Duxton Farms Limited

ACN 129 249 234

DUXTON FARMS

APPENDIX 4D
UNDER ASX LISTING RULE 4.2A.3
INTERIM REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. Reporting period

The financial information contained in the attached financial report is for the half-year ended 31 December 2022. The previous corresponding period was for the half-year period ended 31 December 2021.

2. Results for announcement to the market

				$,000
Revenue from ordinary activities	down	29%	to	$3,244
Profit (loss) from ordinary activities after tax attributable to members	down	395%	to	($3,070)
Net profit (loss) for the period attributable to members	down	395%	to	($3,070)
Dividends				Nil

Commentary on results for the period

The Group's net loss after tax for the half year amounted to $3,070k (31 December 2021: profit $816k).

The net asset value of the Group as at 31 December 2022 amounted to $104.393 million or $2.50 per share. The net asset value of the Group as at 31 December 2021 was $108.866 million or $2.51 per share.

	Per Group Statement of Financial Position $'000	Per Fair Market Value* $'000	Variance
Permanent water entitlements	8,221	13,368	5,147
Net other assets	96,172	96,172	-
Total net assets	**104,393**	**109,540**	**5,147**
Net asset value per share	**$2.50**	**$2.62**	**$0.12**

* Fair market value a non-IFRS measure which has not been audited or reviewed by the Group'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

Net Asset Value	31 Dec 2022	30 Jun 2022
Net tangible assets per ordinary share*	2.30	2.38
Net assets per ordinary share	2.50	2.57

*Water assets are classified as intangible assets

4. Control gained or lost during the period
Not applicable.

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

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

7. Associates and joint ventures
There are no associates or joint venture entities.

8. Foreign entities
Not applicable

Other information
This report is based on the half-year financial statements which have been reviewed by Grant Thornton Audit Pty Ltd.

DUXTON FARMS LIMITED
DECEMBER 2022 HALF-YEAR REPORT

ACN 129 249 243

DUXTON FARMS

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
Grant Thorton 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

Thursday 23rd February

Dear Shareholder,

It gives me great pleasure to present the 2023 Half Year Report for Duxton Farms Limited ("**Duxton Farms**" / "**Company**").

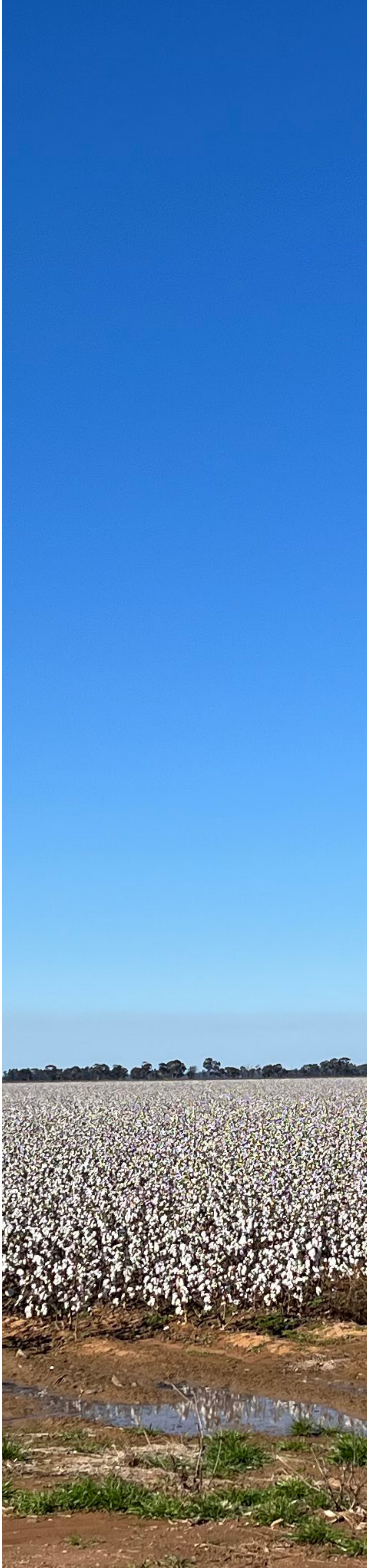
The six months to December 2022 have been perhaps the most challenging we have faced since listing in February 2018. Two years of consistent high rainfall resulted in a series of flood events throughout 2021 and 2022, the latter of which have now been confirmed as the costliest natural disaster in modern Australian history. Like many of our neighbours, we lost the majority of our winter crop to inundation and the community has spent a great deal of the past few months dealing with the fallout of the flooding. Given the circumstances, I am happy to report that our Operations Team led by Bryan Goldsmith made it through to harvest not only with all personnel safe and accounted for, but also with no significant losses to livestock and minimal structural damage to our property.

Our experience over the past six months, and indeed since listing, demonstrates to great effect the necessity of a diversified geographic footprint. The Board are responding to this by accelerating its programme to expand and broaden its exposure to the Australian agricultural sector, which investors will have seen in the form of the Glenn Innes/Piambie transaction in Victoria, and the lease of Mountain Valley Station in the Northern Territory, both executed in the first half of FY2023.

FINANCIAL PERFORMANCE

For the half year ended 31 December 2022, Duxton Farms reported a net loss after tax of $3,070,141 (HY2022: profit of $815,828) on revenues of $3,243,712 (HY2022: $4,607,084). This is largely due to a combination of reduced top line income and increased costs associated with flood prevention and mitigation, which have diverted resources away from other parts of the business intermittently over the past 18 months. Although this is a disappointing financial result, I would like to note that our Operations Team have done an excellent job of mitigating losses.

Duxton Farms' reported Net Asset Value per Share ("NAVPS") has decreased for the first time since listing, having decreased from $2.58 to $2.48 per share on a Statutory basis (HY2022: $2.51), and from $2.68 to $2.61 when the Company's water assets are measured at their fair market value (HY2022: $2.63). This change is attributable to higher levels of debt on the balance sheet primarily as a result of working capital drawdowns and decreased revenue from operations. These figures demonstrate the impact that the New South Wales floods have had on the business, although I expect this to be a temporary setback which will be resolved as operating conditions normalise throughout the calendar year.



OPERATIONS AND LAND STRATEGY

The flooding peaked in late November 2022 both in the town of Forbes and on farm, and the Operations Team was able to start harvesting the surviving winter crop in late December after attending to livestock, participating in the local clean-up effort, and assessing and repairing the most immediate damage to the Company's assets where possible. The harvest had not been completed as at December 31, although at the time of writing I can say that we have been able to harvest more crop of a substantially higher quality than originally anticipated, which is a silver lining that demonstrates the capability, discipline and resolve of the Operations Team in an exceptionally challenging year. I expect to be in a position to publish a full harvest report for our investors next month.

Our livestock programme has also fared better than expected, with the Company having experienced minimal losses during the flood event and having finished the half year with ample high-density feed stockpiled on farm to support our activities going forwards. Local prices for cattle in New South Wales are elevated despite recent declines in the Eastern Young Cattle Index, and the Company remains well positioned to respond rapidly to the market should conditions change as the national herd restocks. While we expect livestock numbers in New South Wales to remain stable for the foreseeable future, we have has started buying into declining cattle prices in order to restock Mountain Valley Station.

Duxton Farms was prevented from planting a substantial summer crop this year. In lieu of cotton, the Team have worked hard to plant as much land to forage sorghum as possible, which will contribute towards maintaining our feedstocks into the next financial year.

OUTLOOK

I don't believe at this juncture there is much more to be said about the 2022/23 cropping season; we knew quite early on that it was going to be a season to forget from an operations point of view and have endeavoured to keep investors up to date with developments as they have unfolded through our Monthly Update format.

Looking forward, it appears as though the 2023/24 season is going to treat us a little better, as at this stage La Nina conditions appear to be easing, which should hopefully allow the Company to operate a full season unimpeded. Were this to eventuate, the New South Wales aggregation would be exceptionally well-placed to demonstrate its productive capacity as broadacre farming properties.

Our main focus for the remainder of the 2023 Financial Year will be on fully incorporating Piambie and Mountain Valley Station into the portfolio. I have spent the past 24 months working with the Board to develop an updated and targeted strategy to diversify the Company's assets to provide investors with exposure to new geographies, commodities, and production systems, which I believe will prove to be transformative in nature as the Company develops over the next decade. The Board are currently working on several other compelling opportunities, both in terms of new land acquisitions and existing land developments, and we hope to be in a position to announce these to market in the next few months.

Kind Regards,
Ed Peter

DIRECTORS **REPORT**
FOR THE HALF YEAR ENDED
31 DECEMBER 2022

The Directors of Duxton Farms Limited submit herewith their report, together with the financial report of Duxton Farms Limited (the Company) for the half year ended 31 December 2022. 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 Group that held office during or since the end of the half year are:

Mr Stephen Duerden

Mr Edouard Peter

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 Group 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 Group during the half year.

REVIEW OF OPERATIONS

The narrative surrounding the 2022/23 winter harvest has been dominated by wet growing conditions and a severe and prolonged flooding event which has disrupted the Company's operations to a very large extent. Although the flooding in the Lachlan Valley occurred early in the Financial Year, its timing at the end of the winter cropping season and over the planting period for the summer cropping season means that the damage incurred will already define both sides of the 2022/23 season for the Company's New South Wales operations. As was noted by the Chairman, our employees have demonstrated a remarkable level of competence, resilience and character in dealing with the conditions they have been presented with, and the Board remain very impressed with the team assembled by Mr Goldsmith, and with his leadership.

The Company's livestock programme has remained stable in New South Wales over the past six months, with nearly 7,200 head of sheep and 2,200 head of cattle at the end of December, although Duxton Farms' overall exposure to livestock has been significantly expanded through the lease of Mountain Valley Station, which included the purchase of an additional 3,100 head of cattle. The Operations Team has been quite active in trading both cattle and sheep over the past six months, although the Board notes that Duxton Farms' market access has been somewhat restricted due to the impact of the flooding on road and rail infrastructure.

One of the Board's major focus points from an operations perspective to December involved the incorporation of Mountain Valley Station and Piambie into the portfolio towards the end of the calendar year. The Company oversaw the successful transition of the staff at Mountain Valley Station to Duxton Farms, effectively absorbing a ready-made team of highly skilled, locally-based operators who have been based at the Station for over six years. The objective of the Board is to restock and develop Mountain Valley as a cattle station, while trialling rainfed cotton and fodder crop cultivation in a manner that is environmentally sustainable and respectful of sites of cultural significance for the local indigenous community.

As at the end of the year harvest at Piambie was still being completed by the previous owner, the Directors will begin working with the New South Wales Operations Team to find a skilled manager to oversee that property under Mr Goldsmith. The Board have formed a strategy involving a new production system to activate Piambie that is currently in the early stages of implementation, the details of which will be released to the market in due course.

MARKET OVERVIEW

The 2022/23 Australian winter crop is expected to be the second-highest on record at 62 million tonnes, buoyed by strong harvest results from Western Australia and South Australia, while production out of New South Wales and Victoria is likely to be lower than recent years. This figure is expected to be composed largely of wheat (36.6 million tonnes or 59 percent), barley (13.4 million tonnes or 22 percent), and canola (7.3 million tonnes or 12 percent), which, as with previous years, is proportionally similar to Duxton Farms' own areas planted.

Domestic grain prices as measured at Port Kembla ended the Half Year period at around $410/t and $365/t for APW1 milling and SFW1 feed wheat

respectively, at $315/t and $275/t for BAR1 and BAR2 barley respectively, and at around $750/t for CAN1 canola. This reflects a general tightening of protein spreads from the previous comparable period. The overall theme in Australian cropping over the first half of the 2023 Financial Year continued to be a focus on logistics and market access, as the country has now produced three large crops in a row, the majority of which has gone to export markets.

In terms of the wider picture, global grain balance sheets have been very tight, which is the result of the Russian invasion of Ukraine, barriers to trade in several developing economies, and dry conditions in North America and Europe. The global supply chain system has been gradually working out the kinks caused by disruptions related to the COVID-19 pandemic, but there are still pricing disparities between areas with localised shortages (i.e., Egypt, Pakistan), and areas with localised grain oversupply (i.e., Australia, Russia). Although this year the Company is, of course, less exposed to global grain pricing than in previous years, Directors remain confident that the long-term supply/demand dynamics of the global food production system result in a very high level of demand for Australian produce generally, placing Duxton Farms in an excellent position to continue operating as a large-scale agricultural enterprise.

The national cattle herd has gradually been rebuilt over the past few years, and we are now seeing domestic prices start to come off their all-time highs. While the national cattle herd has been gradually rebuilding after the 2017-19 drought, the overall global protein supply picture is still mixed, with major producers including the USA, the EU, and Argentina having seen declines in their own herds. The Directors are taking a cautious approach to domestic pricing exposure and have issued a directive to slowly restock Mountain Valley Station by buying into declining prices. In the long term we remain optimistic that our exposure to export-led markets will help create a more diversified earnings profile and are confident that prices in the Northern Territory will continue to reflect the global protein undersupply.

The Directors note that, floods notwithstanding, the Company has done an admirable job of controlling input costs for its operations, having secured pricing and lead-times for a number of crucial inputs, including fertilisers, chemicals, biological materials, vehicles, and other pieces of on-farm equipment. At this stage, Duxton Farms is well-supplied to plan and plant the 2023/24 winter and summer crops, and to undertake the necessary developments to support the Directors' diversification strategy.

In terms of funding, investors should be aware that, as previously flagged, Duxton Farms will be taking on an increased level of debt against its balance sheet in order to activate its capital base in a manner that raises and stabilises the Company's overall earnings profile. The Board is actively monitoring Duxton Farms' debt profile against the current interest rate environment and are considering a number of capital allocation strategies to ensure the Company's gearing remains at a reasonable level in the long term.

The Directors would like to qualify this by reiterating that, as expressed in the recent Annual General Meeting, it currently has no plans to raise capital at a level significantly below the Company's Net Asset Value, nor does it believe this situation will change in the foreseeable future. Duxton Farms continues to comply with its existing financing obligations, and its creditors at the Commonwealth Bank of Australia remain supportive of the business and its activities.

SUSTAINABILITY

The ESG Subcommittee, which reports to the Audit and Risk Committee, considers matters related to proper corporate governance, which includes matters of business continuity, and environmental and social sustainability issues and reporting. Duxton Farms' goal is to establish itself as a leader in the Australian agricultural sector when it comes to sustainable production in general. As the natural world is a fundamental part of the Company's operations, Duxton Farms and its ESG Subcommittee are most focused on how the Company can positively interact with the environment contributing its part to feed and clothe the global population. The Company is actively progressing its consideration of a number of carbon-related projects, focusing on both greenhouse gas emissions reduction and carbon sequestration. In addition it has sought to use its asset base as a sandbox for external innovative parties (private businesses, government bodies, and universities) trialling new methodologies and technologies which promote sustainable agricultural production.

Since the previous reporting period, Duxton Farms has baselined its Scope 1 and 2 greenhouse gas emissions, and is working towards identifying its Scope 3 emissions currently. The Scope 1 and 2 baseline emissions profile has been externally audited and verified and this will inform its efforts to reduce its carbon footprint over time. The Company is also working with an external consultant to conduct a climate-related physical risk assessment according to the best practice recommendations outlined by the Taskforce on Climate-related Financial Disclosures (TCFD). This will assist in aligning sustainability going forward. Furthermore, the ESG Subcommittee is also now exploring the prospect of assessing itself against the Taskforce on Nature-related Financial Disclosures (TNFD) framework which is currently under development and will be finalised in 2023. This framework specifically caters to enterprises with a high level of interactions with natural capital.

Finally, the ESG Subcommittee is very pleased to announce that it has aligned its sustainability goals and objectives with the United Nations Sustainability Goals ("UN SDG") within its overarching sustainability framework as part of the NSW Sustainability Advantage Program. As a result of this work, the Company has adopted the following sustainability vision:

Duxton Farms' vision is sustainable large-scale farming that is at the forefront of cutting-edge sustainability technology and products.

The Company's initiatives will focus on the following three strategic pillars:

- Climate resilience
- Caring culture
- Collaborative partnerships

Each pillar has its own focus areas which align with the following six UN SDGs as our focus SDGs:

- Number 6: Clean Water and Sanitation
- Number 8: Decent Work and Economic Growth
- Number 12: Responsible Consumption and Production
- Number 13: Climate Action
- Number 15: Life on Land
- Number 17: Partnerships for the Goals

The ESG Subcommittee believes that the UN SDG framework will add a level of structure and definition and best practice approach to the Board's investment philosophy and looks forward to expanding on the areas of focus, targets, and metrics, in the future. Nevertheless, investors should rest assured that Duxton Farms remains committed to making meaningful progress towards its development as a best-in-class player in listed agriculture.

DIVERSITY POLICY

Duxton Farms is committed to creating and maintaining a workplace that encourages a varied mix of people and skillsets. The Company's Diversity Policy states that diversity is a complex and multifaceted concept which goes beyond issues of gender, ethnicity, or race. The Company seeks to create a working environment that is free of any type of prejudice related to these factors, and to factors such as age, physicality, sexuality, marital or family status, or religious or cultural background. We also aim to align with the Diversity Council of Australia in working towards best practice in diversity and inclusion.

The ESG Subcommittee has been laying the groundwork for a programme that will aim to advance a sponsored cadet program for interested rural post graduate students with a variety of backgrounds, interests, and skillsets on-farm. The Board believes this programme will help the Company address the challenge ir increasing female representation on-farm, whilst also broadening and deepening the Company's core competencies and contributing towards successfu succession planning.

FUTURE DEVELOPMENTS

There are no future developments to report on that are not covered elsewhere in this report.

CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the reporting period.

ENVIRONMENTAL REGULATION

The operations of the Group are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. Water usage for irrigation and domestic purposes are regulated by the Water Management Act 2000. There have been no known breaches of any environmental requirements applicable to the Company.

DIVIDENDS

There were no dividends paid in the reporting period.

SUBSEQUENT EVENTS

There are no subsequent events for the Group that have not been covered elsewhere in this report.

ROUNDING

The Group 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 17.

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
23rd February 2023

Grant Thornton

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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 2022, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 23 February 2023

CONDENSED CONSOLIDATED STATEMENT OF **PROFIT OR LOSS** AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 $'000	31 Dec 2021 $'000
Revenue	4	3,244	4,607
Cost of sales		(4,165)	(5,584)
Biological transformation	9	(904)	4,258
Gross profit / (loss)		**(1,825)**	**3,281**
Other Income	5	638	243
Gain on bargain purchase	6	1,227	-
Operational expenses		(2,141)	(1,876)
Administration expenses		(1,476)	(1,087)
(Impairment) / Reversal of impairment	12	-	913
Finance costs	7	(551)	(436)
Profit / (loss) before tax		**(4,128)**	**1,038**
Income tax (expense) / benefit		1,058	(222)
Profit / (loss) for the period		**(3,070)**	**816**
Other comprehensive income net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Valuation uplift on revaluation of properties	12/19	-	20,287
Total comprehensive income for the period		**(3,070)**	**21,203**
Earnings per share			
From continuing operations			
Basic (cents per share)		(6.89)	1.88
Diluted (cents per share)		(6.89)	1.88

The notes on page 23 to 34 are an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**
AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 $'000	30 Jun 2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	1,175	12
Trade & other receivables		107	470
Inventories		5,761	4,718
Biological assets	9	8,321	8,303
Other financial assets		1	627
Other current assets	10	444	273
Total current assets		**15,809**	**14,403**
Non-current assets			
Land	12	124,554	122,802
Buildings, plant & equipment	12	15,869	13,261
Right-of-use asset	13	2,456	-
Intangible assets		8,221	8,221
Financial assets	14	1,756	1,756
Total non-current assets		**152,856**	**146,040**
Total assets		**168,665**	**160,443**
LIABILITIES			
Current liabilities			
Trade & other payables		1,512	3,560
Bank Overdraft	15	8,733	5,320
Borrowings	15	631	390
Lease liability	16	454	-
Provisions		488	335
Total current liabilities		**11,818**	**9,605**
Non-current liabilities			
Borrowings	15	37,454	29,180
Provisions		9	23
Lease liability	16	2,007	-
Deferred tax liability	17	12,984	14,042
Total non-current liabilities		**52,454**	**43,245**
Total liabilities		**64,272**	**52,850**
Net assets		**104,393**	**107,593**
EQUITY			
Issued capital	18	71,756	71,886
Accumulated profits/(losses)		(12,310)	(9,240)
Reserves	19	44,947	44,947
Total equity		**104,393**	**107,593**

The notes on page 23 to 34 are an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Issued Capital $'000	Accumulated Losses $'000	Asset Revaluation Reserve $'000	Share Based Payment Reserve $'000	Total equity $'000
Balance at 1 July 2021		**73,983**	**(6,073)**	**19,093**	**251**	**87,254**
Profit/(loss) for the period		-	816	-	-	816
Other comprehensive incomefor the year, net of income tax		-	-	20,287	-	20,287
Total comprehensive income for the year		-	816	20,287	-	21,103
Issue of shares		777	-	-	-	777
Share buy-back		(321)	-	-	-	(321)
Balance at 31 December 2021		**74,439**	**(5,257)**	**39,380**	**304**	**108,866**
Balance at 1 July 2022		**71,886**	**(9,240)**	**44,660**	**287**	**107,593**
Profit/(loss) for the year		-	(3,070)	-	-	(3,070)
Total comprehensive income for the year		-	(3,070)	-	-	(3,070)
Share buy-back		(130)	-	-	-	(130)
Balance at 31 December 2022		**71,756**	**(12,310)**	**44,660**	**287**	**104,393**

The notes on page 23 to 34 are an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF **CASH FLOWS**
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 $'000	31 Dec 2021 $'000
Cash flows from operating activities			
Receipts from customers		4,104	5,609
Payments to suppliers		(10,001)	(9,061)
Interest received		415	-
Interest paid		(467)	(368)
Government rebates received		37	82
Other		819	133
Net cash used in operating activities		**(5,093)**	**(3,605)**
Cash flows from investing activities			
Payments for property, plant and equipment		(4,190)	(1,105)
Payment for Mountain Valley business acquisition	6	(1,335)	-
Proceeds from disposal of property, plant and equipment		33	26
Net cash (used in)/generated by investing activities		**(5,492)**	**(1,079)**
Cash flows from financing activities			
Payment of dividends		-	(1,883)
Share buy back		(131)	(321)
Payment for share issue costs		(1)	-
Proceeds from borrowings		8,684	-
Repayment of borrowings		(217)	(103)
Net cash (used in)/generated by financing activities		**8,335**	**(2,307)**
Net decrease in cash and cash equivalents		**(2,250)**	**(6,991)**
Cash and cash equivalents at beginning of the period		(5,308)	3,591
Cash and cash equivalents at end of period		**(7,558)**	**(3,400)**

The notes on page 23 to 34 are an integral part of these financial statements.

1. CORPORATE INFORMATION

Duxton Farms Limited and the entities it controls 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 Group 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 2022 annual financial report for the financial year ended 30 June 2022, 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 2022 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 2022 and any public announcements made by the Group 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 Group 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 2022 the Group made a net loss of $3,070,000 (2021: profit of $816,000), incurred net cash outflow from operating activities of $5,093.000 (2021: $3,605,000).

The Group has an overdraft facility with CBA of $13,000,000, which was drawn down by $8,733,000 as at 31 December 2022 (2021: WBC $5,017,000).

The Directors' believe that the current cash resources available to the Group 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.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Duxton Farms Limited ('company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the period then ended. Duxton Farms Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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.

SEGMENT REVENUE RESULTS	Dec 2022 $'000	Dec 2021 $'000
Reportable segment revenue		
Agriculture	3,244	4,607
Agriculture Profit / (loss) - Segment results	(1,825)	3,281
Other income	638	243
Gain on bargain purchase	1,227	-
Operational expenses	(2,141)	(1,876)
Administration expenses	(1,476)	(1,087)
Impairment reversal	-	913
Finance costs	(551)	(436)
Net profit / (loss) before tax	**(4,128)**	**1,038**

REVENUE FROM MAJOR PRODUCTS	$'000	$'000
Hay	154	4
Cotton	775	650
Field Peas	-	111
Wheat	9	725
Barley	166	-
Canola	1,149	1,473
Cattle	619	841
Sheep	327	710
Wool	45	93
	3,244	**4,607**

5. OTHER INCOME

	Dec 2022 $'000	Dec 2021 $'000
Government Rebates	62	93
Cartage Income	379	102
Gain/(Loss) on sale of assets	-	16
Gain/(loss) on hedging instruments	120	-
Insurance revenue	5	24
Other revenue	72	8
	638	**243**

6. BUSINESS COMBINATION

	31 Dec 2022 $'000	31 Dec 2021 $'000
Total purchase consideration	**1,335**	**-**
Livestock at independent valuation	2,509	-
Employee entitlements	(102)	-
Plant and equipment	155	-
Total fair value of assets acquired	2,562	-
Gain on bargain purchase	1,227	-

On the 8th December 2022 the Group completed a transaction to purchase the business of Mountain Valley Station in the Northern Territory. As announced on 9th November 2022, Mountain Valley is owned by two of the Groups largest shareholder, one of whom is Chairman Ed Peter. In addition the Group entered into an agreement to lease land at Mountain Valley for a period of five years.

7. FINANCE COSTS

	31 Dec 2022 $'000	31 Dec 2021 $'000
Interest on bank overdrafts and loans	277	368
Interest on leases	47	18
Other finance costs	227	50
	551	**436**

8. CASH AND CASH EQUIVALENTS

	31 Dec 2022 $'000	30 Jun 2022 $'000
Cash at bank	1,163	-
Term Deposits	12	12
Total Cash and cash equivalents	**1,175**	**12**

9. BIOLOGICAL ASSETS

	Crops in Ground $'000	Livestock $'000	Total $'000
Balance as at 1 July 2021	4,548	4,606	9,154
Preparation costs and purchases	5,181	909	6,090
Transfers to inventory/sales	(10,338)	(3,398)	(13,736)
Increase in fair value due to Bio-transformation	4,003	2,792	6,795
Balance as at 30 June 2022	**3,394**	**4,909**	**8,303**
Balance as at 1 July 2022	3,394	4,909	8,303
Preparation costs and purchases	2,759	2,921	5,680
Transfers to inventory/sales	(3,767)	(991)	(4,758)
Increase/(decrease) in fair value due to Bio-transformation	(1,192)	288	(904)
Balance as at 31 December 2022	**1,194**	**7,127**	**8,321**

10. OTHER CURRENT ASSETS

	Note	31 Dec 2022 $'000	30 Jun 2022 $'000
Prepayments		444	273
		444	**273**

11. 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 December 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Cash and cash equivalents	1,175	-	-	1,175
Trade and other receivables	107	-	-	107
Other financial assets	-	1,757	-	1,757
Land and buildings	-	-	132,057	132,057
Total assets	**1,282**	**1,757**	**132,057**	**135,096**
Liabilities				
Trade and other payables	1,512	-	-	1,512
Interest bearing liabilities	46,818	-	-	46,818
Total liabilities	**48,330**	**-**	**-**	**48,330**

Consolidated 30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Cash and cash equivalents	12	-	-	12
Trade and other receivables	471	-	-	471
Other financial assets	-	2,383	-	2,383
Land and buildings	130,134	-	-	130,134
Total assets	**130,617**	**2,383**	**-**	**133,000**
Liabilities				
Trade and other payables	3,560	-	-	3,560
Interest bearing liabilities	34,890	-	-	34,890
Total liabilities	**38,450**	**-**	**-**	**38,450**

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 30 June 2022 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.

12. LAND, BUILDINGS, PLANT AND EQUIPMENT

	Land $'000	Buildings $'000	Plant and equipment at cost $'000	Work in Progress $'000	Total $'000
Gross Carrying Amount					
Balance at 1 July 2022	122,802	9,398	8,867	388	141,455
Additions	1,752	-	155	3,050	4,957
Disposals	-	-	-	-	-
Reclassifications	-	335	1,513	(1,848)	-
Revaluation Increase	-	-	-	-	-
Balance at 31 December 2022	**124,554**	**9,733**	**10,535**	**1,590**	**146,412**
Accumulated depreciation / amortisation and impairment					
Balance at 1 July 2022	-	(2,066)	(3,326)	-	(5,392)
Disposals	-	-	-	-	-
Impairment reversal	-	-	-	-	-
Depreciation expense	-	(164)	(433)	-	(597)
Balance at 31 December 2022	**-**	**(2,230)**	**(3,759)**	**-**	**(5,989)**
Net Book Value					
As at 1 July 2022	**122,082**	**7,332**	**5,541**	**388**	**136,063**
As at 31 December 2022	**124,554**	**7,503**	**6,776**	**1,590**	**140,423**

13. RIGHT-OF-USE ASSET

	31 Dec 2022 $'000	30 Jun 2022 $'000
Land and building - right-of-use	2,497	-
Less accumulated depreciation	(41)	-
	2,456	**-**

14. FINANCIAL ASSETS

	31 Dec 2022 $'000	30 Jun 2022 $'000
Investment in Duxton Bees Pty Ltd	1,750	1,750
Other	6	6
	1,756	**1,756**

15. BORROWINGS

Secured – at amortised cost	31 Dec 2022 $'000	30 Jun 2022 $'000
Bank Overdrafts (i)	8,733	5,320
Bank Loans (i)	35,500	28,000
Equipment Loans (ii)	2,585	1,570
	46,818	**34,890**
Current	9,364	5,710
Non-Current	37,454	29,180
	46,818	**34,890**

SUMMARY OF BORROWING ARRANGEMENTS

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

- $13,000,000 at call overdraft with a variable interest rate currently 5.67%. The facility was drawn to $8,733 million at the end of the half year.
- $16,000,000 loan expiring on 30/09/2024 with a variable interest rate currently 3.66% and line fee of 0.75% which is fully drawn.
- $2,000,000 loan expiring 30/09/2024 with a variable interest rate currenlty 3.93% and a line fee of 0.8% which is fully drawn.
- $6,000,000 loan expiring on 30/09/2024 with a variable interest rate of 3.89% and a line fee of 0.97% which is fully drawn.
- $31,000,000 loan expiring on 30/09/2024 with a variable interest rate of 4.14% and a line fee of 0.97% drawn to $11,5000,000.

(ii) Secured by the assets leased. The borrowings are on fixed interest rate terms, ranging from 1.25%-5.37%, with repayment periods not exceeding 5 years.

	1/07/2022 $'000	Financing cashflows $'000	Acquisition $'000	Fair value adjustment $'000	Other changes $'000	31/12/2022 $'000
Lease Liabilities	1,571	1,014	-	-	-	2,585
Bank Loans	28,000	7,500	-	-	-	35,500
Overdraft	5,320	3,413	-	-	-	8,733
	34,891	**11,927**	**-**	**-**	**-**	**46,818**

16. LEASE LIABILITY

	31 Dec 2022 $'000	30 Jun 2022 $'000
Current	454	-
Non-current	2,007	-
	2,461	**-**
Future lease payments are due as follows:		
Within one year	564	-
One to five years	2,209	-
More than five years	-	-
	2,773	**-**

17. TAXATION

December 2022	Opening balance	Current period profit and loss impact	Recognised directly in equity	Closing balance
Gross deferred tax liabilities:				
Debtors and prepayments	(56)	(76)	-	(132)
Inventories	(2,901)	652	-	(2,249)
Property plant & equipment	(16,193)	(377)	-	(16,570)
Right-of-use asset	-	(614)	-	(614)
Intangibles	(130)	-	-	(130)
	(19,280)	**(415)**	**-**	**(19,695)**
Gross deferred tax assets:				
Payables	20	8	-	28
Provisions	90	34	-	124
Lease liability right-of-use	-	615		615
Other	40	(44)	-	(4)
	150	613	-	763
	(19,130)	**198**	**-**	**(18,932)**
Tax Losses	5,088	860	-	5,948
	(14,042)	**1,058**	**-**	**(12,984)**

June 2022	Opening balance	Current period profit and loss impact	Recognised directly in equity	Closing balance
Gross deferred tax liabilities:				
Debtors and prepayments	(66)	10	-	(56)
Inventories	(2,546)	(355)	-	(2,901)
Property plant & equipment	(6,986)	(685)	(8,522)	(16,193)
Intangibles	(130)	-	-	(130)
	(9,728)	**(1,030)**	**(8,522)**	**(19,280)**
Gross deferred tax assets:				
Payables	36	(16)	-	20
Provisions	76	14	-	90
Other	57	(17)	-	40
	169	(19)	-	150
	(9,559)	**(1,049)**	**(8,522)**	**(19,130)**
Tax losses	3,021	2,067	-	5,088
	(6,538)	**1,018**	**(8,522)**	**(14,042)**

18. EQUITY

	31 Dec 2022 $'000	30 Jun 2022 $'000
Share Capital	71,756	71,886
	71,756	**71,886**
Issued Capital Comprises:		
41,751,134 fully paid ordinary shares (30 June 2022: 41,824,077)	71,756	71,886
	71,756	**71,886**

FULLY PAID ORDINARY SHARES

	No. Shares '000	Share capital $'000
Balance at 1 July 2021	42,939	73,983
Shares issued	649	935
Share buy-back	(1,764)	(3,031)
Share issue costs	-	(1)
Balance at 30 June 2022	**41,824**	**71,886**
Balance at 1 July 2022	41,824	71,886
Shares issued	-	-
Share buy-back	(73)	(130)
Share issue costs	-	-
Balance at 31 December 2022	**41,751**	**71,756**

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 it's 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.

19. RESERVES

	Asset valuation Reserve $'000	Share based payment reserve $'000	Total $'000
Balance at 1 July 2021	19,093	251	19,344
Other property valuations	34,089	-	34,089
Share based payments	-	36	36
Tax Effect	(8,522)	-	(8,522)
Balance at 30 June 2022	**44,660**	**287**	**44,947**
Balance at 1 July 2022	44,660	287	44,947
Balance at 31 December 2022	**44,660**	**287**	**44,947**

20. COMMITMENTS FOR EXPENDITURE

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

	31 Dec 2022 average price	31 Dec 2022 tonnes
Canola	$1,023 / tonne	1,500

As at 31 December 2022 Duxton Farms Ltd has entered into a contract to purchase 942 hectares in Victoria known as Piambie Farms during July 2023 for $6,854,545. A non-refundable deposit of $900,000 was paid 9 September 2022. The Group has a call option granting it the right to purchase Piambie Farm in July 2023. Should the Group not exercise this option the vendor of Piambie Farms has a right to exercise a call option to purchase a 241 hectare property known as Glen Innes from Duxton Farms.

21. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2022 %	2021 %
Duxton Farms Growth Co Pty Ltd	Australia	100%	0%

DIRECTOR'S **DECLARATION** FOR THE HALF YEAR ENDED 31 DECEMBER 2022

THE DIRECTORS DECLARE THAT:

a) in the directors' opinion, there are reasonable grounds to believe that Duxton Farms Limited will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including that:

   i. the financial report complies with Australian Accounting Standards, AASB134 'Interim Financial Reporting' the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. the financial statements and notes give a true and fair view of Duxton Farms Limited's financial position and performance for the year ended 31 December 2022.

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

Edouard Peter
Chairman

Mark Harvey
Independent Non-Executive Director

Stirling, South Australia
23rd February 2023


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Independent Auditor's Review Report

To the Members of Duxton Farms Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Duxton Farms Limited (the Company), and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated 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 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 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 Group 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 Group’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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 23 February 2023

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