

Duxton Broadacre Farms Limited

ACN 129 249 234

APPENDIX 4D HALF-YEAR REPORT



1. Reporting period

Reporting period "Current period"
Previous corresponding period

From 1 July 2019 to 31 December 2019
From 1 July 2018 to 31 December 2018

2. Results for announcement to the market

Revenue from ordinary activities	up	43%	to	\$,000 5,823
Profit (loss) from ordinary activities after tax attributable to members	down	15%	to	(1,243)
Net profit (loss) for the period attributable to members	down	15%	to	(1,243)
Dividends		2019 Nil		2018 Nil

Commentary on results for the period

The Company's net loss after tax for the half year amounted to \$1.358 million (31 December 2018: \$1.459 million loss).

The net asset value of the Company as at 31 December 2019 amounted to \$71.755 million or \$1.67 per share. The net asset value of the Company as at 31 December 2018 was \$71.755 million or \$1.67 per share.

31 December 2019	Per Company Statement of Financial Position \$'000	Per Fair Market Value* \$'000	Variance \$'000
Permanent water entitlements	6,900	8,748	1,848
Net other assets	65,494	65,494	-
Total net assets	72,394	74,242	1,848
Net asset value per share	\$1.69	\$1.73	\$0.04

* Fair market value is a non-IFRS measure which has not been audited or reviewed by the Company's auditor. The fair market value is provided because it is consistent with the way the assets are measured and reviewed internally.

3. Net tangible assets per share

	31 December 2019	31 December 2018
Net tangible assets per ordinary share *	1.52	1.52
Net assets per ordinary share	1.69	1.67

*Water assets are classified as intangible assets

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4. Control gained or lost during the period

Not applicable.

5. Dividends

There were no payments of dividends or distributions during the period.

6. Dividend reinvestment plan

There is no dividend/distribution reinvestment plan currently in operation.

7. Associates and joint ventures

There are no associates or joint venture entities.

8. Foreign entities

Not applicable

Other information

This report is based on the half-year financial statements which have been reviewed by Deloitte Touche Tomatsu.



DUXTON
BROADACRE FARMS



DUXTON
BROADACRE
FARMS LTD

ACN 129 249 243

2019 DECEMBER
HALF YEAR **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

Friday 21st February 2020

Dear Shareholder,

It gives me great pleasure to present the 2020 Half Year Report for Duxton Broadacre Farms Limited. "DBF" the "Company".

On behalf of the Board I would like to commend our employees for their ongoing efforts despite the immense challenges arising from extreme drought conditions. 2019 was an extremely testing year, with Australia experiencing both the warmest, and the driest year on record. Annual mean temperature and mean maximum temperature were both the warmest on record, being 1.52°C and 2.09 °C above average respectively. Nationally averaged rainfall was 277.6 mm, 40% below average levels. More specifically New South Wales recorded its lowest ever average rainfall of 250.2 mm, 55% below average rainfall.

The extreme conditions observed in 2019 exacerbated existing drought conditions. To contextualise the severity of the ongoing drought, the three years from January 2017 to December 2019 have been the driest on record for any January commencing 36-month period across New South Wales and the Murray-Darling Basin. There is no denying that widespread drought conditions are presenting the agricultural industry with considerable challenges.

Our ability to generate intrinsic shareholder value in the face of these extreme conditions is testament to the ingenuity and competence of our team. From our original listing price of \$1.50 per share we reported a net asset fair value per share of \$1.76 on our most recent independent valuation and audited accounts. This appreciation is testament to the value created through the development of existing properties, strategic acquisition of water entitlements, and timely operational decisions to capitalise on short term opportunities.

Most recently we have been accumulating livestock to capitalise on favourable market trends, which has been facilitated by the diligence of management in identifying advantageous purchasing opportunities and ensuring adequate feed supplies.

I am also pleased to announce the completion of our first winter harvest at the recently acquired Boorala property located in South Australia. We are confident the geographic diversification provided by this property will play an important role in limiting annual volatility and positioning the portfolio for long term success.



While we are enduring what is undoubtedly one of the more severe challenges to face the agricultural sector, I resolutely maintain we will emerge a stronger business and wish to reassure investors of our resolve to promote shareholder value throughout this period.

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

A handwritten signature in black ink, appearing to read 'Ed Peter', with a stylized, cursive script.

Kind Regards,
Ed Peter



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The Directors of Duxton Broadacre Farms Limited submit herewith their report, together with the financial report of Duxton Broadacre Farms Limited (the Company) for the half year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

Directors

The names of the Directors of the Company that held office during or since the end of the half-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 the annual 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.

There were no significant changes in the nature of the activities of the Company during the half year.

Review of operations

Significant rainfall deficiencies adversely impacted operations for the period. The total April to September rainfall for the last three years was the lowest on record for almost all of New South Wales. Each of the three years had seasonal rainfall below 125 mm for New South Wales, there is no previous instance of two consecutive years below 125 mm, or three consecutive years below 175 mm. Total rainfall for these three periods was 324.9 mm, far below the previous record low of 486.6 mm. Average rainfall across New South Wales for the 36-month period ending 31 December 2019 was approximately 100 mm lower than the next driest period occurring during the Federation Drought from January 1900 to December 1902.

Winter crop production was commendable given the extreme conditions experienced. The below table summarises production for the half year ended 31 December 2019.

Crop	NSW Production (t)	SA Production (t)	Total Production (t)
Barley	8,865	250	9,115
Canola	-	515	515
Chickpeas	1,253	-	1,253
Wheat	2,583	544	3,127
Faba Beans	-	361	361
Lucerne Hay	142	-	142
Wheaten/Barley Hay	4,685	1,050	5,735
Canola Hay	1,126	-	1,126
Straw	672	-	672

To maximise value during this period, winter crops with suboptimal grain yields were strategically cut for hay to capitalise on elevated feed prices as indicated by the above table. Crops were also grazed by livestock to salvage value in poor performing areas. Sale of winter cropping produce has continued in accordance with the Company's commodity marketing policy.

The new storage and channel system at the Walla Wallah property has been completed and is functioning well. These developments are crucial in facilitating timely and more efficient irrigation.

The current cotton crop is developing well with the new infrastructure supporting elevated irrigation pressure resulting from warm and dry conditions.

Increased investment has been made into livestock operations to capitalise on favourable trends. This has resulted in the purchase of additional livestock where opportunities arise, retention of feed to ensure wellbeing and sufficient weight gain, along with the development of water and paddock infrastructure.

Market overview

DBF is well positioned to benefit from both domestic and international market trends in the short term. Internationally, the Australian grain industry is forecast to benefit from a rising imbalance between grain consumption and production. Domestically, the hottest and driest year in Australia, since weather records began in 1901, presents both challenges and opportunities for DBF. Grain prices are expected to remain firm in the short term as supply shortages and a growing national herd on feed due to pasture deficits place upwards pressure on prices. With a growing export market for Australian livestock DBF is leveraging its scale and grain production capabilities to grow its livestock portfolio. With a growing livestock portfolio DBF is provided flexibility in its feed grain sales strategy, with the option to feed stock on hand if a higher value can be attained than grain sales into the market. For DBF to insulate itself from Australia's dry climate the company continues to focus on the acquisition of both water entitlement and allocation, along with an emphasis on developing irrigation infrastructure that will assist in increasing the operational flexibility of DBF. DBF has also developed geographical diversification through the purchase of Boorala to assist in mitigation of risks associated with adverse weather patterns.

Future developments

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

Changes in state of affairs

Other than noted above there were no significant change in the state of affairs of the Company during the half-year.

Dividends

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

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 half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

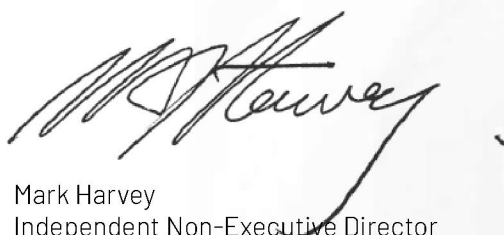
Auditor's independence declaration

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 16.

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
21 February 2020



21 February 2020

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

Dear Directors

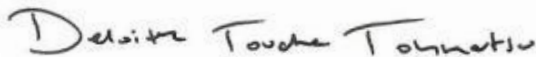
Auditor's Independence Declaration to Duxton Broadacre Farms Limited

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 review of the half year financial statements of Duxton Broadacre Farms Limited for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Darren Hall
Partner
Chartered Accountants



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Revenue	4	5,823	4,071
Cost of sales		(8,262)	(6,805)
Biological transformation	8	3,420	3,266
Gross profit		981	532
Other income	5	405	247
Operational expenses		(1,686)	(1,560)
Administration expenses		(922)	(930)
Listing expenses		(32)	(33)
Finance costs	6	(549)	(340)
(Loss)/profit before tax		(1,803)	(2,084)
Income tax benefit/(expense)		560	625
Loss for the year		(1,243)	(1,459)
Total comprehensive income for the year		(1,243)	(1,459)
Earnings per share		2019	2018
From continuing operations		(\$)	(\$)
Basic (cents per share)		(2.89)	(3.38)
Diluted (cents per share)		(2.89)	(3.38)

The notes on page 24 to 35 are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 Dec 2019 \$'000	30 Jun 2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	12	12
Trade and other receivables		1,342	3,168
Inventories		6,014	3,298
Biological assets	8	3,867	6,455
Other financial assets	9	21	21
Other current assets		642	793
Total current assets		11,898	13,747
Non-current assets			
Land		76,230	76,231
Buildings, plant and equipment		10,174	9,582
Intangible water assets		6,900	6,900
Other non-current assets		6	6
Total non-current assets		93,310	92,719
Total assets		105,208	106,466
LIABILITIES			
Current liabilities			
Trade and other payables	9	2,862	3,190
Borrowings	10	2,501	1,771
Provisions		305	261
Total current liabilities		5,668	5,222
Non-current liabilities			
Borrowings	10	26,261	26,163
Provisions		8	6
Deferred tax liability		877	1,438
Total non-current liabilities		27,146	27,607
Total liabilities		32,814	32,829
Net assets		72,394	73,637
EQUITY			
Issued capital	11	73,995	73,987
Reserves	12	8,392	8,400
Accumulated losses		(9,993)	(8,750)
Total equity		72,394	73,637

The notes on page 24 to 35 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Issued capital	Accumulated losses	Asset revaluation reserve	Share based payment reserve	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018		74,675	(7,635)	6,665	-	73,705
Profit/(loss) for the year		-	(1,459)	-	-	(1,459)
Other comprehensive income for the year, net of income tax		-	-	-	-	-
Total comprehensive income for the year		-	(1,459)	-	-	(1,459)
Shares issued	11,12	54	-	-	10	64
Share buy back	11	(554)	-	-	-	(554)
Share issue costs – net of taxes	12	(1)	-	-	-	(1)
Balance at 31 December 2018		74,174	(9,094)	6,665	10	71,755
Balance at 1 July 2019		73,987	(8,750)	8,294	106	73,637
Profit/(loss) for the year		-	(1,243)	-	-	(1,243)
Other comprehensive income for the year, net of income tax		-	-	-	-	-
Total comprehensive income for the year		-	(1,243)	-	-	(1,243)
Issue of shares	11, 12	87	-	-	-	87
Share buy back	11	(79)	-	-	-	(79)
Share issue costs – net of taxes	12	-	-	-	-	-
Share based payments approved		-	-	-	(8)	(8)
Balance at 31 December 2019		73,995	(9,993)	8,294	98	72,394

The notes on page 24 to 35 are an integral part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Cash flows from operating activities			
Receipts from customers		8,763	6,305
Payments to suppliers		(7,751)	(12,495)
Interest received		-	-
Interest paid		(517)	(298)
Government rebates received		165	208
Other		78	1
Net cash generated by/(used in) operating activities		738	(6,279)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,265)	(1,957)
Proceeds from disposal of property, plant and equipment		-	61
Payments for water entitlements		-	(1,901)
Other		-	(50)
Net cash (used in)/generated by investing activities		(1,265)	(3,847)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Share buy back		(79)	(554)
Payment for share issue costs		(2)	-
Proceeds from borrowings		694	6,029
Repayment of borrowings		(86)	(73)
Net cash generated by/(used in) by financing activities		527	5,402
Net increase in cash and cash equivalents		-	(4,724)
Cash and cash equivalents at beginning of the period		12	4,735
Cash and cash equivalents at end of period	7	<u>12</u>	<u>11</u>

The notes on page 24 to 35 are an integral part of these financial statements





CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

Basis of accounting

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

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.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2019 annual financial report for the financial year ended 30 June 2019, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Going Concern

The half year 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 arrangement.

For the half year ended 31 December 2019 the Company incurred a net loss before income tax of \$1,710,000 (2018: net loss before income tax \$2,804,000), generated net cash from operating activities of \$738,000 (2018: net cash used in operating activities \$6,279,000) and had a net current asset surplus position of \$6,323,000 (2018: \$8,525,000).

The Company has an overdraft facility with Westpac Banking Corporation of \$5,000,000, which was drawn down by \$2,195,000 as at 31 December 2019 (2018: \$1,501,000)

Australia continues to face the worst drought on record and whilst the Company has implemented a number of drought mitigation strategies to ensure business operations can continue under these conditions, current board approved cash flow forecasts indicate that the current bank facility limit of \$5,000,000 will be insufficient to meet commitments from September 2020 to December 2020 (with a peak cash requirement of \$7,000,000 in November 2020) ahead of the harvest of winter crops.

Discussions are currently being undertaken with Westpac to increase the overdraft facility limit by \$4,000,000 (to a total of \$9,000,000) however as at the date of signing this financial report no increase to the overdraft has been agreed.

In the absence of receiving the facility increase, the Company's commitments will be serviced by sales of a portion of our livestock holdings.

Based upon the Board approved cash flow forecast 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.

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

3 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.

Duxton Broadacre Farms has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

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

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 Group 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.

Leases (continued)

The Group 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 Group 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 Group 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 IAS 37. 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 Group 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 presented as a separate line 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 Group 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 Group 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.

4 SEGMENT INFORMATION

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

For the half year to 31 Dec 2019	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	5,823	981
Total from continuing operations	5,823	981
Other income		405
Operational costs		(1,686)
Administration Expenses		(922)
Listing Costs		(32)
Finance Costs		(549)
Net profit/(loss) before tax		(1,803)

For the half year to 31 Dec 2018	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	4,071	532
Total from continuing operations	4,071	532
Other income		247
Operational costs		(1,560)
Administration Expenses		(930)
Listing Costs		(33)
Finance Costs		(340)
Net profit/(loss) before tax		(2,084)

REVENUE FROM MAJOR PRODUCTS

	31 December 2019	31 December 2018
	\$'000	\$'000
Hay	357	145
Cotton	57	623
Faba Beans	147	-
Chickpea	828	148
Wheat	1,276	1,581
Barley	1,635	242
Canola	378	97
Cattle	153	602
Sheep	967	554
Wool	25	79
	5,823	4,071

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

5 OTHER INCOME

	31 December 2019	31 December 2018
	\$'000	\$'000
Government rebates	221	188
Other revenue	119	-
Insurance revenue	65	23
Interest received	-	36
	405	247

6 FINANCE COSTS

	31 December 2019	31 December 2018
	\$'000	\$'000
Interest on bank overdrafts and loans	546	297
Interest on obligations under finance leases	-	32
Other finance costs	3	11
	549	340

7 CASH AND CASH EQUIVALENTS

	31 December 2019	30 June 2019
	\$'000	\$'000
Cash at bank	-	-
Term deposits	12	12
	12	12

8 BIOLOGICAL ASSETS

	Crops in ground	Livestock	Total
	\$'000	\$'000	\$'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	564	1,436	2,000
Transfers to inventory/sales	(6,864)	(1,144)	(8,008)
Increase in fair value due to biological transformation	2,540	880	3,420
Balance at 31 December 2019	400	3,467	3,867

9 FAIR VALUE OF 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.

a) Level 1

Fair values have been determined by reference to their quoted bid prices at the reporting date

b) Forward contracts

Fair value of the Group's forward contracts are determined with reference to contract price.

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

Note	31 Dec 2019	30 Jun 2019
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	12	12
Trade and other receivables	1,342	3,168
Other financial assets	21	21
Total financial assets	1,375	3,201
Financial Liabilities		
Trade and other payables	2,862	3,190
Interest-bearing liabilities	28,762	27,934
Total financial liabilities	31,624	31,124

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current and non current interest-bearing liabilities approximate their fair value.





10 BORROWINGS

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Unsecured – at amortised cost		
Bank overdrafts (i)	2,195	1,501
	2,195	1,501
Secured – at amortised cost		
Loans – Other entities (ii)	25,200	25,200
Finance lease liability (iii)	1,367	1,233
	28,762	27,934
Current	2,501	1,771
Non-current	26,261	26,163
	28,762	27,934

SUMMARY OF BORROWING ARRANGEMENTS

- (i) Secured overdraft facility. Interest is to be charged at a rate ranging from 2.68% – 2.99%
- (ii) These facilities are secured by mortgages on the companies properties, and its water rights and licenses on a fixed 10 year term. Interest is to be charged at a rates of 5.17% (fixed rate loan) and 2.73% – 3.09% (variable rate loans)
- (iii) Secured by the assets leased. The borrowings are a mixture of fixed interest rate debt with repayment periods not exceeding 5 years. Interest charged ranges from 4.91%–6.23%.

	1/7/2019	Financing cashflows	Acquisition	Fair Value adjustments	Other changes	30/12/19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short term borrowings						
- Equipment purchases	1,233	-	195	-	(61)	1,367
Long term borrowings	25,200	-	-	-	-	25,200
Overdraft	1,501	694	-	-	-	2,195
	27,934	694	195	-	(61)	28,762

11 EQUITY

	31 Dec 2019	30 Jun 2019
	\$'000	\$'000
Share Capital	73,995	73,987
	73,995	73,987
Issued capital comprises:		
42,957,485 fully paid ordinary shares (30 June 2019: 42,950,065)	73,995	73,987
	73,995	73,987

FULLY PAID ORDINARY SHARES

	No. Shares	Share capital
	'000	\$'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	87
Share buy-back	(69)	(79)
Share issue costs	-	-
Closing balance at 31 December 2019	42,957	73,995

12 RESERVES

	31 Dec 2019	30 Jun 2019
	\$'000	\$'000
Asset revaluation reserve	8,294	8,294
Share based payments reserve	99	106
	8,393	8,400

13 KEY MANAGEMENT PERSONNEL

Dr Anthony Hamilton who resigned effective 27 November 2019 holds 67,338 shares in the Company.

DIRECTOR'S DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

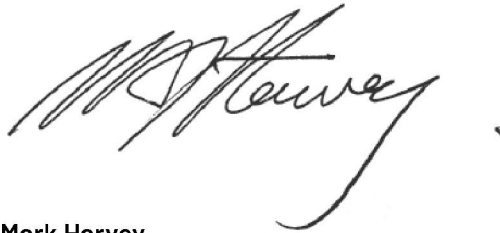
The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that Duxton Broadacre Farms Limited will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.



Edouard Peter
Chairman



Mark Harvey
Independent Non-Executive Director

Stirling, South Australia
21st February 2020

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

We have reviewed the accompanying half-year financial report of Duxton Broadacre Farms Limited, which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 18 to 36.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Duxton Broadacre Farms Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

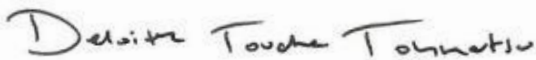
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Duxton Broadacre Farms Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Duxton Broadacre Farms Limited is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



DELOITTE TOUCHE TOHMATSU



Darren Hall

Partner

Chartered Accountants

Adelaide, 21 February 2020



