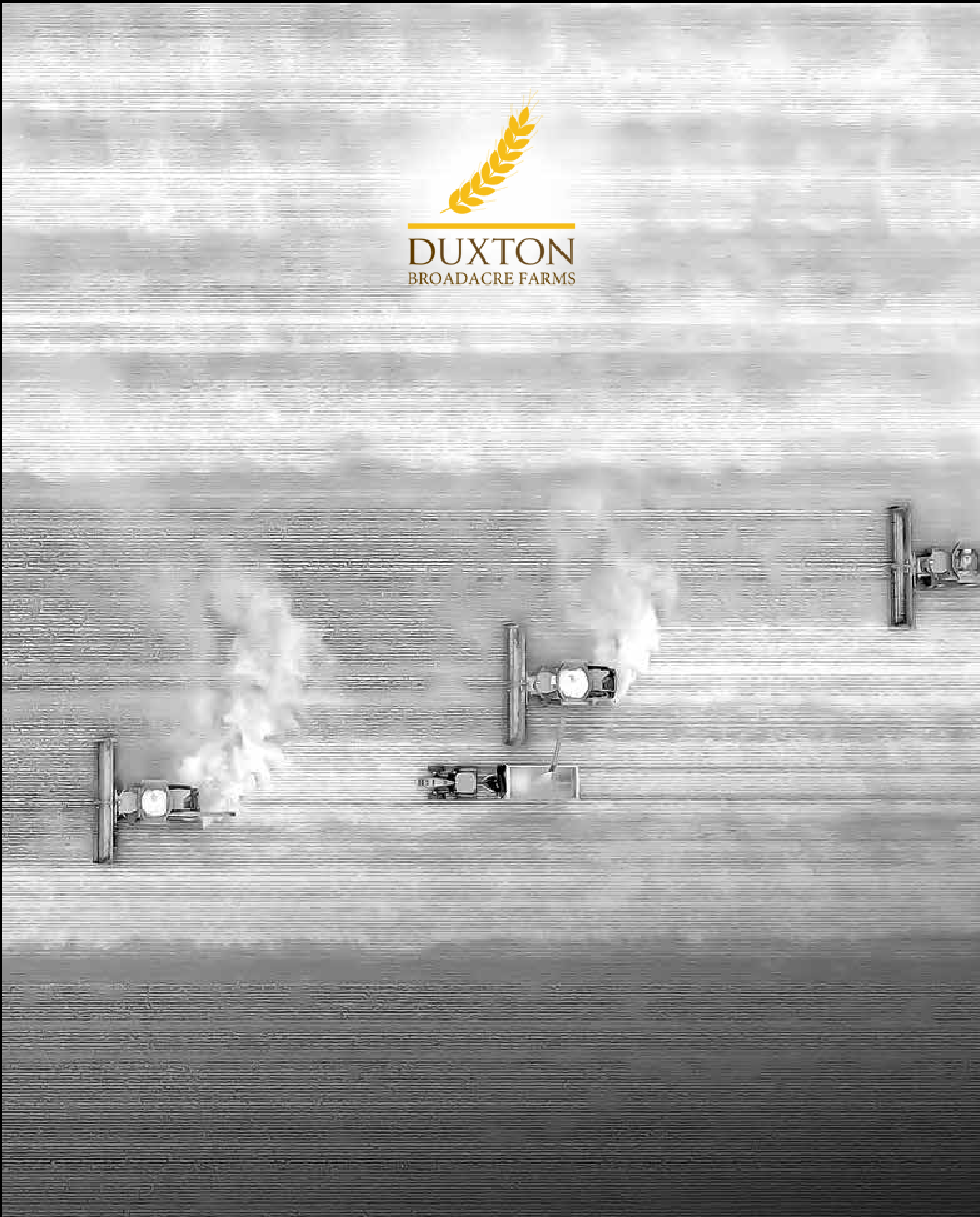

DUXTON
BROADACRE
FARMS LTD

ACN 129 249 243

2020 JUNE ANNUAL REPORT

CORPORATE **DIRECTORY**

Executive Chairman
Edouard Peter

Non-Executive Director
Stephen Duerden

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**

Thursday 27 August 2020

Dear Shareholder,

It gives me pleasure to present the 2020 Annual Report for Duxton Broadacre Farms Limited. ("DBF" or the "Company".)

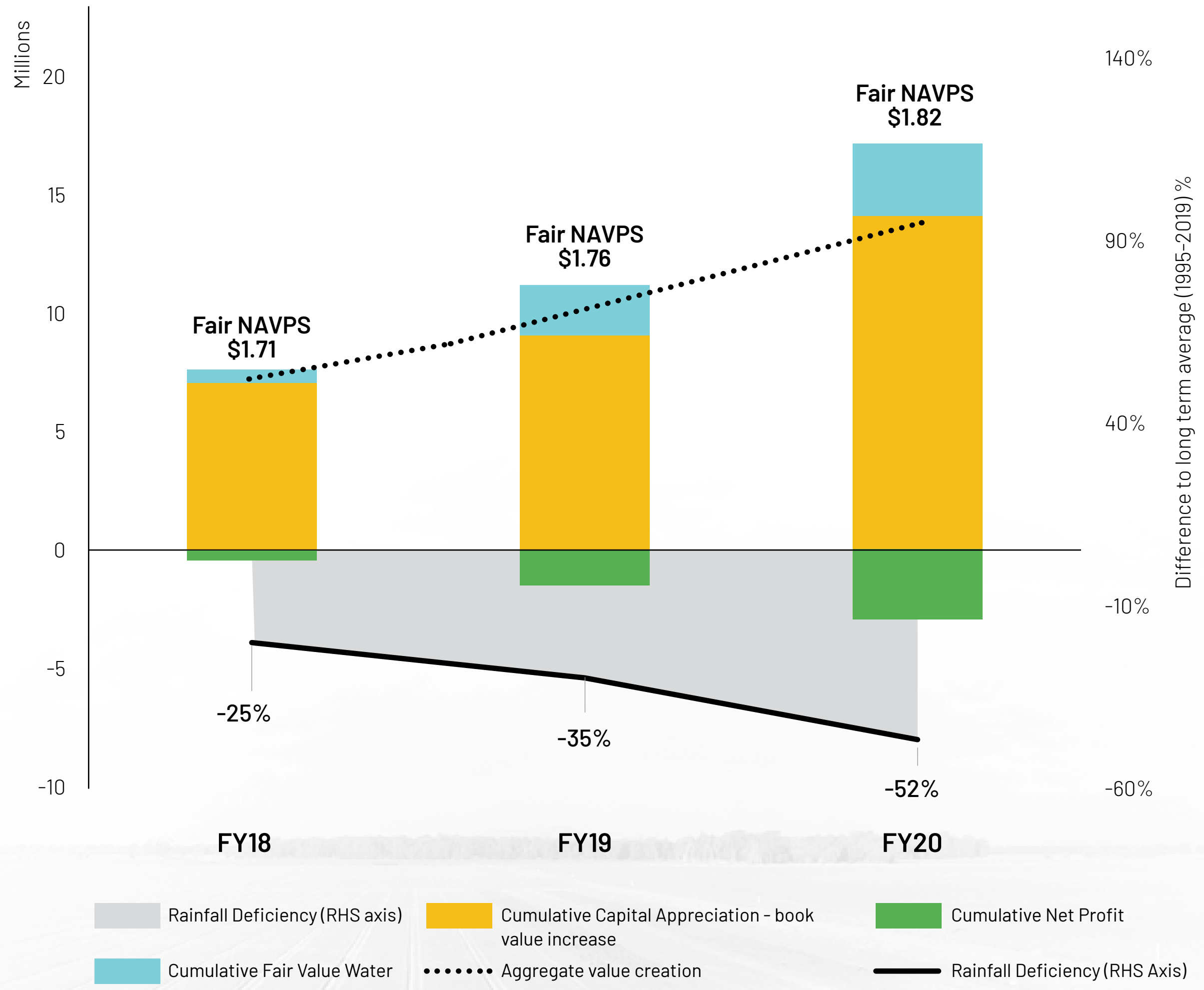
The Australian broadacre industry continued to endure severe and unprecedented drought conditions this year. Rainfall in the calendar years 2017-2019 has been the lowest on record for New South Wales and the Murray Darling Basin (MDB). Accordingly, the extraordinarily dry operating conditions the Company faced have impacted the financial performance of the Company. Despite these challenging conditions, I remain optimistic that our Company will emerge a much stronger business, well positioned for success. In reflecting on the value consistently created by our team in this environment, I am excited for what the future holds in favourable conditions.

Financial Performance
For the full year ended 30 June 2020 DBF reported a statutory loss after tax of $1,465,768 (2019: $1,115,472). After revaluations for gains on property we recorded total comprehensive income of $1,700,397 (2019: $513,809) for the period. The after-tax performance is certainly incommensurate to expectations in a normal year. It is evident to me that the Company has exercised control to the extent possible to limit the financial impact of the worst drought on record. This is an exemplification of the Board and management teams' experience, well-founded decision making and dedication.

Net Asset Value
We are pleased to report a Net Asset Value per share per the Financial Statements as at 30 June 2020 of $1.7569 (2019: $1.7145), and a fair value Net Asset Value per Share of $1.8200 (2019: $1.7575) when recording water entitlements at fair value as determined by independent valuer CBRE. For the purposes of the Financial Statements water is treated as an intangible asset shown at the lower of cost or fair value less cost to sell. Appreciation of our properties is a testament to the strategic improvements, development and conversion to more productive land types and acquisition of water entitlements. The sustained capital appreciation of the Company's properties also validates the investment thesis, founded on global mispricing of Australian farmland.

The appreciation in fair value is also driven by the upward revaluation of the Company's water entitlements which are classified as intangible assets and held in the Statement of Financial Position at cost less any accumulated impairment. The reported earnings per share is ($0.03), considering the gain on revaluation of properties this financial year the comprehensive income per share is $0.04. Since listing, and throughout three years of consecutive drought conditions, the Company's value appreciation net of capital expenditure and operating performance has created an approximate total of $16.1m in value.

Net Asset, Net Profit and Rainfall Deficiency



Strategy

This year we have placed a focus on livestock acquisition and sales to partially offset the drought-affected cropping underperformance. Underpinning this strategy was the Company's bullish view on the cattle market and the aptitude of management in identifying unique market opportunities.

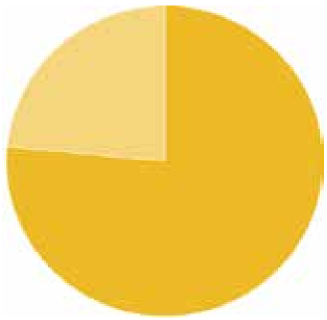
Livestock operations performed well in the backdrop of an upward trend for cattle prices, the Eastern Young Cattle Index (EYCI) increased by 47.55% over the 2020 financial year. Through strategic acquisitions, the Company increased the heifer and cow herd size by 443%. The value of cattle held by the company at 30 June 2020 is $2.4m (FY19: $0.4m), representing a 551% increase. Livestock revenue generated was $3.0m, 39% higher than the previous year (FY19: $2.1m).

Livestock Trading Gain	
Opening Livestock Position	($2,295,605)
Livestock Sold	$2,976,092
Livestock Purchased	($2,232,168)
Closing Livestock Position	$4,402,683
Net Livestock Gain	**$2,851,003**

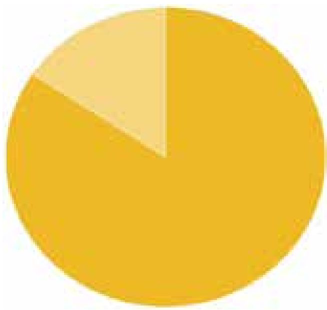
COVID-19

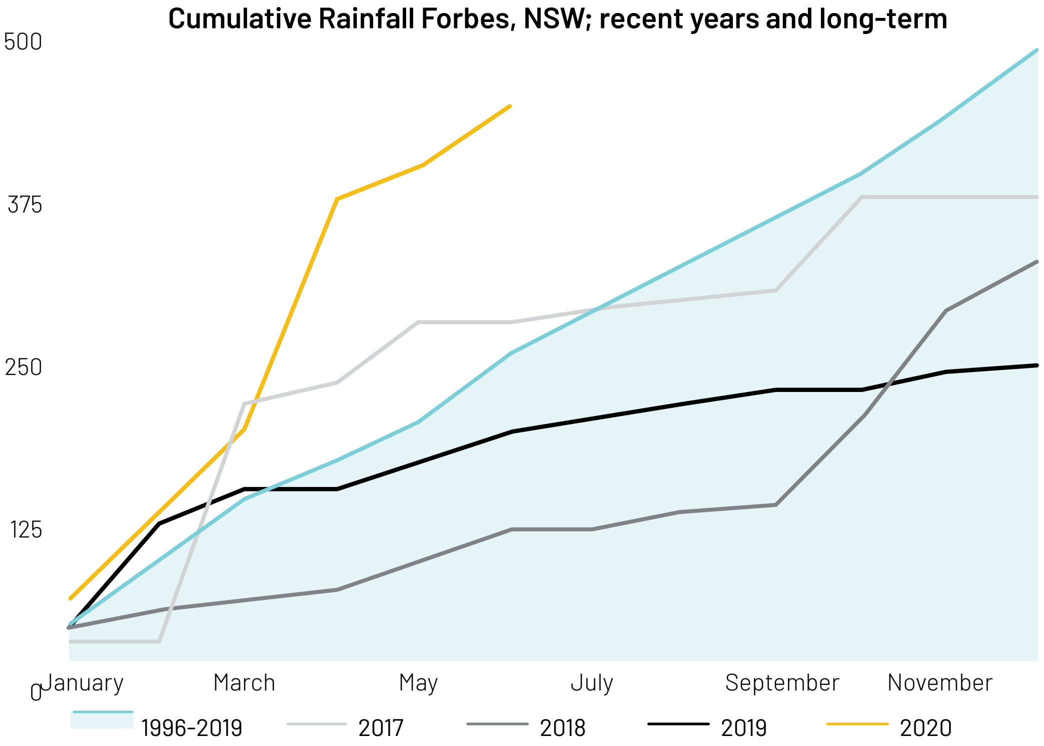
The COVID-19 pandemic has presented a significant challenge globally. The team has done an excellent job to ensure the business is resilient and well placed to withstand the challenges posed by the pandemic. Staff have been trained and demonstrate clear understanding of their duties outlined in the OH&S policies and practices put in place. I believe our sector is in a good position to operate through this challenge.

FY20 Segment Contribution to Total Revenue



FY19 Segment Contribution to Total Revenue





Outlook

In the NSW operating region, more rainfall has been received in the first 7 months of 2020 than in total for any of the 2017-2019 drought years. Even more encouraging, this rainfall received in the calendar year to date is already greater than 15-year average annual rainfall.

I am pleased the Company has consistently created value for shareholders through capital appreciation and am confident the catalyst to deliver strong operational returns to shareholders is normalised seasonal conditions. The above average rainfall received so far this year reinforces my confidence in the Company's positive forward earnings capability.

Our team is committed to continue to grow the business in the future. The sustained increase in the intrinsic value for shareholders and positive comprehensive income, along with recent seasonal conditions shifting in our favour, affirms my view that the Company is positioned for long-term success.

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 2020**

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 2020. 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, with the exception of Dr Anthony Hamilton who resigned effective 27 November 2019.

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.

Review of operations

The effect of the 2020 winter crop was adversely impacted by the continued drought conditions. DBF achieved an average barley yield of 1.20t/ha and an average wheat yield of 0.61t/ha due to cutting portions of the crop for hay. The chickpea crop achieved a yield of 0.65t/ha. The financial effect of low production as a result of rainfall conditions was partially offset by elevated domestic prices due to shortfalls in supply.

Due to the availability of water the area of cotton planted for the summer 2020 crop declined to 390ha from 700ha planted in 2019. The Company achieved yields of approximately 9.5b/ha down from the high figures of 11.12b/ha in 2019 due to unfavourable weather late in the season. The program benefited signifcantly from favourable forward positions which saw the crop unaffected by the recent decline in cotton price.

Livestock operations grew significantly in 2020 with the addition of Boorala along with the Company's bullish view on cattle pricing. Livestock revenue saw a 39% increase on 2019 along with the cattle herd size growing over 400%. With many farms looking to restock the company is well placed and has started selling livestock at high prices. Fodder reserves harvested from the 2020 winter crop were maintained on hand to ensure feed requirements of increased herd sizes were met.

Financial overview

The Company's net loss after tax for the year per the Financial Statements amounted to $1.466 million (2019: $1.115 million). The net asset value (NAV) of the Company as at 30 June 2020 is $75.381 million or $1.7569 per share (2019: $73.637 million or $1.7145 per share).

Results for the period continued to be significantly impacted by the widespread drought conditions experienced across Australia. Overall crop production was adversely impacted by low rainfall and system flows consistent with those faced in 2019.

Key metrics	2020	2019
Loss attributable to owners of the company	($1.466m)	($1.115m)
Basic earnings per share	($0.0342)	($0.0259)
Dividends paid	-	-
Dividends per share	-	-
Share price (at 30 June)	$1.05	$1.18
Return on capital employed	($0.0059)	($0.0060)

TOTAL
COMPREHENSIVE INCOME
$1,700,397

STATUTORY NAV
$1.7569

FAIR VALUE NAV
$1.8200

Value of land
increased by
5.9%

ROBUST
BALANCE SHEET
79% of total assets
comprised of
land and water assets

30 June 2020	Per Company Statement of Financial Position $'000	Per Fair Market Value (1) $'000	Variance $'000
Assets			
Permanent water entitlments	7,090	9,797	2,707
Net other assets	68,291	68,291	-
Total net assets	**75,381**	**78,088**	**2,707**
Net asset value per share*	**$1.7569**	**$1.8200**	**$0.0631**

(1) The independent valuer employs a market valuation approach to determine a Fair Market Value which draws on publicly available water trade data from the relevant state water registers as well as analysis of trade data obtained from market intermediaries to calculate a dollar per ML volume weighted average price for each entitlement and allocation type. The Fair Market Value is not in accordance with the recognition and measurement requirements of the Australian Accounting Standards in relation to the Company's water assets. Therefore, increases in the Fair Market Value of water assets are not reported in the statutory accounts.
* 95,951 shares bought back during the year along with an additional 24,000 bought in the year ending 30/06/2019 were cancelled.

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**

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 still expected to benefit from the growth of global grain consumption. Levies implemented by China have caused a dramatic fall in the price of barley although this was likely to occur in the absence of these levies due to the build-up of Canadian corn stockpiles from the impact of COVID-19 on ethanol demand. Significant portions of land forecasted to be planted with barley was planted with wheat to reduce the impact of the decline in barley price.

Domestically, the breaking of drought conditions in Australia presents opportunities for DBF particularly in livestock trading with farms now restocking whilst the Eastern Young Cattle Index (EYCI) is at-all time highs. While drought conditions have resulted in lower production in recent years, domestic prices have risen in response to lower available supply. High levels of rain at the start of the season are expected to lead to increased winter harvests in 2021 and a resulting price fall from current levels.

Future developments

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

Changes in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Subsequent events

On 29 July 2020 58.9 hectares of property at Walla Wallah was sold for $725,000 which settled on 26 August 2020. Funds were received reducing the balance of the overdraft account. Upon settlement Westpac advised the Company of a call to reduce the overdraft facility by the sale price of the property less $64,500 of land acquired during the year ending 30 June 2020.

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.

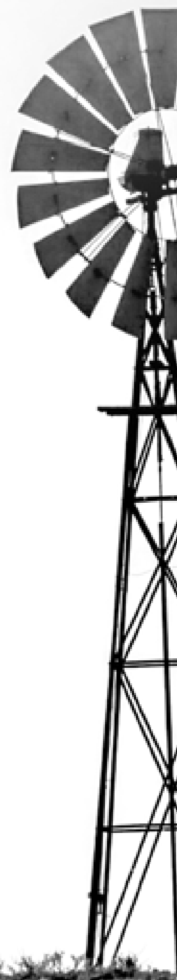
Climate Change Risk

As operators in the agricultural industry, we recognise the importance of 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,

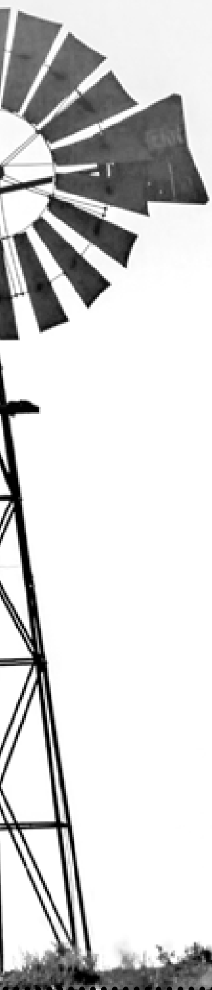


dry conditions constrain supply of commodities and contribute to upward pressure on prices. Increasing the irrigated proportion of the portfolio is a strategic response to seek greater security of production in dry conditions. The Company has been shoring up water allocations to achieve the development 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.

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 suppress 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.



COVID-19

The effect on the Company of COVID-19 to date has been minimal. The key risks faced by the Company were that of staff being unable to work, being unable to source crop inputs and being unable to utilise the services of required contractors.

Distancing measures put in place on farms were facilitated by the isolated location of the farms with many employees spending large amounts of time isolated from others in the ordinary course of business. For additional security sanitisation procedures of equipment used were put in place.

The size of the company along with long term relationships with large suppliers of chemicals and fertilizer meant the majority of crop inputs were secured early in the season. The company remains vigilant on this matter for future crop cycles as a second wave of the virus occurs in the Eastern states of the country.

Site vists were limited to essential visitors and where possible no contact visits were required both by the Company and the contractors providing services.

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, 4 board meetings, 3 audit and risk committee meetings and 1 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	4	4	-	-	1	1
Mr Stephen Duerden	4	4	3	3	1	1
Dr Anthony Hamilton	2	2	1	1	-	-
Mr Mark Harvey	4	4	3	3	1	1
Mr Wade Dabinett	4	4	3	3	1	1

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 2020, DBF does not currently have female representation at Board or Senior Executive level and female representation across the organisation is 18.2% in addition to Katelyn Adams performing the role of 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 has been completed 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 thousand dollars, unless otherwise indicated.


959
490

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 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 Market 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	10,985,875

Committees

Member – Nomination and Remuneration Committee

NON-EXECUTIVE DIRECTOR
STEPHEN DUERDEN

QUALIFICATIONS

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

OTHER DIRECTORSHIPS

- Duxton Water Ltd

Stephen Duerden is currently the CEO of Duxton Capital (Australia) Pty Ltd. Stephen has over 25 years of experience in investment management, the last 14 of which have been focused on agriculture operations and investments, 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.

Interest in Securities

Fully paid ordinary shares	45,296

Committees

Member - Audit and Risk Committee

NON-EXECUTIVE DIRECTOR
Dr. ANTHONY HAMILTON

Dr Hamilton was a Non Executive Director of the Company resigning effective 27 November 2019. 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	67,338

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 108,018

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, encompassing grain trading, storage, handling and production. Wade is part of a farming business based at Parilla in the Southern Mallee of SA owned by his family which produces 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.

Interest in Securities

Fully paid ordinary shares	56,672

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 Chartered Accountants Australia and New Zealand

Remuneration report (audited)

The Nomination and Remuneration 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 (resigned 27 November 2019)	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 for the reported period, are set out in the following table. Independent Directors are remunerated in shares subject to shareholder approval.

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	
2020	**$ Salary and Fees**	**$ Cash Bonus**	**$ Non-Monetary**	**$ Superannuation**	**$ Long Service Leave**	**$ Shares**	**$ Total**
Executive Directors							
Mr Edouard Peter (1)	-	-	-	-	-	-	-
Non-executive Directors							-
Mr Stephen Duerden (1)	-	-	-	-	-	-	-
Dr Anthony Hamilton (2)(3)	-	-	-	2,086	-	10,283	12,369
Mr Mark Harvey (2)	-	-	-	2,308	-	21,259	23,567
Mr Wade Dabinett(2)	-	-	-	2,308	-	21,259	23,567
Other Key Mgt Personnel							
Mr Bryan Goldsmith(4)	165,385	-	31,400	18,942	-	16,000	231,727
Total	**165,385**	**-**	**31,400**	**25,644**	**-**	**68,801**	**291,230**

(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 including superannuation 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 Non-executive director effective 27 November 2019.
(4) Bryan Goldsmith's employment contract includes a housing, utilities & phone benefit of $15,400 and a vehicle benefit of $16,000. A $40,000 share bonus vesting on 31/12/2021 was granted by the Nomination & Remuneration committee for the year ended 30 June 2020.

	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**	**$ 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)	-	-	-	176	-	27,532	27,708
Mr Wade Dabinett(2)	-	-	-	2,345	-	27,532	29,877
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**	**24,696**	**-**	**92,831**	**506,494**

(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 Non-executive director effective 27 November 2019. Mr Bryan Goldsmith was appointed as General Manager in December 2018.
(4) Shares were issued to Bryan Goldsmith in June 2019.

Company Earnings & Movement in Shareholder Wealth

	30 Jun 20 $'000	30 Jun 19 $'000	30 Jun 18 $'000
Revenue	12,640	13,629	14,555
Net profit before tax	(2,258)	(2,565)	(23)
Net profit after tax	(1,466)	(1,115)	(420)
	30 Jun 20	**30 Jun 19**	**30 Jun 18[(1)]**
Share price at start of year	$1.18	$1.55	-
Share price at end of year	$1.05	$1.18	$1.55
Interim dividend	0.00cps	0.00cps	0.00cps
Final dividend	0.00cps	0.00cps	0.00cps
Basic earnings per share	3.42cps	2.59cps	1.44cps
Weighted earnings per share	3.42cps	2.59cps	1.44cps

In addition, during the financial year Duxton Broadacre Farms Ltd repurchased 95,951 shares for $113 thousand. The shares were repurchased at the prevailing market price on the date of the buy-back.
(1) Duxton Broadacre Farms Ltd listed on the ASX on 8 February 2018

	Fixed Remuneration		Remuneration Linked to Performance	
	2020	2019	2020	2019
Executive Directors				
Mr Edouard Peter	-	-	-	-
Non-executive Directors				
Mr Stephen Duerden	-	-	-	-
Dr Anthony Hamilton	100%	77%	-	23%
Mr Mark Harvey	100%	100%	-	-
Mr Wade Dabinett	100%	100%	-	-
Other key mgt personnel				
Bryan Goldsmith	93%	87%	7%	13%

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

Equity Holdings of Key Management Personnel

2020	Type	Balance at 1/7/19	Granted as compensation	Net other change	Balance at 30/6/20
Executive Directors					
Mr Edouard Peter [(1)]	ORD	10,977,154	-	8,721	10,985,875
Non-executive Directors					
Mr Stephen Duerden [(1)]	ORD	47,362	-	(2,066)	45,296
Dr Anthony Hamilton	ORD	46,242	21,096	-	67,338
Mr Mark Harvey	ORD	84,685	23,333	-	108,018
Mr Wade Dabinett	ORD	31,354	23,333	1,985	56,672
Other key mgt personnel					
Bryan Goldsmith	ORD	20,000	-	-	20,000
Total		**11,206,797**	**67,762**	**8,640**	**11,283,199**

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

2019	Type	Balance at 1/7/18	Granted as compensation	Net other change	Balance at 30/6/19
Executive Directors					
Mr Edouard Peter [(1)]	ORD	9,764,522	-	1,212,632	10,977,154
Non-executive Directors					
Mr Stephen Duerden [(1)]	ORD	40,197	-	7,165	47,362
Dr Anthony Hamilton	ORD	6,667	-	39,575	46,242
Mr Mark Harvey	ORD	66,666	18,019	-	84,685
Mr Wade Dabinett	ORD	13,335	18,019	-	31,354
Other key mgt personnel	ORD				
Bryan Goldsmith	ORD	-	20,000	-	20,000
Total		**9,891,387**	**56,038**	**1,259,372**	**11,206,797**

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

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 $624k (ex gst) for the 12 month period ending 30 June 2020 along with an additional $25k for the reimbursement of expenses. As at 30 June 2020 an amount of $78k is payable to Duxton Capital (Australia).

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 $262k (ex gst) for the 12 month period ending 30 June 2020.

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 $237k (ex gst) for the 12 month period ending 30 June 2020.

All agreements are approved by either Independent Directors or shareholders.

Key Personal Changes

Dr Anthony Hamilton resigned as Non-executive director effective 27 November 2019.

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 2020 was $623,519 (2019: $615,349).

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 2020. (Year ended 30 June 2019: $0).

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 2019, 23,333 shares were issued to both Mark Harvey, and Wade Dabinett along with 21,096 to Anthony Hamilton at for Director's fees as per their Directors Agreement.

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 34.

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
27th August 2020

Deloitte.

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Australia

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27 August 2020

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 2020, 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
Adelaide, 27 August 2020

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 Jun 2020 $'000	30 Jun 2019 $'000
Revenue	5	12,640	13,629
Cost of sales		(12,324)	(12,316)
Biological transformation	13	2,471	1,877
Gross profit		**2,787**	**3,190**
Other income	7	1,193	612
Operational expenses		(3,420)	(3,250)
Administration expenses		(2,256)	(2,006)
(Impairment)/Reversal of impairment	16, 17	562	(245)
Finance expenses	8	(1,124)	(866)
(Loss)/profit before tax		**(2,258)**	**(2,565)**
Income tax benefit/(expense)	18	792	1,450
Loss for the year		**(1,466)**	**(1,115)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and property	23	3,166	1,629
Total comprehensive income for the year		**1,700**	**514**

		2020 ($)	2019 ($)
Earnings per share			
From continuing operations			
Basic (cents per share)	24	(0.0342)	(0.0259)
Diluted (cents per share)	24	(0.0342)	(0.0259)

The notes on page 41 to 80 are an integral part of these financial statements

STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2020

	Note	30 Jun 2020 $'000	30 Jun 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	27	12
Trade and other receivables	11	547	3,168
Inventories	12	2,979	3,298
Biological assets	13	9,100	6,455
Other financial assets	14	317	21
Other current assets	15	401	793
Total current assets		**13,371**	**13,747**
Non-current assets			
Land	16	80,765	76,231
Buildings, plant and equipment	16	9,950	9,582
Intangible water assets	17	7,090	6,900
Other non-current assets	15	6	6
Total non-current assets		**97,811**	**92,719**
Total assets		**111,182**	**106,466**
LIABILITIES			
Current liabilities			
Trade and other payables	19	1,122	3,190
Borrowings	20	6,639	1,771
Provisions	21	337	261
Total current liabilities		**8,097**	**5,222**
Non-current liabilities			
Borrowings	20	25,982	26,163
Provisions	21	12	6
Deferred tax liability	18	1,710	1,438
Total non-current liabilities		**27,704**	**27,607**
Total liabilities		**35,801**	**32,829**
Net assets		**75,381**	**73,637**
EQUITY			
Issued capital	22	73,964	73,987
Reserves	23	11,633	8,400
Accumulated losses		(10,216)	(8,750)
Total equity		**75,381**	**73,637**

The notes on page 41 to 80 are an integral part of these financial statements

STATEMENT OF **CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Issued capital $'000	Accumulated losses $'000	Asset revaluation reserve $'000	Share based payment reserve $'000	Total equity $'000
Balance at 1 July 2018		**74,675**	**(7,635)**	**6,685**	-	**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**
Balance at 1 July 2019		**73,987**	**(8,750)**	**8,294**	**106**	**73,637**
Profit/(loss) for the year		-	(1,466)	-	-	(1,466)
Other comprehensive income for the year, net of income tax		-	-	3,166	-	3,166
Total comprehensive income for the year			(1,466)	3,166	-	1,700
Issue of shares	22	93	-	-	-	93
Share buy back		(113)	-	-	-	(113)
Share issue costs - net of taxes	22	(3)	-	-	-	(3)
Share based payments approved		-	-	-	67	67
Balance at 30 June 2020		**73,964**	**(10,216)**	**11,460**	**173**	**75,381**

The notes on page 41 to 80 are an integral part of these financial statements

STATEMENT OF **CASH FLOWS**
FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 $'000	30 June 2019 $'000
Cash flows from operating activities			
Receipts from customers		16,923	14,761
Payments to suppliers		(19,491)	(17,292)
Interest received		-	220
Interest paid		(1,049)	(1,004)
Government rebates received		382	383
Other		174	28
Net cash (used in)/generated by operating activities	25	**(3,061)**	**(2,904)**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,641)	(18,087)
Deposit for supplies		-	3,000
Proceeds from disposal of property, plant and equipment		411	72
Payments for water entitlements		(109)	(2,484)
Other		(9)	(57)
Net cash (used in)/generated by investing activities		**(1,348)**	**(17,556)**
Cash flows from financing activities			
Share buy back	22	(113)	(764)
Payment for share issue costs		(4)	-
Proceeds from borrowings	20	4,810	16,701
Repayment of borrowings	20	(269)	(200)
Net cash (used in)/generated by financing activities		**4,424**	**15,737**
Net increase in cash and cash equivalents		**15**	**(4,723)**
Cash and cash equivalents at beginning of the period		12	4,735
Cash and cash equivalents at end of period	10	**27**	**12**

The notes on page 41 to 80 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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, biological assets and derivatives 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 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 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.

Going Concern

The Financial Statements have been prepared on the going concern basis, which assumes that the Company will be able to realise its assets and extinguish its liabilities as and when they fall due in the normal course of business and maintain compliance with its financing arrrangement.

For the year ended 30 June 2020 the company incurred a net loss before income tax of $2,258,000 (2019: net loss before income tax $2,565,000), used net cash in operating activities of $3,061,000 (2019: net cash used in operating activities $2,904,000) and had a net current asset surplus of $5,262,000 (2019: $8,514,000)

The Company has an overdraft facility with Westpac Banking Corporation of $9,000,000 which was drawn down by $6,311,000 as at 30 June 2020 (2019: $1,501,000).

Australia has continued to be impacted by severe drought conditions across the year ending 30 June 2020 causing crop yields to be significantly lower than the 8 year average. Due to the continuous years of drought, management sought an increase in facilities with lender Westpac Banking Corporation which was granted in April 2020 increasing overdraft facilities by $4,000,000 to a total of $9,000,000. Cash flow forecasts show a peak cash requirement of $7,800,000 prior to the next harvest of winter crops in November and December 2020. The gearing ratio on drawn facilities as at 30 June 2020 is 31.5%, well below the required covenant of 40%.

Growing conditions have dramatically improved in the current season, the NSW aggregation has received more rain to the end of April than the entire 2019 calendar year resulting in optimstic forecasts of crop yields from harvests in November and December 2020.

Management has considered the likely impact favourable crop yields will have on the market prices for grain and has utilised forward contracts and swaps to hedge against forecasted declines in price. Unrealised gains of $200,000 on these positions is reflected in the financial statements at 30 June 2020 following decreases in the wheat price.

Forecasting an upward trend for cattle prices, The Company increased NSW cattle herd size by over 400% in the year ended 30 June 2020. Drought-breaking rains improving the quality of pastures has led to many farms restocking livestock and as a result the Eastern Young Cattle Indicator (EYCI) has reached all-time highs placing the Company in a favourable position to trade at significant profit.

Based upon the cash flow forecasts presented to the Board, the Directors believe that the current cash resources available to the Company will be sufficient to meet the planned operating costs for the 12 months from the date of signing this report.

Consquently, at the date of signing this report, the Directors have reasonable grounds to believe that it is appropriate to prepare the financial report on a going concern basis.

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 the 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 fair value less cost to sell, 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.

Fair Value of Land & Buildings

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed by third party qualified valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Standard/Interpretation	Effective for annual reporting periods on or after	Initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020
Interpretation 23 Uncertainty over Income Tax Treatment	1 January 2019	30 June 2020

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.

Leases

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used) .
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Comapny expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The

depreciation starts at the commencement date of the lease.
The right-of-use assets are included in buildings, plant and equipment in the consolidated statement of financial position.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate
stand-alone price of the non-lease components.

The Company only has operating leases for intangible water assets, which fall outside the scope of AASB 16, and equipment finance on harvesting equipment and as a result the impact of the adoption of AASB 16 has not had a material impact on the Company's financial statements.

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 did not consider that the application of the Interpretation has had a material impact on the Company's consolidated financial statements.

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 control over goods is transferred, at which time all the following conditions are satisfied:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations
- the Company can identify each party's rights regarding the goods or services to be transferred
- the Company can identify the payment terms for the goods or services to be transferred
- the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract)
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

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

In the current year, the Group has applied AASB 16 Leases, which is effective for annual periods that begin on or after 1 January 2019.

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements along with the impact of the adoption of AASB 16 are described in note 3.

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.

Plant 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.

Right-of-use assets held under leases in accordance with AASB 16 are depreciated over their expected useful lives on the same basis as owned assets. Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

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 2020
Building	2-4%
Plant, equipment and motor vehicles	10-40%
Office furniture & equipment	40-50%
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.

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

The Company values cropping inventories in accordance with AASB 141 Agriculture whereby the cost of the non-living (harvested) produce is deemed to be its fair value less cost to sell immediately after it becomes non-living. This valuation takes into account current crop selling prices and current processing and selling costs.

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

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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:
• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
• the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4.13 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments 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 9 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.

4.14 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 fair value less costs to sell, 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
The Company values livestock in accordance with AASB 141 Agriculture whereby its fair value less cost to sell is determined by an independent valuation at each reporting date.

5 REVENUE

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

	2020 $'000	2019 $'000
Sales – Cropping, Livestock & Wool	12,640	13,629

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. Two reporting segments have been identified being the New South Wales and South Australian aggregations.

SEGMENT REVENUE AND RESULTS

2020 New South Wales	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	10,673	1,880
Total from continuing operations	**10,673**	**1,880**
Other income		1,185
Operational costs		(3,051)
Administration Expenses		(2,166)
Reversal of impairments		315
Finance Costs		(1,114)
Net profit/(loss) before tax		**(2,951)**

2020 South Australia	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	1,967	907
Total from continuing operations	**1,967**	**907**
Other income		8
Operational costs		(369)
Administration Expenses		(90)
Reversal of impairments		247
Finance Costs		(10)
Net profit/(loss) before tax		**693**

2020 Total	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	12,640	2,787
Total from continuing operations	**12,640**	**2,787**
Other income		1,193
Operational costs		(3,420)
Administration Expenses		(2,256)
Reversal of impairments		562
Finance Costs		(1,124)
Net profit/(loss) before tax		**(2,258)**

2019 New South Wales	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	13,610	3,711
Total from continuing operations	**13,610**	**3,711**
Other income		611
Operational costs		(3,134)
Administration Expenses		(1,984)
Reversal of impairments		(245)
Finance Costs		(866)
Net profit/(loss) before tax		**(1,907)**

2019 South Australia	Segment revenue $'000	Segment results $'000
Reportable segment revenue		
Agriculture	19	(521)
Total from continuing operations	**19**	**(521)**
Other income		1
Operational costs		(116)
Administration Expenses		(22)
Reversal of impairments		-
Finance Costs		-
Net profit/(loss) before tax		**(658)**

2019 Total	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)**

REVENUE FROM MAJOR PRODUCTS - NEW SOUTH WALES

New South Wales	2020 $'000	2019 $'000
Hay	1,049	445
Clover	-	-
Cotton	1,390	6,206
Faba Beans	-	-
Chickpea	858	457
Wheat	2,046	2,677
Barley	3,454	1,603
Canola	71	97
Cattle	1,025	1,042
Sheep	755	925
Wool	25	158
	10,673	**13,610**

REVENUE FROM MAJOR PRODUCTS - SOUTH AUSTRALIA

South Australia	2020 $'000	2019 $'000
Hay	87	-
Clover	41	-
Cotton	-	-
Faba Beans	196	-
Chickpea	-	-
Wheat	164	-
Barley	-	9
Canola	307	-
Cattle	158	-
Sheep	892	10
Wool	122	-
	1,967	**19**

REVENUE FROM MAJOR PRODUCTS - TOTAL

Total	2020 $'000	2019 $'000
Hay	1,136	445
Clover	41	-
Cotton	1,390	6,206
Faba Beans	196	-
Chickpea	858	457
Wheat	2,210	2,677
Barley	3,454	1,612
Canola	378	97
Cattle	1,183	1,042
Sheep	1,647	935
Wool	147	158
	12,640	**13,629**

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

The Directors monitor the value of land and water licenses by operating segment. The value of land and water for New South Wales and South Australia were $72,677,000 and $15,178,000 respectively (2019: $69,773,000 and $13,357,000).

7 OTHER INCOME

	2020 $'000	2019 $'000
Government rebates	354	365
Other revenue	746	98
Insurance revenue	93	17
Interest received	-	132
Lease revenue	-	-
	1,193	**612**

8 FINANCE COSTS

	2020 $'000	2019 $'000
Interest on bank overdrafts and loans	1,049	785
Interest on lease liabilities	55	62
Borrowing costs	-	4
Other finance costs	20	15
	1,124	**866**

9 AUDITORS REMUNERATION

	2020 $'000	2019 $'000
Audit or review of financial report - Deloitte Touche Tohmatsu (FY2020 Audit)	114,850	110,000
	114,850	**110,000**

10 CASH AND CASH EQUIVALENTS

	2020 $'000	2019 $'000
Cash at bank	15	-
Term deposits	12	12
	27	**12**

11 TRADE AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Trade receivables	483	1,184
Allowance for doubtful debts	-	-
	483	1,184
Fuel Rebate Receivable	64	92
Other receivables	-	1,892
	547	**3,168**
Ageing of past due but not impaired		
61-90 days	-	-
90-120 days	-	-
120+ days	-	14
	-	**14**

12 INVENTORIES

	2020 $'000	2019 $'000
Consumables - cost	2,074	944
Produce on hand		
- Crops - at cost	896	2,346
- Wool - at NRV	9	8
	2,979	**3,298**

13 BIOLOGICAL ASSETS

	Crops in ground $'000	Livestock $'000	Total $'000
Gross carrying amount			
Balance at 1 July 2018	3,820	2,363	6,183
Additions through business combination	-	-	-
Additions	9,044	1,203	10,247
Transfers to inventory/sales	(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**
Gross carrying amount			
Balance at 1 July 2019	4,160	2,295	6,455
Additions	9,744	2,232	11,976
Transfers to inventory/sales	(8,826)	(2,976)	(11,802)
Increase in fair value due to biological transformation	(380)	2,851	2,471
Balance at 30 June 2020	**4,698**	**4,402**	**9,100**

14 OTHER FINANCIAL ASSETS

	2020 $'000	2019 $'000
Futures contracts & Options [1]	317	21
	317	**21**

[1] Derivative financial instruments have been used to hedge against declining wheat prices. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date with the resulting gain or loss reognised in profit.

15 OTHER ASSETS

	2020 $'000	2019 $'000
Prepayments	376	793
Other	31	6
	407	**799**
Current	401	793
Non-current	6	6
	407	**799**

16 LAND, BUILDINGS, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment at cost	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000
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	-	(213)	(656)	-	(870)
Impairment loss	(248)	(280)	-	-	(528)
Impairement 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**	**3,379**	**3,236**	**-**	**67,324**
As at 30 June 2019	**76,231**	**5,183**	**3,910**	**490**	**85,813**
Gross carrying amount					
Balance at 1 July 2019	76,849	6,649	5,823	490	89,811
Additions	65	3	437	1,065	1,570
Disposals	-	-	(602)	-	(602)
Reclassifications	-	1,032	432	(1,464)	-
Revaluation increase	4,031	201	-	-	4,232
Balance at 30 June 2020	**80,944**	**7,886**	**6,091**	**90**	**95,011**
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2019	(618)	(1,467)	(1,913)	-	(3,998)
Disposals	-	-	325	-	325
Depreciation expense	-	(302)	(810)	-	(1,112)
Impairment loss	-	-	-	-	-
Impairment reversal	440	49	-	-	489
Balance at 30 June 2020	**(179)**	**(1,719)**	**(2,398)**	**-**	**(4,296)**
Net book value					
As at 1 July 2019	**76,231**	**5,183**	**3,910**	**490**	**85,813**
As at 30 June 2020	**80,765**	**6,167**	**3,693**	**90**	**90,715**

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 2020 and 30 June 2019 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.

Right-of-use assets accounted for under AASB 16 are included in the asset grouping plant and equipment.

Due to the effect of COVID-19 CBRE property valuations were performed on a desktop basis.

17 INTANGIBLE WATER ASSETS

	Water licences $'000
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
Gross carrying amount	
Balance at 1 July 2019	6,996
Additions	117
Disposals	-
Balance at 30 June 2020	**7,113**
Accumulated impairment	
Balance at 1 July 2019	(96)
Disposals	-
Impairment reversal	73
Balance at 30 June 2020	**(23)**
Net book value	
As at 1 July 2019	6,900
As at 30 June 2020	7,090

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

	2020 $'000	2019 $'000
Current tax		
Current tax expense/(income) recognised in current year	(1,541)	(1,533)
Recognition of prior year tax losses	-	(681)
Other	(201)	-
	(1,742)	**(2,214)**
Deferred tax		
Deferred tax expense recognised in current year	950	764
Total income tax/(benefit) recognised in the current year relating to continuing operations	**(792)**	**(1,450)**

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

Loss before tax	**(2,258)**	**(2,585)**
Income tax benefit at 27.5%	(621)	(769)
Effect of expense that are non-deductible in determining taxable profit	(4)	-
Recognition of prior year tax losses	-	(681)
Other	(167)	-
Income tax expense recognised in profit and loss (relating to continuing operations)	**(792)**	**(1,450)**

INCOME TAX RECOGNISED DIRECTLY IN EQUITY

	2020 $'000	2019 $'000
Deferred tax		
Equity raising costs	1	1
Revaluation of land	(1,065)	(698)
Income tax recognised directly in equity	**(1,064)**	**(697)**

CURRENT TAX ASSETS AND LIABILITIES

2020	Opening Balance	Current Year Profit & Loss Impact	Recognised in other comprehensive income	Recognised directly in equity	Acquisitions/ disposals	Tax Rate Variation Effect	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross deferred tax liabilities							
Debtors	(27)	(43)	-	-	-	5	(66)
Inventories	(2,010)	(437)	-	-	-	335	(2,111)
Property, plant and equipment	(3,442)	(401)	-	(1,065)	-	574	(4,335)
Intangibles	(128)	(18)	-	-	-	21	(125)
	(5,607)	(899)	-	(1,065)	-	935	(6,637)
Gross deferred tax assets:							
Payables	17	15	-	-	-	(3)	29
Provisions	80	19	-	-	-	(13)	86
Other	201	(84)	-	1	-	(34)	84
	298	(51)	-	1	-	(50)	198
	(5,310)	**(950)**	**-**	**(1,064)**	**-**	**885**	**(6,439)**
Tax Losses	3,871	1,502	-	-	-	(645)	4,728
	(1,438)	**552**	**-**	**(1,064)**	**-**	**240**	**(1,710)**

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)**	**-**	**(697)**		**-**	**(5,309)**
Tax Losses	1,657	2,214	-	-	-	-	3,871
	(2,191)	**1,450**	**-**	**(697)**	**-**	**-**	**(1,438)**

19 TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Trade payables	880	2,640
Accrued expenses	242	550
	1,122	**3,190**

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

	2020 $'000	2019 $'000
Secured – at amortised cost		
Bank overdrafts (i)	6,311	1,501
Bank loans (i)	25,200	25,200
Finance lease liability (ii)	1,110	1,233
	32,621	**27,934**
Current	6,639	1,771
Non-current	25,982	26,163
	32,621	**27,934**

SUMMARY OF BORROWING ARRANGEMENTS

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

- $8,000,000 at call overdraft with a variable interest rate and currently drawn to $6.311m

$1,000,000 at call overdraft with a variable interest rate and currently holding a cash surplus of $15k

- $5,000,000 loan expiring on 31/10/2021 with a variable interest rate which is fully drawn
- $5,000,000 loan expiring on 31/10/2022 with a variable interest rate of which $4.2m is drawn
- $10,000,000 loan expiring on 26/10/2027 with a fixed interest rate which is fully drawn
- $6,000,000 loan expiring on 06/03/2024 with a variable rate which is fully drawn

(ii) Secured by the assets leased. The borrowings are on fixed interest rate terms, ranging from 3.70%-5.37%, with repayment periods not exceeding 5 years.

			NON CASH CHANGES	
	1/7/2019	Financing cashflows	New leases	30/6/20
	$'000	$'000	$'000	$'000
Lease liabilities	1,233	(269)	146	1,110
Bank loans	25,200	-	-	25,200
Overdraft	1,501	4,810	-	6,311
	27,934	**4,541**	**146**	**32,621**

21 PROVISIONS

	2020 $'000	2019 $'000
Employee benefits	349	267
	349	**267**
Current	337	261
Non-current	12	6
	349	**267**

22 EQUITY

	2020 $'000	2019 $'000
Share Capital	73,964	73,987
	73,964	**73,987**
Issued capital comprises: 42,906,534 fully paid ordinary shares (30 June 2019: 42,950,065)	73,964	73,987
	73,964	**73,987**

FULLY PAID ORDINARY SHARES

	No. Shares '000	Share capital $'000
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**
Balance at 1 July 2019	42,950	73,987
Shares issued	76	93
Share buy-back	(120)	(113)
Share issue costs	-	(3)
Closing balance at 30 June 2020	**42,906**	**73,964**

23 RESERVES

	Asset 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**

	Asset valuation reserve $'000	Other reserve $'000	Total $'000
Balance at 01 July 2019	8,294	106	8,400
Movements	4,232	66	4,298
Tax effect	(1,065)	-	(1,065)
Balance at 30 June 2020	**11,461**	**172**	**11,633**

24 EARNINGS PER SHARE

	2020	2019
Earnings/(loss) $'000	(1,466)	(1,115)
Earnings/(loss) used in the calculation of basic EPS $,000	(1,466)	(1,115)
Weighted average number of ordinary shares (basic)	42,910,408	43,057,327
Weighted average number of ordinary shares (diluted)	42,910,408	43,057,327
Basic earnings per share from continuing operations (cents)	(0.0342)	(0.0259)
Diluted earnings per share from continuing operations (cents)	(0.0342)	(0.0259)

25 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020 $'000	2019 $'000
Profit (loss) for the year	(1,466)	(1,115)
Adjustments for non-cash items included in profit/(loss):		
Depreciation	1,112	870
Increase in biological transformation	(2,471)	(1,877)
Impairment / (impairment reversal) of land, buildings, plant and equipment	(489)	399
Impairments / (impairment reversals) of water licenses	(73)	(154)
(Gain)/Loss on sale of property, plant and equipment	(97)	76
Changes in other items:		
(Increase) / decrease in trade receivables	2,621	(290)
(Increase) / decrease in other assets	157	(323)
(Increase) / decrease in biological assets	(174)	1,605
(Increase) / decrease in inventories	319	(586)
Increase / (decrease) in deferred tax liabilities	272	(753)
Increase / (decrease) in trade payables	(2,854)	(724)
Increase / (decrease) in provisions	82	(32)
Net cash used in operating activities	**(3,061)**	**(2,904)**

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
- 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 (2019: 38,700) in the Company and an indirect interest in 10,947,175 shares (2019: 10,938,454) in the Company.

Mr Stephen Duerden has a direct interest in 10,000 shares (2019: 10,000) in the Company and an indirect interest in 35,296 shares (2019: 37,362) in the Company.

	2020 $'000	2019 $'000
Short-term benefits	196	389
Post-employment benefits	26	22
Other long-term benefits	-	-
Share-based payments	69	93
Terminations benefits	-	-
Total	**291**	**504**

27 RELATED PARTY TRANSACTIONS

The following transactions occurred with related parties during the year ended 30 June 2020 (and the year ended 30 June 2019) and are all ex gst.

	2020 $'000	2019 $'000
Reimbursement of costs - Duxton Capital (Australia) Pty Ltd	25	37
Accounting and Consulting Services - Duxton Capital (Australia) Pty Ltd	262	182
Management Fee Revenue - Duxton Capital (Australia) Pty Ltd	624	615
Water lease - Duxton Water Ltd	237	251
Total	**1,148**	**1,085**

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):

	2020 $'000	2019 $'000
Amount due to - Duxton Capital (Australia) Pty Ltd	78	70
Amount due to - Duxton Water Ltd	-	1
Total	**78**	**71**

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 and borrowings. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 $'000	2019 $'000
Financial Assets			
Cash and cash equivalents	10	27	12
Trade and other receivables	11	547	3,168
Other financial assets	14	317	21
Total financial assets		**891**	**3,201**
Financial Liabilities			
Trade and other payables	19	1,122	3,190
Borrowings	20	32,621	27,934
Total financial liabilities		**33,743**	**31,124**

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.

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 2018 to 30 June 2020, 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 did not sell internationally in the financial year and as a result has identified Australian economic conditions to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these conditions.

On that basis the loss allowance as at 30 June 2020 & 30 June 2019 for trade receivables was determined as follows:

30 June 2020	Current	Over 30 days	Over 60 days	Over 90 days	Total $'000
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – trade receivables	483	-	-	-	483
Loss allowance	-	-	-	-	-

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	-		-	-	-

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	19	1,122	1,122	1,122	-	-	-	-
Trade and other payables	20	32,621	37,868	231	208	7,357	18,866	11,206
Interest-bearing liabilities			**38,990**	**1,353**	**208**	**7,357**	**18,866**	**11,206**

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.

At the time of harvest in the year ending 30 June 2020 shortages of supply from the impact of drought saw market prices for grain increase. Additionally, interest rates did not move unfavourably throughout the year due to domestic economic conditions. As a result of these factors no hedging activity occured in the year ending 30 June 2020 relating to the crop harvested in November and December 2019.

Due to increased levels of rain at the start of the winter season to be harvested in November and December 2020 increased yields are expected to lead to a decline in current grain prices. As a result the Company entered into futures contracts and swaps to hedge against declines in the price of wheat. The unrealised gain on these positions in the year ended 30 June 2020 amounted to $200,000.

SENSITIVITY ANALYSIS

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

29 OBLIGATIONS UNDER FINANCE LEASES

The Company leases harvesting equipment under finance leases. The average lease term is 5 years. The Company's obligations under finance leases are secured by the lessor's titles to the leased assets.

The main differences between AASB 16 and AASB 117 with respect to contracts formerly classified as finance leases 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. This change did not have a material effect on the Group's consolidated financial statements.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 3.70% to 5.37% per annum.

	2020 $'000	2019 $'000
Finance lease liabilities		
Not later than 1 year	370	318
Later than 1 year and not later than 5 years	824	1,038
Less: future finance charges	(84)	(123)
	1,110	**1,233**
Current	328	269
Non-current	782	964
	1,110	**1,233**

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:

	2020 $'000	2019 $'000
Water lease	561	748
Within one year	187	187
In the second to fifth years inclusive	374	561
After five years	-	-
	561	748

OTHER COMMITMENTS

	2020 $'000	2019 $'000
Commitments for expenditure	84	123

31 SUBSEQUENT EVENTS

On 29 July 2020 58.9 hectares of property at Walla Wallah was sold for $725,000 which settled on 26 August 2020. Funds were received reducing the balance of the overdraft account. Upon settlement Westpac advised the Company of a call to reduce the overdraft facility by the sale price of the property less $64,500 of land acquired during the year ending 30 June 2020.

DIRECTOR'S **DECLARATION**
FOR THE YEAR ENDED 30 JUNE 2020

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 2020.

c) the audited remuneration disclosures set out on pages 25 to 32 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
27th August 2020

Deloitte.

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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 2020, 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 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 2020 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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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 2020 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.

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 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, actions taken to eliminate threats or safeguards applied.

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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 32 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Duxton Broadacre Farms Limited, for the year ended 30 June 2020, 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, 27 August 2020

ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

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 2020 (unless otherwise stated).

Twenty largest equity security holders

The names of the twenty largest holders of quoted equity securities as at 31 July 2020 are listed below:

	ORDINARY SHARES	
Name	**Number held**	**Percentage of issued shares**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,940,126	**41.81**
BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	10,811,421	**25.19**
INVIA CUSTODIAN PTY LIMITED <GF CAPITAL NOMINEES UNIT A/C>	1,793,511	**4.18**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,666,667	**3.88**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	646,297	**1.51**
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	607,300	**1.42**
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	558,914	**1.30**
CITICORP NOMINEES PTY LIMITED	538,518	**1.25**
DAVID HANDLEY NOMINEES PTY LTD <DAVID HANDLEY FAMILY A/C>	423,442	**0.99**
MR RONALD LANGLEY + MRS RHONDA ELIZABETH LANGLEY	333,333	**0.78**
W F O INVESTMENTS PTY LTD	333,333	**0.78**
MR WILLIAM BLOMFIELD	200,000	**0.47**
JOTT INVESTMENTS PTY LTD <SMITH PENSION FUND A/C>	200,000	**0.47**
DUXTON CAPITAL (AUSTRALIA) PTY LTD	198,457	**0.46**
TEMPLE ROCK PTY LTD <TEMPLE ROCK S/F A/C>	185,000	**0.43**
BOND STREET CUSTODIANS LIMITED <STODAV - D72799 A/C>	173,346	**0.40**
MRS FRANCESCA MCCULLOCH	166,667	**0.39**
DUXTON OFFICES PTY LTD	153,598	**0.36**
MUTUAL TRUST PTY LTD	147,384	**0.34**
P W & D L DANIEL PTY LTD <P W & D L DANIEL S/F A/C>	140,241	**0.33**
Total	**37,217,555**	**86.73**

Holders of less than a marketable parcel of securities

Number of holders as at 31 July 2020 holding less than a marketable value of securities being $500 at the share price of $1.04 per share are listed below:

Holding	No. of Holders
1-480 (less than a marketable parcel)	30

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 31 July 2020 are listed below:

Holding	Shares	No. of Holders
1-1,000	24,913	52
1,001-5,000	316,833	141
5,001-10,000	725,253	97
10,001-100,000	4,160,552	145
100,001 and over	37,686,172	24
Total	**42,913,723**	**459**

Substantial holders

Substantial holders of ordinary shares in the Company as at 31 July 2020 are listed below:

	ORDINARY SHARES	
Holding	Number held	Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,940,126	41.81
BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	10,811,421	25.19

Holders of each class of equity securities

Number of holders in each class of equity securities as at 31 July 2020 are listed below:

Holding	Number
Ordinary shares	42,913,723

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 2020

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 2020:

Escrow period	Total
No escrow	-


DUXTON
BROADACRE FARMS