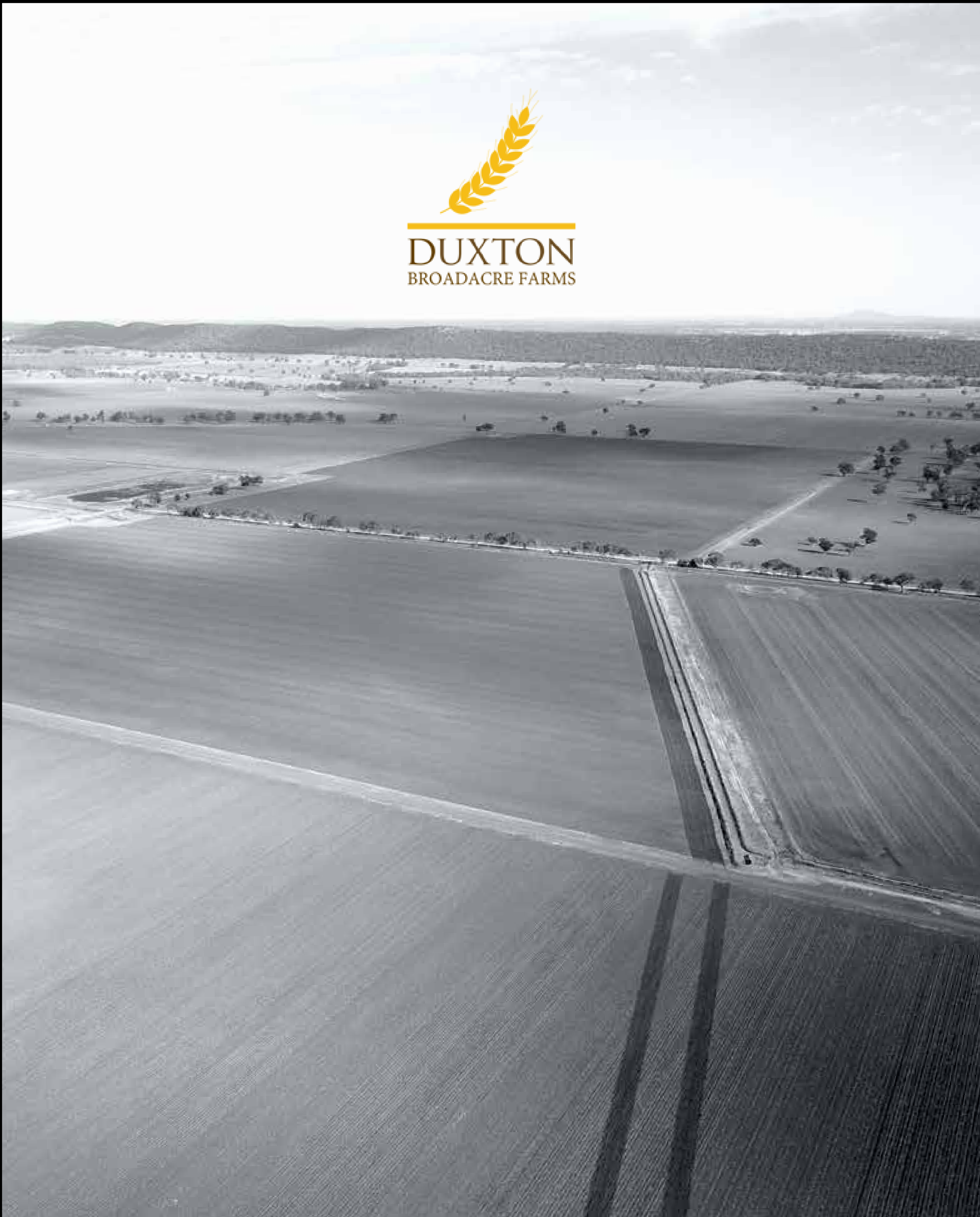

DUXTON BROADACRE FARMS LTD

ACN 129 249 243

2019 JUNE ANNUAL REPORT

CORPORATE **DIRECTORY**

Executive Chairman
Edouard Peter

Non-Executive Director
Stephen Duerden
Anthony Hamilton

Independent Non-Executive Directors
Mark Harvey
Wade Dabinett

Company Secretary
Katelyn Adams

Principal and Registered Office
7 Pomona Road
Stirling SA 5152
Telephone: (08) 8130 9500
Facsimile: (08) 8130 9599

Legal Advisors
Cowell Clarke
63 Pirie Street
Adelaide SA 5000

Share Registry
Computershare

Auditors
Deloitte
17 Waymouth Street
Adelaide SA 5000

Computershare Investor Services
Level 5, 115 Grenfell Street
Adelaide SA 5000

Stock Exchange Listing
Australian Securities Exchange
Share Code: DBF

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CHAIRMAN'S **LETTER**
TO **SHAREHOLDERS**

Wednesday 28 August 2019

Dear Shareholder,

It gives me pleasure to present the 2019 Annual Report for Duxton Broadacre Farms Limited. "DBF" the "Company".

Upon reflection of the prior year, there is a quote I find highly relevant, from a man I hold in high esteem.

> "Bad companies are destroyed by crisis,
> Good companies survive them,
> Great companies are improved by them."
>
> **~ Andrew Grove,**
> Former President, CEO and Chairman of Intel Corporation

There is no question that the widespread drought being experienced across Australia has presented the agricultural industry with considerable challenges. Conditions across the Murray Darling Basin ("MDB") have now been described by the Bureau of Meteorology as the worst on record in terms of severity based on rainfall records. Rainfall in the MBD over the last 30 months is the lowest on record. Australia is currently experiencing its most severe drought in recorded history.

For the full year ended 30 June 2019 DBF reported a statutory loss after tax of $1,115,472 (2018: $420,165 loss). After revaluations for gains on property we recorded total comprehensive income of $513,809 (2018: $5,369,056) for the period. While the after tax result reported would be disappointing in ordinary circumstances, it is important to evaluate performance in the context of the current operating environment.

From this perspective I would like to commend the entire team for the ingenuity, fortitude and character demonstrated throughout this period. Throughout my career I have maintained that quality people are the key to long term success and have no doubt we would be in a far worse predicament without the thorough preparation, ongoing diligence and measured decision making demonstrated by our team. In light of the circumstances, I maintain this is a good result and am confident DBF will emerge from the drought a much stronger company, positioned for long term success.

We are pleased to report a Net Asset Value per share as at 30 June 2019 of $1.7145 (2018: $1.6989), and a fair value Net Asset Value per share of $1.7575 (2018: $1.7112) when recording water entitlements at fair value as determined by independent valuer CBRE.

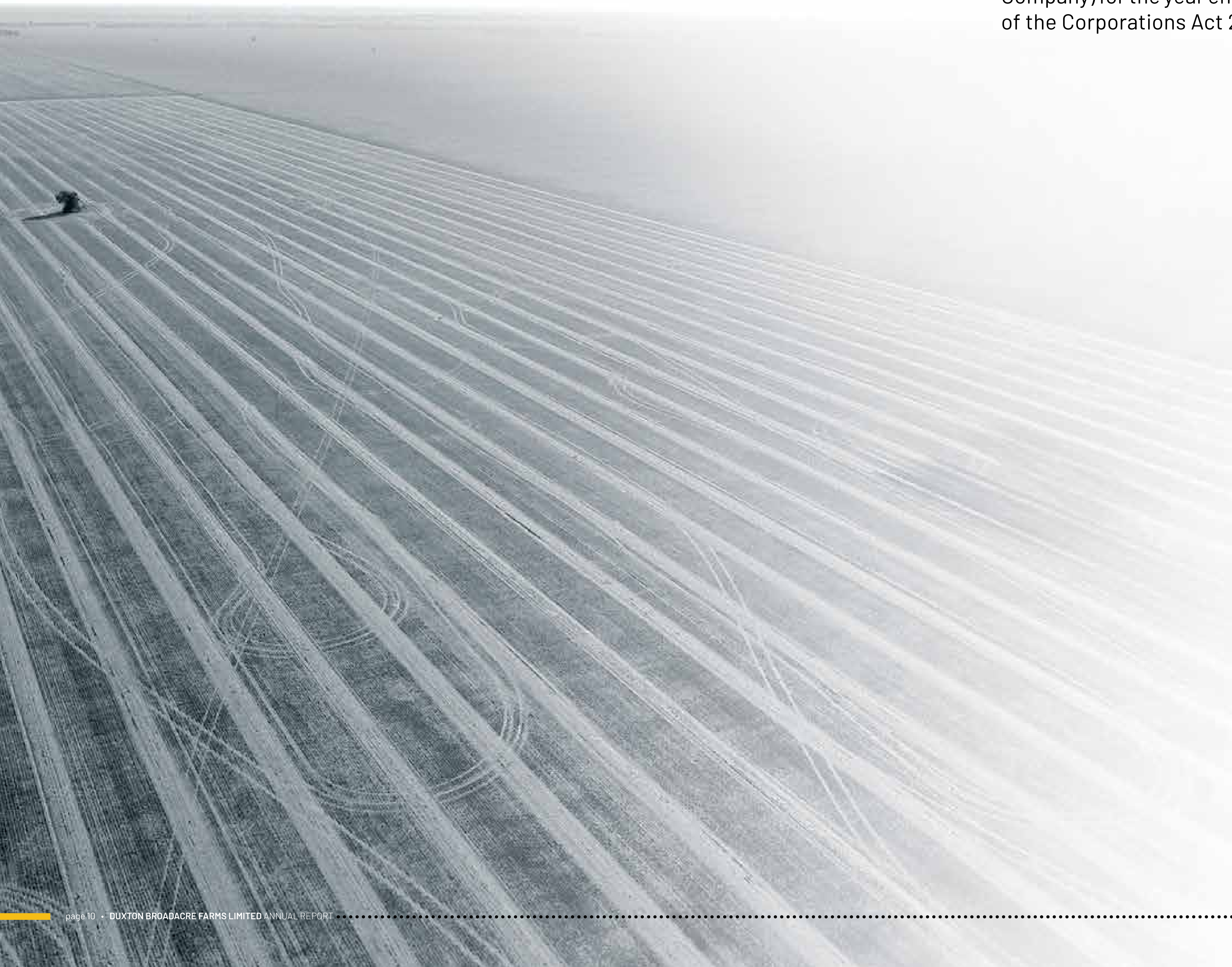
This appreciation is testament to the value created through developing existing properties, strategic acquisition of water entitlements in line with our objective to provide water security and conviction in the global mispricing of Australian farmland. Details of this reconciliation to the statutory reported results are included in the annual report.

We have continued our ongoing effort to position the portfolio for long term success. The South Australian acquisition of Boorala provides the portfolio with both geographic diversification and exposure to domestically mispriced farmland. We have also developed approximately 700 hectares of irrigation cropping land, significantly reducing our susceptibility to weather risk and promoting operational flexibility. This forms part of the broader water security strategy which has also involved considerable investment in water entitlements.

While we are enduring what is undoubtedly one of the more severe challenges to face the agricultural sector, I resolutely maintain we will emerge a stronger business. Our ability to not only provide investors with an increase in intrinsic value of their investment, while delivering positive comprehensive income during this extreme period solidifies my confidence in our business, and its future.

On behalf of my fellow Directors, I would like to thank you for investing with us.

Kind Regards,
Ed Peter



DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The Directors of Duxton Broadacre Farms Limited submit herewith their report, together with the financial report of Duxton Broadacre Farms Limited (the Company) for the year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

Directors

The names of the Directors of the Company that held office during or since the end of the financial year are:

Mr Stephen Duerden
Dr Anthony Hamilton
Mr Edouard Peter
Mr Mark Harvey
Mr Wade Dabinett

The above named directors held office during the whole of the financial year and since the end of the financial year.

The office of company secretary is held by Mrs Katelyn Adams.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Principal activities

The principal activities of the Company during the financial year were the sowing and harvesting of dryland and irrigated crops, infrastructure maintenance and upgrades, trading and breeding of livestock and sale of grains, pulses and lucerne.

The Company acquired a 1,980 Ha property located in Frances, South Australia on a walk-in walk-out basis. The transaction settled on 8 March 2019 for total consideration of A$15 million. Further detail regarding the acquisition was disclosed to the ASX on 12 November 2018. The primary activities of the property are cropping and grazing of livestock.

Review of operations

The 2019 winter crop was adversely impacted by the severe drought conditions. DBF achieved an average wheat yield of 1.34t/ha and an average barley yield of 1.24t/ha. The chickpea crop was able to achieve a yield of 1.04t/ha. Despite production being well below average as a result of low rainfall conditions, elevated domestic prices due to shortfalls in supply were able to partially offset the financial impact of reduced yields.

The 2019 summer crop was particularly strong, with DBF producing it's largest ever cotton crop. Across the 700ha planted, the Company achieved approximately 11.12t/ha, approximately 4% above the National 10 year-average. The program has also benefited from favourable forward positions given the strength of cotton prices which remained above 90th percentile levels.

Livestock operations have performed well over the past 12 months generating $2.135 million in revenue. Adequate fodder reserves were maintained at all times to ensure health and wellbeing of all livestock.

Financial overview

The Company's net loss after tax for the year amounted to $1.115 million (2018: $0.420 million). The net asset value (NAV) of the Company as at 30 June 2019 is $73.637 million or $1.7145 per share (2018: $73.705 million or $1.6989 per share).

Results for the period were significantly impacted by the widespread drought conditions experienced across Australia. Overall crop production was adversely impacted by low rainfall and system flows. The conditions have been labelled by the Bureau of Meteorology as the most intense in recorded history.

Key metrics	2019	2018
Loss attributable to owners of the company	($1.115m)	($0.420m)
Basic earnings per share	($0.0259)	($0.0144)
Dividends paid	-	-
Dividends per share	-	-
Share price (at 30 June)	$1.18	$1.55
Return on capital employed	$0.0084	$0.0061

30-month rainfall
lowest
in Murray Darling Basin recorded history

TOTAL
OTHER COMPREHENSIVE INCOME
$513,809

STATUTORY NAV
$1.7145

FAIR VALUE NAV
$1.7575

Value of land
increased by
25.5%

Area of land
increased by
10.2%

Robust balance sheet
78% of total assets
comprised of
land and water assets

Irrigated area
INCREASED BY
12.3%
TO
2,514 Ha

30 June 2019	Per Company Statement of Financial Position $'000	Per Fair Market Value $'000	Variance $'000
Assets			
Permanent water entitlments	6,900	8,748	1,848
Net other assets	66,737	66,737	-
Total net assets	**73,637**	**75,485**	**1,848**
Net asset value per share*	**$1.7145**	**$1.7575**	**$0.0430**

** 513,037 shares bought back during the year*

30 June 2018	Per Company Statement of Financial Position $'000	Per Fair Market Value $'000	Variance $'000
Assets			
Permanent water entitlments	4,534	5,092	558
Net other assets	69,171	69,171	-
Total net assets	**73,705**	**74,263**	**588**
Net asset value per share	**$1.6989**	**$1.7112**	**$0.0123**

Market overview

DBF is well positioned to benefit from both domestic and international market trends in both the short and long term. Internationally, the Australian industry is expected to benefit from the growth of global grain consumption outpacing production increases and continued tensions between the US and China. Domestically, continued drought conditions in Australia presents both challenges and opportunities for DBF. While the conditions have resulted in lower production, domestic prices have risen in response to lower available supply. In anticipation of unfavourable conditions DBF has already invested heavily in the acquisition of both water entitlement and allocation, along with commissioning substantial irrigation developments including expanding irrigated cropping acreage, water storages, related infrastructure and additional bores. DBF has also taken the opportunity to diversify geographically to an area of higher and more consistent historic rainfall to reduce the climate risk faced by the business. This allows DBF to reduce the volatility of the portfolio, while also promoting increased diversification and operational flexibility. Long term capital growth is expected to continue as mispricing in global farmland values is eroded from the market.

Future developments

There are no future developments to report on that aren't covered elsewhere in this report.

Changes in state of affairs

The Company expanded its operations into a new geographical region during the year through the acquisition of the Boorala property as outlined earlier in this report and communicated to the ASX on 12 November 2018. Whilst the focus of the business activities remains the same, the scale on which these activities is being conducted has expanded and diversified. The Company expects the Boorala property to benefit from operational efficiencies on the property, leveraging DBF's existing expertise. The focus of the business activities on 'Boorala' is in line with the rest of the portfolio, with an attractive cropping yield and grazing profile.

Other than the above, there were no significant change in the state of affairs of the Company during the financial year.

Subsequent events

There were no subsequent events occurring post financial year end.

Environmental regulation

The operations of the company are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. Water usage for irrigation and domestic purposes are regulated by the Water Management Act 2000. There have been no known breaches of any environmental requirements applicable to the Company.

Climate Change Risk

As operators in the agricultural industry, we recognise the importance acknowledging the material risk climate change poses to the sector, taking a strategic approach to managing climate risks and identifying climate-related opportunities.

Climate change is a multi-faceted challenge. The Food and Agriculture Organization (FAO) of the United Nations has determined that agricultural productivity is most susceptible specifically to sustained increases in temperatures, increased variability and uncertainty of rainfall, and changes in the frequency and/or intensity of extreme events.

In the regions the Company operates, the long-term climatic trends are primarily increasing temperatures and an overall reduction in rainfall. The annual timeline of dryland cropping allows the Company to take a dynamic approach; the crop mix is chosen with consideration of factors such as water availability and demand. Planting dates have been strategically and gradually brought forward in response to the longer growing season.

In New South Wales and South Australia, annual rainfall distribution is becoming more uniform; decreasing in spring and winter months and increasing in summer and autumn months. The trend for a drier winter season is continuing to reduce the threat of water logging crops; a complication of excessive rainfall common to planting in South Australia. More generally, dry conditions constrain supply of commodities and contribute to upward pressure on prices. Increasing the irrigated proportion of the portfolio is a strategic response to seek greater security of production in dry conditions. The Company has been shoring up water allocations to achieve the development of irrigated land. The increase in rainfall and temperatures over summer, as well as the development of irrigated land, has allowed the Company to grow irrigated cotton in New South Wales for the first time.

Annual allocation rates against water entitlements are determined by state and territory governments with consideration to water supply. Zero water allocations can occur in extreme dry seasons and drought. The Company has prioritised water security for strategic resilience. A diversified approach is taken for the sources of water entitlements; the majority of water is drawn from allocation received on owned and long-term leased permanent entitlements and is supplemented with temporary allocation purchased on the spot market. Within the Company's permanent entitlements, groundwater represents the base due to the historic reliability of supply compared to general security surface water entitlements. To illustrate groundwater's reliability, the average historical allocation of groundwater entitlements in the Lachlan River region are 100% compared to surface water general security entitlements which have averaged 16% over the past 15 years.

Very dry and drought conditions also increase the severity of soil erosion. To supress soil erosion, the Company employs reduced tillage practices. Primarily, reduced tillage practices include the direct drilling into crop stubble and maintaining soil cover.

The entire agricultural industry is materially exposed to changes in climate. Despite challenges related to climate change, the Company believes it remains well-positioned to promote long-term shareholder value.

Dividends

No dividends were paid or declared by the Company during the year.

Indemnities and insurance of officers

The Company has agreed to indemnify all of the Directors of the Company against all liabilities to another person that may arise from their position as Directors of the Company except where the liability arises out of conduct involving lack of good faith.

The agreement stipulates that the Company will meet the future amount of any such liabilities, including costs and expenses.

The Company has insurance premiums relating to the following:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The Investment Manager is responsible for effecting and maintaining professional indemnity insurance, fraud and other insurance as are reasonable having regard to the nature and extent of the Investment Manager's obligations under the Investment Management Agreement.

Provided that the Investment Manager has complied with the Investment Management Agreement, it will not be liable for any loss incurred by the Company in relation to the investment portfolio. The Investment Manager has agreed to indemnify the Company for all liabilities and losses incurred by the Company by reason of the Investment Manager's wilful default, bad faith, negligence, fraud in performance of its obligations under the Investment Management Agreement or a material breach of the Investment Management Agreement.

Provided that the Investment Manager has complied with the Investment Management Agreement in all material respects, it is entitled to be indemnified by the Company in carrying out its obligations and performing its services under the Investment Management Agreement.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member). During the financial year, 5 board meetings, 3 audit and risk committee meetings and 2 Nomination and Remuneration Committee meeting were held.

Director	Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee	
	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held
Mr Edouard Peter	5	5	-	-	2	2
Mr Stephen Duerden	5	5	3	3	-	-
Dr Anthony Hamilton	5	5	3	3	2	2
Mr Mark Harvey	5	5	3	3	2	2
Mr Wade Dabinett	5	5	3	3	2	2

Diversity Policy

DBF is committed to a workplace that encourages a varied mix of people and skillsets. As such, a Diversity Policy was implemented in 2017 demonstrating diversity at DBF goes beyond gender and also includes (but not limited to) issues of age, marital or family status, religious or cultural background.

As at 1 August 2019, DBF does not currently have female representation at Board or Senior Executive level and female representation across the organisation is 12.5%. To assist in offsetting the male dominated Senior team, DBF appointed a female Company Secretary.

The following initiatives support DBF's Commitment to Diversity:

- A DBF Recruitment Policy has been implemented outlining the requirement for equal opportunity for employment throughout attraction and selection processes
- Where available, a culture of flexible work is fostered to support employee families and their family commitments, demonstrated by flexible working arrangements implemented
- A Board Member skills matrix is being developed to identify any potential skill gaps that exist on the Board in anticipation for future company growth, which hopes to present opportunity for greater female representation at Board level.

Research and development

The Company did not undertake any research or development during the Period.

Non-Audit Services

There were no non-audit services provided by Deloitte during the year.

Corporate Governance

The Company's Corporate Governance Statement and ASX Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations) is available in the Corporate Governance section of the Duxton Broadacre Farms website at www.duxtonbroadacrefarms.com.au.

As at the date of the Corporate Governance Statement, the Company complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition – March 2014 (unless otherwise stated).

Rounding

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

CHAIRMAN OF THE BOARD & EXECUTIVE DIRECTOR
EDOUARD PETER

Edouard Peter, is the co-founder and Chairman of Duxton Asset Management Pte Ltd ("Duxton"). Prior to forming Duxton in 2009, Ed was Head of Deutsche Asset Management Asia Pacific ("DeAM Asia"), Middle East & North Africa. He was also a member of the Deutsche Bank's Group Equity Operating Committee and Asset Management Operating Committee. Ed joined Deutsche Bank in 1999 as Head of Equities and Branch Manager of DB Switzerland. In March 2001, Ed moved to Hong Kong with Deutsche Bank and was appointed Head of Global Equities for Asia and Australia, becoming responsible for all of Global Emerging Markets Equities in the beginning of 2003. In November 2004, Ed became Head of Asian and Emerging Market Equities for the new Global Markets Division.

Ed holds a Bachelor's Degree in English Literature from Carleton College in Northfield, Minnesota. Ed's first foray into agricultural investing was in 1999 and he remains passionately interested in agriculture today.

Ed is appointed to the Board of the Company as a representative of the Investment Manager.

QUALIFICATIONS
- Bachelor English Literature

OTHER DIRECTORSHIPS
- Duxton Water Ltd

Interest in Securities

Fully paid ordinary shares	10,977,154

Committees
Member – Nomination and Remuneration Committee

NON-EXECUTIVE DIRECTOR
STEPHEN DUERDEN

Stephen Duerden is currently the CEO of Duxton Capital (Australia) Pty Ltd. Stephen has over 25 years of experience in investment management and joined Duxton in May 2009, as the CEO of Duxton in Singapore. Before joining Duxton, Stephen was the COO and Director for both the Complex Assets Investments Team and the Singapore operation of Deutsche Bank Asset Management Asia. Prior to this Stephen worked with Deutsche in Australia where he was a member of the Australian Executive Committee responsible for the management of the Australian business, with assets under management of approximately AUD $20 billion, and a member of the Private Equity Investment Committee overseeing the management of over AUD $2.5 billion in Private Equity and Infrastructure assets. Stephen has had exposure to a broad range of financial products and services during his career. He has been involved in direct property development and management, the listing and administration of REITS, as well as the operation and investment of more traditional asset portfolios.

Stephen holds a Bachelor of Commerce in Accounting Finance and Systems with merit from the University of NSW Australia and a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australasia. Stephen is a Fellow of the Financial Services Institute of Australasia and a Certified Practicing Accountant.

Stephen is appointed to the Board of the Company as a representative of the Investment Manager.

QUALIFICATIONS
- Bachelor of Commerce Accounting (Finance and Systems)
- Graduate Diploma of Applied Finance
- Member of Certified Practising Accountants
- Fellow of Financials Services Institute of Australia

OTHER DIRECTORSHIPS
- Duxton Water Ltd

Interest in Securities

Fully paid ordinary shares	47,362

Committees
Member - Audit and Risk Committee

NON-EXECUTIVE DIRECTOR
Dr. ANTHONY HAMILTON

Dr Hamilton is a Non Executive Director of the Company. Dr Anthony Hamilton has been engaged in grain farming since 1982. He started in family broadacre farming before working in rural financial and agricultural management as a consultant. In 1990 he became Managing Director of Warili Farming Pty Ltd and has been Managing Director of Merriment Rural Investments Pty Ltd since 2011.

Tony is a graduate of the Australian Institute of Company Directors, was a Nuffield Scholar in 2003 and holds a PhD in Agronomy and Plant physiology and a B. Sc Agr (Hons) from the University of Sydney. Tony is also a Non-executive Director of AgriFutures Australia (formally Rural Industries Research and Development Corporation) and a Northern Panel Committee Member of the Grains Research and Development Corporation.

QUALIFICATIONS
- PhD in Agronomy and Plant Physiology
- Bachelor of Science Agriculture (Hons)
- Graduate Diploma of Securities Institute of Australia (FINSIA)
- Graduate of the Institute of Company Directors

Interest in Securities

Fully paid ordinary shares 46,242

Committees

Member - Audit and Risk Committee
Member – Nomination and Remuneration Committee

INDEPENDENT NON-EXECUTIVE DIRECTOR and DEPUTY CHAIRMAN
MARK HARVEY

Mark Harvey has more than 40 years of experience in agriculture and agribusiness. He started his agribusiness journey managing a 10,000 acre family farm producing seed, grain crops, wool, lamb and beef, from 1976 until 1991.

He was one of the founders of Paramount Seeds which specialised in research, development and marketing of new field crops until sold to Elders Ltd in 1996. While with Elders, Mr Harvey was manager of their national and international seed business from 1996 until 2001. In 2002, he was one of the founding partners of Seed Genetics International which is currently a leading researcher, producer and marketer of genetics and seed worldwide from Australia.

In April 2013, Seed Genetics was sold to S&W Seed Co, a NASDAQ listed company based in Sacramento California which is a leading US genetics and specialty seed company. Mark was elected as a director at this time. On December 9, 2014 Mr Harvey was elected Chairman of the Board of Directors of S&W Seed Company, a position he still holds.

Mr Harvey is a director and shareholder of a company that holds seed and agricultural research production, milling and marketing assets in California, Idaho, Wisconsin and South Australia. He sits on the University of Adelaide, Waite Institute Advisory Board and is involved in various community activities. Mr Harvey has been married to Helen Harvey for 37 years and they have 3 daughters together. Mr Harvey was educated at Cunderdin Agricultural College in Western Australia.

OTHER DIRECTORSHIPS
- S&W Seed Company

Interest in Securities

Fully paid ordinary shares 84,685

Committees

Member - Audit and Risk Committee
Chairman – Nomination and Remuneration Committee

INDEPENDENT NON-EXECUTIVE DIRECTOR
WADE DABINETT

Wade Dabinett has over 13 years of experience in the Australian grain industry, encompasses grain trading, storage, handling and production. Part of a farming business at Parilla in the Southern Mallee of SA owned by his family which is a mix of grain, potatoes, sheep and cattle on both dryland and irrigated farming land. Wade is also the current Chairman of Grain Producers SA elected at the 2016 AGM which is the state's peak industry body representing the states 3,000 grain growers.

He is also the Chair of GPSA's sub-committees for Transport & Supply Chain, Agricultural Security & Priority and also a member of the Audit & Finance Committee. Wade is also a councillor representing Grains on Primary Producers SA and a member of the National Policy Council for Grain Producers Australia. He was also appointed in 2015 to the ABC Advisory Committee representing Rural and Regional Australia and reporting to the board on programming and content.

QUALIFICATIONS
- Graduate of the Institute of Company Directors

Interest in Securities
Fully paid ordinary shares 31,354

Committees
Chairman - Audit and Risk Committee
Member – Nomination and Remuneration Committee

COMPANY SECRETARY
KATELYN ADAMS

Katelyn Adams has over 10 years of accounting and company secretarial experience, serving predominantly ASX listing companies. Katelyn has extensive knowledge in company secretarial duties, ASX Listing Rule requirements, IPO and capital raising process, as well as a strong technical accounting knowledge. Katelyn is also the company secretary of Duxton Water Limited.

QUALIFICATIONS
- Bachelor of Commerce
- Member of the Institute of Chartered Accountants Australia

Remuneration report (audited)

The Committee is responsible for reviewing the compensation arrangements for all key management personnel and Directors. The review is conducted annually, having regard to management performance and comparative, external compensation levels. Independent advice may be sought on compensation packages and Director's fees. The compensation of key management personnel includes salary/fees, movements in accrued annual and long service leave, benefits including the provision of motor vehicles and superannuation.

Key Management Personnel
The directors and other key management personnel of the company during or since the end of the financial year were:

Executive directors	**Position**
E Peter	Chairman, Executive director
Non-executive directors	
M Harvey	Non-executive director, Deputy Chairman
S Duerden	Non-executive director
W Dabinett	Non-executive director
A Hamilton	Non-executive director
Other key management personnel	
B Goldsmith	General Manager

Remuneration of Non-Executive Directors
The Board policy is to remunerate Independent Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the Company.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. Typically, the Company will compare Non-Executive Remuneration to companies with similar market capitalisations. These reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to Non-executive Directors is $300,000 and any change is subject to approval by shareholders at a General Meeting.

Remuneration of key management personnel

Details of the remuneration of the key management personnel of the Company, paid for the reported period, are set out in the following table.

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	
2019	**$ Salary and Fees**	**$ Cash Bonus**	**$ Non-Monetary**	**$ Superannuation**	**$ Long Service Leave**	**$ Shares and Units**	**$ Total**
Executive Directors							
Mr Edouard Peter [1]	-	-	-	-	-	-	-
Non-executive Directors							-
Mr Stephen Duerden [1]	-	-	-	-	-	-	-
Dr Anthony Hamilton [2][3]	153,296	59,314	20,000	11,254	-	13,767	257,631
Mr Mark Harvey [2]	-	-	-	-	-	27,532	27,532
Mr Wade Dabinett [2]	-	-	-	-	-	27,532	27,532
Other Key Mgt Personnel							
Mr Bryan Goldsmith [3][4]	114,957	10,000	31,400	10,921	-	24,000	191,278
Total	**268,253**	**69,314**	**51,400**	**22,175**	**-**	**92,831**	**503,973**

(1) These Directors are employed by the Investment Manager (Duxton Capital (Australia) Pty Ltd) and receive no Remuneration from Duxton Broadacre Farms Limited, however Duxton Capital (Australia) Pty Ltd does receive management fees and performance fees.
(2) Directors fees of $35,000 are to be paid to each Non-executive director (excluding Directors employed by Duxton Capital (Australia) Pty Ltd). Non-executive directors will be paid in shares for each of the first three years of their term, to be issued one day after the Company's AGM. Shares will be issued at a listing price of $1.50. Shareholder approval at the AGM will be required for the issue of the shares. Apportionment will apply for directors appointed through the year.
(3) Dr Anthony Hamilton resigned as Managing Director in December 2018 and moves into the role of Non-executive director. Mr Bryan Goldsmith was appointed as General Manager in December 2018.
(4) Shares were issued to Bryan Goldsmith in June 2019.

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	
2018	**$ Salary and Fees**	**$ Cash Bonus**	**$ Non-Monetary**	**$ Superannuation**	**$ Long Service Leave**	**$ Shares and Units**	**$ Total**
Executive Directors							
Mr Edouard Peter [1]	-	-	-	-	-	-	-
Mr Stephen Duerden [1]	-	-	-	-	-	-	-
Dr Anthony Hamilton	237,567	29,657	-	20,900	-	-	288,124
Non-executive Directors							
Mr Mark Harvey [2]	-	-	-	-	-	27,928	27,928
Mr Wade Dabinett [2]	-	-	-	-	-	27,928	27,928
Mr William Brennan [1][3]	-	-	-	-	-	-	-
Mr Rupert Clifton-Bligh [1][3]	-	-	-	-	-	-	-
Total	**237,567**	**29,657**	**-**	**20,900**	**-**	**55,856**	**343,980**

(1) These Executive Directors are employed by the Investment Manager (Duxton Capital (Australia) Pty Ltd) and receive no Remuneration from Duxton Broadacre Farms Limited, however Duxton Capital (Australia) Pty Ltd does receive management fees and performance fees.
(2) Directors fees of $35,000 are to be paid to each Non-executive director (excluding Directors employed by Duxton Capital (Australia) Pty Ltd). Non-executive directors will be paid in shares for each of the first three years of their term, to be issued one day after the Company's AGM. Shares (23,333 pro-rata to 18,018) will be issued at a listing price of $1.50. Shareholder approval at the AGM will be required for the issue of the shares. Apportionment will apply for directors appointed through the year. The share price at June 30 2018 was $1.55
(3) Mr W Brennan resigned 22nd September 2017. Mr R Clifton-Bligh resigned on 31 July 2017.

Transactions with Key Management Personnel

The Company has a Management agreement with Duxton Capital (Australia) Pty Ltd, a company which Edouard Peter and Stephen Duerden are Directors. The current agreement is for the provision of investment management services. It amounted to $615k (ex gst) for the 12 month period ending 30 June 2019.

The Company has a Services agreement with Duxton Capital (Australia) Pty Ltd, a company which Edouard Peter and Stephen Duerden are Directors. The current agreement is for the provision of accounting, bookkeeping and human resource services. It amounted to $182k (ex gst) for the 12 month period ending 30 June 2019

The Company has a lease agreement with Duxton Water Ltd, a company which Edouard Peter and Stephen Duerden are Directors. The current agreement is for the provision of a water lease. It amounted to $251,345 (ex gst) for the 12 month period ending 30 June 2019.

Key Personal Changes

Dr Anthony Hamilton resigned as Managing Director in December 2018 moving into the role of Non-executive director, with a term of 3 years effective immediately.

Mr Bryan Goldsmith joined Duxton Broadacre Farm in August 2018 as Chief Operating Officer and was promoted to General Manager in December 2018.

Equity Holdings of Key Management Personnel

2019	**Type**	**Balance at 1/7/18**	**Balance at 30/6/19**
Executive Directors			
Mr Edouard Peter [1]	ORD	9,764,522	10,977,154
Non-executive Directors			
Mr Stephen Duerden [1]	ORD	40,197	47,362
Dr Anthony Hamilton	ORD	6,667	46,242
Mr Mark Harvey	ORD	66,666	84,685
Mr Wade Dabinett	ORD	13,335	31,354
Other key mgt personnel			
Bryan Goldsmith	ORD	-	20,000
Total		**9,891,387**	**11,206,797**

(1) Equity holdings above include both direct and indirect holdings. For further details see note 26.

2018	**Type**	**Balance at 1/7/17**	**Balance at 30/6/18**
Executive Directors			
Mr Edouard Peter [1]	ORD	-	9,764,522
Mr Stephen Duerden [1]		-	40,197
Dr Anthony Hamilton	ORD	-	6,667
Non-executive Directors	ORD	-	
Mr Mark Harvey	ORD	-	66,666
Mr Wade Dabinett	ORD	-	13,335
Mr William Brennan	ORD	-	3,600
Mr Rupert Clifton-Bligh	ORD	-	-
Total		**-**	**9,894,987**

(1) Equity holdings above include both direct and indirect holdings. For further details see note 26.
(2) Mr W Brennan resigned 22nd September 2017. Mr R Clifton-Bligh resigned on 31 July 2017.

Investment Manager

The Company has appointed Duxton Capital (Australia) Pty Ltd as its Investment Manager to manage its assets and implement its investment strategy. The Board have appointed the Investment Manager in line with the terms of the Investment Management Agreement.

The Investment Management Agreement signed on 7th November 2017 is for an initial term of ten (10) years. After this initial term, the Investment Management Agreement will be renewed for further new terms of five (5) years, unless terminated by the Company or the Investment Manager.

Under the Investment Management Agreement, the Investment Manager will be responsible for the day-to-day management of the Company and management of the investment portfolio. Services provided by the Investment Manager include, but are not limited to, the selection, determination, structuring, investment, reinvestment, leasing and management of the Company's assets.

In return for the performance of its duties, the Investment Manager is entitled to be paid a monthly Management Fee equal to 0.85% per annum (plus GST) of the Portfolio Net Asset Value at the end of each month (calculated prior to any deduction of performance fees payable to the Investment Manager). The Management Fee commenced 1 July 2018 and is to be calculated and accrued on the last day of each month and paid monthly in arrears.

The Management Fee for the for the final calendar month in which the Company is wound up or the Investment Management Agreement is terminated will be calculated using the following formula:

$$\text{Monthly Management Fee} = \frac{\text{(Days in Operation)} \times 0.85\%}{365} \times \text{Portfolio Net Asset Value on the relevent Valuation Day}$$

"Days in Operation" means the number of days in that calendar month in which the Company incurs liabilities or debts and/ or generates revenue or owns assets.

"Portfolio Net Asset Value (PNAV)" means the total assets of the Company less the total liabilities of the Company excluding tax balances and Performance Fee, as based on the Company's management accounts.

"Valuation Day" means the last day in each month, unless the Directors resolve otherwise, on which the PNAV is calculated.

The Management Fee is to be paid to the Investment Manager regardless of the performance of the Company. Management Fees would increase if the Company's portfolio value increases, and decrease if the Company's portfolio value decreases, over the period. The Management Fee payable to the Investment Manager is calculated on the basis of the Portfolio Net Asset Value of the Company, at the relevant valuation date.

The management fee paid to the Investment manager for the year ended 30 June 2019 was $615,349 (2018: nil).

In addition to the monthly Management Fee, the Investment Manager is entitled to be paid a Performance Fee at the end of each financial year from the Company. The Performance Fee is split over two hurdles and is calculated as:

- 5% of the outperformance of the Investment Return of the Company above a hurdle return of 8% per annum up to 12% per annum; plus
- If the Investment Return is above 12% for the year then the Performance Fee will include 10% of the remaining outperformance of the Investment Return over the hurdle of 12% per annum.

The Performance Fee will be subject to a High Water Mark and will be accrued monthly and paid annually. The terms of the Performance Fee are outlined below:

The Performance Fee will be calculated by reference to the audited accounts of the Company ("Audited Accounts") and the Company is required to pay the Performance Fee to the Investment Manager in arrears within 14 days from the issue of the Audited Accounts.

The Performance Fee will be payable if the Company outperforms either of the First Benchmark Hurdle or the Second Benchmark Hurdle (as defined below) during any Calculation Period. The formula for calculating the Performance Fee payable to the Investment Manager for any Calculation Period is as follows:

(a) If the Investment Return of the Company between the Start Date and the Calculation Date is less than the First Benchmark Return Hurdle (8%) then no Performance Fee is payable.

(b) If the Investment Return of the Company between the Start Date and the Calculation Date is greater than the First Benchmark Hurdle (8%) but less than the Second Benchmark Hurdle (12%) then the Performance Fee will be: 5% x ((Adjusted Ending PNAV - Opening PNAV – Capital Raisings) – First Benchmark Return Hurdle)

(c) If the Investment Return of the Company between the Start Date and the Calculation Date is greater than the Second Benchmark Hurdle (12%) then the Performance Fee will consist of two components as follows:

Component A = 5% x (Second Benchmark Return Hurdle - First Benchmark Return Hurdle)

Plus

Component B = 10% x ((Adjusted Ending PNAV – Opening PNAV – Capital Raisings) – Second Benchmark Return Hurdle)

Where:

"Portfolio Net Asset Value (PNAV)" means the total assets of the Company less the total liabilities of the Company excluding provisions for tax payable and Performance Fee, as based on the Company's Audited Accounts or latest management accounts (as the case may be).

"Investment Return" means the percentage by which the Ending Portfolio Net Asset Value exceeds the Opening Portfolio Net Asset Value at the Calculation Date; excluding any additions or reductions in the equity of the Company including distributions paid or provided for, dividend reinvestments, new issues, the exercise of share options, share buy-backs and the provision or payment of tax made since the previous Calculation Date.

"Adjusted Ending PNAV" means the PNAV at the Calculation Date, adjusted by adding back to the Ending PNAV:

- Any Distributions or reductions in capital paid or provided for during such Calculation Period; and
- Any relevant taxes paid or provided for during such Calculation Period.

"First Benchmark Return Hurdle" means an amount equal to: 8% per annum of the Opening PNAV;

- Plus 8% per annum on Capital Raisings during the Calculation Period, calculated on a time weighted basis;
- Minus 8% per annum on the amount of any Distributions paid during the Calculation Period, calculated on a time weights basis.

"Second Benchmark Return Hurdle" means an amount equal to: 12% per annum of the Opening PNAV;

- Plus 12% per annum on Capital Raisings during the Calculation Period, calculated on a time weighted basis;
- Minus 12% per annum on the amount of any Distributions paid during the Calculation Period, calculated on a time weights basis.

"Ending PNAV" means the Portfolio Net Asset Value of the Company at the end of the relevant Calculation Period.

"Opening PNAV" means the higher of Portfolio Net Asset Value of the Company at the relevant Start Date for the Calculation Period or the highest Ending PNAV since inception of the Company on which a performance fee has been paid to the Investment Manager.

"High Water Mark" means the highest Adjusted Portfolio Net Asset Value at which a Performance Fee has been paid to the Investment Manager.

"Commencement Date" means the first Business Day immediately following the Listing Date (including such extended period(s) where applicable).

"Calculation Period" commences from a "Start Date" and ends on a "Calculation Date".

"Start Date" means 1 July of each year except for the first Calculation Period which will start on the first Business Day immediately following the Listing Date (i.e. Commencement Date)..

"Calculation Date" means the 30 June of each year, except for the year in which the Company is wound up or the Investment Management Agreement is terminated, in which case the Calculation Date will be the last Business Day before the termination of the Company or the Investment Management Agreement (as applicable).

"Business Day" means a day on which banks are open in South Australia, excluding weekends and public holidays in South Australia.

There was no performance fee paid or payable to the Investment manager for the year ended 30 June 2019. (Year ended 30 June 2018: $0.297m).

A termination fee is payable by the Company to the Investment Manager if the Investment Management Agreement is terminated within the first ten years of the Agreement, unless the Company has terminated the Investment Management Agreement for default by the Investment Manager. The termination fee is equal to 5% of the PNAV of the Company, reduced by 1/60th for each calendar month elapsed after the first five years since commencement of the Investment Management Agreement up to the date of termination.

- END OF REMUNERATION REPORT -

Issue of Shares

In December 2018, 18,019 shares were issued to both Mark Harvey, and Wade Dabinett at $1.50 per share as per their Directors Agreement. 20,000 shares were issued to Bryan Goldsmith as per his employment contract.

Share Options

No shares of any controlled entity were issued during or since the end of the period by virtue of the exercise of any options.

Dividends

No dividends were declared or paid during the period.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte, to provide the Directors of the Company with an Independence Declaration. This Lead Auditor's Independence Declaration is included on page 33.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

Edouard Peter
Chairman

Mark Harvey
Independent Non-Executive Director

Stirling, South Australia
28th August 2019

Deloitte.

Deloitte Touche Tohmatsu
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11 Waymouth Street
Adelaide, SA, 5000
Australia

Phone: +61 8 8407 7000
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28 August 2019

The Board of Directors
Duxton Broadacre Farms Limited
7 Pomona Road
STIRLING SA 5152

Dear Directors

Auditor's Independence Declaration to Duxton Broadacre Farms Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Duxton Broadacre Farms Limited.

As lead audit partner for the audit of the financial report of Duxton Broadacre Farms Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 Jun 2019 $'000	30 Jun 2018 $'000
Revenue	5	13,629	14,555
Cost of sales		(12,316)	(13,328)
Biological transformation	13	1,877	2,386
Gross profit		**3,190**	**3,613**
Other income	7	612	541
Operational expenses		(3,250)	(2,430)
Administration expenses		(2,006)	(1,747)
(Impairment) /Reversal of impairment		(245)	552
Finance expenses	8	(866)	(552)
(Loss)/profit before tax		**(2,565)**	**(23)**
Income tax benefit/(expense)	18	1,450	(397)
Loss for the year		**(1,115)**	**(420)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property	23	1,629	5,789
Total comprehensive income for the year		**514**	**5,369**

Earnings per share		2019 ($)	2018 ($)
From continuing operations			
Basic (cents per share)	24	(0.0259)	(0.0144)
Diluted (cents per share)	24	(0.0259)	(0.0144)

The notes on page 39 to 77 are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	30 Jun 2019 $'000	30 Jun 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	12	4,735
Trade and other receivables	11	3,168	2,878
Inventories	12	3,298	2,712
Biological assets	13	6,455	6,183
Other financial assets	14	21	3,036
Other current assets	15	793	470
Total current assets		**13,747**	**20,014**
Non-current assets			
Land	16	76,231	60,708
Buildings, plant and equipment	16	9,582	6,616
Intangible water assets	17	6,900	4,534
Other non-current assets	15	6	-
Total non-current assets		**92,719**	**71,858**
Total assets		**106,466**	**91,872**
LIABILITIES			
Current liabilities			
Trade and other payables	19	3,190	4,645
Borrowings	20	1,771	292
Provisions	21	261	297
Total current liabilities		**5,222**	**5,234**
Non-current liabilities			
Borrowings	20	26,163	10,741
Provisions	21	6	1
Deferred tax liability	18	1,438	2,191
Total non-current liabilities		**27,607**	**12,933**
Total liabilities		**32,829**	**18,167**
Net assets		**73,637**	**73,705**
EQUITY			
Issued capital	22	73,987	74,675
Reserves	23	8,400	6,665
Accumulated losses		(8,750)	(7,635)
Total equity		**73,637**	**73,705**

The notes on page 39 to 77 are an integral part of these financial statements

STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Issued capital $'000	Accumulated losses $'000	Asset revaluation reserve $'000	Share based payment reserve $'000	Total equity $'000
Balance at 1 July 2017		**20,940**	**(7,215)**	**876**	-	**14,601**
Profit/(loss) for the year		-	(420)	-	-	(420)
Other comprehensive income for the year, net of income tax		-	-	5,789	-	5,789
Total comprehensive income for the year			(420)	5,789	-	5,369
Issue of shares for the acquisition of Wyalong Rural Investments Pty Ltd	22	33,642	-	-	-	33,642
			-	-	-	-
Issue of shares upon initial public offering	22	21,105	-	-	-	21,105
Share buy back		(247)	-	-	-	(247)
Share issue costs - net of taxes	22	(765)				(765)
Balance at 30 June 2018		**74,675**	**(7,635)**	**6,665**	-	**73,705**
Balance at 1 July 2018		**74,675**	**(7,635)**	**6,665**	-	**73,705**
Profit/(loss) for the year		-	(1,115)	-	-	(1,115)
Other comprehensive income for the year, net of income tax		-	-	1,629	-	1,629
Total comprehensive income for the year			(1,115)	1,629	-	514
Issue of shares	22	78	-	-	-	78
Share buy back		(764)	-	-	-	(764)
Share issue costs - net of taxes	22	(2)	-	-	-	(2)
Share based payments approved		-	-	-	106	106
Balance at 30 June 2019		**73,987**	**(8,750)**	**8,294**	**106**	**73,637**

The notes on page 39 to 77 are an integral part of these financial statements

STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 $'000	30 June 2018 $'000
Cash flows from operating activities			
Receipts from customers		14,761	13,995
Payments to suppliers		(17,292)	(15,500)
Interest received		220	32
Interest paid		(1,004)	(552)
Government rebates received		383	269
Other		28	(273)
Net cash (used in)/generated by operating activities	25	**(2,904)**	**(2,029)**
Cash flows from investing activities			
Payments for property, plant and equipment		(18,087)	(8,870)
Deposit for supplies		3,000	(3,000)
Acquisition of a business		-	(1,000)
Proceeds from disposal of property, plant and equipment		72	161
Payments for water entitlements		(2,484)	(1,183)
Other		(57)	-
Net cash (used in)/generated by investing activities		**(17,556)**	**(13,892)**
Cash flows from financing activities			
Proceeds from issue of shares	22	-	21,105
Share buy back	22	(764)	(247)
Payment for share issue costs		-	(910)
Proceeds from borrowings		16,701	
Repayment of borrowings	20.2	(200)	698
Net cash (used in)/generated by financing activities		**15,737**	**20,656**
Net increase in cash and cash equivalents		**(4,723)**	**4,735**
Cash and cash equivalents at beginning of the period		4,735	-
Cash and cash equivalents at end of period	10	**12**	**4,735**

The notes on page 39 to 77 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 CORPORATE INFORMATION

Duxton Broadacre Farms Limited is a limited company, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under the symbol DBF. Its registered office and principal place of business is located at 7 Pomona Road Stirling SA 5152.

2 BASIS OF PREPARATION

Basis of accounting

The financial statements have been prepared under the historical cost basis except for land, buildings and biological assets that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. All amounts are presented in Australian dollars.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 112 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Statement of compliance

The financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with Australian Accounting Standards Board (AASBs) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

Biological Assets - Crops

Crops are valued based on whether biological transformation has occurred, at which point the crops are measured at their net market value, unless the crop is immature and little transformation has taken place at which point cost is used as a proxy for fair value. For crops nearing maturity the fair value is determined in consideration of the stage of growth and deducting all required costs to harvest and transport to market.

Standards issued and effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued and are now effective per below.

Standard/Interpretation	Effective for annual reporting periods on or after	Applied in the financial year ending
AASB 9 'Financial Instruments'	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2019

AASB 9 Financial Instruments

AASB 9 Financial Instruments is a new standard published in July 2014, which replaces AASB 139 Financial Instruments: Recognition and Measurement. This standard introduces a new impairment model for financial assets, a new measurement category 'fair value through other comprehensive income' for certain debt instruments and new general hedge accounting requirements.

In the current year, the Company has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 July 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives. However, the Company has elected to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Company adopted consequential amendments to AASB 7 Financial Instruments:
Disclosures that were applied to the disclosures about the financial year ended 30 June 2019 and to the comparative period.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had the following impact on the Company's financial assets as regards their classification and measurement. See note 28.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, AASB 9 requires the Company to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVTOCI,
- Lease receivables,
- Trade receivables and contract assets, and
- Financial guarantee contracts to which the impairment requirements of AASB 9 apply

In particular, AASB 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. AASB 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a single comprehensive framework to assist with accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 Revenue.

In the current year, the Company has applied AASB 15 *Revenue from Contracts with Customers* (as amended) which is effective for an annual period that begins on or after 1 July 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Company's consolidated financial statements are described below.

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in AASB 15 to describe such balances.

The Companies accounting policies for its revenue streams are disclosed in detail in note 3 below.

Apart from providing more extensive disclosures for the Companies revenue transactions, the application of AASB 15 has not had a significant impact on the financial position and/or financial performance of the Company.

Standards issued and effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2020	30 June 2020

Leases

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. AASB 16 removes the lease classification test and requires all lessees to record both finance and operating leases on the balance sheet.

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of AASB 16 for the Company will be 1 July 2019. The Company has chosen the full retrospective application of AASB 16 in accordance with AASB 16:C5(a). Consequently, the Company will restate the comparative information. In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

The Company will make use of the practical expedient available on transition to AASB 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with AASB 117 and Interpretation 4 will continue to apply to those leases entered or modified before 1 July 2019. The change in definition of a lease mainly relates to the concept of control. AASB 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset, and
- The right to direct the use of that asset.

The Company will apply the definition of a lease and related guidance set out in AASB 16 to all lease contracts entered into or modified on or after 1 July 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of AASB 16, the Company has carried out an implementation project. The project has shown that the new definition in AASB 16 will not change significantly the scope of contracts that meet the definition of a lease for the Company.

IMPACT ON LESSEE ACCOUNTING

Operating leases

AASB 16 will change how the Company accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Company will:

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis. Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Company will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.

Finance leases

The main differences between AASB 16 and AASB 117 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. AASB 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by AASB 117. On initial application the Company will present equipment previously included in property, plant and equipment within the line item for right-of-use assets and the lease liability, previously presented within borrowing, will be presented in a separate line for lease liabilities.

Based on an analysis of the Company's finance leases as at 30 June 2019 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed that the impact of this change will not have an impact on the amounts recognised in the Company's consolidated financial statements.

IMPACT ON LESSOR ACCOUNTING

Under AASB 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, AASB 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under AASB 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under AASB 117).

Because of this change, the Company will reclassify certain of its sublease agreements as finance leases. As required by AASB 9, an allowance for expected credit losses will be recognised on the finance lease receivables. The leased assets will be derecognised and finance lease asset receivables recognised. This change in accounting will change the timing of recognition of the related revenue (recognised in finance income).

The application of AASB 16 is not expected to have a significant impact on the financial position and or performance of the company because the companies only operating leases relate to leased water licenses. These In the Directors water licenses are not within the scope of AASB leases as water licenses are an intangible asset within the scope of AASB 138 intangible assets. As a result, water leases held are not recorded as a liability on the statement of consolidated financial position.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

Makes amendments intended to address concerns that the wording in the definition of 'material' was different in the Conceptual Framework for Financial Reporting, AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments address these concerns by:

- Replacing the term 'could influence' with 'could reasonably be expected to influence'
- Including the concept of 'obscuring information' alongside the concepts of 'omitting' and 'misstating' information in the definition of material
- Clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework
- Aligning the definition of material across Australian Accounting Standards and other publications.

This Standard applies to annual reporting periods beginning on or after 1 January 2020. The directors of the Company do not anticipate that the application of this Standard will have a material impact on the Company's consolidated financial statements.

AASB 2019-1 Amendment to Australian Accounting Standards – References to the Conceptual Framework

Makes amendments to various Accounting Standards to reflect the issue of the revised Conceptual Framework for Financial Reporting. This Standard updates references to, or quotations from, previous versions of the Framework contained in many Accounting Standards.

This Amending Standard applies to for-profit sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards and other for-profit entities that elect to apply the Conceptual Framework, for annual reporting periods beginning on or after 1 January 2020. The directors of the Company do not anticipate that the application of this Standard will have a material impact on the Company's consolidated financial statements.

The AASB's revised Conceptual Framework for Financial Reporting updates a number of definitions and guidance, introduces new guidance on a number of topics including the reporting entity and presentation and disclosure, and clarifies a number of other matters. If an analysis of the impacts of the new Conceptual Framework has not been performed, the last sentence above can be substituted with a statement similar to the following:

The potential effect of the Amending Standard, and the Conceptual Framework for Financial Reporting to which it refers, on the Company's financial statements has not yet been determined.

Interpretation 23 Uncertainty over Income Tax Treatments
Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- Determine whether uncertain tax positions are assessed separately or as a Company, and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

  If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

  If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Interpretation is effective for annual periods beginning on or after 1 January 2019. Entities can apply the Interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The directors of the Company do not anticipate that the application of the Interpretation will have a material impact on the Company's consolidated financial statements. These illustrative disclosures do not show example disclosures for new and amending pronouncements that are not relevant to International GAAP Holdings Limited, for example amending standards applying to not-for-profit entities. Entities should ensure that review section 8.5 to determine all pronouncements for which disclosures should be made.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

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

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

Interest revenue
Interest revenue comprises income earned on financial assets and is recognised when it is probable that the economic benefit will flow to the company and that the amount of revenue can be reliably measured. Interest revenue is recognised in the Statement of Profit or Loss, using the effective interest method.

4.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee
Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 4.3 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

4.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.4 Employee benefits

Short-term and other long-term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

4.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives based on expected usage patterns. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation rates used for each class of depreciable assets are:

Asset	Depreciation rate 2019
Building	2-4%
Plant, equipment and motor vehicles	10-40%
Office furniture & equipment	40-100%
Property improvements	5%

4.7 Intangible Assets

Intangible assets acquired separately

(a) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(b) Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. As the asset has an indefinite useful life, the asset is not subject to depreciation. These assets are tested annually for impairment, and the carrying value of the asset is adjusted accordingly.

Permanent water rights recognised by the company have an indefinite useful life and are not depreciated. Each period the useful life of these assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in 4.8.

4.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 Inventories

Consumables

Consumables are recorded at the lower of cost and net realisable value. Costs of consumables are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for consumables less all estimated costs of completion and costs necessary to make the sale.

Produce

Produce is recorded at the lower of cost and net realisable value. Cost of produce is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for produce less all estimated costs of completion and costs necessary to make the sale.

4.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

4.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.12 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

4.13 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 permits the entire combined contract to be designated as at FVTPL.

Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Biological assets
(a) Crops in ground
Crops in ground are measured based on whether biological transformation has occurred, at which point the crops are measured at their net market value, unless little biological transformation of the crop has taken place. For crops near its maturity, the fair value is determined in consideration of the stage of growth less all required costs to harvest and transport to market.

(b) Livestock
Livestock are measured at its fair value less costs to sell at the end of each reporting period. The related costs incurred such as feeding, shearing and crutching, and veterinary services for livestock are recognised in profit or loss.

5 REVENUE

The following is an analysis of the Group's revenue for the year from continuing operations.

	2019 $'000	2018 $'000
Sales – Cropping, Livestock & Wool	13,629	14,555

6 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker to make strategic decisions. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. A single reporting segment has been identified being agriculture as discrete financial information is only available on an entire business basis.

SEGMENT REVENUE AND RESULTS

2019	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	13,629	3,190
Total from continuing operations	**13,629**	**3,190**
Other income		612
Operational costs		(3,250)
Administration Expenses		(2,006)
Reversal of impairments		(245)
Finance Costs		(866)
Net profit/(loss) before tax		**(2,565)**

2018	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	14,555	3,613
Total from continuing operations	**14,555**	**3,613**
Other income		541
Operational costs		(2,430)
Administration Expenses		(1,366)
Marketing Costs		(381)
Reversal of impairments		552
Finance Costs		(552)
Net profit/(loss) before tax		**(23)**

REVENUE FROM MAJOR PRODUCTS

	2019 $'000	2018 $'000
Hay	445	898
Oils	-	77
Cotton	6,206	2,184
Mungbean	-	49
Chickpea	457	372
Wheat	2,677	5,510
Barley	1,612	1,266
Canola	97	2,336
Cattle	1,042	569
Sheep	935	1,031
Wool	158	263
	13,629	**14,555**

Revenues are managed on a product by product basis. Costs are managed in total.

7 OTHER INCOME

	2019 $'000	2018 $'000
Government rebates	365	370
Other revenue	98	33
Insurance revenue	17	53
Interest received	132	68
Lease revenue	-	17
	612	**541**

8 FINANCE COSTS

	2019 $'000	2018 $'000
Interest on bank overdrafts and loans	785	486
Interest on obligations under finance leases	62	18
Borrowing costs	4	41
Other finance costs	15	7
	866	**552**

9 AUDITORS REMUNERATION

	2019 $'000	2018 $'000
Audit or review of financial report - Deloitte Touche Tohmatsu	110,000	80,000
Audit or review of financial report – Boyce Chartered Accountants (FY2017)	-	11,023
	110,000	**91,023**

10 CASH AND CASH EQUIVALENTS

	2019 $'000	2018 $'000
Cash at bank	-	1,715
Term deposits	12	3,020
	12	**4,735**

11 TRADE AND OTHER RECEIVABLES

	2019 $'000	2018 $'000
Trade receivables	1,184	1,753
Allowance for doubtful debts	-	-
	1,184	1,753
Wheat and barley pools	-	226
Fuel Rebate Receivable	92	125
Other receivables	1,892	774
	3,168	**2,878**
Ageing of past due but not impaired		
61-90 days	-	49
90-120 days	-	-
120+ days	14	-
	14	**49**

12 INVENTORIES

	2019 $'000	2018 $'000
Consumables - cost	944	1,054
Produce on hand		
- Crops - at cost	2,346	1,620
- Wool - at NRV	8	38
	3,298	**2,712**

13 BIOLOGICAL ASSETS

	Crops in ground $'000	Livestock $'000	Total $'000
Gross carrying amount			
Balance at 1 July 2017	480	1,716	2,196
Additions through business combination	6,035	-	6,035
Additions	7,343	1,260	8,603
Transfers to inventory	(11,437)	(1,600)	(13,037)
Increase in fair value due to biological transformation	1,399	987	2,386
Balance at 30 June 2018	**3,820**	**2,363**	**6,183**
Gross carrying amount			
Balance at 1 July 2018	3,820	2,363	6,183
Additions	9,044	1,203	10,247
Transfers to inventory	(9,875)	(1,977)	(11,852)
Increase in fair value due to biological transformation	1,171	706	1,877
Balance at 30 June 2019	**4,160**	**2,295**	**6,455**

14 OTHER FINANCIAL ASSETS

	2019 $'000	2018 $'000
Landmark - Deposit fixed interest rate (2.4%)	-	3,036
Other Deposits	21	-
	21	**3,036**

15 OTHER ASSETS

	2019 $'000	2018 $'000
Prepayments	793	470
Other	6	-
	799	**470**
Current	793	470
Non-current	6	-
	799	**470**

16 LAND, PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Buildings $'000	Plant and equipment at cost $'000	Work in Progress $'000	Total $'000
Gross carrying amount					
Balance at 1 July 2017	8,306	2,474	2,547	-	13,327
Additions	6,684	726	1,461	-	8,871
Disposals	-	(177)	(371)	-	(548)
Acquisitions through business combination	37,947	1333	1,166	-	40,446
Revaluation increase	8,270	-	-	-	8,270
Balance at 30 June 2018	**61,207**	**4,356**	**4,803**	**-**	**70,366**
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2017	(810)	(1,096)	(1,365)	-	(3,271)
Disposals	-	109	237	-	346
Impairment loss	(338)	-	-	-	(338)
Impairment reversal	649	114	-	-	762
Depreciation expense	-	(103)	(438)	-	(541)
Balance at 30 June 2018	**(499)**	**(976)**	**(1,567)**	**-**	**(3,042)**
Net book value					
As at 1 July 2017	**7,496**	**1,378**	**1,181**	**-**	**10,055**
As at 30 June 2018	**60,708**	**3,380**	**3,236**	**-**	**67,324**
Gross carrying amount					
Balance at 1 July 2018	61,207	4,356	4,803	-	70,366
Additions	13,605	1,144	1,587	1,407	17,743
Disposals	-	(60)	(567)	-	(627)
Reclassifications	-	917	-	(917)	-
Revaluation increase	2,037	292	-	-	2,329
Balance at 30 June 2019	**76,849**	**6,649**	**5,823**	**490**	**89,811**
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2018	(499)	(976)	(1,567)	-	(3,042)
Disposals	-	3	310	-	313
Depreciation expense	-	(214)	(656)	-	(870)
Impairment loss	(248)	(280)	-	-	(528)
Impairment reversal	129	-	-	-	129
Balance at 30 June 2019	**(618)**	**(1,467)**	**(1,913)**	**-**	**(3,998)**
Net book value					
As at 1 July 2018	**60,708**	**3,380**	**3,236**	**-**	**67,324**
As at 30 June 2019	**76,231**	**5,182**	**3,910**	**490**	**85,813**

The Company's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's freehold land and buildings as at 30 June 2019 and 30 June 2018 were performed by CBRE, independent valuers not related to the Company.

CBRE have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.
AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy. Details of the hierarchy are disclosed in Note 28.

Land, buildings and water licenses are all Level 2 and have been determined as follows.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The fair value of water licenses was determined using a fair market valuation approach which draws on publicly available water trade data from the relevant state water registers.

There has been no change to the valuation technique during the year.

17 INTANGIBLE WATER ASSETS

	Water licences $'000
Gross carrying amount	
Balance at 1 July 2017	3,601
Additions	1,183
Disposals	-
Balance at 30 June 2018	**4,784**
Accumulated impairment	
Balance at 1 July 2017	(377)
Disposals	-
Impairment reversal	127
Balance at 30 June 2018	**(250)**
Net book value	
As at 1 July 2017	3,224
As at 30 June 2018	4,534
Gross carrying amount	
Balance at 1 July 2018	4,784
Additions	2,212
Disposals	-
Balance at 30 June 2019	**6,996**
Accumulated impairment	
Balance at 1 July 2018	(250)
Disposals	-
Impairment reversal	154
Balance at 30 June 2019	**(96)**
Net book value	
As at 1 July 2018	4,534
As at 30 June 2019	6,900

Water licenses are valued at the lower of cost and their fair value, less cost to sell. Refer to note 16 for the valuation methodology in establishing fair value.

18 TAXATION

INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2019 $'000	2018 $'000
Current tax		
Current tax expense/(income) recognised in current year	(1,533)	(1,583)
Derecognition of prior year tax losses	-	204
Recognition of prior year tax losses	(681)	-
Other	-	60
	(2,214)	**(1,319)**
Deferred tax		
Deferred tax expense recognised in current year	764	1,716
Total income tax/(benefit) recognised in the current year relating to continuing operations	**(1,450)**	**397**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Loss before tax	**(2,565)**	**(23)**
Income tax benefit at 30%	(769)	(7)
Effect of expense that are non-deductible in determining taxable profit	-	6
Derecognition of prior year Tax Losses	-	204
Recognition of prior year tax losses	(681)	-
Other	-	194
Income tax expense recognised in profit and loss (relating to continuing operations)	**(1,450)**	**397**

INCOME TAX RECOGNISED DIRECTLY IN EQUITY

	2019 $'000	2018 $'000
Deferred tax		
Equity raising costs	1	381
Revaluation of land	(611)	(2,481)
Income tax recognised directly in equity	**(610)**	**(2,100)**

CURRENT TAX ASSETS AND LIABILITIES

2019	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Acquisitions/ disposals	Other	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross deferred tax liabilities							
Debtors	(105)	77	-	-	-	-	(28)
Inventories	(1,712)	(298)	-	-	-	-	(2,010)
Property, plant and equipment	(2,553)	(190)	-	(698)	-	-	(3,441)
Intangibles	(81)	(46)	-	-	-	-	(127)
	(4,451)	(457)	-	(698)	-	-	(5,606)
Gross deferred tax assets:							
Payables	216	(199)	-	-	-	-	17
Provisions	89	(10)	-	-	-	-	79
Other	298	(98)	-	-	-	1	201
	603	(307)	-	-	-	1	297
	(3,848)	**(764)**	**-**	**(698)**	**-**	**1**	**(5,309)**
Tax Losses	1,657	2,214	-	-	-	-	3,871
	(2,191)	**1,450**	**-**	**(698)**	**-**	**1**	**(1,438)**

2018	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Acquisitions/ disposals	Other	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross deferred tax liabilities							
Debtors	(37)	(68)	-	-	-	-	(105)
Inventories	(124)	(1,588)	-	-	-	-	(1,712)
Property, plant and equipment	90	(162)	(2,481)	-	-	-	(2,553)
Intangibles		75	-	-	(156)	-	(81)
	(71)	(1,743)	(2,481)	-	(156)	-	(4,451)
Gross deferred tax assets:							
Payables	61	155	-	-	-	-	216
Provisions	46	21	-	-	22	-	89
Other	60	(149)	-	381	-	6	298
	167	27	-	381	22	-	603
	96	**(1,716)**	**(2,481)**	**381**	**(134)**	**6**	**(3,848)**
Tax Losses	204	1,453	-	-	-	-	1,657
	300	**(263)**	**(2,481)**	**381**	**(134)**	**6**	**(2,191)**

19 TRADE AND OTHER PAYABLES

	2019 $'000	2018 $'000
Trade payables	2,640	3,955
Accrued expenses	550	689
	3,190	**4,645**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The company has financial risk management policies in place to ensure that all payables are paid within the pre agreed terms.

20 BORROWINGS

	2019 $'000	2018 $'000
Secured – at amortised cost		
Bank overdrafts (i)	1,501	-
Bank loans (i)	25,200	10,000
Finance lease liability (ii)	1,233	1,033
	27,934	**11,033**
Current	1,771	292
Non-current	26,163	10,741
	27,934	**11,033**

SUMMARY OF BORROWING ARRANGEMENTS

(i) The following facilities are secured by mortgages on the company's assets:

- $5,000,000 overdraft taken out in October 2017 with a variable interest rate and is currently drawn to $1.501m
- $4,200,000 loan taken out in Oct 2017 expiring in 5 years with a variable interest rate
- $5,000,000 loan taken out in Oct 2017 expiring in 5 years with a variable interest rate
- $10,000,000 loan taken out in Oct 2017 expiring in 10 years with a fixed interest rate
- $6,000,000 loan taken out March 2019 expiring in 5 years with a variable rate

(ii) Secured by the assets leased. The borrowings are on fixed interest rate terms, ranging from 3.53%-5.17%, with repayment periods not exceeding 5 years.

			Non cash changes	
	1/7/2018	Financing cashflows	New finance leases	30/6/19
	$'000	$'000	$'000	$'000
Short term borrowings - Equipment purchases	1,033	-	200	1,233
Loans from related parties	-	-	-	-
Long term borrowings	10,000	15,200	-	25,200
Overdraft	-	1,501	-	1,501
	11,033	**16,701**	**200**	**27,934**

21 PROVISIONS

	2019 $'000	2018 $'000
Employee benefits	267	298
	267	**298**
Current	261	297
Non-current	6	1
	267	**298**

22 EQUITY

	2019 $'000	2018 $'000
Share Capital	73,987	74,675
	73,987	**74,675**
Issued capital comprises: 42,950,065 fully paid ordinary shares (30 June 2018: 43,383,065)	73,987	74,675
	73,987	**74,675**

FULLY PAID ORDINARY SHARES

	No. Shares $'000	Share capital $'000
Balance at 1 July 2017	9,150	20,940
Issue of shares upon initial public offering	14,070	21,105
Shares issued for the purchase of the Business WRI	20,313	33,642
Share buy-back	(150)	(247)
Share Issue costs	-	(765)
Closing balance at 30 June 2018	**43,383**	**74,675**
Balance at 1 July 2018	43,383	74,675
Shares issued	56	78
Share buy-back	(489)	(764)
Share issue costs	-	(2)
Closing balance at 30 June 2019	**42,950**	**73,987**

23 RESERVES

	Property valuation reserve $'000	Other reserve $'000	Total $'000
Balance at 01 July 2017	876	-	876
Movements	8,270	-	8,270
Tax effect	(2,481)	-	(2,481)
Balance at 30 June 2018	**6,665**	**-**	**6,665**

	Property valuation reserve $'000	Other reserve $'000	Total $'000
Balance at 01 July 2018	6,665	-	6,665
Movements	2,327	106	2,433
Tax effect	(698)	-	(698)
Balance at 30 June 2019	**8,294**	**106**	**8,400**

24 EARNINGS PER SHARE

	2019	2018
Earnings/(loss) $'000	(1,115)	(420)
Earnings/(loss) used in the calculation of basic EPS $,000	(1,115)	(420)
Weighted average number of ordinary shares (basic)	43,057,327	29,174,553
Weighted average number of ordinary shares (diluted)	43,057,327	29,174,553
Basic earnings per share from continuing operations (cents)	(0.0259)	(0.0144)
Diluted earnings per share from continuing operations (cents)	(0.0259)	(0.0144)

25 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2019 $'000	2018 $'000
Profit (loss) for the year	(1,115)	(420)
Adjustments for non-cash items included in profit/(loss):		
Depreciation	870	541
Increase in biological transformation	(1,877)	(2,386)
Impairment / (impairment reversal) of land, buildings, plant and equipment	399	(424)
Impairments / (impairment reversals) of water licenses	(154)	(127)
(Gain)/Loss on sale of property, plant and equipment	76	41
Changes in other items:		
(Increase) / decrease in trade receivables	(290)	(2,261)
(Increase) / decrease in other assets	(323)	(437)
(Increase) / decrease in biological assets	1,605	2,325
(Increase) / decrease in inventories	(586)	(2,087)
(Increase) / decrease in deferred tax assets	(753)	361
Increase / (decrease) in trade payables	(724)	2,796
Increase / (decrease) in provisions	(32)	98
Net cash used in operating activities	**(2,904)**	**(2,029)**

26 KEY MANAGEMENT PERSONNEL

The Company has appointed Duxton Capital (Australia) Pty Ltd as its Investment Manager to manage its assets and implement its investment strategy. Details of the basis of remuneration paid or payable to the Investment Manager is fully disclosed in the Remuneration Report of the Directors' Report.

Key management personnel of the Company are:
- Mr Edouard Peter
- Mr Stephen Duerden
- Dr Anthony Hamilton
- Mr Mark Harvey
- Mr Wade Dabinett
- Mr Bryan Goldsmith

Mr Edouard Peter, Chairman of the Company, controls the Investment Manager and is a shareholder and Director of the Investment Manager's parent Company Duxton Capital Pty Ltd and as such, may receive remuneration from the Investment Manager for services provided to the Investment Manager.

Company Director, Mr Stephen Duerden, is also a shareholder and Director of the Investment Manager's parent Company and as such, may receive remuneration from the Investment Manager for Services provided to the Investment Manager.

As shareholders of the Investment Manager, Mr Peter and Mr Duerden may receive a financial benefit from the Company as a result of payment of fees by the Company to the Investment Manager.

The Investment Management Agreement is on arms-length commercial terms and was approved by the Non-Executive Directors of the Company.

Neither Mr Edouard Peter nor Mr Stephen Duerden have received directors' fees from the Company.

Mr Edouard Peter has a direct interest of 38,700 shares (2018: 32,200) in the Company and an indirect interest in 10,938,454 shares (2018: 9,732,322) in the Company.

Mr Stephen Duerden has a direct interest in 10,000 shares (2018: 10,000) in the Company and an indirect interest in 37,362 shares (2018: 30,197) in the Company.

	2019 $'000	2018 $'000
Short-term benefits	389	267
Post-employment benefits	22	21
Other long-term benefits	-	-
Share-based payments	93	56
Terminations benefits	-	-
Total	**504**	**344**

27 RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties during the year ended 30 June 2019 (and the year ended 30 June 2018) and are all ex gst.

	2019 $'000	2018 $'000
Land Lease payable - AJ & KA Hamilton	-	117
Machinery Lease expense – Warili Farming	-	25
Reimbursement of costs – Warili Farming	-	153
Livestock purchase – Warili Farming	-	13
Livestock agistment revenue – Warili Farming	-	23
Reimbursement of costs – Duxton Asset Management	-	3
Reimbursement of costs – Duxton Capital (Australia) Pty Ltd	37	77
Accounting and Consulting Services - Duxton Capital (Australia) Pty Ltd	182	27
Management Fee Revenue – Duxton Capital (Australia) Pty Ltd	615	-
Performance Fee Revenue – Duxton Capital (Australia) Pty Ltd	-	297
Water lease – Duxton Water Ltd	251	235
Total	**1,085**	**970**

Transactions between related parties are on commercial terms and conditions.

The following balances are outstanding at the end of the reporting period between the Company and its related parties (ex gst):

	2019 $'000	2018 $'000
Amount due to - Duxton Capital (Australia) Pty Ltd	70	10
Amount due to - Duxton Water Ltd	1	-
Total	**71**	**10**

28 FINANCIAL INSTRUMENTS

FAIR VALUE HIERARCHY

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

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

MEASUREMENT OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with IFRS 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 $'000	2018 $'000
Financial Assets			
Cash and cash equivalents	10	12	4,735
Trade and other receivables	11	3,168	2,878
Other financial assets	14	21	3,036
Total financial assets		**3,201**	**10,649**
Financial Liabilities			
Trade and other payables	19	3,190	4,644
Borrowings	20	27,934	11,033
Total financial liabilities		**31,124**	**15,677**

The carrying amounts of financial asset and financial liabilities approximate their fair value.

Commodity sales contracts are forward dated and deliverable contracts with customers. The fair value of commodity contracts is determined by reference to market prices.

CLASSIFICATION OF FINANCIAL ASSETS

Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

OTHER FINANCIAL ASSETS AT AMORTISED COST

Due to the short-term nature of other financial assets, the carrying amount of other financial assets is considered to be the same as their fair value.

FINANCIAL RISK MANAGEMENT FRAMEWORK

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

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. This note presents information about the Company's exposure to each of the above risks, the Company's objective, policies and processes for measuring and managing risk, and the Company's management of capital.

CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and the regular monitoring of exposures and the financial stability of significant customers and counterparties.

Risk is also minimised through investing surplus funds with financial institutions that maintain a high credit rating or in entities that the board of Directors have otherwise assessed as being financially sound.

CREDIT RISK EXPOSURES

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

IMPAIRMENT OF FINANCIAL ASSETS

The Company has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory and
- other assets at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial

TRADE RECEIVABLES

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months from 1 July 2017 to 30 June 2019, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis the loss allowance as at 30 June 2019 & 30 June 2018 for trade receivables was determined as follows:

30 June 2019	Current	Over 30 days	Over 60 days	Over 90 days	Total
					$'000
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – trade receivables	1,153	17	-	14	1,184
Loss allowance	-	-	-	-	-

30 June 2018	Current	Over 30 days	Over 60 days	Over 90 days	Total
					$'000
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – trade receivables	1,624	80	46	3	1,753
Loss allowance	-	-	-	-	-

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

LIQUIDITY RISK

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities that are settled by delivering cash or another financial asset. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Note	Carrying Value	Contractual Cash Flows	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Liabilities								
Trade and other payables	19	3,190	3,190	2,142	1,048	-	-	-
Interest-bearing liabilities	20	27,934	28,057	50	30	1,739	16,238	10,000
			31,247	**2,192**	**1,078**	**1,739**	**16,238**	**10,000**

MARKET RISK

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

SENSITIVITY ANALYSIS

If the interest rate changed by +/- 0.05% the effect on the financial liabilities above would be in the range of +/- $126,000 per annum.

29 OBLIGATIONS UNDER FINANCE LEASES

The Company leases certain harvesting equipment under finance lease. The average lease term is 5 years. The Company has the options to purchase the equipment for a nominal amount at the end of the lease terms. The Companies obligations under finance leases are secured by the lessor's titles to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 4.91% to 6.23% per annum.

	2019 $'000	2018 $'000
Finance lease liabilities		
Not later than 1 year	318	326
Later than 1 year and not later than 5 years	1,038	820
Less: future finance charges	(123)	(113)
	1,233	**1,033**
Current	269	292
Non-current	964	741
	1,233	**1,033**

30 COMMITMENTS FOR EXPENDITURE

OPERATING LEASE ARRANGEMENTS

At the reporting date, the Company had outstanding commitments for future minimum lease payments under a non-cancellable operating lease, negotiated for a fixed term till June 2023, which fall due as follows:

	2019 $'000	2018 $'000
Water lease	748	935
Within one year	187	187
In the second to fifth years inclusive	561	748
After five years	-	-
	748	935

OTHER COMMITMENTS

	2019 $'000	2018 $'000
Commitments for expenditure	123	18

31 SUBSEQUENT EVENTS

No matter or circumstance has arisen since the end of the reporting period ended 30 June 2019, that has significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

DIRECTOR'S DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that Duxton Broadacre Farms Limited will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including that:

   i. the financial report complies with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. the financial statements and notes give a true and fair view of Duxton Broadacre Farms Limited's financial position and performance for the year ended 30 June 2018.

c) the audited remuneration disclosures set out on pages 25 to 27 of the Directors' report comply with section 300A of the Corporations Act 2001; and

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

Signed in accordance with a resolution of the directors made pursuant to s.295A of the Corporations Act 2001.

Edouard Peter
Chairman

Mark Harvey
Independent Non-Executive Director

Stirling, South Australia
28th August 2019

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Independent Auditor's Report to the Members of Duxton Broadacre Farms Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Duxton Broadacre Farms Limited (the "Company") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Fair Value Measurement Freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. In addition, water licenses are valued at the lower of cost and fair value less costs to sell. Management has engaged a qualified independent external valuer to value land, buildings and water licences in accordance with the requirements of AASB 13 *Fair Value Measurement*. The valuation of land, buildings and water licenses is a key audit matter due to the judgments and estimates required in determining fair value.	Our procedures, performed in conjunction with our valuation experts, included but were not limited to: - assessing the valuer's independence, objectivity and competence; - assessing the appropriateness of the scope, purpose and assumptions of the valuation based on the terms of engagement with the valuer; - assessing the valuation methodology used by the valuer; - assessing the market evidence relied upon and analysis and application of the market evidence by the valuer; - assessing the disclosures within note 16 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. As described below, we have concluded that such a material misstatement of the other information exists.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 30 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Duxton Broadacre Farms Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

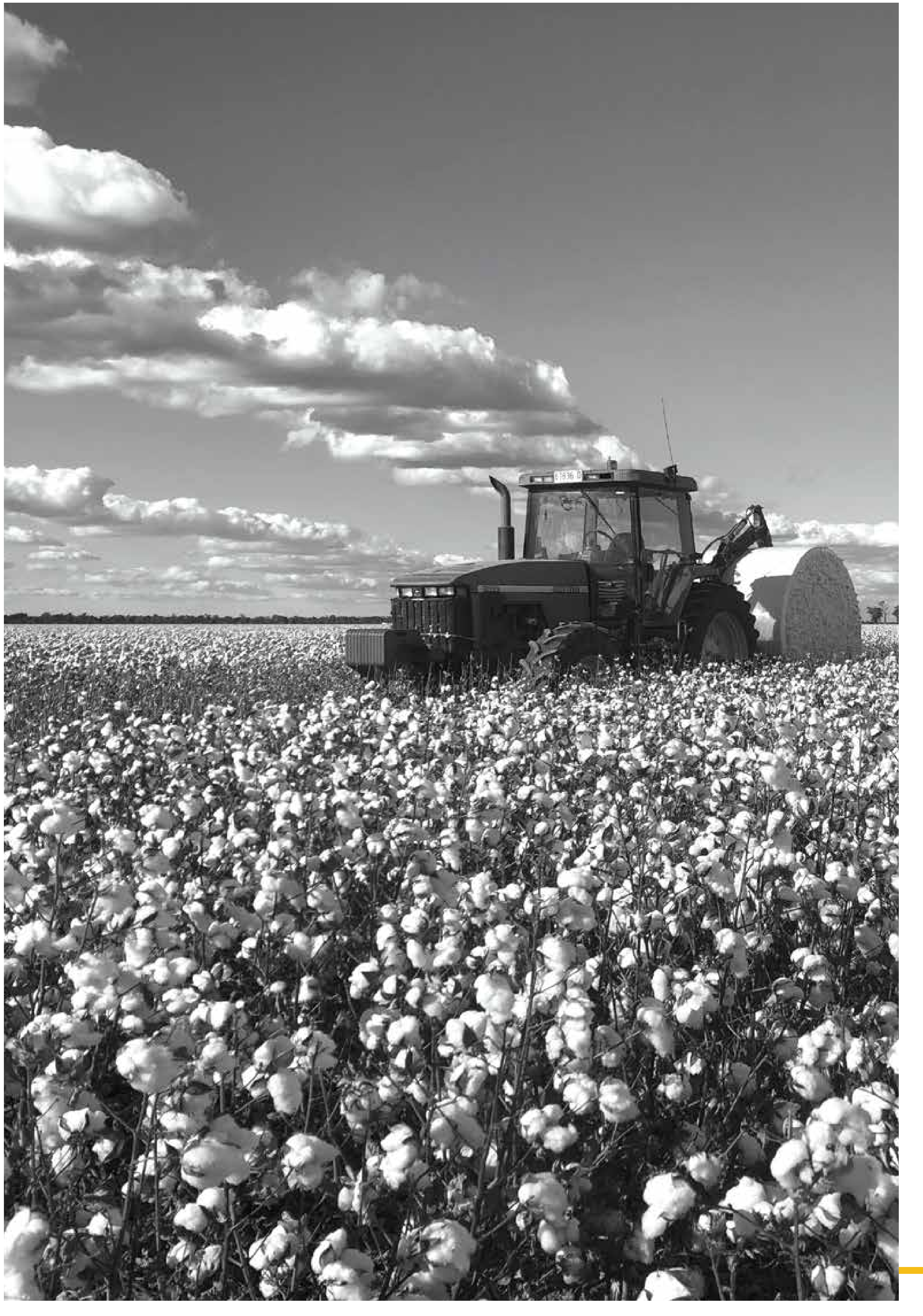
Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants
Adelaide, 28 August 2019



ASX **ADDITIONAL INFORMATION**
FOR THE YEAR ENDED 30 JUNE 2019

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 31 July 2019 (unless otherwise stated).

Twenty largest equity security holders

The names of the twenty largest holders of quoted equity securities as at 31 July 2019 are listed below:

	ORDINARY SHARES	
Name	**Number held**	**Percentage of issued shares**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,859,144	**46.26**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	10,794,754	**25.15**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,570,750	**5.99**
ROCK OYSTER CAPITAL GROUP LTD	1,666,667	**3.88**
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	817,400	**1.90**
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	647,250	**1.51**
CITICORP NOMINEES PTY LIMITED	572,624	**1.33**
DAVID HANDLEY NOMINEES PTY LTD <DAVID HANDLEY FAMILY A/C>	348,200	**0.81**
MR RONALD LANGLEY + MRS RHONDA ELIZABETH LANGLEY	333,333	**0.78**
W F O INVESTMENTS PTY LTD	333,333	**0.78**
KERNWOOD INVESTMENTS PTY LTD	230,018	**0.54**
MR WILLIAM BLOMFIELD	200,000	**0.47**
JOTT INVESTMENTS PTY LTD <SMITH PENSION FUND A/C>	200,000	**0.47**
TEMPLE ROCK PTY LTD <TEMPLE ROCK S/F A/C>	180,000	**0.42**
MRS FRANCESCA MCCULLOCH	166,667	**0.39**
DUXTON OFFICES PTY LTD	153,598	**0.36**
MUTUAL TRUST PTY LTD	147,384	**0.34**
DUXTON CAPITAL (AUSTRALIA) PTY LTD	142,950	**0.33**
NEW YORK BAR & GRILL PTY LTD <MARTIN PALMER FAM NO 2 A/C>	136,666	**0.32**
DAYMERE INVESTMENTS PTY LTD	129,346	**0.30**
Total	**39,630,084**	**92.32**

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 31 July 2019 are listed below:

Holding	Shares	No. of Holders
1-1,000	14,841	36
1,001-5,000	309,807	141
5,001-10,000	425,061	58
10,001-100,000	2,546,272	84
100,001 and over	39,630,084	19
Total	**42,926,065**	**338**

Substantial holders

Substantial holders of ordinary shares in the Company as at 31 July 2019 are listed below:

	ORDINARY SHARES	
Holding	Number held	Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,859,144	46.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	10,794,754	25.15

Holders of each class of equity securities

Number of holders in each class of equity securities as at 31 July 2019 are listed below:

Holding	Number
Ordinary shares	42,926,065

Use of proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the year ended 30 June 2019

Voting rights

Ordinary shares: On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote

Voluntary escrow

The table below shows a breakdown of the vendor shares subject to voluntary escrow as at 31 July 2019:

Escrow period	Total
No escrow	-


DUXTON
BROADACRE FARMS