

Agricultural  Land Trust

**ARSN 096 588 046**

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**Half year report  
31 December 2022**

# **Agricultural Land Trust**

## **Half year report**

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### **Terms and abbreviations**

This report uses terms and abbreviations relevant to the Agricultural Land Trust Group's activities and financial accounts. The terms "Agricultural Land Trust", "Trust" and "Group", unless indicated otherwise, refer to the consolidated entity comprising the parent entity (being the Agricultural Land Trust) and its subsidiaries. In some instances, the term "Agricultural Land Trust" refers to the parent entity and not the consolidated entity however, where applicable, this has been disclosed in the report.

The terms "One Managed Investment Funds Limited" and "Responsible Entity" are used in this report to refer to One Managed Investment Funds Limited.

The terms "the half year" refer to the six months ended 31 December 2022 unless otherwise stated.

# Agricultural Land Trust

## Half year report

### Directors' report

#### For the half year ended 31 December 2022

The Directors of One Managed Investment Funds Limited ("OMIFL"), the Responsible Entity of Agricultural Land Trust (the "Trust") present their report for the Agricultural Land Trust and its controlled entities (the "Group") for the half year ended 31 December 2022.

#### Directors

##### One Managed Investment Funds Limited

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

#### Review of operations

- General overview

For the half year ended 31 December 2022, the Group reported a net loss attributable to unit holders of \$0.43 million (31 December 2021: profit \$141.54 million). The major driver of prior year's profit was the accounting benefits arising from ALT being released from the obligations it had under the Series 3, Series 4, Series 6, Series 7 and Series 9 debentures it had issued to the Cornerstone Bond Fund and Cornerstone New SIV Bond Fund in exchange for the transfer of the assets held by ALT in respect of those debentures.

At 31 December 2022, the Group had assets with a total value of \$39.17 million (30 June 2022: \$39.06 million) and liabilities of \$15.61 million (30 June 2022: \$15.08 million). The basis for valuation of the assets is disclosed in Note 1 to the financial report.

Operating costs for the half year ended 31 December 2022 were \$0.12 million (31 December 2021: \$0.19 million).

- Linkletter's Place - harvesting & leasing activities

In May 2022, SPF Resources Pty Ltd ("SPF") (the party engaged to harvest the timber) paused operations and recommenced harvesting activities in July 2022.

During the half year ended 31 December 2022 the Group earned \$0.27 million (31 December 2021: \$0.33 million) from the sale of timber and earned \$0.23 million (31 December 2021: \$0.23 million) from renting the cleared areas of the property and incurred costs of \$0.04 million (31 December 2021: \$0.40 million) relating to roading and other maintenance costs.

- Investment property - Linkletter's Place

The fair value of the Group's investment property, comprising solely of the Linkletter's Place property, as at 31 December 2022 was \$38.54 million (30 June 2022: \$38.54 million).

The investment property has been measured at fair value based on an independent valuation, conducted by Opteon in June 2022, of the Linkletter's Place property. This valuation is based on the market value applying an "As Is" (subject to existing occupancy arrangements) valuation approach of \$38.54 million. This approach considers the current mixed usage of the property as both an agricultural and plantation asset. Further details are set out in Note 7 of the Group's 30 June 2022 Annual Report.

## Agricultural Land Trust Half year report

### Directors' report (continued) For the half year ended 31 December 2022

- Core debt - unitholder loan and RMBL loan

The Group considers the unitholder loan and RMBL loan as the Group's core debt. The table below summarises these facilities.

Item	31 December 2022 (\$'000)	30 June 2022 (\$'000)	Description
Unitholder loan	1,874	1,574	The Trust also entered into a \$0.8 million two-year unsecured loan facility with an entity associated with a unitholder of the Group. The Facility limit increased to \$2.5 million in December 2021. As at 31 December 2022, the Trust had drawn down \$1.87 million of the loan facility. The non default interest rate on the loan was 12% per annum and increased to 15% per annum following the settlement of the RMBL loan. The interest rate where an event of default is subsisting is 20%. Refer to Note 9 of the financial statements for further details.
RMBL loan	13,000	13,000	In January 2022, the Group completed the refinance of the \$10 million secured loan and of the Series 5 and Series 8 debentures (\$1.6 million) with RMBL. The new facility is fully drawn and has a facility limit of \$13 million. The new facility has a term of three years and interest rate of 6% per annum plus 1.5% of collection charges. The interest rate increased to 7% per annum plus 1.75% of collection charges in December 2022. Refer to Note 9 of the financial statements for further details.
<b>Total core debt</b>	<b>14,874</b>	<b>14,574</b>	

As at 31 December 2022 the interest payable on the unitholder loan and RMBL loan was \$28,692 and \$49,863 respectively.

As at 31 December 2022 the unitholder loan balance was \$2,281,194, including capitalised interest of \$407,552.

#### Distributions

The Responsible Entity has determined that no distribution will be paid for the half year ended 31 December 2022 (31 December 2021: \$nil).

#### Significant events after balance date

Subsequent to the balance date, the Trust has agreed in principle terms to increase the facility limit on the unitholder loan from \$2.5 million to \$3 million. The Trust also expects the term of the unitholder loan to be extended to August 2024. As at the date of this report, these new arrangements are yet to be formally documented.

## **Agricultural Land Trust Half year report**

### **Directors' report (continued) For the half year ended 31 December 2022**

#### **Significant events after balance date (continued)**

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial period.

#### **Rounding**

Amounts in the Directors' report and in the financial statements have been rounded to the nearest thousand dollars (\$'000, where rounding is applicable) in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

#### **Auditor's independence declaration**

A copy of the Auditor's independence declaration, from the Auditor Crowe Sydney, as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



Frank Tearle  
Director  
One Managed Investment Funds Limited  
Sydney  
14 March 2023

**Agricultural Land Trust  
Half year report**

**Consolidated statement of profit or loss and other comprehensive income  
For the half year ended 31 December 2022**

	<b>31 December 2022</b>	31 December 2021
Note	<b>\$'000</b>	\$'000
<b>Income</b>		
Timber income	<b>271</b>	331
Interest income	<b>10</b>	2,350
Rental and outgoings income	<b>234</b>	234
Gain on restructure of debentures	-	143,921
Unrealised fair value loss on investment property	7 <b>(73)</b>	(24)
<b>Total income</b>	<b>442</b>	146,812
<b>Expenses</b>		
Finance costs	<b>681</b>	2,304
Responsible entity fees	10 <b>33</b>	50
Audit fees	<b>30</b>	30
Maintenance and roading costs	<b>43</b>	399
Impairment losses on financial assets	-	2,350
Other expenses	<b>83</b>	135
<b>Total expenses</b>	<b>870</b>	5,268
<b>Net (loss)/income attributable to unitholders</b>	<b>(428)</b>	141,544
<b>Other comprehensive income/(loss)</b>	-	-
<b>Total comprehensive (loss)/income attributable to unitholders</b>	<b>(428)</b>	<b>141,544</b>
<b>Basic and diluted (loss)/income per unit (cents)</b>	<b>(0.47)</b>	<b>154.74</b>

*The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Agricultural Land Trust  
Half year report**

**Consolidated statement of financial position  
As at 31 December 2022**

	31 December 2022	30 June 2022
Note	\$'000	\$'000
<b>Current assets</b>		
Cash and cash equivalents	5(a) 201	134
Trade and other receivables	6 165	22
Other current assets	6	2
<b>Total current assets</b>	<b>372</b>	<b>158</b>
<b>Non-current assets</b>		
RMBL deposits	253	360
Investment property	7 38,540	38,540
<b>Total non-current assets</b>	<b>38,793</b>	<b>38,900</b>
<b>Total assets</b>	<b>39,165</b>	<b>39,058</b>
<b>Current liabilities</b>		
Trade and other payables	369	326
Interest payable	8 79	63
Interest bearing loans and borrowings	9 2,282	-
<b>Total current liabilities</b>	<b>2,730</b>	<b>389</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	9 12,880	14,686
<b>Total non-current liabilities</b>	<b>12,880</b>	<b>14,686</b>
<b>Total liabilities</b>	<b>15,610</b>	<b>15,075</b>
<b>Net assets attributable to unitholders</b>	<b>23,555</b>	<b>23,983</b>
<b>Represented by</b>		
Units on issue	12 55,299	55,299
Retained losses	(31,744)	(31,316)
<b>Total unitholders interests</b>	<b>23,555</b>	<b>23,983</b>

*The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Agricultural Land Trust**  
**Half year report**

**Consolidated statement of changes in unitholders interests**  
**For the half year ended 31 December 2022**

	<b>Retained losses \$'000</b>	<b>Units on issue \$'000</b>	<b>Net assets/ (liabilities) attributable to unitholders \$'000</b>
<b>At 1 July 2021</b>	(177,473)	55,299	(122,174)
Net profit attributable to unitholders before distributions to unitholders	141,544	-	141,544
<b>At 31 December 2021</b>	(35,929)	55,299	19,370

	<b>Retained losses \$'000</b>	<b>Units on issue \$'000</b>	<b>Net assets/ (liabilities) attributable to unitholders \$'000</b>
<b>At 1 July 2022</b>	(31,316)	55,299	23,983
Net (loss) attributable to unitholders before distributions to unitholders	(428)	-	(428)
<b>At 31 December 2022</b>	(31,744)	55,299	23,555

*The above Consolidated statement of changes in unitholders interests should be read in conjunction with the accompanying notes.*



**Agricultural Land Trust**  
**Half year report**

**Consolidated statement of cash flows**  
**For the half year ended 31 December 2022**

	<b>31 December</b>	31 December
	<b>2022</b>	2021
Note	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Interest received	<b>10</b>	-
Rental and outgoings received	<b>339</b>	10
Other receipts	<b>125</b>	323
Interest and borrowing costs paid	<b>(501)</b>	(392)
Other expenses paid	<b>(271)</b>	(565)
<b>Net cash flows used in operating activities</b>	<b>(298)</b>	(624)
	5(b)	
<b>Cash flows from investing activities</b>		
Capital expenditures on investment property	<b>(54)</b>	-
Proceeds from RMBL reinvestment account	<b>119</b>	-
<b>Net cash flows provided by investing activities</b>	<b>65</b>	-
<b>Cash flows from financing activities</b>		
Proceeds from unitholder loan	<b>300</b>	585
<b>Net cash flows provided by financing activities</b>	<b>300</b>	585
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>67</b>	(39)
Cash and cash equivalents at the beginning of the half year	<b>134</b>	94
<b>Cash and cash equivalents at the end of the half year</b>	<b>201</b>	55
	5(a)	
Non-cash financing and investing activities	-	-

*The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# Agricultural Land Trust

## Half year report

### Notes to the consolidated financial statements For the half year ended 31 December 2022

#### 1 Summary of significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

##### **(a) Basis of preparation**

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Constitution of the Agricultural Land Trust, the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for the investment property, which has been measured at fair value. Independent valuations are conducted from time to time in accordance with the Responsible Entity's valuation policy and are considered by the directors of the Responsible Entity when determining fair values.

The half year financial report does not include all notes normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2022 together with all public announcements made on behalf of the Trust and its controlled entities during the half year ended 31 December 2022, and those up to the date of this financial report, in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2022 except for the impact of the changes in accounting policy described below.

The half year financial report is presented in Australian dollars and all values have been rounded to the nearest thousand dollars (\$'000, where rounding is applicable) in accordance with *ASIC Class Order 2016/191*, unless otherwise indicated.

For the purpose of preparing the financial report the half year has been treated as a discrete reporting period.

##### **(b) Going concern**

Despite the Group having a net current asset deficiency at the balance date, the financial statements have been prepared on a going concern basis. The Responsible Entity considers this basis to be appropriate as:

- The directors believe the Group will have access to the on-going support provided through the unitholder loan and other potential reserves to meet the Group's debts as and when they fall due. The Group has reached in principle agreement with the unitholder lender to increase the facility limit to \$3 million and to further extend the maturity date of the facility to August 2024. As at the date of this report, these new arrangements are yet to be formally documented.

# **Agricultural Land Trust**

## **Half year report**

### **Notes to the consolidated financial statements (continued)** **For the half year ended 31 December 2022**

#### **1 Summary of significant accounting policies (continued)**

##### **(b) Going concern (continued)**

- Harvesting activities recommenced at Linkletter's Place and are expected to provide the Group with a cash flow on a monthly basis from the harvested timber.

In addition to earning income from the harvested timber the Group has entered into a long term lease agreement over the cleared parts of Linkletter's Place from which it will generate rental income. This rental income will increase at a rate of 2.5% per annum and the area subject to lease will grow each year as further plantation areas are cleared, noting that those areas will be subject to a rent free period of four years, in recognition of the tenant being obligated under the terms of the lease to fully remediate those cleared areas.

- The Group is considering other activities it expects may support the Group's financial position.

Due to the uncertainty surrounding the above matters, there is material uncertainty that may cast doubt upon the Group's ability to continue as a going concern, therefore, that it may be unable to realise its assets and settle its liabilities in the normal course of business. However, the directors believe that the Group will be successful in the above matters and have prepared the financial report on a going concern basis. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

##### **(c) Changes in accounting policy**

#### **New Standards and Interpretations**

The accounting policies applied in these half year financial statements are the same as those applied to the Group's financial statements for the year ended 30 June 2022.

The Group has not elected to early adopt any new or amended Standards or Interpretations that are issued but not yet effective.

#### **2 Contingent liabilities and contingent assets**

There were no contingent assets and liabilities or commitments as at 31 December 2022 (30 June 2022: \$nil).

#### **3 Segment reporting**

The Group operates in a single segment, being the Australian agricultural sector. It earns various income streams from the use of the Group's investment property, known as Linkletter's Place.

#### **4 Non-cash financing and investing activities**

For the half year ended 31 December 2022, there were \$nil distributions (31 December 2021: \$nil).

**Agricultural Land Trust**  
**Half year report**

**Notes to the consolidated financial statements (continued)**  
**For the half year ended 31 December 2022**

**5 Cash and cash equivalents**

*(a) Components of cash and cash equivalents*

	<b>31 December 2022 \$'000</b>	30 June 2022 \$'000
Cash at bank	<u>201</u>	134
<b>Total cash and cash equivalents</b>	<u>201</u>	134

*(b) Reconciliation of net (loss)/income to cash flows used in operating activities*

	<b>31 December 2022 \$'000</b>	31 December 2021 \$'000
Net (loss)/income	<b>(427)</b>	141,544
<i>Adjustments:</i>		
Impairment losses on financial assets	-	2,350
Gain on restructure of debentures	-	(143,921)
Non-cash interest income and expense	<b>153</b>	(443)
Capitalised borrowing costs	<b>29</b>	-
Straight lining adjustments	<b>(20)</b>	(24)
Net decrement in fair value adjustment	<b>73</b>	24
<i>Changes in assets and liabilities:</i>		
(Increase) in trade and other receivables	<b>(143)</b>	(5)
(Increase) in other assets	<b>(16)</b>	(13)
Increase/(decrease) in trade and other payables	<b>53</b>	(136)
<b>Net cash flows used in operating activities</b>	<u><b>(298)</b></u>	(624)

**6 Trade and other receivables**

	<b>31 December 2022 \$'000</b>	30 June 2022 \$'000
GST receivables	-	22
Accrued income – timber	<b>165</b>	-
<b>Total trade and other receivables</b>	<u><b>165</b></u>	22

## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 7 Investment property

##### (a) Investment property

The Group holds one investment property, Linkletter's Place. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value based on independent valuations, which are conducted from time to time in accordance with the Responsible Entity's valuation policy. Gains or losses arising from changes in fair values of investment properties are recognised in consolidated statement of profit or loss and other comprehensive income in the year in which they arise.

Where assets have been revalued, the potential effect of the capital gains tax ("CGT") on disposal has not been taken into account in determination of the revalued carrying amount. The Group does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised gains would be distributed to unitholders.

	<b>31 December 2022</b>	30 June 2022
	<b>\$'000</b>	\$'000
Rural property - Linkletter's Place at fair value	<b>38,540</b>	38,540
<b>Total investment property</b>	<b>38,540</b>	38,540

##### (b) Reconciliation of the carrying amount of level 3 investment property

	<b>31 December 2022</b>	30 June 2022
	<b>\$'000</b>	\$'000
Opening balance	<b>38,540</b>	33,310
Capitalised roading costs	<b>54</b>	409
Fair value (loss)/gain adjustments	<b>(73)</b>	4,775
Accumulated straight-lining of rental income	<b>19</b>	46
<b>Closing balance</b>	<b>38,540</b>	38,540

Rental income from the investment property during the half year ended 31 December 2022 was \$0.23 million (31 December 2021: \$0.23 million).

##### (c) Valuation techniques used to derive level 3 investment property

The investment property has been measured at fair value based on an independent valuation, conducted by Opteon in June 2022, of the Linkletter's Place property. This valuation is based on the market value applying an "As Is" (subject to existing occupancy arrangements) valuation approach of \$38.54 million. This approach considers the current mixed usage of the property as both an agricultural and plantation asset. The "As is" valuation of the property at 30 June 2022 was \$38.54 million.

## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 7 Investment property (continued)

##### (c) Valuation techniques used to derive level 3 investment property (continued)

The Opteon valuation considered the following inputs in determining the fair value:

Level 2 inputs:            Comparable land sales.

Level 3 inputs:            Comparable evidence requiring adjustment; reliance was placed on transactions of other rural properties within the region to establish market parameters for land and structures. As Opteon has made significant adjustments to the rate per hectare based on the property's specific characteristics, the fair value measurement is categorised as Level 3 in the fair value hierarchy. These adjustments relate to differences in location, quality of structural improvements, soil types and productivity levels.

The table below presents the summary of Level 3 inputs.

Land component	Area (Hect)	Rate	Source	Basis of valuation	Valuation level	Basis
Recently cleared land	2,700.0	\$6,000.00	Opteon	Comparable sales	2	
Plantation land	4,788.9	\$4,000.00	Opteon	Discount to cleared areas	3	Comparable sales (\$6,000 per hectare) discounted by \$2,000 to reflect costs of clearing land and remediating to agricultural standard
Existing cleared land	427.0	\$5,500.00	Opteon	Comparable sales	2	
Bush/Balance	1,029.4	\$50.00	Opteon	Comparable sales	2	
Property improvements		\$784,000.00	Opteon	Discount on replacement cost	3	

Further details are set out in Note 6 of the Group's 30 June 2022 Annual Report.

The trustee of ALT No 1 Trust has procured an independent valuation of Linkletter's Place which reflects a meaningful uplift in the value of the property. However, given current financial, economic and market conditions, this valuation has not been adopted for the purposes of the half-year ended 31 December 2022. The directors will reassess the valuation in the 30 June 2023 financial statements.

## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 8 Interest payable

	<b>31 December 2022</b>	30 June 2022
	<b>\$'000</b>	\$'000
Interest payable - Unitholder loan	<b>29</b>	23
Interest payable - Loan from RMBL	<b>50</b>	40
<b>Total interest payable</b>	<b>79</b>	63

Further details of the interest payable is disclosed in the Note 9.

#### 9 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of issue costs associated with the borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method including any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	<b>31 December 2022</b>	30 June 2022
	<b>\$'000</b>	\$'000
<b>Current</b>		
Unitholder loan	<b>1,874</b>	-
Capitalised interest on unitholder loan	<b>408</b>	-
<b>Total current</b>	<b>2,282</b>	-
<b>Non-current</b>		
Unitholder loan	-	1,574
Capitalised interest on unitholder loan	-	261
Capitalised borrowing cost	<b>(120)</b>	(149)
Loan from RMBL	<b>13,000</b>	13,000
<b>Total non-current</b>	<b>12,880</b>	14,686

## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 9 Interest bearing loans and borrowings (continued)

##### Financing facilities

Total facilities used*	<b>14,874</b>	14,574
Total facilities unused	<b>626</b>	926
<b>Total facilities</b>	<b>15,500</b>	15,500

\* Excludes capitalised interest.

The unitholder loan is from Balmain Investment Trust. The non default interest rate on the loan was 12% per annum and increased to 15% per annum following the settlement of RMBL loan. The interest rate where an event of default is subsisting is 20%. As of the date of these financial statements the loan is in compliance with the terms and conditions included in the loan agreement. Interest under this facility capitalises until the earlier of the repayment date and other date as agreed.

The RMBL loan was from RMBL Investments Limited. The non default interest rate on the loan is 6% per annum plus 1.5% collection charges and the interest rate where an event of default is subsisting is 10%. As of the date of these financial statements the loan is in compliance with the terms and conditions included in the loan agreement. From 16 December 2022, the interest rate increased to 7% and collection charges to 1.75% per annum.

The loans are as follows:

Loan	Facility Limit (\$)	Amount (\$)	Drawdown Date	Maturity	Interest Rate
Unitholder loan	2,500,000	1,873,642	26-Aug-20	25-Aug-23	15.00%
RMBL loan	13,000,000	13,000,000	28-Jan-22	28-Jan-25	7.00%
<b>Total</b>	<b>15,500,000</b>	<b>14,873,642</b>			

As at 31 December 2022, the unitholder loan balance was \$2,281,194, including capitalised interest of \$407,552.

#### 10 Related party disclosures

##### (a) Responsible entity

The Responsible Entity of Agricultural Land Trust as at 31 December 2022 is One Managed Investment Funds Limited ("OMIFL") whose parent entity as at 31 December 2022 is One Investment Group Pty Limited ("OIG"). The ultimate parent entity is OIG Holdings Pty Limited ("OIGH").

The Responsible Entity and its related trustees were paid fees of \$33,407 for the half year ended 31 December 2022 (31 December 2021: \$49,592).

The Responsible Entity's entitlement to fees is contained in the Group's constitutions. The Responsible Entity is entitled to be paid annual fees calculated on the following basis:



## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 10 Related party disclosures (continued)

##### (a) Responsible entity (continued)

- (i) 0.25% of the gross value of assets of the Group calculated at the end of each month and paid quarterly in arrears.
- (ii) 3.5% of the Net Income of the Group calculated after adding back the following items:
- Depreciation, building allowances and other non-cash expenses;
  - Interest, finance and other borrowing expenses;
  - Leasing, legal and professional fees;
  - Administration expenses, including auditing, accounting, Custodians' fees, outgoings and expenses and management fees;
  - Costs of issuing any Disclosure Documents;
  - Marketing and promotional expenses;
  - The fee is paid quarterly in arrears.
- (iii) 3.5% of the increase in the market value of each asset owned by the Group calculated from the start of a financial year, or the date of acquisition, to the end of the Financial Year. This fee will be payable annually. No fees were charged during the year in relation to this item.

The Responsible Entity is also entitled to be paid a fee of up to 5% of the purchase price of any authorised investment acquired for the Trust. This fee is payable on the day of the acquisition of the relevant investment and is in consideration for the co-ordination of the acquisition. The Responsible Entity is also entitled to a fee of up to 5% of the application money raised under a Disclosure Document where the purpose for raising the application money is not to acquire an authorised investment. This fee is payable within 7 days of the issue of Units for which the application money is received. This fee is for the co-ordination of the relevant capital raising. No fees were charged during the year in relation to these items.

As at 31 December 2022, \$32,473 was payable to the Responsible Entity (30 June 2022: \$49,203).

##### (b) Transactions with Responsible Entity and its associated entities

The consolidated financial statements include the financial statements of parent entity Agricultural Land Trust and the subsidiaries listed in the following table:

##### Name

	Equity interest held by parent entity	
	31 December 2022	30 June 2022
	%	%
Kalgoorlie Apartment Hotel Syndicate	100.00	100.00
Murray Street Mall Property Trust	100.00	100.00
ALT No 1 Trust	100.00	100.00

The above subsidiaries are domiciled in Australia and have balance dates of 30 June, consistent with the Trust. All related party transactions are conducted on normal commercial terms and conditions. Related party receivables and payables, unless otherwise stated, are unsecured, receivable or payable within 30 days and do not bear interest.

## **Agricultural Land Trust Half year report**

### **Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022**

#### **10 Related party disclosures (continued)**

##### ***(c) Details of key management personnel***

###### ***Directors***

The names of the directors of the Responsible Entity in office during the half year and to the date of these financial statements are:

###### One Managed Investment Funds Limited

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

##### ***(d) Compensation of key management personnel***

No amounts are paid by the Trust directly to directors and key management personnel of the Trust. Directors of the Responsible Entity receive remuneration in their capacity as directors of the Responsible Entity. Consequently, no compensation, as defined in AASB 124 *Related Party Disclosures* is paid by the Trust to its key management personnel. Each of One Managed Investment Funds Limited and Agricultural Land Management Limited, as Responsible Entity of the Trust during the period, is deemed for disclosure purposes to be a key management personnel of the Trust.

##### ***(e) Units in the Trust held by key management personnel***

Key management personnel do not directly hold any units in the Trust as at the financial year end, nor have they held any units in the Trust during the reporting period.

#### **11 Subsequent events after balance date**

Subsequent to the balance date, the Trust has agreed in principle terms to increase the facility limit on the unitholder loan from \$2.5 million to \$3 million. The Trust also expects the term of the unitholder loan to be extended to August 2024. As at the date of this report, these new arrangements are yet to be formally documented.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial period.

## Agricultural Land Trust Half year report

### Notes to the consolidated financial statements (continued) For the half year ended 31 December 2022

#### 12 Units on issue

	<b>31 December 2022</b>	<b>31 December 2022</b>	30 June 2022	30 June 2022
	<b>No. of Units</b>	<b>\$'000</b>	No. of Units	\$'000
Units on issue at the beginning of the period	<b>91,472,521</b>	<b>55,299</b>	91,472,521	55,299
<b>Closing balance</b>	<b>91,472,521</b>	<b>55,299</b>	91,472,521	55,299

#### 13 Commitments, contingent assets and contingent liabilities

The investment property is leased under a ten year operating lease from 1 April 2021. The future minimum lease receipts under the non-cancellable operating lease not recognised in the consolidated financial statements as receivable are as follows:

	<b>31 December 2022</b>	30 June 2022
	<b>\$'000</b>	\$'000
Less than 1 year	<b>418</b>	413
1 to 5 years	<b>1,778</b>	1,756
Over 5 years	<b>1,578</b>	1,810
<b>Total future minimum lease receipts</b>	<b>3,774</b>	3,979

One Managed Investment Funds Limited (OMIFL) and One Investment Administration Limited (OIAL) are involved in 3 separate litigation matters which have arisen as a result of the collapse of the iProsperity Group (IPG) whereby OMIFL and OIAL are being sued by various investors in IPG funds (IPG Litigation). The IPG Litigation does not involve or include the Trust itself or the Linkletter's Place property. The IPG Litigation is being vigorously defended by OMIFL and OIAL and there will be no impact on the Trust itself or on the Linkletter's Place property (or any other trust involving OMIFL or OIAL) as a result of the IPG Litigation.

The Group has no other contingent assets or contingent liabilities as at 31 December 2022 (30 June 2022: \$nil).

## **Agricultural Land Trust Half year report**

### **Directors' declaration**

In accordance with a resolution of the Directors of One Managed Investment Funds Limited, I state that:

In the opinion of the Directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial period ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Australian Accounting Standard AASB 134 "Interim Financial Reporting"*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) with reference to Note 1(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half year ended 31 December 2022.

On behalf of the Board of One Managed Investment Funds Limited.



Frank Tearle  
Director  
One Managed Investment Funds Limited  
Sydney  
14 March 2023

# Independent Auditor's Review Report to the Unitholders of Agricultural Land Trust

## Conclusion

We have reviewed the half-year financial report of Agricultural Land Trust (the Trust), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in unitholders' interests and consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of Agricultural Land Trust does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Agricultural Land Trust's financial position as at 31 December 2022 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 of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of 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 Trust 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.

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## Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which outlines the Directors' assessment regarding going concern. The Group has incurred a loss after tax of \$428,000 for the current half year, and has a net current liability position of \$2,358,000 as at 31 December 2022. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Financial Report

The directors of the Responsible Entity 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 for the Review of the 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 Trust's financial position as at 31 December 2022 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.



**Crowe Sydney**



**Barbara Richmond**  
Partner

14 March 2023

## Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to the Directors of One Managed Investment Funds Limited, the Responsible Entity of Agricultural Land Trust

As lead auditor for the review of the half year financial report of Agricultural Land Trust for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Yours sincerely,  
**Crowe Sydney**



**Barbara Richmond**  
Partner

14 March 2023

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