

Duxton Broadacre Farms Limited

ACN 129 249 234



APPENDIX 4D HALF-YEAR REPORT

1. Reporting period

Reporting period "Current period"	From 1 July 2020 to 31 December 2020
Previous corresponding period	From 1 July 2019 to 31 December 2019

2. Results for announcement to the market

				\$,000
Revenue from continuing operations	up	10%	to	5,230
Revenue from discontinuing operations	down	3%	to	1,035
Profit after tax from continuing operations attributable to members	up	391%	to	4,832
Profit after tax from discontinuing operations attributable to members	up	73%	to	716
Net profit for the period attributable to members	up	546%	to	5,548
		2020		2019
Dividends		Nil		Nil

Commentary on results for the period

The Company's net profit after tax for the half year amounted to \$5.548 million (31 December 2019: \$1.243 million loss).

The net asset value of the Company as at 31 December 2020 amounted to \$85.145 million or \$1.98 per share. The net asset value of the Company as at 31 December 2019 was \$72.394 million or \$1.69 per share.

31 December 2020	Per Company Statement of Financial Position \$'000	Per Fair Market Value* \$'000	Variance \$'000
Permanent water entitlements	7,084	9,797	2,713
Net other assets	78,061	78,061	-
Total net assets	85,145	87,858	2,713
Net asset value per share	\$1.98	\$2.05	\$0.07

* 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 2020	31 December 2019
Net tangible assets per ordinary share *	1.82	1.52
Net assets per ordinary share	1.98	1.69

*Water assets are classified as intangible assets

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ACN 129 249 234

4. Control gained or lost during the period

On 9 December 2020 the Company notified the ASX of the acceptance of a non-binding offer for the Boorala property in South Australia for \$22 million. The contract was executed successfully on 23 December 2020. The \$22 million sale price excludes plant, equipment, the 2020 winter crop harvest and livestock. The contract is conditional on the purchaser obtaining FIRB approval and will settle on the later of 1 March 2021 or ten business days following FIRB approval.

The property has been classified as a discontinued operation in both section 2 of this report and the half year financial statements.

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

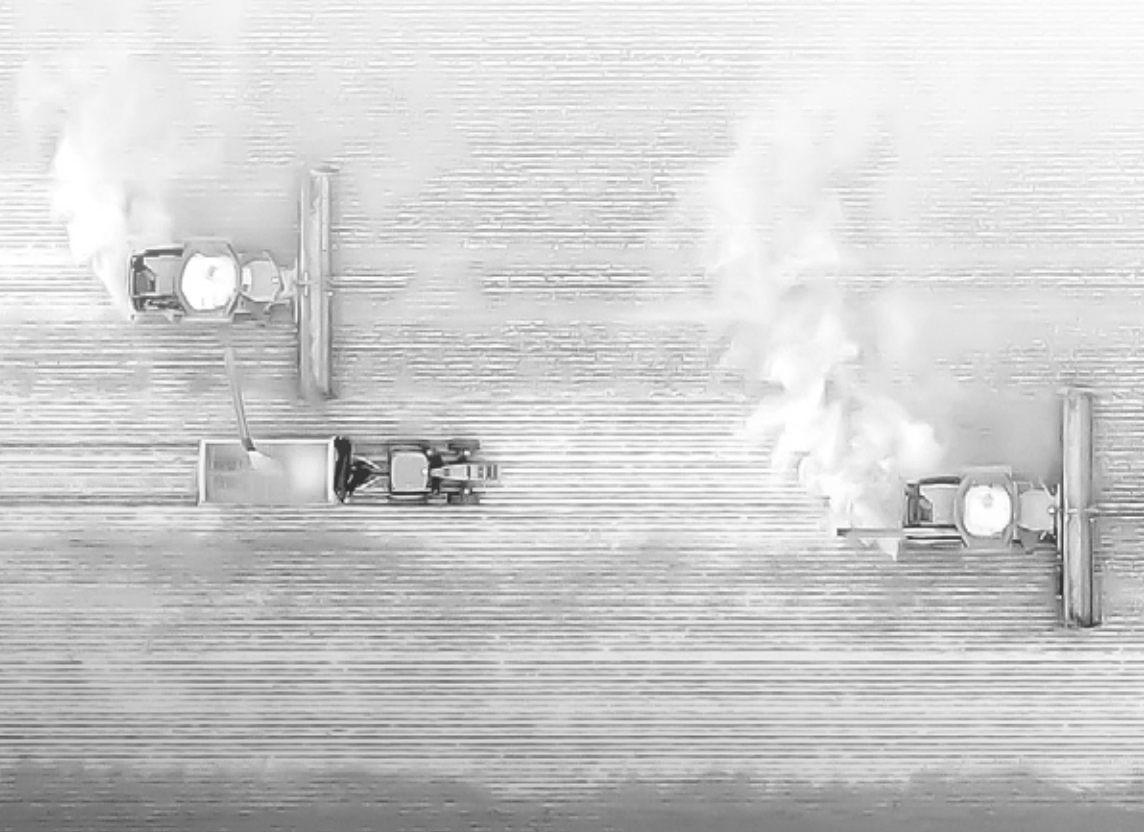
Other information

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

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BROADACRE FARMS



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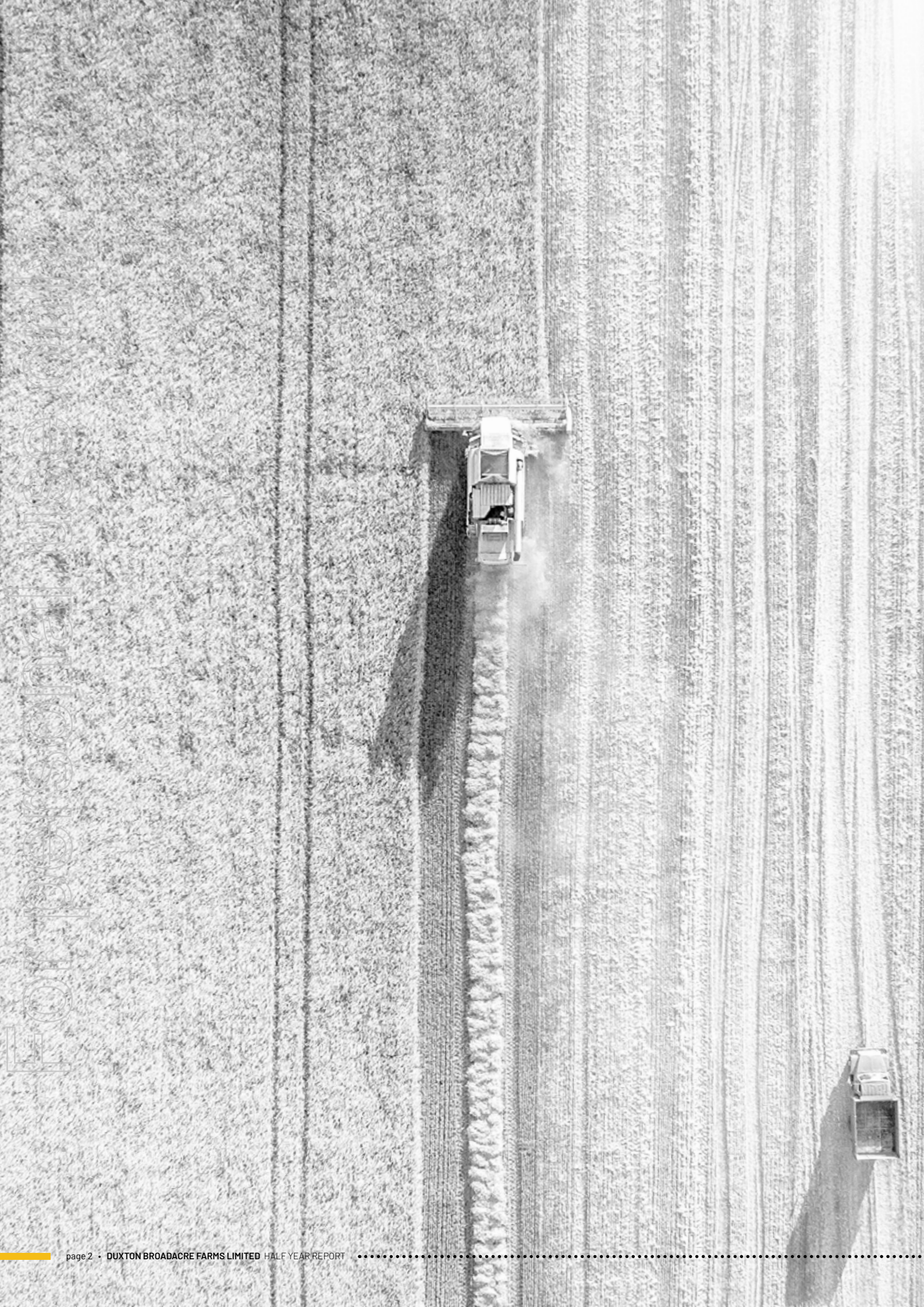
DUXTON
BROADACRE
FARMS LTD

ACN 129 249 243

2020

DECEMBER

HALF YEAR **REPORT**



DUXTON BROADACRE FARMS LIMITED

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

Facsimile: (08) 8130 9599

Legal Advisors

Cowell Clarke

63 Pirie Street

Adelaide SA 5000

Share Registry

Computershare

Auditors

Deloitte

17 Waymouth Street

Adelaide SA 5000

Computershare Investor Services

Level 5, 115 Grenfell Street

Adelaide SA 5000

Stock Exchange Listing

Australian Securities Exchange

Share Code: DBF

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Thursday 25th February 2021

Dear Shareholder,

It gives me great pleasure to present the 2021 Half Year Report for Duxton Broadacre Farms Limited. ("DBF" or the "Company".)

We are proud to deliver on our commitment to emerge from one of Australia's worst droughts as a much stronger business.

For the half year ended 31 December 2020, we are pleased to report net profit after tax of \$5,548,000 (HY19: \$1,243,000 loss). Since listing we have continued to consistently enhance shareholder value, and are delighted to report a Statutory Net Asset Value per share as at 31 December 2020 of \$1.98 (HY19: \$1.69). With a fair value Net Asset Value per share of \$2.05 (HY19: \$1.73) when recording water entitlements at fair value as determined by independent valuer CBRE at 30 June 2020.

Our recent harvest delivered record production across the majority of properties. Overall, for the 2020/21 winter crop, a total of 60,471 tonnes of grain was harvested, excluding hay, straw and silage. For the NSW aggregation this accounts for a 352% increase in grain harvested from a 6% larger cropping area. Yields achieved significantly improved on the previous season, in NSW wheat and barley yields increased by 716% and 256% respectively.

Crop	NSW Production (t)	SA Production (t)	Total Production (t)
Balansa Clover	-	48	48
Barley	12,020	502	12,522
Canola	-	322	322
Chickpeas	7,326	-	7,326
Faba Beans	-	503	503
Field Peas	370	-	370
Wheat	37,666	1,761	39,427
Wheaten/Lucerne Hay	443	-	443
Straw	3,607	-	3,607
Silage	4,992	-	4,992
Total	66,424	3,136	69,560



AGRICULTURE
SUSTAINABILITY
INTEGRATION
RESILIENCE
GROWTH
INNOVATION
EFFICIENCY
PROFITABILITY
RISK MANAGEMENT
ENVIRONMENTAL CARE
COMMUNITY ENGAGEMENT
TRANSPARENCY
ACCOUNTABILITY
INTEGRITY
RESPECT
DIVERSITY
INCLUSION
ETHICS
COMPLIANCE
LEGAL
REGULATORY
GOVERNANCE
STAKEHOLDER
RELATIONSHIPS
REPUTATION
BRAND
MARKETING
SALES
CUSTOMER
SATISFACTION
LOYALTY
REVENUE
GROWTH
PROFITABILITY
RISK MANAGEMENT
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GOVERNANCE
STAKEHOLDER
RELATIONSHIPS
REPUTATION
BRAND
MARKETING
SALES
CUSTOMER
SATISFACTION
LOYALTY
REVENUE

Season - NSW	2020/2021			2019/2020			Difference	
Commodity	Area (ha)	Production (t)	Implied Yield (t/ha)	Area (ha)	Production (t)	Implied Yield (t/ha)	Production (t)	Implied Yield (t/ha)
Wheat	9,063	37,666	4.16	5,016	2,583	0.51	1358%	716%
Barley	2,860	12,020	4.20	7,515	8,865	1.18	36%	256%
Chickpeas	3,240	7,326	2.26	1,918	1,253	0.65	485%	248%
Field Peas	161	370	2.30	-	-	-	-	-
Total	15,324	57,382	3.74	14,449	12,701	0.88	352%	325%

Season - SA	2020/2021			2019/2020			Difference	
Commodity	Area (ha)	Production (t)	Implied Yield (t/ha)	Area (ha)	Production (t)	Implied Yield (t/ha)	Production (t)	Implied Yield (t/ha)
Wheat	319	1,761	5.52	132	544	4.12	224%	34%
Barley	102	502	4.93	90	250	2.78	101%	77%
Canola	156	322	2.06	236	515	2.18	-37%	-5%
Faba Beans	109	503	4.61	175	361	2.06	39%	124%
Total	686	3,088	4.50	633	1,670	2.64	85%	70%

Our continued focus on livestock operations has been beneficial to the Company in the context of favourable market conditions. Compared to December 2019, at December 2020 cattle prices were 60% higher according to the Eastern Young Cattle Index (EYCI). Livestock revenue for the half year ended 31 December 2020 was approximately 52% higher than for the half year ended 31 December 2019.

With great excitement we welcomed Dr Amanda Rischbieth to our Board in late November. Amanda's extensive experience and passion for risk management, ESG and sustainability has already proven a valuable addition to our Board of Directors.

On December 23 we successfully executed a contract for the sale of Boorala for \$22,000,000 excluding plant, equipment, livestock and the 2020 crop. The transaction is expected to complete on the later of 1 March 2021 and 10 business days after the purchaser has obtained FIRB approval. We look forward to updating our shareholders following settlement.

With consideration to the excellent cropping and livestock results, it is with great pleasure that I announce that Duxton Broadacre Farms Limited intends to pay a dividend this financial year. The interim dividend will be targeted at 40% of operational profit for the full year ended 30 June 2021, consistent with the Company's Prospectus. The dividend is subject to the settlement of the Boorala property. An announcement will follow in due course.

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



Kind Regards,
Ed Peter

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DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors of Duxton Broadacre Farms Limited submit herewith their report, together with the financial report of Duxton Broadacre Farms Limited (the Company) for the half year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows:

Directors

The names of the Directors of the Company that held office during or since the end of the 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, with the exception of Dr Amanda Rischbieth who was appointed effective 26 November 2020.

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 winter harvest was supported by favourable weather conditions with the Forbes aggregation receiving 237% more rain in 2020 than the region did for all of 2019 and significantly above the 15-year average.

While delayed due to heat and storms, both aggregations successfully completed harvests showing above average yields and good crop quality.

The below table summarises production for the half year ended 31 December 2020.

Crop	NSW Production (t)	SA Production (t)	Total Production (t)
Balansa Clover	-	48	48
Barley	12,020	502	12,522
Canola	-	322	322
Chickpeas	7,326	-	7,326
Faba Beans	-	503	503
Field Peas	370	-	370
Wheat	37,666	1,761	39,427
Wheaten/Lucerne Hay	443	-	443
Straw	3,607	-	3,607
Silage	4,992	-	4,992
Total	66,424	3,136	69,560

Areas in Boorala intended to be harvested as wheaten hay were instead harvested for grain due to the quality of crop and lower hay prices. Sale of winter cropping produce has continued in accordance with the Company's commodity marketing policy.

The current cotton crop is developing well, receiving fertiliser and being irrigated in the current hot conditions. Some areas intended to be planted as cotton for the current crop were impacted by hail early in the season and have been inspected by insurance assessors.

Sale of cattle at all time high prices supported the cash flow of the Company in the lead up to harvest. Births are largely supporting sales numbers to maintain the size of the herd. Dual purpose wheat was planted to support grazing and while some livestock has been on agistment to support feed cost efficiency, the quality of pasture and amount of silage and hay produced on farm in the recent harvest has provided plentiful stores of fodder to feed livestock.

Boorala sale

On 9 December 2020 the Company notified the ASX of the acceptance of a non-binding offer for the Boorala property in South Australia for \$22 million. The contract was executed successfully on 23 December 2020. The \$22 million sale price excludes plant, equipment, the 2020 winter crop harvest and livestock. The contract is conditional on the purchaser obtaining FIRB approval and will settle on the later of 1 March 2021 or ten business days following FIRB approval. Plant and equipment and livestock, as shown in note 14 to the financial statements, will be sold at a clearing sale.

Market overview

Australia's winter crop forecast, as published by ABARES, is expected to reach 51.5 million tonnes, 76% up on last year and second only to 56.7 million tonnes in 2016/17.

Wheat prices remained flat to end the year at \$328/t and while these are down from the 12 months prior they remain in the top 30% historically despite the large harvest. As supply increases Australian wheat pricing will move away from being determined by domestic demand more closely aligning to world market prices. Global demand for cereals have remained stable throughout the COVID-19 pandemic and export demand is expected to remain strong to July when northern hemisphere crops are harvested. Prior to planting DBF shifted planting to a heavier percentage of wheat vs barley due to the barley levies implemented by China which saw a direct impact on barley prices.

The Australia Eastern Young Cattle Indicator continues to fall, finishing December at \$7.88/kg still 59% higher than this time last year. Prices are expected to remain strong into 2021 as producers compete to restock from limited supply. DBF is well positioned to take advantage of historically high prices due to growing its cattle herd size from 338 head in June 2019 to 1,530 head at the end of December 2020.

COVID-19

The effect of COVID-19 on the farm remains unchanged since the previous annual report. Despite second-wave clusters occurring in metropolitan centres the remote and isolated nature of both the aggregations has sheltered the farms from any direct effects of COVID-19.

Some supply-side pressure on crop inputs from China has been noticed for the future winter crop but with early planning and leveraging strong supplier relationships there isn't expected to be any material risk in sourcing future crop inputs.

Farm managers remain vigilant of the threat and continue to follow procedures to reduce the risks of any COVID-19 related impacts to the business.

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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.

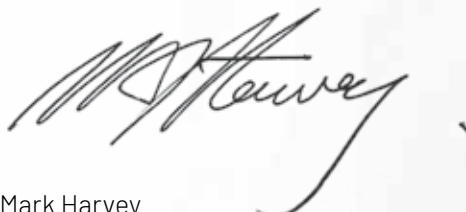
Auditor's independence declaration

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
25th February 2021

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25 February 2021

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

Dear Board Members

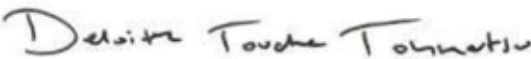
Duxton Broadacre Farms Limited

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 report of Duxton Broadacre Farms Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Darren Hall
Partner
Chartered Accountants



CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue	4	5,230	4,755
Cost of sales		(5,840)	(7,003)
Biological transformation	8	9,712	2,448
Gross profit		9,102	200
Other income	5	656	399
Operational expenses		(1,491)	(1,514)
Administration expenses		(989)	(919)
Finance costs	6	(633)	(541)
Profit/(loss) before tax		6,645	(2,375)
Income tax (expense)/benefit		(1,813)	717
Profit for the period from continuing operations		4,832	(1,658)
Profit for the period from discontinued operation	14	716	415
Profit/(loss) for the period		5,548	(1,243)
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		4,242	-
Total comprehensive income for the period		9,790	(1,243)
Earnings per share		2020	2019
From continuing operations		(\$)	(\$)
Basic (cents per share)		11.26	(3.86)
Diluted (cents per share)		11.26	(3.86)
Earnings per share from continuing & discontinued operations			
Basic (cents per share)		12.93	0.97
Diluted (cents per share)		12.93	0.97

The notes on page 24 to 37 are an integral part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 \$'000	30 Jun 2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	373	27
Trade and other receivables		313	547
Inventories		14,292	2,979
Biological assets	8	4,378	9,100
Other financial assets	9	-	317
Other current assets		429	401
Current Assets classified as held for sale	14	24,053	-
Total current assets		43,838	13,371
Non-current assets			
Land		65,410	80,765
Buildings, plant and equipment		9,273	9,950
Intangible water assets		7,084	7,090
Other non-current assets		6	6
Total non-current assets		81,773	97,811
Total assets		125,611	111,182
LIABILITIES			
Current liabilities			
Trade and other payables	9	2,706	1,122
Borrowings	10	9,988	6,639
Provisions		359	336
Liabilities directly associated with assets classified as held for sale	14	-	-
Total current liabilities		13,053	8,097
Non-current liabilities			
Borrowings	10	21,991	25,982
Provisions		17	12
Deferred tax liability		5,405	1,710
Total non-current liabilities		27,413	27,704
Total liabilities		40,466	35,801
Net assets		85,145	75,381
EQUITY			
Issued capital	11	73,970	73,964
Reserves	12	15,843	11,633
Accumulated losses		(4,668)	(10,216)
Total equity		85,145	75,381

The notes on page 24 to 37 are an integral part of these financial statements

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Issued capital	Accumulated losses	Asset revaluation reserve	Share based payment reserve	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
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)
Shares issued	11	87	-	-	-	87
Share buy back	11	(79)	-	-	-	(79)
Share based payments approved		-	-	-	(8)	(8)
Balance at 31 December 2019		73,995	(9,993)	8,294	98	72,394
Balance at 1 July 2020		73,964	(10,216)	11,460	173	75,381
Profit/(loss) for the year		-	5,548	-	-	5,548
Other comprehensive income for the year, net of income tax		-	-	4,242	-	4,242
Total comprehensive income for the year		-	5,548	4,242	-	9,790
Issue of shares	11	30	-	-	-	30
Share buy back	11	(24)	-	-	-	(24)
Share based payments granted		-	-	-	38	38
Share based payments exercised		-	-	-	(70)	(70)
Balance at 31 December 2020		73,970	(4,668)	15,702	141	85,145

The notes on page 24 to 37 are an integral part of these financial statements

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CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities			
Receipts from customers		7,356	8,763
Payments to suppliers		(5,364)	(7,751)
Interest received		-	-
Interest paid		(595)	(517)
Government rebates received		87	165
Other		51	78
Net cash generated by operating activities		1,535	738
Cash flows from investing activities			
Payments for property, plant and equipment		(922)	(1,265)
Proceeds from disposal of property, plant and equipment		768	-
Other		32	-
Net cash (used in) investing activities		(122)	(1,265)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Share buy back		(25)	(79)
Payment for share issue costs		(2)	(2)
Proceeds from borrowings		1,006	694
Repayment of borrowings		(2,046)	(86)
Net cash (used in)/generated by financing activities		(1,067)	527
Net increase in cash and cash equivalents		346	-
Cash and cash equivalents at beginning of the period		27	12
Cash and cash equivalents at end of period	7	373	12

The notes on page 24 to 37 are an integral part of these financial statements

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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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 2020 annual financial report for the financial year ended 30 June 2020, 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 2020 the Company made a net profit of \$5,548,000 (2019: net loss \$1,243,000), generated net cash from operating activities of \$1,535,000 (2019: \$738,000) and had a net current asset surplus position of \$30,785,000 (2019: \$5,274,000).

The Company has an overdraft facility with Westpac Banking Corporation of \$8,350,000, which was drawn down by \$4,622,000 as at 31 December 2020 (2019: \$2,195,000)

Australia received drought breaking rains across the year resulting in strong harvests. The Company holds \$12,577,000 of harvested crops on hand at 31 December which it expects to sell through in the following months which will return the overdraft account to a cash surplus.

Additionally, the company holds 1,650 head of cattle while cattle prices are at historically high levels and expects the sale of the Boorala property to settle on 1 March for \$22,000,000.

The Board are reviewing cash flow forecasts for uses of funds from the successful winter harvest and sale of Boorala property 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

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	Initially applied in the financial year ending
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020	30 June 2021

Amendments to Australian Accounting Standards - Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Group has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

Adoption of this amendment is not expected to have a material effect on the financial statements.

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 30 June operating segments were reported separately for New South Wales and South Australian operations. 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 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		656
Operational costs		(1,491)
Administration Expenses		(989)
Finance Costs		(633)
Net profit/(loss) before tax		6,645

For the half year to 31 Dec 2019	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	4,755	200
Total from continuing operations	4,755	200
Other income		399
Operational costs		(1,514)
Administration Expenses		(919)
Finance Costs		(541)
Net profit/(loss) before tax		(2,375)

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SEGMENT REVENUE AND RESULTS - DISCONTINUING OPERATIONS

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

For the half year to 31 Dec 2019	Segment revenue \$'000	Segment results \$'000
Reportable segment revenue		
Agriculture	1,068	781
Total from continuing operations	1,068	781
Other income		6
Operational costs		(173)
Administration Expenses		(34)
Finance Costs		(8)
Net profit/(loss) before tax		572

REVENUE FROM MAJOR PRODUCTS - CONTINUING OPERATIONS

	31 December 2020	31 December 2019
	\$'000	\$'000
Hay	48	358
Cotton	962	57
Faba Beans	-	-
Chickpeas	110	828
Wheat	2,581	1,218
Barley	756	1,635
Canola	-	71
Cattle	630	153
Sheep	115	410
Wool	28	25
	5,230	4,755

REVENUE FROM MAJOR PRODUCTS - DISCONTINUING OPERATIONS

	31 December 2020	31 December 2019
	\$'000	\$'000
Hay	14	-
Clover	1	-
Faba Beans	33	147
Chickpea	-	-
Wheat	-	57
Barley	26	-
Canola	-	307
Cattle	-	-
Sheep	961	557
Wool	-	-
	1,035	1,068

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

5 OTHER INCOME

	31 December 2020	31 December 2019
	\$'000	\$'000
Government rebates	196	185
Cartage Income	117	90
Gain/(loss) on sale of assets	589	(12)
Gain/(loss) on hedging instruments	(280)	-
Insurance revenue	27	65
Interest received	-	-
Other revenue	7	71
	656	399

6 FINANCE COSTS

	31 December 2020	31 December 2019
	\$'000	\$'000
Interest on bank overdrafts and loans	593	510
Interest on obligations under finance leases	30	28
Other finance costs	10	3
	633	541

7 CASH AND CASH EQUIVALENTS

	31 December 2020	30 June 2020
	\$'000	\$'000
Cash at bank	361	15
Term deposits	12	12
	373	27

8 BIOLOGICAL ASSETS

	Crops in ground	Livestock	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 1 July 2019	4,160	2,295	6,455
Preparation costs	9,744	2,232	11,976
Increase in fair value due to biological transformation	(380)	2,851	2,471
Transfers to inventory/sale	(8,826)	(2,976)	(11,802)
Balance at 30 June 2020	4,698	4,402	9,100
Gross carrying amount from continuing operations			
Balance at 1 July 2020	4,698	4,402	9,100
Preparation costs	3,310	146	3,456
Increase in fair value due to biological transformation (i)	9,026	2,018	11,044
Transfers to inventory/sale	(16,717)	(1,733)	(18,450)
Balance at 31 December 2020 (ii)	317	4,833	5,150

(i) The total increase in fair value is made up of \$9,712k from continuing operations and \$1,332k from discontinuing operations in Note 14.

(ii) Total value of biological assets held on the balance sheet is made up of \$4,378k from continuing operations and \$772k held for sale in Note 14.

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	30 Dec 2020 \$'000	30 Jun 2020 \$'000
Financial Assets		
Cash and cash equivalents	373	27
Trade and other receivables	313	547
Other financial assets	-	317
Total financial assets	686	891
Financial Liabilities		
Trade and other payables	2,706	1,122
Interest-bearing liabilities	31,979	32,621
Total financial liabilities	34,685	33,743

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10 BORROWINGS

	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
Secured – at amortised cost		
Bank overdrafts (i)	4,622	6,311
Loans - Other entities (ii)	26,000	25,200
Finance lease liability (iii)	1,357	1,110
	31,979	32,621
Current	9,988	6,639
Non-current	21,991	25,982
	31,979	32,621

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%.

	1/7/2020	Financing cashflows	Non cash changes			31/12/20
			Acquisition	Fair Value adjustments	Other changes	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short term borrowings						
- Equipment purchases	1,110	(151)	369	-	29	1,357
Long term borrowings	25,200	800	-	-	-	26,000
Overdraft	6,311	(1,689)	-	-	-	4,622
	32,621	(1,040)	369	-	29	31,979

11 EQUITY

	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
Share Capital	73,970	73,964
	73,970	73,964
Issued capital comprises:		
42,923,955 fully paid ordinary shares (30 June 2020: 42,906,534)	73,970	73,964
	73,970	73,964

FULLY PAID ORDINARY SHARES

	No. Shares	Share capital
	'000	\$'000
Balance at 1 July 2019	42,950	73,987
Shares issued	76	93
Share buy-back	(120)	(113)
Share Issue costs	-	(3)
Closing balance at 30 June 2020	42,906	73,964
Balance at 1 July 2020	42,906	73,964
Shares issued	28	30
Share buy-back	(10)	(24)
Closing balance at 31 December 2020	42,924	73,970

12 RESERVES

	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
Asset revaluation reserve	15,702	11,460
Share based payments reserve	141	173
	15,843	11,633

13 KEY MANAGEMENT PERSONNEL

Dr Amanda Rischbieth was appointed effective 26 November 2020. Remuneration arrangements of key management personnel are disclosed in the annual financial report.

14 DISCONTINUED OPERATIONS

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

	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue		1,035	1,068
Cost of sales		(1,163)	(1,259)
Biological transformation		1,332	972
Gross profit		1,204	781
Other income		6	6
Operational expenses		(182)	(173)
Administration expenses		(38)	(34)
Finance costs		(2)	(8)
Profit/(loss) before tax		988	572
Income tax benefit/(expense)		(272)	(157)
Profit/(loss) for the period		716	415

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

	Note	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

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CASH FLOWS FROM DISCONTINUED OPERATIONS

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Net cash generated by/(used in) operating activities	782	(210)
Net cash (used in) investing activities	(76)	(90)
Net cash generated by financing activities	-	-
Net increase in cash from discontinued operations	706	(300)

DIRECTOR'S DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The directors declare that:

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

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



Edouard Peter
Chairman

Stirling, South Australia
25th February 2021



Mark Harvey
Independent Non-Executive Director

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

Conclusion

We have reviewed the half-year financial report of Duxton Broadacre Farms Limited (the "Company"), which comprises the condensed statement of financial position as at 31 December 2020, and the condensed statement of profit and 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.

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 the Company 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 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standards 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 Half-year Financial Report section of our report. We are independent of the Company in accordance with 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.

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

Directors' Responsibilities for the Half-year Financial Report

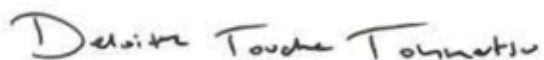
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation 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 Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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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.



DELOITTE TOUCHE TOHMATSU



Darren Hall
Partner
Chartered Accountants
Adelaide, 25 February 2021

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