



Duxton Farms Limited

ACN 129 249 234

APPENDIX 4D HALF-YEAR REPORT

1. Reporting period

Reporting period "Current period"	From 1 July 2021 to 31 December 2021
Previous corresponding period	From 1 July 2020 to 31 December 2020

2. Results for announcement to the market

					\$,000
Revenue from continuing activities	down	13%	to		4,607
Profit (loss) from ordinary activities after tax attributable to members	down	15%	to		816
Net profit (loss) for the period attributable to members	down	15%	to		816
		2021		2020	
Dividends paid per share		\$0.062		Nil	

Commentary on results for the period

The Company's net profit after tax for the half year amounted to \$816k (31 December 2020: \$5.548 million).

The net asset value of the Company as at 31 December 2021 amounted to \$108.866 million or \$2.51 per share. The net asset value of the Company as at 31 December 2020 was \$85.145 million or \$1.98 per share.

A delayed harvest contributed to revenue not being recognised at half year like in prior years.

Land appreciation, with valuations recorded at 31 Dec 2021, contributed to the increase in net assets. \$27m before tax.

31 December 2021	Per Company Statement of Financial Position \$'000	Per Fair Market Value* \$'000	Variance \$'000
Permanent water entitlements	8,221	13,368	5,147
Net other assets	100,645	100,645	-
Total net assets	108,866	114,013	5,147
Net asset value per share	\$2.51	\$2.63	\$0.12

* 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.



Duxton Farms Limited

ACN 129 249 234

3. Net tangible assets per share

	31 December 2021	31 December 2020
Net tangible assets per ordinary share *	2.32	1.82
Net assets per ordinary share	2.51	1.98

*Water assets are classified as intangible assets

4. Control gained or lost during the period

Not applicable.

5. Dividends

A dividend was paid during the period totalling \$0.062 per share (2020: nil)

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 Grant Thornton Audit Pty Ltd



DUXTON
F A R M S

(formerly Duxton Broadacre Farms)

DUXTON
FARMS LTD
ACN 129 249 243

2021

DECEMBER

HALF YEAR REPORT



CORPORATE DIRECTORY

Executive Chairman
Edouard Peter

Non-Executive Director
Stephen Duerden

Independent Non-Executive Directors
Mark Harvey
Wade Dabinett
Dr Amanda Rischbieth

Company Secretary
Katelyn Adams

Principal and Registered Office
7 Pomona Road
Stirling SA 5152
Telephone: (08) 8130 9500
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Legal Advisors
Cowell Clarke
63 Pirie Street
Adelaide SA 5000

Share Registry
Computershare

Auditors
Grant Thornton Audit Pty Ltd
Level 3,
170 Frome 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 25th February 2022

Dear Shareholder,

It gives me great pleasure to present the 2022 Half Year Report for Duxton Farms Limited ("Duxton Farms" or "Company").

The past six months have certainly been some of the most interesting in my time as an investor in the Australian agricultural sector. Duxton Farms started the year with excellent growing conditions, an expanded footprint and record pricing, only to face significant challenges to operational performance. The story of the 2022 financial year so far is therefore one of divergent performance: the Company has seen significant land price appreciation and has capitalised on record livestock prices to great effect; on the flip side, the 2021/22 winter crop has been impacted by severe flooding and intermittent rainfall, which has resulted in a delayed harvest and quality downgrades to our grain crop across the portfolio.

Having said that, our Operations Team led by Bryan Goldsmith have, as always, done an excellent job over the period. We have successfully protected the cotton crop from the worst of the flooding and have managed to salvage the majority of the winter grain crop. As a result of their hard work, I can say that I remain cautiously optimistic about the year, especially given the conditions. We will be sure to update the market in due course with the actual harvest results when finalised.

I am also please to share that it was approved at the AGM on November 25 2021 that Duxton Broadacre Farms Limited would change it's name to Duxton Farms Limited to better reflect the operations.

Financial Performance

For the half year ended 31 December 2021, Duxton Farms reported a net profit after tax of \$816,000 (HY21: \$5,548,000) on revenues of \$4,607,000 (HY21: \$5,230,000). Although the challenges highlighted above have certainly impacted profitability, the large variation from the figures reported in the 2021 Half Year Report can primarily be attributed to timing: as of 31 December 2021, only canola had been harvested, meaning that the majority of the revenues and costs which will be incurred by the 2021/22 winter crop will only be realised in the second half of the financial year.

I am delighted to announce that the Company's Statutory Net Asset Value per Share ("NAVPS") has increased to \$2.51 per share as at 31 December 2021 (HY21: \$1.98); when the Company's water assets are marked to their market value, the Company's fair value NAVPS is a further 12 cents higher at \$2.63. I recognise that at the time of writing there remains a significant discount from the Company's share price to its fair value NAVPS, and I would like to assure shareholders that we are working on closing this gap, which we aim to achieve in a manner which is both profitable and economically sustainable over the long-term.

Operations and Land Strategy

As mentioned above, the harvest has been delayed by extremely wet conditions around the Forbes area; about 470mm of rain fell in the six months from July to December 2021, which is roughly the amount of rainfall the region would expect in a typical year. The only crop the Company had harvested at 31 December 2021 was 2,624 tonnes of canola, which is more than was originally anticipated. The Company expects to be in a position to publish a full harvest report at some point in the next month.

Crop	Hectares Planted	Yield (t/ha)	Production (t)
Wheat	7,479	-	-
Irrigated Wheat	609	-	-
Barley	3,529	-	-
Canola	1,158	2.3	2,624
Chickpeas	2,665	-	-
Oats	7	-	-
Field Peas	93	-	-

Our livestock operations have remained a highlight of the business' performance, with the Company recording over \$3,712,000 in cattle, sheep and wool sales, and the value of the remaining livestock currently on farm having appreciated by nearly 34 percent over the period. As with other agricultural commodities, the past six months have seen rapid appreciation of cattle prices, with the EYCI having appreciated by 24 percent from July 2021 to reach AU\$11.69 kilogram by the end of the year. The livestock programme remains one of the Company's most dynamic business segments, and the Operations Team is well-positioned to respond rapidly to the market should conditions change.

With regards to land management, the focus for the Company at the moment is on completing the 2021/22 harvest, after which time land preparation for next season's crop will begin in earnest. The Operations Team is coordinating with the ESG Subcommittee to improve the health of the portfolio's soils and are in the process of exploring strategies to reduce and/or sequester atmospheric carbon. As discussed at the FY2021 Annual General Meeting, the major strategic focus of Duxton Farms for the current financial year is centred around diversifying the Company's geographic footprint and/or mix of commodities produced, with the objective of creating a more stable overall earnings profile. It is to this end that the Company sought an indicative desktop assessment from LAWD Pty Ltd in December, as an expanded balance sheet provides an exceptionally strong platform upon which the Company can expand.

COVID-19

The ongoing COVID-19 pandemic has continued to create challenges for the Company, and for the wider region. As with many businesses there has been some disruption to operations, although I am exceptionally pleased to say that all Company staff have acted with diligence and care in promoting a safety-first working environment since the initial onset of the pandemic. We will continue to remain conscious of the threat posed by the virus and proactive in our response to minimise its impact on our operations.

Outlook

Given the uncertainty around the 2021/22 crop, we cannot currently give any guidance on the payment of a dividend, although I would like to reiterate that we are committed to paying out between 40 and 60 percent of operational profits. The Team will continue to explore opportunities for expansion, and I hope to update the market further on these developments as they materialise. It is my strong belief that the Australian agricultural sector remains one of the most interesting places to invest in today's market, and Duxton Farms remains very well-positioned to continue its development as a reliable producer of high-quality agricultural staples.

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

A handwritten signature in dark ink, appearing to be 'Ed Peter', written in a stylized, cursive-like font.

Kind Regards,
Ed Peter



DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Directors of Duxton Farms Limited (formerly Duxton Broadacre Farms Limited) submit herewith their report, together with the financial report of Duxton Farms Limited (the Company) for the half year ended 31 December 2021. 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 Edouard Peter
Mr Stephen Duerden
Mr Mark Harvey
Mr Wade Dabinett
Dr Amanda Rischbieth

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

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

Principal activities

The principal activities of the Company during the period 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

The recent winter harvest has been adversely impacted by extremely wet weather conditions in and around the Forbes area; the period from July 2021 to December 2021 received almost exactly double the annual average, which on an annualised basis puts the period within the 95th percentile when it comes to rainfall. While this is positive in the long-term in that it has refilled both storages both on farm and within the New South Wales irrigation system, and replenished soil moisture, in the short term it has made the 2021 harvest extremely challenging and has caused significant portfolio-wide downgrades in grain quality.

The current cotton crop is developing very well given the wet conditions and recent hail events, with the vast majority having been saved from inundation through an extensive on-farm overfill pumping programme, which saw the Operations Team working tirelessly through the Christmas period. The hail-affected cotton has been inspected by insurance assessors. Water use on the 2022 cotton crop has remained well below regular expected levels, and the Company expects to have significant water reserves to draw upon in future.

Duxton Farms' livestock programme expanded gradually over the six months to December 2021; with nearly 2,000 head of cattle and 8,000 head of sheep on farm, the Company remains very well-positioned to capitalise on current pricing trends. This underpinned by plentiful stores of hay and silage on farm and supplemented by an abundance of high-density grazing after a very wet start to the growing season.



Market overview

Australia is expected to post a record crop in 2021/22 with overall production 5 percent higher than last season at about 58.4 million tonnes, supported by excellent growing conditions in Western Australia and southern New South Wales. This figure is principally composed of wheat (34.4 million tonnes or 59 percent), barley (13.3 million tonnes or 23 percent) and canola (5.7 million tonnes or 10 percent), which is proportionally similar to this year's crop rotation for Duxton Farms.

Grain pricing was very strong through to the end of the half year period, especially for high-protein grades. Prices at Port Kembla ended the period at \$381/t and \$273/t for APW1 milling wheat and SFW1 feed wheat respectively, at \$246/t and \$219/t for BAR1 and BAR2 feed barley respectively, and at \$810/t for canola. Although Australian prices are fairly high, they have generally been trading at a discount to prevailing global prices as a result of successive bumper crops having caused a localised supply glut as grain struggles to leave port. The Company has adapted to this by hedging its expected production through US dollar-denominated grain derivatives traded on the Chicago Mercantile Exchange; ultimately, however, the Directors are comfortable in noting that although Australian grain is cheap relative to Northern Hemisphere markets, global demand for Duxton Farms' produce remains exceptionally strong.

There has been a rise in input costs as a result of the ongoing COVID-19 pandemic and the resulting disruptions to global supply chain systems, which has primarily impacted the Company in sourcing fertiliser, vehicles, and other on-farm equipment. Management has responded to the situation by undertaking extensive efforts to map out its input requirements well in advance, and revising operations based on input availability in advance.

COVID-19

The ongoing COVID-19 pandemic has continued to create challenges for the Company, and for the wider region. As with many businesses there has been some disruption to operations, although I am exceptionally pleased to say that all Company staff have acted with diligence and care in promoting a safety-first working environment since the initial onset of the pandemic. We will continue to remain conscious of the threat posed by the virus and proactive in our response to minimise its impact on our operations.

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 breaches of any environmental requirements applicable to the Company.

Climate Change Risk

Duxton Farms is a publicly listed company supported by a very long-dated investment thesis and a theoretically infinite investment horizon. Proper land management is fundamental to our business, and we take our stewardship over our land very seriously. The Board and Management Team are committed to operating the portfolio in a manner that does not jeopardise future production; this idea very much defines the Company's view on what it means to be a sustainable operation. Our ability to reliably generate value for our stakeholders of the long-term is a function of the productivity of the portfolio, which in turn is reliant on the proper and effective management of environmental risks, including that of climate change.

In addition to its other responsibilities, the ESG Subcommittee has been tasked with assessing the risks posed by climate change to the Company and developing strategies both to 'future-proof' the portfolio against its potential impacts, and to ensure that Duxton Farms is doing its part to align itself with the goals of the 2015 Paris Agreement. The Intergovernmental Panel on Climate Change has shown unequivocally that anthropogenic greenhouse gas emissions will increase the risks associated with climate change, and the Board is committed to minimising its future physical impacts, which may manifest as chronic shifts in weather patterns resulting in unstable or unreliable water availability, an increase in the frequency and severity of extreme weather events, and an increased prevalence of pests and pathogens. Both the Management Team and the ESG Subcommittee are exploring options to mitigate the impacts of an environment that may potentially become harsher and less conducive to agriculture by evaluating the cropping and land management strategies across several timeframes.

Duxton Farms is actively exploring strategies to meaningfully improve its soils, encourage biodiversity, and increase water security and quality, and has partnered with a number of third parties to trial technologies and methods which may help achieve these objectives. One of the major focuses of Duxton Farms has been to explore opportunities related to carbon sequestration, which the Company is particularly well-positioned to explore as a major agricultural producer with a significant geographic footprint. Although we cannot elaborate on these programmes at this stage, we hope to share further information with the market as they develop.

The specific focus for the first half of the 2022 financial year was to baseline the Company's soil health and emissions profile, which were still ongoing as of 31 December 2021. The ESG Subcommittee intends to receive, review and release these as part of its reporting under the Task Force on Climate-related Disclosures in the 2022 Annual Report.

Governance

Describe the Board's oversight of climate related risks and opportunities.

Climate related risks and opportunities are identified by the Environment, Social and Governance (ESG) Committee.

Describe management's role in assessing and managing climate-related risks and opportunities.

Risks identified by this committee are escalated to the Audit and Risk Committee for consideration. Recommendations of actions are escalated to the Board for consideration and approval in achieving the Company's overall climate ambition.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

The Company is aware of the potential for both legal and reputational transitional risks and proposes to address these through best practice farming and reducing the effects of physical threats, primarily the effects of chronic shifts in climate patterns as much as possible.

Describe the impact of climate risks and opportunities on the organisation's business, strategy and planning.

Given the nature of the Company as a price taker from the market, the Company adheres to best practice farming techniques such as reduced tillage and direct drilling to ensure soil is at its most productive. Maximising soil health has aligned results of increasing carbon sequestration while also improving yields and is a key part of the strategy to offset the Company's reliance on market prices that will be impacted by climatic conditions.

Describe the resilience of the organisation's strategy taking into consideration different climate related scenarios.

Given the early age of the ESG committee resilience testing of the Company's strategy will be performed in the new financial year once approved by the Board.

Risk Management

Describe the organisation's processes for identifying and assessing climate related risks.

The responsibility for identifying and assessing climate related risks sits with the ESG Committee which meets periodically throughout the year. Risks and opportunities are investigated by resources with specific experience from the Investment Manager along with advice from external consultants.

Describe the organisation's processes for managing climate related risks.

The Company has a responsibility to manage climate-related risks in line with its fiduciary responsibility to its shareholders to protect and grow the assets of the Company.

Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.

The ESG Committee will propose a strategy for achieving its climate-related goals to the board, once approved the risks associated with achieving this strategy will be made an action item for routine review in the Audit and Risk Committee.

Metrics and Targets

Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.

The primary metrics used by the ESG Committee to date have been the results of a soil carbon offset report to identify an opportunity to increase soil carbon at our largest farm, Timberscombe.

Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.

At this early stage the ambition of the ESG Committee is to reach net carbon neutrality to align to the Paris Agreement of reducing greenhouse gas emissions to limit the global temperature increase to 2 degrees above preindustrial levels. Other material reporting standards and metrics will also be considered by the ESG Committee. The ESG Committee will raise strategies of how to achieve this in both the long and short term.

Disclose scope 1, scope 2 and if appropriate, scope 3 greenhouse gas emissions and the related risks.

The measurement and publication of scope 1 and 2 greenhouse gas emissions will be pursued by the ESG Committee for release in the 2022 Annual Report.

Diversity Policy

The Company is committed to creating and maintaining a workplace that encourages a varied mix of people and skillsets. As such, a Diversity policy was implemented in 2017 which establishes Duxton Farms' fundamental belief in promoting diversity throughout the Company to ensure that its workforce feels safe, comfortable, and productive regardless of their gender, age, marital or family status, sexual orientation, or religious or cultural background.

The following initiatives support the Company's commitment to diversity:

A recruitment policy has been implemented outlining the requirement for equal opportunity for employment throughout the employment promotion and selection processes.

Where available, a culture of flexible work is fostered to support the individual and family commitments of employees, which has been successfully demonstrated by the flexible working arrangements implemented.

An objective and anonymous Board member skills evaluation process has been established to systematically identify performance and skill gaps on the Board in anticipation of future Company growth.

The ESG Subcommittee is in the process of creating a Cadet Scheme for local university students, which is expected to create an avenue to increase female representation on-farm in addition to the traditional methods of hiring. It is also believed that the Cadet Scheme will introduce a greater mix of skills and backgrounds to the Company's workforce which may help further align Duxton Farms with the social objectives of the ESG Subcommittee.

Future developments

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

Changes in state of affairs

At the Company's AGM in November 2021, the name of the company was changed from Duxton Broadacre Farms Limited to Duxton Farms Limited. Other than noted above there were no significant change in the state of affairs of the Company during the half-year

Subsequent events

In January 2022 Duxton Farms Limited reduced debt levels with the Westpac Banking Corporation to \$10m and took out facilities with the Commonwealth Bank of Australia. The new facilities with the Commonwealth Bank of Australia include a \$16 million long term debt facility and a \$6 million overdraft facility. The total increase is \$1.65million.

Dividends

On the 30th of June 2021 the Company announced that it would pay an unfranked dividend of 6.2 cents per share, which was distributed to shareholders on the 30th of July 2021. No dividend has been declared in relation to the half year result.

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, Grant Thornton Audit Pty Ltd, 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
28th February 2022

Auditor's Independence Declaration

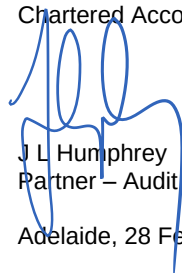
To the Directors of Duxton Farms Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Duxton Farms Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 February 2022



CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue	4	4,607	5,230
Cost of sales		(5,584)	(5,840)
Biological transformation	8	4,258	9,712
Gross profit		3,281	9,102
Other income	5	243	936
Operational expenses		(1,876)	(1,771)
Administration expenses		(1,087)	(989)
Impairment reversal	10	913	-
Finance costs	6	(436)	(633)
Profit before tax		1,038	6,645
Income tax (expense)/benefit		(222)	(1,813)
Profit for the period from continuing operations		816	4,832
Profit for the period from discontinued operation	15	-	716
Profit for the period		816	5,548
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	10/14	20,287	4,242
Total comprehensive income for the period		21,103	9,790
Earnings per share			
From continuing operations		2021	2020
Basic (cents per share)		1.88	11.26
Diluted (cents per share)		1.88	11.26
Earnings per share from continuing & discontinued operations			
Basic (cents per share)		1.88	12.93
Diluted (cents per share)		1.88	12.93

The notes on page 26 to 40 are an integral part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 \$'000	30 Jun 2021 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	1,617	3,591
Trade and other receivables		81	115
Inventories		3,956	4,007
Biological assets	8	12,510	9,155
Other financial assets		255	446
Other current assets		176	1,005
Total current assets		18,595	18,319
Non-current assets			
Land	10	116,191	88,241
Buildings, plant and equipment	10	11,799	11,119
Intangible water assets		8,222	8,215
Other non-current assets		6	6
Total non-current assets		136,218	107,581
Total assets		154,813	125,900
LIABILITIES			
Current liabilities			
Trade and other payables		1,578	6,204
Borrowings	11	5,421	814
Provisions		310	301
Total current liabilities		7,309	7,319
Non-current liabilities			
Borrowings	11	25,097	24,772
Provisions		18	17
Deferred tax liability	12	13,523	6,538
Total non-current liabilities		38,638	31,327
Total liabilities		45,947	38,646
Net assets		108,866	87,254
EQUITY			
Issued capital	13	74,439	73,983
Reserves	14	39,684	19,344
Accumulated losses		(5,257)	(6,073)
Total equity		108,866	87,254

The notes on page 26 to 40 are an integral part of these financial statements

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Issued capital	Accumulated losses	Asset revaluation reserve	Share based payment reserve	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020		73,964	(10,216)	11,460	173	75,381
Profit/(loss) for the period		-	5,548	-	-	5,548
Other comprehensive income for the period, net of income tax		-	-	4,242	-	4,242
Total comprehensive income for the period		-	5,548	4,242	-	9,790
Shares issued	30	-	-	-	-	30
Share buy back	(24)	-	-	-	-	(24)
Share based payments approved	-	-	-	-	38	38
Share based payments exercised	-	-	-	-	(70)	(70)
Balance at 31 December 2020		73,970	(4,668)	15,702	141	85,145
Balance at 1 July 2021		73,983	(6,073)	19,093	251	87,254
Profit/(loss) for the period		-	816	-	-	816
Other comprehensive income for the period, net of income tax		-	-	20,287	-	20,287
Total comprehensive income for the period		-	816	20,287	-	21,103
Issue of shares	13	777	-	-	-	777
Share buy back	13	(321)	-	-	-	(321)
Share based payments granted	-	-	-	-	53	53
Share based payments exercised	-	-	-	-	-	-
Balance at 31 December 2021		74,439	(5,257)	39,380	304	108,866

The notes on page 26 to 40 are an integral part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities			
Receipts from customers		5,609	7,356
Payments to suppliers		(9,061)	(5,364)
Interest received		-	-
Interest paid		(368)	(595)
Government rebates received		82	87
Other		133	51
Net cash (used in)/generated by operating activities		(3,605)	1,535
Cash flows from investing activities			
Payments for property, plant and equipment		(1,105)	(922)
Proceeds from disposal of property, plant and equipment		26	768
Other		-	32
Net cash (used in) investing activities		(1,079)	(122)
Cash flows from financing activities			
Payment of Dividends		(1,883)	-
Payments for shares bought back		(321)	(25)
Payment for share issue costs		-	(2)
Proceeds from borrowings		-	1,006
Repayment of borrowings		(103)	(357)
Net cash (used in)/generated by financing activities		(2,307)	622
Decrease in cash and cash equivalents in this period		(6,991)	2,035
Cash and cash equivalents at beginning of the period		3,591	(6,284)
Cash and cash equivalents at end of period	7	(3,400)	(4,249)

The notes on page 26 to 40 are an integral part of these financial statements





CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1 CORPORATE INFORMATION

Duxton Farms Limited (formerly 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 2021 annual financial report for the financial year ended 30 June 2021, 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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 2021 the Company made a net profit of \$816,000 (2020: \$5,548,000), incurred net cash outflow from operating activities of \$3,605,000 (2020: net cash inflow \$1,535,000).

The Company has an overdraft facility with Westpac Banking Corporation of \$6,000,000, which was drawn down by \$5,017,000 as at 31 December 2021 (2020: \$4,622,000).

Australia received drought breaking rains across the year resulting in a late harvest. The Company expects in excess of \$11m crops to be harvested in January and February which it expects to sell through in the following months which will return the overdraft account to a cash surplus.

Additionally, the company holds 2,000 head of cattle while cattle prices are at historically high levels.

The Board are reviewing cash flow forecasts for uses of funds from the successful winter harvest to ensure adequate reserves are maintained to fund inputs for the cropping cycle.

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.

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

3 STANDARDS ISSUED AND EFFECTIVE

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There have been no impacts of adoption of new standards or interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

As at 31 December 2021, the operating segment only represents New South Wales operations. In the prior period, the South Australian operations, being the Boorala farm, makes up the entirety of the discontinued operations.

SEGMENT REVENUE AND RESULTS - CONTINUING OPERATIONS

For the half year to 31 Dec 2021	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	4,607	3,281
Total from continuing operations	4,607	3,281
Other income		243
Operational costs		(1,876)
Administration expenses		(1,087)
Impairment reversal		913
Finance costs		(436)
Net profit/(loss) before tax		1,038

For the half year to 31 Dec 2020	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	5,230	9,102
Total from continuing operations	5,230	9,102
Other income		936
Operational costs		(1,771)
Administration expenses		(989)
Finance costs		(633)
Net profit/(loss) before tax		6,645

SEGMENT REVENUE AND RESULTS - DISCONTINUING OPERATIONS

For the half year to 31 Dec 2021	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	-	-
Total from continuing operations	-	-
Other income		-
Operational costs		-
Administration expenses		-
Finance costs		-
Net profit/(loss) before tax		-

For the half year to 31 Dec 2020	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	1,035	1,204
Total from continuing operations	1,035	1,204
Other income		6
Operational costs		(182)
Administration Expenses		(38)
Finance Costs		(2)
Net profit/(loss) before tax		988

REVENUE FROM MAJOR PRODUCTS - CONTINUING OPERATIONS

	31 December 2021	31 December 2020
	\$'000	\$'000
Hay	4	48
Cotton	650	962
Field Peas	111	-
Chickpeas	-	110
Wheat	725	2,581
Barley	-	756
Canola	1,473	-
Cattle	841	630
Sheep	710	115
Wool	93	28
	4,607	5,230

REVENUE FROM MAJOR PRODUCTS - DISCONTINUING OPERATIONS

	31 December 2021	31 December 2020
	\$'000	\$'000
Hay	-	14
Clover	-	1
Faba Beans	-	33
Chickpea	-	-
Wheat	-	-
Barley	-	26
Canola	-	-
Cattle	-	-
Sheep	-	961
Wool	-	-
	-	1,035

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

5 OTHER INCOME

	31 December 2021	31 December 2020
	\$'000	\$'000
Government rebates	93	196
Cartage Income	102	117
Gain/(loss) on sale of assets	16	589
Insurance recoveries	24	27
Other income	8	7
	243	936

6 FINANCE COSTS

	31 December 2021	31 December 2020
	\$'000	\$'000
Interest on bank overdrafts and loans	368	593
Interest on leases	18	30
Other finance costs	50	10
	436	633

7 CASH AND CASH EQUIVALENTS

	31 December 2021	30 June 2021
	\$'000	\$'000
Cash on bank and in hand	1,605	3,579
Short-term deposits	12	12
	1,617	3,591

Reconciliation to cash and cash equivalents at the end of the half financial year. The above figures are reconciled to cash and cash equivalents at the end of the half financial year as shown in the statement of cash flows as follows:

	31 December 2021	31 December 2020
	\$'000	\$'000
Balances as above	1,617	373
Bank overdraft (secured) (note 11)	(5,017)	(4,622)
Balance as per statement of cash flows	3,400	(4,249)

8 BIOLOGICAL ASSETS

	Crops in ground	Livestock	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 1 July 2020	4,698	4,402	9,100
Preparation costs	9,965	1,426	11,391
Increase in fair value due to biological transformation	8,088	2,476	10,564
Transfers to inventory/sale	(18,202)	(3,698)	(21,900)
Balance at 30 June 2021	4,549	4,606	9,155
Gross carrying amount from continuing operations			
Balance at 1 July 2021	4,549	4,606	9,155
Preparation costs	2,319	2,537	4,856
Increase in fair value due to biological transformation	1,524	2,734	4,258
Transfers to inventory/sale	(2,047)	(3,712)	(5,759)
Balance at 31 December 2021	6,345	6,165	12,510

9 FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated –31 Dec 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	1,617	-	-	1,617
Trade and other receivables	81	-	-	81
Other financial assets	-	255	-	255
Land and buildings	122,858	-	-	122,858
Total assets	124,556	255	-	124,811
Liabilities				-
Trade and other payables	1,578	-	-	1,578
Interest bearing liabilities	28,940	-	-	28,940
Total liabilities	30,518	-	-	30,518

Consolidated –30 Jun 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	3,591	-	-	3,591
Trade and other receivables	115	-	-	115
Other financial assets	-	446	-	446
Land and buildings	-	-	95,061	95,061
Total assets	3,706	446	95,061	99,213
Liabilities	-	-	-	-
Trade and other payables	6,204	-	-	6,204
Interest bearing liabilities	25,586	-	-	25,586
Total liabilities	31,790	-	-	31,790

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 31 December 2021 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. Valuations are based on current prices for similar properties in the same location and condition.

10 LAND, PROPERTY, 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 2020	80,944	7,886	6,091	90	95,011
Additions	12,556	991	4	1,892	15,443
Disposals	(21,380)	(871)	(995)	-	(23,246)
Reclassifications	-	113	1,770	(1,883)	-
Revaluation increase	17,021	539	24	-	17,584
Balance at 30 June 2021	89,141	8,658	6,894	99	104,792
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2020	(179)	(1,719)	(2,398)	-	(4,296)
Disposals	-	96	445	-	54
Depreciation expense	-	(321)	(741)	-	(1,062)
Impairment loss	(900)	(98)	-	-	(998)
Impairment reversal	179	204	-	-	383
Balance at 30 June 2021	(900)	(1,838)	(2,694)	-	5,432
Net book value					
As at 1 July 2020	80,765	6,167	3,693	90	90,715
As at 30 June 2021	88,241	6,820	4,200	99	99,360
Gross carrying amount					
Balance at 1 July 2021	89,141	8,658	6,894	99	104,792
Additions	-	-	-	1,137	1,137
Disposals	-	-	(35)	-	(35)
Reclassifications	-	183	688	(871)	-
Revaluation increase (i)	27,050	-	-	-	27,050
Balance at 30 December 2021	116,191	8,841	7,547	365	132,944
Accumulated depreciation/ amortisation and impairment					
Balance at 1 July 2021	(900)	(1,838)	(2,694)	-	(5,432)
Disposals	-	-	28	-	28
Depreciation expense	-	(149)	(314)	-	(463)
Impairment reversal	900	13	-	-	913
Balance at 31 December 2021	-	(1,974)	(2,980)	-	(4,954)
Net book value					
As at 1 July 2021	88,241	6,820	4,200	99	99,360
As at 31 December 2021	116,191	6,667	4,567	365	127,990

(i) Desktop valuations carried out by LAWD Pty Ltd in December 2021

11 BORROWINGS

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Secured – at amortised cost		
Bank overdrafts (i)	5,017	-
Loans - Other entities (ii)	24,350	24,350
Finance lease liability (iii)	1,151	1,236
	30,518	25,586
Current	5,421	814
Non-current	25,097	24,772
	30,518	25,586

SUMMARY OF BORROWING ARRANGEMENTS

- (i) Secured overdraft facility. Interest is to be charged at a rate ranging from 2.72% - 3.03% margin on top of the market rate.
- (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 margins of 2.80% - 3.14% on top of the market rate (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 3.00%-5.37%.

In January 2022 Duxton Farms Limited reduced debt levels with the Westpac Banking Corporation to \$10m and took out facilities with the Commonwealth Bank of Australia. The new facilities with the Commonwealth Bank of Australia include a \$16 million long term debt facility and a \$6 million overdraft facility. The total increase is \$1.65million.

	1/7/2021	Financing cashflows	Acquisition	Fair Value adjustments	Other changes	31/12/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short term borrowings						
- Equipment purchases	1,236	(85)	-	-	-	1,151
Long term borrowings	24,350	-	-	-	-	24,350
Overdraft	-	5,017	-	-	-	5,017
	25,586	4,932	-	-	-	30,518

12 TAXATION

December 2021	Opening Balance	Current period profit and loss impact	Recognised directly in equity	Closing Balance
	\$'000	\$'000	\$'000	\$'000
Gross deferred tax liabilities				
Debtors and prepayments	(66)	59		(7)
Inventories	(2,545)	(914)	-	(3,459)
Property, plant and equipment	(6,986)	(297)	(6,762)	(14,045)
Intangible	(131)	-	-	(131)
	(9,728)	(1,152)	(6,762)	(14,642)
Gross deferred tax assets			-	
Payables	36	(26)	-	10
Provisions	76	6	-	82
Other	57	(86)	-	(29)
	169	(106)	-	63
	(9,559)	(1,258)	(6,762)	(17,579)
Tax losses	3,021	1,035	-	4,056
	(6,538)	(223)	(6,762)	(13,523)

June 2021	Opening Balance	Current period profit and loss impact	Recognised directly in equity	Closing Balance
	\$'000	\$'000	\$'000	\$'000
Gross deferred tax liabilities				
Debtors and prepayments	(66)	(66)	-	(66)
Inventories	(2,111)	(2,111)	-	(2,545)
Property, plant and equipment	(4,335)	(4,335)	(4,318)	(6,986)
Intangible	(125)	(125)	-	(131)
	(6,637)	(6,637)	(4,318)	(9,728)
Gross deferred tax assets				
Payables	29	29	-	36
Provisions	86	86	-	76
Other	84	84	-	57
	199	199	-	169
	(6,438)	(6,438)	(4,318)	(9,559)
Tax losses	4,728	4,728	-	3,021
	(1,710)	(1,710)	(4,318)	(6,538)

13 EQUITY

	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Share Capital	74,439	73,983
	74,439	73,983
Issued capital comprises: 43,429,014 fully paid ordinary shares (30 June 2021: 42,938,650)	74,439	73,983
	74,439	73,983

FULLY PAID ORDINARY SHARES

	No. Shares	Share capital
	'000	\$'000
Balance at 1 July 2020	42,906	73,964
Shares issued	102	131
Share buy-back	(69)	(111)
Share Issue costs	-	(1)
Closing balance at 30 June 2021	42,939	73,983
Balance at 1 July 2021	42,939	73,983
Shares issued	546	777
Share buy-back	(56)	(78)
Treasury shares held	-	(243)
Closing balance at 31 December 2021	43,429	74,439

CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company purchases its own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Duxton Farms Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Duxton Farms Limited.

14 RESERVES

	31 Dec 2021	30 June 2021
	\$'000	\$'000
Asset revaluation reserve (i)	39,380	19,093
Share based payments reserve	304	251
	39,684	19,344

(i) The movement in the asset revaluation reserve during the period reflects the fair value movement during the period less any relevant deferred taxes. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where the Company purchases its own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Duxton Farms Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Duxton Farms Limited.

The movement in reserves for is outlined below:

	Asset valuation reserve	Share based payment reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	11,460	173	11,633
Revaluation of Boorala prior to disposal	6,000	-	6,000
Transfer valuation uplift on Boorala sale to accumulated losses	(5,397)	-	(5,397)
Other property valuations	11,383	-	11,383
Share based payments	-	78	78
Tax effect	(4,353)	-	(4,353)
Balance at 30 June 2021	19,093	251	251
Balance at 1 July 2021	19,093	251	19,344
Other property valuations	27,050	-	27,050
Share based payments	-	53	53
Tax effect	(6,763)	-	(6,763)
Balance at 31 December 2021	39,380	304	39,684

15 DISCONTINUED OPERATIONS

On 9 December 2020, the Company notified the ASX of the acceptance of a non-binding offer for the Boorala property, the sole farm in the South Australian aggregation, for \$22 million.

The contract was executed successfully on 23 December 2020 and settled on 9 April 2021 after receiving FIRB approval. The sale excluded plant and equipment which was sold at a clearing sale, the winter harvest which has since been sold and livestock of which all has been sold with the exception of 2,620 ewes transferred to the New South Wales aggregation. The disposal was effected in order to generate cash flows for the expansion of the Company's New South Wales aggregation which will provide a better operational yield on the value of land whilst consolidating operations around our General Manager. The results of the discontinued operations, which have been included in the profit for last year were as follows.

Major classes of line items constituting profit (loss) of discontinued operations

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue		-	1,035
Cost of sales		-	(1,163)
Biological transformation		-	1,332
Gross profit		-	1,204
Other income		-	6
Operational expenses		-	(182)
Administration expenses		-	(38)
Finance costs		-	(2)
Profit/(loss) before tax		-	988
Income tax benefit/(expense)		-	(272)
Profit/(loss) for the period		-	716

Carrying amounts of the major classes of assets included in discontinued operations

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Land		-	21,028
Buildings, Plant and equipment		-	1,203
Inventories		-	1,050
Biological Assets		-	772
Total assets classified as held for sale		-	24,053
Total liabilities associated with assets classified as held for sale		-	-
Net assets of disposal group		-	24,053

CASH FLOWS FROM DISCONTINUED OPERATIONS

	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Net cash generated by/(used in) operating activities	-	782
Net cash (used in) investing activities	-	(76)
Net cash generated by financing activities	-	-
Net increase in cash from discontinued operations	-	706

16 COMMITMENTS

As at 31 December Duxton Farms Limited has entered into forward sales for the following commodities. The forward sales are expected to settle from planned production within 12 months.

	31 Dec 2021 average price	31 Dec 2021 tonnes
Wheat	\$303 / tonne	22,000
Barley	\$220 / tonne	9,000
Cotton	\$565 / tonne	2,000
		33,000

17 KEY MANAGEMENT PERSONNEL

There were no changes to key management personnel in the half year ending 31 December 2021.

18 SUBSEQUENT EVENTS

In January 2022 Duxton Farms Limited reduced debt levels with the Westpac Banking Corporation to \$10m and took out facilities with the Commonwealth Bank of Australia. The new facilities with the Commonwealth Bank of Australia include a \$16 million long term debt facility and a \$6 million overdraft facility. The total increase is \$1.65million.



DIRECTOR'S DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The directors declare that:

In the Directors' opinion:

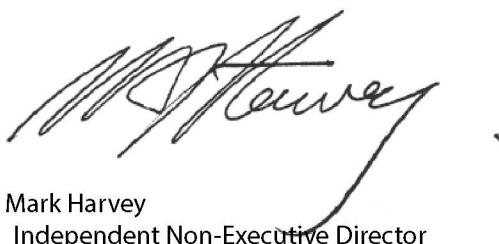
- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Edouard Peter
Chairman



Mark Harvey
Independent Non-Executive Director

Stirling, South Australia
28th February 2022



Independent Auditor's Review Report

To the Members of Duxton Farms Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Duxton Farms Limited (the Company), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Duxton Farms Limited's financial position as at 31 December 2021 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

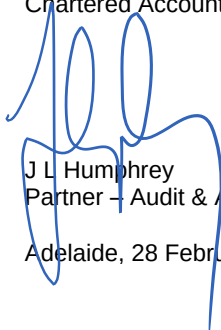
Auditor's responsibility

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 2021 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*.

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance
Adelaide, 28 February 2022





