year (cost of sales)	(267)	(417)
Reclassification to assets held for sale[2]	(4,964)	-
Balance at 31 May	**2,765**	**14,511**

Mining deposits represent Ravensdown's ownership in limestone quarries throughout New Zealand, utilised for the production of lime fertiliser products.

1 *At 31 May 2024, an impairment was recognised in the Consolidated Income Statement on the lime resources at Greenleaf and Supreme totalling $6.7 million (2023: $Nil).*

2 *At 31 May 2024, lime resources at the Ngarua and Supreme quarries were reclassified as held for sale. Refer to note B6.*

Measurement and Recognition

Ravensdown operates a mixed model; in some instances the resource is owned by Ravensdown, in others the resource is acquired on a royalty basis. The quarries are measured at either fair value on acquisition or the costs associated with developing existing quarries to extend their economic life. Available resource is considered on a tonnage basis. The resources are amortised on a per tonne of extraction basis.

Rehabilitation of lime quarry sites is provided for on the estimated life of the quarry and the potential rehabilitation cost, discounted to the present value of the future cost. At 31 May 2024, a $0.4 million provision for lime rehabilitation costs was included within the Statement of Consolidated Financial Position (2023: $0.6 million).

B4. Inventories

	2024	2023
Finished goods	118,450	136,303
Raw materials	31,288	70,450
Total inventories	**149,738**	**206,753**

Inventories are reported as either finished goods or raw materials. All inventories are considered a finished good unless they are to be utilised in the production of superphosphate or its related products.

At 31 May 2024, a $1.5 million impairment to finished goods was recognised in the Consolidated Income Statement (2023: $4.2 million).

Measurement and Recognition

Inventories are measured at the lower of cost and net realisable value. Ravensdown uses both the first-in first-out principle and the weighted average cost formula to assign costs to inventories. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

B. Key operating assets continued

Key judgements and estimates

Ravensdown uses judgement in measuring the quantity of inventory on hand due to the nature of bulk fertiliser products and density factors. Bulk fertiliser totals $138.2 million (2023: $190.9 million) of total inventories.

Quantity of fertiliser on hand:

The measurement of bulk fertiliser products at year-end is a function of each product's quantity on hand, unit cost, and relevant density factor. As bulk fertiliser is placed and drawn from storage, it settles in irregular shapes, and as a result Ravensdown's calculation of the quantity of fertiliser on hand requires estimation of the relevant shape and measurements for each storage pile.

Density factor:

The measurement of bulk fertiliser also requires the application of a density factor. The density factor represents the mass (weight) to volume ratio and this ratio changes with compaction and atmospheric conditions. Ravensdown determines the density factor to apply to its year end holdings of bulk fertiliser by reviewing and assessing historical density factor readings, as measured by the Ravendown's analytical laboratory. As the determination of the density factor requires judgment, with different shipments having different density factors, there is estimation uncertainty because actual density factors may vary from the Ravensdown's assessment.

The impact of changes in these assumptions on year end inventory value is as follows:

	Volume of fertiliser		Density factor	
	Increase in volume of fertiliser	**Decrease in volume of fertiliser**	**Increase in density factor**	**Decrease in density factor**
Impact to inventory value	Increase	Decrease	Increase	Decrease
Impact to cost of goods sold	Decrease	Increase	Decrease	Increase
Impact to profit and loss	Increase	Decrease	Increase	Decrease

Both of these factors require judgement and contribute to estimation uncertainty of the value of inventory reported in the financial statements.

Bulk density sensitivity

At 31 May 2024, it is estimated that a general increase of one percentage point in bulk density would increase Ravensdown's inventories by approximately $1.0 million (2023: $1.7 million). A decrease of one percentage point would decrease Ravensdown's inventories by the same amount.

B. Key operating assets continued

B5. Right of Use Assets

	2024			2023		
	Right of use land and buildings	**Right of use plant, machinery and vehicles**	**Total**	**Right of use land and buildings**	**Right of use plant, machinery and vehicles**	**Total**
Balance at 1 June	11,095	4,203	15,298	7,773	3,957	11,730
Additions	749	1,344	2,093	8,010	2,718	10,728
Disposals	(17)	(80)	(97)	(2,484)	(265)	(2,749)
Depreciation for the year	(2,417)	(2,235)	(4,652)	(2,204)	(2,207)	(4,411)
Impairment[1]	(586)	–	(586)	–	–	–
Net book value at 31 May	**8,824**	**3,232**	**12,056**	**11,095**	**4,203**	**15,298**

1 The impairment in 2024 relates to impairment losses recognised as part impairment testing performed on fertiliser manufacturing assets. Refer to Note B1 for details.

Measurement and Recognition

Right of use assets are initially measured at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore properties to their original condition, less any lease incentives received. The right of use asset, excluding restorations costs, is depreciated on a straight-line basis over the lease term. The amount included within right of use assets relating to restoration costs is $Nil (2023:$Nil). Right of use assets are considered for impairment. Refer to note B1 for the impairment basis.

B6. Assets Held for Sale

	2024	2023
Continuing operations	11,982	2,085
Balance at 31 May	**11,982**	**2,085**

In 2024, Ravensdown committed to a plan to sell part of the Lime business. This included the Greenleaf, Ngarua, Supreme, Te Pahu and Waikaretu quarries. Accordingly, the assets at these quarries have been recognised as held for sale. Efforts to sell these quarries have yielded competitive offers and the sale of these quarries and assets are expected to be completed in the next 12 months.

Impairment losses relating to lime quarry assets

Impairment losses of $10.4 million for write-downs of assets to the lower of its carrying amount and fair value less costs to sell have been included in Cost of Sales and a further $0.9 million has been included in Other Comprehensive Income.

Lime quarry assets held for sale

At 31 May 2024, the following lime quarry assets were classified as held for sale:

	2024	2023
Property, plant and equipment	4,691	–
Mining deposits	4,964	–
Inventory	199	–
Lime quarry assets held for sale	**9,854**	**–**

Measurement and Recognition

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

C. Risk management and funding

In this section

This section explains the financial risks Ravensdown faces, how these risks affect Ravensdown's financial position and performance, and how Ravensdown manages these risks. In addition, this section explains how Ravensdown manages its capital structure, working capital and the various funding sources. In this section of the notes there is information about:

a) Ravensdown's approach to capital and financial risk management;

b) Net debt;

c) Cash and receivables; and

d) Equity and rebates.

C1. Rebates

Ravensdown exercises judgement in determining the level of rebates provided each year. Total rebates are determined with reference to the overall profitability of Ravensdown for the year and the need to ensure sufficient reserves, as considered necessary by the directors, are retained. No rebates have been declared for the year ended 31 May 2024 (2023: $Nil).

Measurement and Recognition

Rebates are provided for based on the qualifying tonnage sold for the year at a rate determined by the Board. Shareholders who hold less than the quota shareholding as determined by the Board may have a portion of their rebate paid in shares. For financial reporting purposes, rebates are treated as discounts to shareholders and offset against revenue in the Consolidated Income Statement.

Capital Management

Ravensdown's capital includes share capital, reserves and retained earnings. Ravensdown's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. This target is achieved through balancing retention of certain reserves with Ravensdown's share rebate process.

Ravensdown's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in Ravensdown's management of capital during the period.

C. Risk management and funding continued

C2. Financial Risk Management

Ravensdown's activities expose it to a variety of financial risks through the normal course of its business. The Board approves policies (including Ravensdown Treasury and Credit policies) which set appropriate principles and risk tolerance levels to guide management in carrying out financial risk management activities to minimise potential adverse effects on the financial performance and economic value of Ravensdown. In order to manage foreign exchange and interest rate risks arising from operational and financing activities, Ravensdown enters into derivative arrangements to hedge its exposure. A financial risk management committee comprised of management provides oversight for risk management and derivative activities. The Board re-evaluates risk policies on a regular basis. Ravensdown does not hold or issue derivative financial instruments for trading purposes.

Ravensdown is exposed to commodity price risk. This is partially mitigated through negotiated long-term supply contracts with a geographically diverse range of suppliers and the use of commodity swaps to hedge commodity price risk.

Interest Rate Risk

Ravensdown is exposed to interest rate risk on the cash flows arising from borrowings held at floating rates. Ravensdown uses interest rate swaps to achieve an appropriate mix of fixed and floating rate exposure as set out in policy guidelines established by the Board. At 31 May 2024 there were no interest rate derivatives held (2023: $Nil).

Cash flow sensitivity

At 31 May 2024 it is estimated that a general increase of one percentage point in interest rates would decrease Ravensdown's profit before income tax by approximately $1.6 million (2023: $2.0 million). A decrease of one percentage point would increase Ravensdown's profit before income tax by the same amount.

Foreign Currency Risk

Ravensdown is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency. The currencies in which transactions are usually denominated is U.S. dollars (USD). Ravensdown uses forward exchange contracts and options to hedge its foreign currency risk.

In managing foreign currency risk, Ravensdown hedges up to 100% of all trade payables denominated in a foreign currency. Ravensdown also hedges up to 100% of its estimated foreign currency exposure in respect of forecasted purchases over a period that is approved by the Board.

Measurement and Recognition - Derivative Financial Instruments

Derivative financial instruments comprise of forward exchange contracts, options, commodity cash settled swaps and interest rate swaps. Derivatives are initially recognised at fair value and are subsequently remeasured to their credit adjusted fair value using observable market prices as at reporting date, discounted cash flow models or option pricing models as appropriate. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the timing of recognition or loss depends on the nature of the hedge relationship. Derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments.

C. Risk management and funding continued

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial assets, such as inventory, the amount recognised in equity is transferred to the cost of inventory when the inventory recognised ('basis adjustment'), this transfer out of cash flow hedging reserve is not recognised in other comprehensive income. In other cases the amount is recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss. In the event that a hedging instrument is sold, terminated or exercised prior to maturity and the original forecast transaction is no longer forecast to occur, the resultant gain/loss is recognised immediately in the profit or loss.

Sensitivity to movements in foreign currency

A strengthening of the New Zealand dollar, as indicated below, against the USD would have decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that Ravensdown considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

The following disclosures relate to the valuation of foreign exchange exposures as at 31 May. Ravensdown has foreign exposures throughout the financial year which fluctuate both in terms of the amount of the exposures at any one time and the effect of movements in the exchange rate. As at 31 May 2024, the notional amount of USD foreign exchange contracts held were $109.8 million (2023: $103.2 million).

	2024			2023		
	USD	EURO	AUD	USD	EURO	AUD
Trade payables	(949)	(98)	(3)	(2,554)	(167)	(208)
Other balance sheet items	512	–	472	1,095	–	1,887
Net balance sheet exposure before hedging activity	(437)	(98)	469	(1,459)	(167)	1,679
Forward exchange contracts relating to exposures	437	–	–	1,459	–	–
Net unhedged exposure	–	(98)	469	–	(167)	1,679
NZD equivalent	–	(173)	507	–	(297)	1,811
Sensitivity to 10% strengthening of NZD (pre tax):						
Increase/(decrease) on equity	(13,326)	–	–	(14,578)	–	–
Increase/(decrease) on profit	65	16	(46)	221	27	(165)
Sensitivity to 10% weakening of NZD (pre tax):						
Increase/(decrease) on equity	16,288	–	–	17,818	–	–
Increase/(decrease) on profit	(79)	(19)	56	(270)	(33)	201

C. Risk management and funding continued

Credit risk

Ravensdown is exposed to credit risk from the possibility that a customer contract will result in a financial loss to Ravensdown or that a counter party will fail to perform their obligations. Ravensdown's exposure to credit risk is mainly influenced by its customer base and banking counterparties.

Ravensdown has a credit policy in place under which each new customer is analysed for credit worthiness. Credit risk is mitigated through most customers also being shareholders of Ravensdown Limited as their share capital may be utilised in cases of default. Ravensdown's customer base is primarily concentrated in the agriculture sector. Investments and derivatives are only made with reputable financial institutions or banks with a minimum Standard and Poor's credit rating of A or Moody's A2.

The carrying amount of financial assets represents Ravensdown's maximum credit exposure. Ravensdown does not have any material credit risk concentrations. Ravensdown has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

Trade and Other Receivables

	2024	2023
Not past due	75,807	74,232
Past due 1 - 30 days	1,348	1,225
Past due more than 30 days	948	1,889
Less: Provision for impairment in receivables	(1,307)	(1,223)
Total trade receivables	**76,796**	**76,123**
Insurance receivable*	22,551	36,360
Prepayments	1,966	1,785
Total trade and other receivables	**101,313**	**114,268**

**See note A1*

Measurement and Recognition

Trade receivables are measured on initial recognition at transaction price, and are subsequently carried at amortised cost. Transaction price is estimated as the present value of expected future cash flows.

Impairment of Trade Receivables

A provision for the impairment of receivables is established using the expected credit losses model, which is based on forward-looking analysis taking into account historical provision rates and relevant macroeconomic factors. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Liquidity risk

Liquidity risk represents Ravensdown's ability to meet its contractual obligations. Ravensdown evaluates its liquidity requirements on an ongoing basis. In general, Ravensdown generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

C. Risk management and funding continued

The following tables analyse Ravensdown's financial liabilities, including net and gross settled financial instruments, into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the Statement of Financial Position.

2024	Carrying value	Contractual cash flows	0-12 months	1-3 years
Non-derivative financial liabilities [1]				
Trade and other payables	39,785	39,785	39,785	–
Loans and borrowings	76,471	76,750	76,750	–
	116,256	**116,535**	**116,535**	**–**
Cash flow hedge derivatives				
Net foreign exchange contracts	(679)	(305)	(305)	–
Commodity swaps	611	611	611	–
Total net derivative assets/(liabilities)	**(68)**	**306**	**306**	**–**
Periods in which the cash flows associated with cash flow hedges expected to impact profit or loss	**(68)**	**306**	**639**	**(333)**

2023	Carrying value	Contractual cash flows	0-12 months	1-3 years
Non-derivative financial liabilities [1]				
Trade and other payables	49,751	49,751	49,751	–
Loans and borrowings	128,873	129,331	129,331	–
	178,624	**179,082**	**179,082**	**–**
Cash flow hedge derivatives				
Net foreign exchange contracts	8,823	9,569	9,569	–
Commodity swaps	250	250	250	–
Total net derivative assets/(liabilities)	**9,073**	**9,819**	**9,819**	**–**
Periods in which the cash flows associated with cash flow hedges expected to impact profit or loss	**9,073**	**9,819**	**8,632**	**1,187**

1 All contractual cash flows arising from non-derivative financial liabilities are expected to be settled within twelve months of balance date, unless classified as non-current liabilities.

C. Risk management and funding continued

C3. Lease Liabilities

	2024	2023
Opening balance	10,185	13,118
Additions	2,093	10,728
Disposals[1]	(141)	(3,307)
Interest on lease liabilities	523	527
Repayments	(4,576)	(10,881)
Closing balance	**8,084**	**10,185**
Current	3,588	3,711
Non-current[2]	4,496	6,474

1 Termination of leases in continuing operations $0.1 million (2023: $0.6 million) and discontinued operations $Nil (2023: $2.7 million).

2 Non-current leases' terms range from 2-40 years, with maturities between 2-15 years.

Measurement and Recognition

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Ravensdown's incremental borrowing rate taking into account the duration of the lease. The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments, or if Ravensdown changes its assessment of whether it will exercise an extension or termination option.

Lease Expenses

The Consolidated Income Statement includes expenses relating to short term leases of $0.8 million (2023: $1.1 million). Depreciation of right of use assets are reported in note B5. Interest on lease liabilities are reported as financial expenses (see note A2).

Extension & Termination Options

Some leases contain extension and termination options exercisable by Ravensdown before the end of the non-cancellable contract period. The period covered by the options are only included in the lease term if Ravensdown is reasonably certain to exercise the option.

C. Risk management and funding continued

C4. Fair Value of Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities approximate their fair value and are categorised below:

	2024	2023
Assets		
Loans and receivables	101,355	116,998
Derivatives designated at fair value	1,137	9,073
Other investments at fair value through OCI	2,772	-
Total assets	**105,264**	**126,071**
Liabilities		
Derivatives designated at fair value	1,205	-
Other liabilities at amortised cost	127,559	190,475
Total liabilities	**128,764**	**190,475**

Loans and receivables consist of: cash and cash equivalents, and trade and other receivables. Other liabilities at amortised cost consist of: loans and borrowings, trade and other payables, employee entitlements, rebates payable and other non-current liabilities.

Measurement and Recognition – Trade Payables

Trade payables are recognised initially at fair value on the trade date at which Ravensdown becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Fair value is calculated based on the expected future cash outflows required to settle the contractual obligations at the reporting date.

Fair value hierarchy

Ravensdown has financial instruments carried at fair value. The following hierarchy defines the valuation method used to value these instruments.

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

Ravensdown financial instruments carried at fair value are defined as level 2 for valuation purposes for 2024 and 2023. At 31 May 2024, the fair value of Ravensdown's derivative financial instruments was a $68,000 net liability (2023: $9.1 million net asset).

C. Risk management and funding continued

C5. 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 Ravensdown's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Advances and repayments in the banking facilities are reported in the statement of cash flows on a net basis because the turnover is quick, the amounts are large and the maturities are short.

Reconciliation of Operating Cash Flows

	2024	2023
Profit for the year	2,844	3,619
Adjustments for:		
Items classified as investing or financing activities		
Interest income	(1,686)	(1,898)
Interest expense	14,622	16,136
Repayment of interest on lease liabilities	523	527
Items not involving cash flows		
Depreciation, amortisation and loss on disposals	31,468	31,310
Impairment of goodwill	722	-
Decrease/(increase) in deferred tax	2,036	(2,122)
Impairment of non current assets	21,846	5,515
Financial instruments	101	154
(Increase)/decrease in equity accounted investees	(4,676)	769
Income tax expense/(benefit)	(53)	(7,989)
Changes in working capital		
Decrease in inventories	57,059	143,810
Decrease in trade and other receivables	13,254	5,819
(Decrease) in trade and other payables	(10,531)	(136,478)
Net cash from operating activities	**127,529**	**59,172**

C. Risk management and funding continued

C6. Loans and Borrowings

	2024	2023
Current liabilities		
Loans and borrowings	76,471	128,873

Measurement and Recognition

Borrowings are recognised initially at fair value on the drawn facility amount, net of transaction costs paid. Subsequent to this, borrowings are stated at amortised cost using the effective interest method.

The loans are drawings on Ravensdown's revolving credit facility. At 31 May 2024, the facility available was $245 million (2023: $375 million). The excess headroom in the facility is available to ensure sufficient cash flow during peak periods arising due to seasonality of operations. The facility is made up of four tranches with expiration dates of May 2025, August 2025, May 2026 and August 2027. The interest rate is currently 6.82% (2023: 7.03%).

The revolving credit facility agreement is subject to a General Security Agreement over all of the present and future assets of the Ravensdown Group and a Negative Pledge agreement.

Various covenants apply to the facility. There have not been any breaches of Ravensdown's banking covenants during the year. Whilst covenants are compliant at reporting date, ongoing challenges for the Primary Industry mean possible forecasting risk in achieving the financial performance required for future covenant compliance, but the group has strong support and open dialogue with its banks around maintaining or where necessary, adjusting covenant requirements.

C. Risk management and funding continued

C7. Co-operative Shares

The movement in co-operative shares for Ravensdown is as follows:

In thousands of shares	2024	2023
On issue at 1 June	335,038	336,423
Shares allotted during the year	14	8,400
Less: co-operative shares surrendered	(9,517)	(9,785)
On issue at 31 May	**325,535**	**335,038**

Partly paid ordinary co-operative shares

Partly paid up	11	11
Unpaid	500	500
Total partly paid and unpaid	**511**	**511**

Value of ordinary co-operative share capital

In thousands of New Zealand dollars	2024	2023
Balance at 1 June	334,538	335,921
Co-operative shares issued	14	8,400
Less: co-operative shares surrendered	(9,517)	(9,783)
Balance at 31 May	**325,035**	**334,538**

Co-operative Shares

Voting rights are held by transacting shareholders being entitled to one vote per share held. For votes on Area issues (as defined in the Co-operative Constitution) no transacting shareholder shall vote more than 3.5% of the total number of shares held by transacting shareholders in respect of the relevant Area. On other issues no transacting shareholder shall vote more than that number of shares which equates to 0.125% of the shares held by all transacting shareholders.

Ravensdown Limited may redeem shares in accordance with the Companies Act 1993. Upon winding up, shares rank equally with regard to Ravensdown Limited's residual assets. The share qualification quota is 258 shares per tonne. The shares have a value of $1.

The co-operative shares are repayable under certain conditions, and will mature when shares are redeemable by the shareholder. Co-operative shares may be repaid when there is a deceased estate or when the shareholder has ceased farming. Shares may also be repaid if there has been a 5-year time lapse since the last transaction.

Measurement and Recognition

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

D. Group structure

In this section

This section provides information to help readers understand Ravensdown's structure and how it affects the financial position and performance of Ravensdown. In this section of the notes there is information about:

a) Subsidiaries;
b) Investments in Joint Ventures;
c) Investments in Associate Entities; and
d) Other Investments

D1. Subsidiaries

	Principal Activity	Country of Incorporation	Interest (%) 2024	Interest (%) 2023
Ravensdown Aerowork Limited	Aerial spreading	New Zealand	100%	100%
C-Dax Limited	Agricultural machinery manufacturer	New Zealand	100%	100%
Ravensdown Australian Holdings Limited	Investment holding company	New Zealand	100%	100%
Ravensdown Australia Properties Pty Limited[1]	Property investment - discontinued	Australia	–	100%
Aerial Sowing Limited[2]	Dormant	New Zealand	–	100%
Soil Fertility Services Limited[3]	Dormant	New Zealand	–	100%
Ravensdown Ventures Limited	Investment holding company	New Zealand	100%	100%
Analytical Research Laboratories Limited	Agricultural testing laboratory	New Zealand	100%	100%
Ravensdown Development Limited	Agricultural and environmental technology	New Zealand	100%	100%

1 On 9 December 2023, Ravensdown Australia Properties Pty Limited completed a members' voluntary liquidation

2 On 3 August 2023, Aerial Sowing Limited was amalgamated into Ravensdown Limited

3 On 3 August 2023, Soil Fertility Services Limited was amalgamated into Ravensdown Limited

Subsidiaries are entities controlled by Ravensdown Limited. Control exists when Ravensdown Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power arises when Ravensdown Limited has existing rights to direct the relevant activities of the investee, i.e. those that significantly affect the investee's returns. Subsidiaries are consolidated from the point at which control is transferred to Ravensdown Limited and until such point as that control ceases. Control is assessed on a continuous basis.

Acquisition related costs are expensed as incurred. On an acquisition-by-acquisition basis, Ravensdown Limited recognises non-controlling interests at either their fair value or proportionate share of the acquiree's net assets. Transactions with non-controlling interests that do not result in a change of control are recognised in equity.

D. Group structure continued

D2. Equity Accounted Investees

	2024	2023
Interests in joint ventures	31,735	30,149
Interests in associates[1]	6,116	6,559
	37,851	**36,708**

1 Ravensdown's share of profits after tax arising from its interests in associates was $0.7 million (2023: $0.9 million). All other movements in the carrying value of associates were not considered significant.

Measurement and Recognition

Associates are those entities in which Ravensdown has significant influence, but not control, over the financial and operating policies. Joint ventures are those arrangements in which Ravensdown has contractually agreed joint control and has rights to the net assets of the venture rather than having rights to assets and obligations for its liabilities. Associates and joint ventures are accounted for using the equity method (equity accounted investees). The consolidated financial statements include Ravensdown's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of Ravensdown, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Selected information on equity accounted investees

Joint ventures

Movements in carrying value of joint ventures:

	2024	2023
Balance at 1 June	30,149	31,208
Share of profit after tax	6,007	12,073
Joint venture capital supplied in the year	–	50
Dividends received from joint ventures	(1,888)	(13,060)
Movements in loans to joint ventures	240	(589)
Impairment of loans to joint ventures[2]	–	250
Foreign currency translation differences for foreign operations	(2,833)	217
Reclassification of investment	60	–
Balance at 31 May	**31,735**	**30,149**

2 Ravensdown reversed impairments of $Nil for loans to equity accounted investees (2023: $0.3 million impairment recognised in Cost of Sales).

Summary financial information for joint ventures (not adjusted for the interest held by Ravensdown):

	Total assets	Total liabilities	Revenues	Profit before tax
2024	**84,505**	**22,442**	**125,601**	**10,904**
2023	107,494	47,929	238,730	28,844

D. Group structure continued

D3. Joint Ventures (Equity Accounted)

	Principal Activity	Country of Incorporation	Interest (%) 2024	Interest (%) 2023
Spreading Sandford Limited	Ground spreading	New Zealand	50.0%	50.0%
Spreading Canterbury Limited	Ground spreading	New Zealand	50.0%	50.0%
Spreading Northland Limited	Ground spreading	New Zealand	50.0%	50.0%
Mainland Spreading Limited	Ground spreading	New Zealand	50.0%	50.0%
Ravensdown Shipping Services Pty Limited[1]	Shipping services	Australia	50.0%	50.0%
New Zealand Phosphate Company Limited	Fertiliser research	New Zealand	50.0%	50.0%
Hyperceptions Limited	Hyperspectral imaging	New Zealand	50.0%	50.0%

[1]D3(a). Material Joint Ventures (Equity Accounted)

	2024	2023
Percentage Ownership Interest	50%	50%
Carrying amount of interest in joint venture		
Non-current assets	11,093	26,979
Current assets*	60,277	67,947
Non-current liabilities**	142	1,097
Current liabilities***	17,877	43,534
Net assets (100%)	53,352	50,295
Group's share of net assets (50%)	**26,676**	**25,147**

* *Including cash and cash equivalents - 2024 $48.3 million (2023: $48.1 million).*
** *Non-current liabilities other than trade and other payables and provisions - 2024 $Nil (2023: $1.1 million).*
*** *Current liabilities other than trade and other payables and provisions - 2024 $10.1 million (2023: $35.9 million).*

Material Joint Ventures

Ravensdown Shipping Services Pty Limited (RSS) is an unlisted material joint venture in which the Group has joint control and a 50% ownership interest (2023: 50%), but in which day-to-day management resides with the local joint venture partner. RSS is one of the Ravensdown's strategic partners. It is based in Melbourne, Australia and is principally engaged in marine freight chartering services.

RSS is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in RSS as an equity-accounted joint venture.

The adjacent table summarises the financial information of RSS as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in RSS.

D. Group structure continued

Group's share of total comprehensive income	2024	2023
Revenue	110,972	225,706
Depreciation and amortisation	27,378	36,354
Interest expense	1,309	1,804
Income tax expense	2,667	8,625
Profit and total comprehensive income (100%)	7,597	20,328
Profit and total comprehensive income (50%)	**3,799**	**10,165**
Dividends received by the group	**1,638**	**12,960**

D4. Associates (Equity Accounted)

	Principal Activity	Country of Incorporation	Interest (%) 2024	Interest (%) 2023
Cropmark Seeds Limited	Forage plant breeding and marketing	New Zealand	26.6%	26.6%
Southstar Technologies Limited	Fertiliser coatings and development	New Zealand	20.4%	20.0%
Centre for Climate Action Joint Venture Limited[1]	Agricultural emissions reduction technologies	New Zealand	–	4.2%

1 During the year ended 31 May 2024 the equity accounted investment in Centre for Climate Action Joint Venture Limited was reclassified as an investment asset. Refer to 'D5. Other Investments' note

D5. Other Investments

Ravensdown designated the investments shown below as equity securities at fair value through other comprehensive income (FVOCI) because these equity securities represent investments that Ravensdown intends to hold for the long term strategic purposes.

Fair value as at 31 May

	2024	2023
Centre for Climate Action Joint Venture Limited[1]	2,050	1,000
Other investments	722	–
	2,772	**1,000**

1 During the year ended 31 May 2024 the investment in Centre for Climate Action Joint Venture Limited was reclassified as an investment in equity securities. The investment was previously accounted for as an equity accounted associate.

E. Other information

In this section
This section includes the remaining information relating to Ravensdown's financial statements which is required to comply with NZ IFRS.

E1. Related Parties

	2024	2023
Transactions with equity-accounted investees		
Dividends received	2,032	13,733
Sales of goods and services	292	320
Purchases of goods and services	(55,263)	(73,367)
Net trade receivables	131	396
Closing advances	692	374

During the year Ravensdown entered into a number of transactions for the sale and purchase of goods from its equity accounted investees. All transactions between companies were carried out on a commercial basis.

Related parties are the equity accounted investments disclosed in notes D3 and D4.

Transactions with key management personnel are disclosed in note A3.

E2. Auditor's Remuneration

	2024	2023
Auditor's remuneration to KPMG comprises:		
Audit of financial statements	309	247
Other non-audit services	–	22
Total auditor's remuneration	**309**	**269**

E3. Capital Commitments

At 31 May 2024, Ravensdown had capital commitments of $39.9 million, $20 million contractual commitments and $19.9 million in approved future spend) (2023 $86.5 million, $25.3 million contractual commitments and $61.2 million in approved future spend). Capital commitments relate to investment in New Zealand assets, infrastructure and investments. Capital commitments are recognised after a formal capital review and approval process.

E4. Contingent Liabilities

Ravensdown had no contingent liabilities at balance date (2023: $Nil).

E5. Subsequent Events

Given the implications for Ravensdown of ongoing changes for the Primary Industry, Ravensdown has commenced a process to review critical aspects of its operations aimed at achieving improved efficiencies. Although no specific course of action had been approved by the Directors at the date the financial statements were authorised, the review is ongoing and comprises several stages with a preliminary recommendation that may result in material changes to a part of the Business's operational model. An estimate of its financial effect cannot be made at this time until the final structure and extent of the recommendation is determined which will incorporate the identification of all associated financial statement impacts.

Resolution of directors

Resolution of directors pursuant to Section 10 of the Co-operative Companies Act 1996

RESOLVED that, in the opinion of the undersigned directors of Ravensdown Limited (Company), the Company has throughout the financial year ended 31 May 2024 and since the date of registration of the Company under the Co-operative Companies Act 1996 (Act), been a co-operative company within the meaning of the Act on the following grounds:

1. the Company has carried on, as its principal activity, a co-operative activity as that term is defined in the Act;
2. the constitution of the Company states its principal activities as being co-operative activities; and
3. not less than 60% of the voting rights of the Company have been held by transacting shareholders, as that term is defined in the Act.

Dated this 25th day of June 2024.

Bruce William Massy Wills

David Alexander Biland

Antony John Carter

Michael Gerard Davey

Nicola Alice Orbell Hyslop

Jane Montgomery

Peter William Moynihan

Jacqueline Sara Rowarth

Graham Robert Stuart

Independent Auditor's Report

KPMG

To the shareholders of Ravensdown Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Ravensdown Limited (the 'company') and its subsidiaries (the 'group') on pages 6 to 45:

- Present fairly, in all material respects, the Group's financial position as at 31 May 2024 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 May 2024;
- the consolidated income statement, statements of other comprehensive income, changes in equity, and cash flows for the year then ended; and
- notes, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $5.5 million determined with reference to a benchmark of group total expenses. We chose the benchmark because, in our view, this is a key measure of the group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Measurement of bulk inventory on hand – note B4	
The group has inventory of $150 million at 31 May 2024, of this $139 million relates to bulk fertiliser stored at the group's manufacturing sites and stores across New Zealand. The carrying amount of bulk fertiliser is determined by multiplying the quantity on hand by the unit cost. Key judgments in this calculation are the estimation of volume and the selection of relevant density factors: - Volume: as bulk fertiliser is placed in and drawn from storage, it settles in irregular shapes. Management determines volume based on visual inspection and calculation of relevant volumes; and - Bulk density factors: the estimated volume is multiplied by a bulk density factor to calculate the quantity on hand. The bulk density factor is the estimated weight of a fertiliser product in a given volume. The density of fertiliser can change with compaction and atmospheric conditions. A pile of fertiliser may comprise multiple shipments of fertiliser, each with different bulk density factors. Due to the estimation required in calculating the volume of bulk fertiliser on hand, and selecting the appropriate bulk density factor, when combined with the magnitude of the overall balance at 31 May 2024, we consider the measurement of bulk inventory to be a key audit matter.	Our audit procedures included, amongst others: - Attending annual inventory counts at material manufacturing sites and other storage locations on a rotational basis. - Calculating volumes at those counts for all bulk inventory and comparing those with management's assessment and challenging where significant differences identified. - Checking that agreed volumes of bulk inventory inspected at annual inventory counts were reflected in the inventory records. - Agreeing a selection of bulk density factors from laboratory testing to those used in measuring the quantity of bulk inventory on hand. - Comparing bulk density factors applied against external comparatives and previous measurements for the same products. Investigating bulk density factors that fell outside our predetermined testing thresholds and challenging management's estimates and estimation policies. - Recalculating bulk density factors applied from underlying bulk density data for selected inventory items and observing a bulk density measurement. - Validating the stated description of certain inventory products selected from annual inventory count attendance to results from laboratory testing. - Assessing management's count results from inventory counts not directly attended, including reviewing cyclical counts performed during the year and modifying our audit procedures as appropriate. **Our findings** We completed these procedures and have no matters to report.

The key audit matter	How the matter was addressed in our audit
Impairment of non-current assets (note B1)	
The group has reported a further period of subdued earnings, reflecting challenging economic conditions for co-operative members and a structural reduction in the overall demand for fertiliser across the industry. This, combined with a review of value realisation options for certain assets has led management to conclude that there existed indicators of asset impairment at 31 May. Where an indicator of impairment is identified, an impairment test must be performed. Determining the level at which to perform this testing (identifying the cash-generating unit "CGU") requires significant judgment. Determining the recoverable amount of each CGU requires management to make assumptions relating to the discount rate, forecast financial performance (including forecast sales volumes), and terminal growth rates (amongst other factors). These assumptions are subject to estimation uncertainty and require management judgment. Where an alternate strategy for the realisation of an asset, or CGU's, value is considered (such as disposal), consideration of that value (or fair value less costs of disposal in the case of an Asset Held for Sale) against the carrying amount is required to ensure the appropriate recoverable amount is reflected in the financial statements. For these reasons, we considered the impairment of non-current assets to be a key audit matter.	Our audit procedures included, amongst others: ▪ Reviewing management's assessment of indicators of impairment against the requirements of the applicable financial reporting framework. ▪ Assessing and challenging the continued reasonableness of management's formal identification of the appropriate CGUs to perform impairment testing as determined in previous periods. ▪ Assessing the reasonableness of key assumptions including the discount rate, terminal growth rate, and forecast financial performance (including forecast sales volumes). We involved our corporate finance specialists to assist in this assessment. ▪ Checking the appropriateness and accuracy of the methodology applied to determine the recoverable amount for each cash-generating unit. ▪ Performing cross-checks of the model outcomes against relevant external information. ▪ Performing sensitivity analysis over management's recoverable amount models to assess for sensitivity to reasonably possible changes in assumptions. ▪ Evaluating management's assessment of the impact on the carrying amount for certain assets where alternative value realisation options have been sought. This includes evaluation of management's assessment as to whether any Assets Held for Sale criteria have been met at reporting date and whether appropriately measured at fair value less costs of disposal. ▪ Checking the appropriateness of the disclosures in the consolidated financial statements, particularly in respect of sensitivity analysis that illustrates the range of potential impairment testing outcomes for reasonably possible changes in assumptions. **Our findings** We have completed the above procedures and draw readers' attention to Note B1, which discloses the results of the impairment assessment performed by management and sensitivity analysis demonstrating the impact of reasonably possible changes in assumptions on that outcome. As disclosed in Note B1, an impairment expense was recognised as a result of this assessment. A reasonably possible change in assumptions could result in additional impairment. Our audit report is not modified in respect of this matter.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information may include the Finance at a Glance, and corporate governance and statutory information. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report. Our responsibility is to read the Annual Report when it becomes available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If so, we are required to report such matters to the Directors.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate , they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/.

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Matt Kinraid.

For and on behalf of

KPMG

KPMG
Christchurch

9 August 2024

Corporate Governance /

The Board and management of Ravensdown are committed to maintaining high standards of corporate governance. This report outlines the policies and procedures under which Ravensdown is governed.

Code of Business Conduct

Ravensdown publishes its Code of Business Conduct on the Ravensdown website www.ravensdown.co.nz.

The Code of Business Conduct encompasses Ravensdown's commitment to keep its people safe, and to safeguard our culture, placing social and environmental governance at the core of everything we do. It explains the expectations of conduct within our business, and also for our engagements with our customers, suppliers and local communities.

The Code of Business Conduct draws together Ravensdown's internal policies and our renewed environmental, social, and governance ("ESG") commitments to provide a transparent and evolving Code. To this end our Code sets out our commitments to human rights, to conducting business fairly, to upholding the principles of Te Tiriti o Waitangi, to community development, to environmental protection and to reducing climate change.

The Board has approved the Code of Business Conduct. The General Counsel, with the assistance of the Risk and Assurance Manager, is responsible for recording and evaluating compliance with the Code and reporting all material breaches.

Set out in the Code are details of Ravensdown's protected disclosures policy which encourages employees to report any known or suspected incidents of wrongdoing within the company. Reports can be made internally or to a confidential service operated by Report-it-Now.

Responsibility of the Board of Directors

The Board of Directors is responsible to the shareholders. The Board comprises six elected directors (elected by the shareholders) and three appointed directors. Its primary objective is to build long-term shareholder value and in doing so act in the best interests of the company. The Board acts as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of Ravensdown and following sound corporate governance principles.

The Board's role and responsibilities are set out in its charter. In summary these are to:

- engage in creating, approving and monitoring the strategic direction and objectives of the company
- appoint the Chief Executive Officer
- delegate appropriate authority to the Chief Executive Officer for the day-to-day management of the company
- approve the company's systems of internal financial control and risk framework, including monitoring and approving budgets, monitoring monthly financial performance and non-financial KPIs and approving rebates
- select the external auditors and ensure their professional merit and independence.

Composition of Board

During the past financial year Ravensdown's Board had six shareholder elected Directors and three Board appointed Directors. Tony Carter joined the board on 1 September 2023 as the third board appointed director and Jason Dale, appointed director and Chair of the Audit & Risk Committee, retired from the board on 24 May 2024. Graham Stuart joined the board as an appointed director and Chair of the Audit & Risk Committee on 27 May 2024.

Shareholder elected directors are required to retire after three years in office. Retiring directors are eligible to stand for re-election but cannot remain in office for more than 12 years. Elections for the vacant director positions are held prior to the Annual Meeting.

Appointed directors are re-appointed each year after the Annual Meeting and cannot remain in office for more than 12 years. Ravensdown's constitution allows the Board to appoint up to three directors in order to bring additional experience and specialist skills to the Board.

The Chief Executive Officer is not a member of the Board.

Board committees

The Board has four standing committees, described below. Special project committees are formed when required. All committees report the proceedings of each of their meetings to the full Board.

Audit & Risk Committee

This committee comprises five to six directors, including the three appointed directors, one of whom is appointed as chair and has appropriate financial experience and qualifications. The meetings are attended by the Chief Executive Officer and Chief Financial Officer. The external auditor attends by invitation of the Chair along with Ravensdown's Risk and Assurance Manager and General Counsel. The committee meets a minimum of four times each year and its objectives are to assist the board in discharging its responsibilities in relation to:

- audit processes, both internal and external
- financial reporting and controls, including the delegated authority framework
- maintaining oversight of financial systems and controls, including the annual audit process and annual report
- recommending annual draft budgets and rebates to the board
- risk management, including mitigation assessment, internal controls and insurance
- integrated thinking and reporting.

Board Appointments & Remuneration Committee

This committee comprises five directors. It meets as required to:

- review the remuneration packages of the Chief Executive Officer and senior managers
- make recommendations in relation to director remuneration
- make recommendations in relation to appointed directors to the Board.

Remuneration packages are reviewed annually. Independent external surveys and advice are used as a basis for establishing remuneration packages.

Share Registry Committee

This committee comprises three directors. It meets prior to each Board meeting to consider and make recommendations to the Board regarding share surrender, allotment and transfer applications from shareholders.

Governance Excellence Committee

This committee comprises four directors and meets as required by the Board. Its objectives are to assist the Board in the discussion, recommendation, development and monitoring of initiatives invested in or facilitated by Ravensdown which promote the importance of good governance and governance development pathways within the Ravensdown shareholder base for the benefit of the NZ primary industry.

Risk Identification and Management

The company follows a comprehensive risk management framework to identify, assess and monitor new and existing risks. The Board promotes a risk culture, sets risk appetite and approves risk policy. The Audit & Risk Committee provides oversight and monitors key business level risks by undertaking regular deep dives and actively challenging management assertions. The Chief Executive Officer and the Leadership Team are required to report to the Board and Audit & Risk Committee on all high risks affecting the business and to develop strategies and controls to mitigate these risks. Additionally, management is responsible for ensuring an appropriate insurance programme is in place and reviewed annually.

External Auditor Independence

To ensure that the independence of the external auditor is maintained, the Board has agreed that the external auditor should not provide any services which could affect its ability to perform the audit impartially. This is monitored by the Audit & Risk Committee which also reviews the quality and effectiveness of the external auditor.

Directors' Meetings

The table below sets out the number of meetings and attendance for the Board and standing committees throughout the financial year.

Board and Committee Attendance FY24

Board

Meetings: 27 June 2023; 16 August 2023; 26-27 September 2023; 25 October 2023; 5 December 2023; 27 February 2024; 26 March 2024; 15 May 2024; 28 May 2024.

Director	Eligible to attend	Present	Absent
Bruce Wills (Chair)	9	9	
David Biland (Deputy Chair)	9	9	
Tony Carter (joined 1 September 2023)	7	6	1
Jason Dale (left 24 May 2024)	8	2	6
Mike Davey	9	8	1
Nicola Hyslop	9	9	
Jane Montgomery	9	9	
Peter Moynihan	9	9	
Jacqueline Rowarth	9	9	
Graham Stuart (joined 27 May 2024)	1	1	

Audit and Risk Committee

Meetings: 19 July 2023; 13 September 2023; 22 November 2023; 19 March 2024; 15 May 2024.

Director	Eligible to attend	Present	Absent
Jason Dale (Chair)	5	4	1
David Biland	5	5	
Tony Carter (joined 27 September 2023)	3	4 (13 September meeting as an observer)	
Nicola Hyslop	5	3	2
Jane Montgomery (left 27 September 2023)	2	2	
Peter Moynihan	5	4	1
Bruce Wills	5	5	

Share Registry Committee

Meetings: 19 June 2023; 24 July 2023; 18 September 2023; 16 October 2023; 4 December 2023; 19 February 2024; 18 March 2024; 20 May 2024; 31 May 2024

Director	Eligible to attend	Present	Absent
Jacqueline Rowarth (Chair)	9	9	
Mike Davey	9	8	1
Jane Montgomery	9	9	

Board Appointments and Remuneration Committee

Meetings: 19 September 2023; 15 May 2024.

Director	Eligible to attend	Present	Absent
Peter Moynihan (Chair)	2	2	
David Biland	2	2	
Nicola Hyslop	2	2	
Jacqueline Rowarth	2	1	1
Bruce Wills	2	2	

Governance Excellence Committee

Meetings: 27 November 2023; 19 February 2024

Director	Eligible to attend	Present	Absent
Nicola Hyslop (Chair)	2	2	
Mike Davey	2	2	
Jane Montgomery	2	2	
Jacqueline Rowarth	2	1	1

Statutory Information /

Directors

The Directors of Ravensdown Limited as at 31 May 2024 were as follows:

- Bruce Wills (Chair)
- David Biland (Deputy Chair)
- Tony Carter
- Mike Davey
- Nicola Hyslop
- Jane Montgomery
- Jacqueline Rowarth
- Peter Moynihan
- Graham Stuart.

Directors and remuneration

Remuneration and benefits received by Directors or former Directors of Ravensdown Limited during the year were as follows:

Director	Total remuneration and value of other benefits received
Bruce Wills (Chair)	$201,000
David Biland (Deputy Chair)	$104,225
Tony Carter*	$63,060
Jason Dale (Chair, Audit & Risk Committee)**	$99,080
Peter Moynihan (Chair, Board Appointments & Remuneration Committee)	$89,080
Mike Davey	$84,080
Nicola Hyslop	$84,080
Jane Montgomery	$84,080
Jacqueline Rowarth	$84,080
Graham Stuart (Chair, Audit & Risk Committee)***	$1,905

* *Tony Carter joined the Board effective 1 September 2023*

** *Jason Dale retired from the Board effective 24 May 2024*

*** *Graham Stuart joined the Board effective 27 May 2024*

Statutory Information continued

Entries recorded in the Interests Register

Per Section 140(2) of the Companies Act 1993, the Directors gave the following general disclosures of interests that they are Directors or Members of the following named organisations as at 31 May 2024:

Director	Position	Entity Name
Bruce Wills	Director/Shareholder	Trelinnoe Limited
	Chair	Biodiversity Hawkes Bay
	Chair	Greengrower SFFF
	Chair	Farmer and Grower Recovery Grant Advisory Panel
	Chair	SFFF JV in relation to Ruminant Biotech
	Chair	New Zealand Phosphate Company Limited
	Chair	Fertiliser Association of New Zealand
	Independent Chair	Mt Cook Alpine Salmon SFFF (Project Nautilus)
David Biland	Director/Shareholder	Hughland Limited
	Trustee	The Davinzi Trust
	Chair – Advisory Board SVS Group	SVS Veterinary Supplies Limited, SVS Laboratories Limited, and PPD Limited, together referred to as SVS Group
	Member – Advisory Board BEL Group	Bel Group Limited
Peter Moynihan	Director/Shareholder	Rathmore Farm Ltd
	Director/Shareholder	Aerodrome Farm Ltd
	Director/Shareholder	AgriStrategy Limited
	Director/Indirect Shareholder	Shamrock Dairy Farms Limited
	Indirect Shareholder	Manuka S.A.
	Director	The Power Company Ltd
	Director	Last Tango Limited
	Director	PowerNet Limited
	Director	Roaring Forties Energy GP Limited
	Director	Southern Generation Limited
	Director	Lakeland Network Limited
	Director	Otagonet Properties Limited
	Director	Otagonet Limited
	Trustee	Rathmore Trust
Nicola Hyslop	Director/Shareholder	Levels Estate Company Limited
	Director/Shareholder	Hyslop Consulting Limited
	Director	Beef & Lamb New Zealand Limited
	Director	New Zealand Meat Board
	Director	Meat and Wool Trust Limited
	Chair	NZAGRC Stakeholder Advisory Group
	Independent Chair	Hunter Dairies Limited
	Indirect Shareholder via Level Estate Company Limited	Farmlands Co-operative Society Limited
	Indirect Shareholder via Level Estate Company Limited	Silver Fern Farms Co-operative Limited
	Indirect Shareholder	Meadows Road Partners Limited
	Council Observer	Meat Industry Association
Jacqueline Rowarth	Shareholder	Scott Holdings (Tirau) Limited
	Shareholder	Knewe Biosystems NZ Limited
	Director/Shareholder	Oraka Farming Limited
	Director/Shareholder	S & R Deerco Limited
	Indirect Shareholder via Scott Holdings (Tirau) Limited	Fonterra Co-operative Group
	Indirect Shareholder via Scott Holdings (Tirau) Limited	Silver Fern Farms Co-operative Limited
	Indirect Shareholder via Scott Holdings (Tirau) Limited	Livestock Improvement Corporation
	Director	DairyNZ Limited

Statutory Information continued

Director	Position	Entity Name
	Director	Deer Industry New Zealand
	Director	Lake Okoroire Limited
	Adjunct Professor	Lincoln University
	Trustee	Deer Industry Research Trust
	Trustee	New Zealand Grassland Trust
	Member of Scientific Council	World Farmers' Organisation
Jane Montgomery	Director/Indirect Shareholder	Gower Brae Limited
	Director/Shareholder	Kotare Headwaters Limited
	Indirect Shareholder via Gower Brae Limited	Farmlands Co-operative Society Limited
Mike Davey	Chair	Taranaki Electricity Trust
	Shareholder	Ravensdown Limited
	Trustee	Taranaki Health Foundation
	Councillor	Taranaki Regional Council
	Financial Member	Federated Farmers NZ
Tony Carter	Chair	Datacom Limited
Commenced September 2023	Chair	MyFoodBag Limited
	Chair	TR Group Limited
	Chair	The Interiors Group Limited
	Chair	Skin Institute Limited
	Director	The Warehouse Group
	Director/Shareholder	Loughborough Investments Limited
	Director/Shareholder	TALSC 6 Limited
	Director/Indirect Shareholder	Avonhead Mall Limited
	Advisor	Capital Solutions Limited
	Advisor	Capital Training Limited
	Trustee	Maurice Carter Charitable Trust
	Trustee	Anthony Carter Family Trust No 2
	Trustee	Tony and Frances Carter Family Trust

Director	Position	Entity Name
Graham Stuart	Director/Shareholder	Leroy Holdings Limited
Commenced May 2024	Director/Chair	Northwest Healthcare Properties Management Limited
	Director/Chair	Comhla Vet Limited
	Director	Tower Limited
	Director	VETNZ Limited
	Director	Dairy Goat Co-Operative (N.Z) Limited
	Director	VinPro Limited
	Director	Nexeus Global Limited

Related party transactions

Like most co-operative companies, Ravensdown Limited has frequent transactions with its farming Directors in the ordinary course of business. All transactions with the Directors are carried out on a commercial basis, and the Board do not receive advance notice of price changes. Directors are notified of price changes at the same time as all shareholders.

Share dealings of Directors

None of the Directors have acquired or disposed of any shares other than through the normal quota shareholding process.

Directors' indemnity or insurance

The company has arranged policies of liability insurance and an indemnity for the Directors and company executives.

Loans to Directors

There were no loans by Ravensdown to Directors.

Use of company information

No notices from any Director were received by the Board during the year requesting use of company information received in their capacity as Directors which would not otherwise have been available to them.

Donations

There were no donations made to various charities during the year (2023: Nil).

Employees' remuneration

Remuneration	No. of Employees
$100,000 - $109,999	74
$110,000 - $119,999	62
$120,000 - $129,999	39
$130,000 - $139,999	44
$140,000 - $149,999	22
$150,000 - $159,999	12
$160,000 - $169,999	14
$170,000 - $179,999	20
$180,000 - $189,999	10
$190,000 - $199,999	6
$200,000 - $209,999	5
$210,000 - $219,999	6
$220,000 - $229,999	3
$230,000 - $239,999	3
$240,000 - $249,999	6
$250,000 - $259,999	1
$260,000 - $269,999	2
$280,000 - $289,999	1
$290,000 - $299,999	1
$310,000 - $319,999	1
$350,000 - $359,999	1
$390,000 - $399,999	1
$440,000 - $449,999	1
$480,000 - $489,999	2
$490,000 - $499,999	1
$500,000 - $509,999	1
$570,000 - $579,999	1
$640,000 - $649,999	1
$690,000 - $699,999	1
$1,450,000 - $1,459,999	1

Employee's remuneration includes salary, performance incentives and employer's contribution to superannuation and health schemes earned in their capacity as employees during the financial year. Company vehicles are provided to some employees and are included in the remuneration figures.

Subsidiaries

Persons holding office as Directors of Ravensdown Limited's wholly owned subsidiaries as at 31 May 2024 were as follows:

Subsidiary	Directors
Ravensdown Aerowork Limited*	Garry Diack Mike Whitty Michael Fransham
Ravensdown Ventures Limited	Tony Balfour Garry Diack Nicola Hyslop
Analytical Research Laboratories Limited	Jasper van Halder
Ravensdown Development Limited	Jasper van Halder
C-Dax Limited**	Jasper Van Halder Mike Whitty
Ravensdown Australian Holdings Limited	Anna Stewart Garry Diack

**Bruce Magee retired as a director of Ravensdown Aerowork Limited on 1 January 2024 and Mike Fransham joined as a director of that company on 1 April 2024.*

***Greg Shearer and Anna Stewart retired as directors of C-Dax Limited on 30 May 2024 and Mike Whitty retired as director of C-Dax Limited on 1 June 2024. Jasper van Halder was appointed director of that company on 31 May 2024.*

Except for Bruce Magee, Mike Fransham, Nicola Hyslop and Tony Balfour, all of the current Directors are employees of Ravensdown Limited or C-Dax Limited. Nicola Hyslop is a Director of the Ravensdown Board. This is the only general disclosures of interest by each Director of Ravensdown Limited's subsidiaries as at 31 May 2024, pursuant to s 140(2) of the Companies Act 1993.

Bruce Magee has received remuneration of $21,029 during the financial year.

Mike Fransham has received remuneration of $5,833 during the financial year.

Nicola Hyslop has received remuneration of $30,000 during the financial year.

Tony Balfour has received remuneration of $30,000 during the financial year.

Registered office

292 Main South Road, Hornby,
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ravensdown
Smarter Farming for a better New Zealand / Ka pūkekotia a Rongomātāne, ka poho kererū a Aotearoa.