Agricultural Land Trust

ARSN 096 588 046

Annual report
30 June 2022

Agricultural Land Trust
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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 year”, “financial year” and “2022” refer to the twelve months ended 30 June 2022 unless otherwise stated. Similarly, references to 2021 refer to the twelve months to 30 June of that year.

Agricultural Land Trust
Annual report 2022

Directors' report
For the year ended 30 June 2022

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987), the Responsible Entity of the Agricultural Land Trust (the "Trust"), present their report, for the Agricultural Land Trust and its controlled entities (the "Group") for the year ended 30 June 2022.

Directors

The names of the directors of the One Managed Investment Funds Limited, in office during the financial year and until the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

The directors were in office from the beginning of the year until the date of this report, unless otherwise stated.

Directors' unit holdings

No director as at the date of this report has any direct interest in units of the Trust, nor do they have any rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

Principal activities

As at the date of this report, the principal activity of the Group is to earn income from the exploitation of its investment property, Linkletter's Place, located near Esperance, Western Australia, including the sale of harvested timber and earning rental income from the cleared areas.

Previously, the Group's activities included earning a net interest margin from debentures which the Group has issued, which were subsequently on lent to another party at a higher interest rate.

Further details of the Group's operations are included in the below Review of operations.

Trust information

The Trust was registered as a Managed Investment Scheme on 7 May 2001.

One Managed Investment Funds Limited, the Responsible Entity, is incorporated and domiciled in Australia. At balance date, the Group had no employees.

The registered office of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW, 2000.

Directors' report
For the year ended 30 June 2022 (continued)

Review of operations

- General overview

For the year ended 30 June 2022, the Group reported a net profit attributable to unit holders of $146.16 million (2021: loss $19.02 million). The major driver of this 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 30 June 2022, the Group had assets with a total value of $39.06 million (2021: $33.55 million) and liabilities of $15.08 million (2021: $155.73 million). The basis for valuation of the assets is disclosed in Note 2 to the financial report.

Operating costs for the financial year ended 30 June 2022 were $0.40 million (2021: $0.99 million).

For the purposes of this Review of operations, the Responsible Entity has separated the activities at Linkletter's Place, which remain the main focus of the Group's activities, from the debenture and loan arrangements.

- Linkletter's Place - harvesting & leasing activities

In March 2020, due to the effects of COVID-19, SPF Resources Pty Ltd ("SPF") (the party engaged to harvest the timber) paused operations. SPF recommenced harvesting activities in May 2021 and again ceased production in May 2022.

During the year ended 30 June 2022 the Group earned $0.55 million (2021: $0.09 million) from the sale of timber and earned $0.47 million (2021: $0.13 million) from renting the cleared areas of the property and incurred costs of $0.22 million (2021: $0.14 million) relating to roading and other maintenance costs.

Presented below is a summary of the key metrics from timber sales during the financial year ended 30 June 2022.

Item	30 June 2022	30 June 2021
Harvested area (hectares)	**700**	74
Harvest weight (kg) (GMTD)	**54,678**	9,194
Revenue earned ($'000)	**547**	92
Revenue ($ per tonne)	**10.00**	10.01

Directors' report
For the year ended 30 June 2022 (continued)

- Investment property - Linkletter's Place

At 30 June 2022, the Directors have adopted the independent Opteon valuation without adjustment. The table below presents the carrying value of the Group's investment property, Linkletter's Place:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Opening balance	**33,310**	30,380
Fair value gain of investment property	**4,775**	2,918
Capitalised roading costs	**409**	-
Accumulated straight-lining of rental income	**46**	12
Closing balance	**38,540**	33,310

The investment property has been measured at fair value based on a directors' valuation, having regard to an independent valuation, conducted by Opteon, 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 2021 was $33.31 million. The main driver of the increase in the "as is" valuation is due to an approximate 20% increase in the value per hectare assigned to the remediated areas of the property and the increase in the remediated areas.

The Group will continue to work with SPF to maximise the value that it is able to achieve from the harvesting of the remaining forestry assets located on Linkletter's Place, as this will allow the property to achieve a fully remediated state as quickly as is practicable. The 'as if complete' valuation at 30 June 2022 was assessed at $48.12 million (30 June 2021: $43.85 million). The 'as if complete' valuation approach assumed that the property had been fully remediated to an agricultural standard.

Directors' report
For the year ended 30 June 2022 (continued)

- Core debt - IPG Mortgage Fund loan, series 5 and 8 debentures, unitholder loan and RMBL loan

The Group considered the IPG Mortgage Fund loan, the series 5 and 8 debentures, the unitholder loan, and RMBL loan as the Group's core debt. Following the refinance of the Mortgage Fund loan and debentures, the Group now considers the unitholder loan and RMBL loan as the Group's core debt. The table below summarises these facilities.

Item	30 June 2022 ($'000)	30 June 2021 ($'000)	Description
Loan from IPG Mortgage Fund	**0**	10,000	Loan from IPG Mortgage Fund secured by Linkletter's Place. Interest rates were 6% - 8% per annum. The facility was repaid in January 2022. Refer to Note 13 of the financial statements for further details.
Debentures Series 5 and 8	**0**	1,627	Unsecured loans used to fund the Group's working capital needs. Interest rates were 10% - 12.5% per annum. These debentures were repaid in January 2022. Refer to Note 13 of the financial statements for further details.
Unitholder loan	**1,574**	989	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. At 30 June 2022, the Trust had drawn down $1.57 million of the loan facility. Refer to Note 13 of the financial statements for further details.
RMBL loan	**13,000**	0	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. Refer to Note 13 of the financial statements for further details.
Total core debt	**14,574**	12,616	

At 30 June 2022, the interest payable on the unitholder loan and RMBL loan was $22,620 and $40,068 respectively.

- Loans and debentures (Series 3, 4, 6, 7 and 9)

The Group issued the Series 3, 4, 6, 7 and 9 debentures for the purpose of on-lending the proceeds raised to iProsperity Underwriting Pty Ltd ("IPU"). The Group was expecting to earn an interest spread (margin) on the interest rate differential between the interest rate on the debentures and the loans.

However, following the appointment of a receiver to IPU, and it ultimately being placed into liquidation, the Group no longer expected to earn this margin income in the future.

Directors' report
For the year ended 30 June 2022 (continued)

These debentures were issued on a limited recourse basis, so to the extent that the Group did not recover any principal or receive any further interest on the loans to IPU, it had no obligation to pay interest on the debentures or to repay the debentures on their contractual maturity.

In August 2021, the Trust transferred to the relevant Debenture Holder, for nil consideration, the receivable from ALT Sub Trust No 4 and ALT Sub Trust No 5 together with the units it owns in each of those ALT Sub Trusts (Sub-Trust Assets). As the Sub-Trusts Assets represent the full amount the Debenture holders were ever entitled to recover in respect of the limited recourse debentures, in exchange for transferring the Sub-Trust Assets to the Debenture Holders, the Debenture Holders have agreed to forgive any liability that the Trust has under the limited recourse debentures it has issued to the Debenture Holders.

As a result the Group has forgone the ability to earn any possible margin income which may arise from any loans ALT Sub Trust No 4 and ALT Sub Trust No 5 has previously advanced to IPU. The timing and amount of any recovery from these loans was uncertain.

Distributions

The Responsible Entity has determined that no distribution will be paid for financial year ended 30 June 2022 (2021: $nil).

Units on issue

During the year, no units (2021: nil units) were issued pursuant to the Distribution Reinvestment Plan. At 30 June 2022 units on issue were 91,472,521 units (2021: 91,472,521 units).

Responsible entity and associates

The Responsible Entity fees for the year were $122,343 (2021: $33,798).

Details of fees paid or payable to the Responsible Entity out of scheme property are included in Note 23 of the financial report.

Significant changes in state of affairs

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). 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.

Subsequent events after balance date

The Trust was removed from the Official List of the ASX at the commencement of trading on 14 July 2022.

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.

Likely developments and expected results

The Responsible Entity will continue to explore opportunities to stabilise the Group's capital structure. The Responsible Entity will continue to look at opportunities to maximise proceeds from the exploitation of the investment property including the sale of harvested timber.

Directors' report
For the year ended 30 June 2022 (continued)

Likely developments and expected results (continued)

Further information on likely developments in the operations of the Group and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation and performance

To the best of the directors' knowledge, the operations of the consolidated entity have been undertaken in compliance with the applicable environmental regulations that apply to the Group's activities. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

Indemnification and insurance of directors, officers and auditors

During or since the financial year, the Group has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Group or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Group. In addition, the Group has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Group.

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 Class Order 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 40.

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

Frank Tearle
Director
One Managed Investment Funds Limited.
Sydney
23 September 2022

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	**Consolidated 2022 $'000**	Consolidated 2021 $'000
Continuing operations			
Timber income		**547**	92
Interest income		**2,362**	14,065
Rental and outgoings income	14	**468**	126
Gain on restructure of debentures		**143,921**	-
Net increment/(decrement) in fair value of investment property	6(b)	**4,775**	(6,242)
Total income		**152,073**	8,041
Finance costs	15	**2,941**	11,871
Responsible entity fees		**122**	34
Maintenance and roading costs		**224**	135
Impairment losses on financial assets	5	**2,350**	14,065
Other expenses	21	**279**	957
Total expenses		**5,916**	27,062
Net profit/(loss) attributable to unitholders		**146,157**	(19,021)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) attributable to unitholders		**146,157**	(19,021)
Basic and diluted income/(loss) per unit (cents)	8	**159.78**	(20.44)

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

Consolidated statement of financial position
As at 30 June 2022

	Note	**Consolidated 2022 $'000**	Consolidated 2021 $'000
Current assets			
Cash and cash equivalents	3(a)	**134**	94
Trade and other receivables - net	4	**22**	98
Loan receivable - net	5	**-**	-
Other current assets		**2**	-
Total current assets		**158**	192
Non-current assets			
Other assets - equipment		**-**	50
RMBL deposits		**360**	-
Investment property	6	**38,540**	33,310
Total non-current assets		**38,900**	33,360
Total assets		**39,058**	33,552
Current liabilities			
Trade and other payables	7	**326**	723
Interest payable	12	**63**	4,550
Interest bearing loans and borrowings	13	**-**	149,407
Total current liabilities		**389**	154,680
Non-current liabilities			
Interest bearing loans and borrowings	13	**14,686**	1,046
Total non-current liabilities		**14,686**	1,046
Total liabilities		**15,075**	155,726
Net assets/(liabilities) attributable to unitholders		**23,983**	(122,174)
Represented by			
Units on issue	10	**55,299**	55,299
Retained losses		**(31,316)**	(177,473)
Total unitholders interests		**23,983**	(122,174)

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

Consolidated statement of changes in unitholders interests
For the year ended 30 June 2022

	Retained losses $'000	Units on issue $'000	Net assets attributable to unitholders $'000
Balance at 1 July 2020	(158,452)	55,299	(103,153)
Net loss attributable to unitholders before distributions to unitholders	(19,021)	-	(19,021)
Balance at 30 June 2021	(177,473)	55,299	(122,174)
Balance at 1 July 2021	**(177,473)**	**55,299**	**(122,174)**
Net profit attributable to unitholders before distributions to unitholders	**146,157**	**-**	**146,157**
Balance at 30 June 2022	**(31,316)**	**55,299**	**23,983**

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

Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	**Consolidated 2022 $'000**	Consolidated 2021 $'000
Cash flows from operating activities			
Interest received		**12**	-
Rental and outgoings received		**132**	454
Other receipts		**699**	2
Interest and borrowing costs paid		**(1,233)**	(794)
Other expenses paid		**(759)**	(846)
Net cash used in operating activities	3(b)	**(1,149)**	(1,184)
Cash flows from investing activities			
Purchase of equipment		**-**	(50)
Capital expenditures on investment property		**(409)**	-
Reinvestment in RMBL account		**(360)**	-
Net cash used in investing activities		**(769)**	(50)
Cash flows from financing activities			
Proceeds from unitholder loan		**585**	989
Repayment of loans and borrowings		**(11,627)**	-
Proceeds from RMBL loan		**13,000**	-
Net cash provided by financing activities		**1,958**	989
Net increase/(decrease) in cash and cash equivalents		**40**	(245)
Cash and cash equivalents at the beginning of the year		**94**	339
Cash and cash equivalents at the end of the year	3(a)	**134**	94

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

Notes to the consolidated financial statements
For the year ended 30 June 2022

1. Trust information

Agricultural Land Trust ("Trust") is an Australian registered managed investment scheme. One Managed Investment Funds Limited ("OMIFL"), the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The financial report of Agricultural Land Trust comprises Agricultural Land Trust and its controlled entities ("Group").

The consolidated financial report of the Group for the year ended 30 June 2022 was authorised for issue by the directors on 23 September 2022 and in accordance with a resolution of the directors of the Responsible Entity as at the date of signing the Directors' Declaration.

The registered office and principal place of business of the Responsible Entity is located at Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW, 2000. The nature of the operations and principal activities of the Trust are described in the Directors' Report.

2. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the Constitution of the Agricultural Land Trust and the Corporations Act 2001 in Australia, including applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and other mandatory professional reporting requirements. For the purposes of preparing the Financial Statements, the Trust is a for-profit entity.

The consolidated financial report has been prepared on a historical cost convention except for the investment property, which is measured at fair value. Independent valuations are conducted in accordance with the Responsible Entity's valuation policy. Where an independent valuation is obtained, it will be considered by the directors of the Responsible Entity when determining fair values (refer to Note 6).

The consolidated 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.

(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 at when they fall due.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

2. 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.

(c) Statement of compliance

The consolidated financial statements comply with Australian Accounting Standards and Interpretation issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(d) Adoption of new and revised accounting standards

The consolidated entity 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.

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

(e) Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the parent entity Agricultural Land Trust and its subsidiaries as at 30 June 2022.

The financial statements of subsidiaries are prepared for the same reporting period as parent entity Agricultural Land Trust using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Control of a subsidiary is determined by the parent entity's power over the subsidiary and its ability to direct activities that significantly affect returns. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which parent entity Agricultural Land Trust has control.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

2. Summary of significant accounting policies (continued)

(f) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on the various factors that it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies from which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Investment properties - Valuation

Investment properties are valued in accordance with the Responsible Entity’s valuation policy. This policy requires an independent valuation of the property to be conducted at intervals set out in that policy. The independent valuation usually forms the basis for determination of the fair value of the property by the directors of the Responsible Entity (refer to Note 6).

(g) Provision for distribution

The Responsible Entity has determined that no distribution will be paid for the financial year ended 30 June 2022.

(h) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction. For an asset or disposal group to be classified as held for sale it must be available for sale in its present condition and its sale must be highly probable within one year. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use.

A discontinued operation is a component of the Group that has been discontinued, disposed of or is classified as held for sale and that represents a separate major line of business or is part of a single coordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately on the face of the income statement.

2. Summary of significant accounting policies (continued)

(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue brought to account but not received at balance date is recognised as a receivable. The following specific recognition criteria must also be met before revenue is recognised:

Timber income

Timber income is recognised as income when receivable under the terms of the SPF harvest agreement. The first instalment of timber harvest payments (70% of the estimated purchase price) is made monthly during the harvest period and the second instalment of 30% of timber harvest payments (retention amount) is made once harvested timber has been shipped.

Interest income

Revenue is recognised as the interest accrues using the effective interest method.

Property lease revenue

Property lease revenue represents income earned from the rental of Group properties and is recognised on a straight line basis over the lease term.

One Investment Administration Ltd ("OIAL") the trustee of ALT No.1 Trust is currently receiving $400,000 (GST exclusive) rental income per annum from April 2021 in respect of its lease of part of the investment property, Linkletter's Place.

(j) Expenses

All expenses are recognised in the Consolidated statement of profit or loss and other comprehensive income on an accruals basis.

(k) Investments and other financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

2. Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets held at amortised cost

Loans and receivables are classified and measured at amortised cost. These financial assets are held in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

(l) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance is recognised in profit or loss.

(m) Taxation

Under current Australian income tax legislation, the Trust is not liable for income tax provided that its taxable income (including taxable capital gains, if any) is fully distributed to unit holders each year.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”) except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated inclusive of the GST.

2. Summary of significant accounting policies (continued)

(m) Taxation (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is recognised as a receivable or payable in the Consolidated statement of financial position. Cash flows are included in the Consolidated statement of cash flows on a gross basis.

The GST component of cash flows arising from financing activities which is recoverable from or payable to the taxation authority is classified as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Terms and conditions on units

Units in the Trust are classified as equity instruments. Each unit issued confers upon the unit holder an equal interest in the Trust. A unit does not confer any interest in any particular asset or investment of the Trust. Unit holders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- receive income distributions;
- attend and vote at meetings of unitholders;
- participate in the termination and winding up of the Trust; and
- all units have identical features and do not include any contractual obligations to deliver cash or another financial asset other than the unit holder's rights to a pro rata share of the Trust's net assets in the event of the Trust's liquidation.

The rights, obligations and restrictions attached to each unit are identical in all respects.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

3. Cash and cash equivalents

(a) Components of cash and cash equivalents

	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash at bank	**134**	94
Total cash and cash equivalents	**134**	94

(b) Reconciliation of total comprehensive profit/(loss) for the year to net cash flows provided by operating activities

	Consolidated 2022 $'000	Consolidated 2021 $'000
Total comprehensive profit/(loss)	**146,157**	(19,021)
Adjustments for:		
Net (increment)/decrement in fair value adjustment	**(4,775)**	6,242
Impairment losses on financial assets	**2,350**	14,065
Gain on restructure of debentures	**(143,921)**	-
Non-cash interest income and expense	**(314)**	(2,988)
Straight lining adjustments	**(46)**	(12)
Capitalised borrowing costs	**(149)**	-
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	**76**	(90)
(Increase) in other assets	**(2)**	-
(Decrease)/increase in trade and other payables	**(525)**	620
Net cash outflow from operating activities	**(1,149)**	(1,184)

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

4. Trade and other receivables

	Consolidated 2022 $'000	Consolidated 2021 $'000
GST receivables	**22**	-
Accrued income – timber	**-**	98
Loan interest receivable	**-**	5,587
Gross trade and other receivables	**22**	5,685
Less Provision for impairment - interest receivable	**-**	(5,587)
Total trade and other receivables	**22**	98

Further details of the Provision for impairment is disclosed in Note 5.

5. Loan receivable and provision for impairment

	Consolidated 2022 $'000	Consolidated 2021 $'000
Loan receivable	**-**	141,279
Provision for impairment - loan receivable	**-**	(141,279)
Total loan receivables	**-**	-
Opening balance – provision for impairment	**146,866**	132,801
Impairment losses adjusted for the period*	**2,350**	14,065
Reversal on restructure of debentures	**(149,216)**	-
Closing balance - provision for impairment *	**-**	146,866

In August 2021, the Trust transferred to the relevant Debenture Holder, for nil consideration, the receivable from ALT Sub Trust No 4 and ALT Sub Trust No 5 together with the units it owns in each of those ALT Sub Trusts (Sub-Trust Assets).

* Including interest receivable.

6. 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 directors’ valuations. 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. 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.

	Consolidated 2022 $'000	Consolidated 2021 $'000
Rural property - Linkletter’s Place at fair value	**38,540**	33,310
Total investment property	**38,540**	33,310

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

	Consolidated 2022 $'000	Consolidated 2021 $'000
Opening balance	**33,310**	30,380
Fair value gain of investment property	**4,775**	2,918
Capitalised roading costs	**409**	-
Accumulated straight-lining of rental income	**46**	12
Closing balance	**38,540**	33,310

Rental income from the investment property during the year was $0.47 million (2021: $0.13 million).

During the year ended 30 June 2022 the Group earned $0.55 million (2021: $0.09 million) from the sale of timber and incurred costs of $0.22 million (2021: $0.14 million) associated with the harvesting of that timber. These costs include land tax and other maintenance costs.

6. Investment property (continued)

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

At 30 June 2022, the Directors have adopted the independent Opteon valuation without adjustment. The investment property has been measured at fair value based on a directors' valuation, having regard to an independent valuation, conducted by Opteon, 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 2021 was $33.31 million. The main driver of the increase in the "As is" valuation is due to an approximate 20% increase in the value per hectare assigned to the remediated areas of the property and the increase in the remediated areas.

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	Rate	Source	Basis of valuation	Valuation level	Basis
Recently cleared land	2,700.0 hectares	$6,000.00	Opteon	Comparable sales	2	
Plantation land	4,788.9 hectares	$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 hectares	$5,500.00	Opteon	Comparable sales	2	
Bush/Balance	1,029.4 hectares	$50.00	Opteon	Comparable sales	2	
Property improvements		$784,000.00	Opteon	Discount on replacement cost	3	

6. Investment property (continued)

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

The land value was assessed by analysing land sales of similar size, location, topography and use to the subject property's land component, and then applying a rate per hectare to the cleared agricultural land and non-arable land area. The most significant input is the rate per hectare of land based mostly on comparable land sales for plantation land and cleared and pastured land. 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. Any change in the rate per hectare for comparable land sales would result in a movement in the fair value of the investment property.

For the year ended 30 June 2019 the directors of the Responsible Entity commissioned for the first time a valuation of the forest assets located on Linkletter's Place. This valuation assessed that the forest assets had a value of $4.12 million.

Given the Group's current focus on cash flow management, it was decided not to appoint a valuer to conduct a valuation of the forest assets for the year ended 30 June 2022. Given the complexity involved in valuing the forestry assets, in the absence of an external valuation it is not possible for the Group to assess the value of the forestry assets at 30 June 2022.

The Group will continue to work with SPF to maximise the value that it is able to achieve from the harvesting of the remaining forestry assets located on Linkletter's Place, as this will allow the property to achieve a fully remediated state as quickly as is practicable.

Linkletter's Place measures 8,945 hectares in total and it is estimated compromises the following types of land use as at 30 June 2022:

Type	Estimated land size
Plantation land	4,788.9 hectares
Recently cleared land	2,700.0 hectares
Existing cleared land	427.0 hectares
Bush/Balance	1,029.4 hectares

There have been no transfers between the levels of the fair value hierarchy. The Trust has determined its policy to be to apply all transfers from the end of the reporting period.

The Linkletter's Place investment property is pledged as security to secure the Group's RMBL borrowings (refer to Note 13).

7. Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. They are non-interest bearing and generally on 30-day terms.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

7. Trade and other payables (continued)

	Consolidated 2022 $'000	Consolidated 2021 $'000
Trade creditors	**20**	7
Other payables and accruals	**106**	116
Accrual for settlement costs	**200**	300
Rent received in advance	**-**	300
Total trade and other payables	**326**	723

8. Earnings per unit (EPU)

Basic EPU is calculated as net income/(loss) attributable to the unitholders of the Group divided by the weighted average number of ordinary units. Diluted EPU is calculated as net income/(loss) attributable to unitholders of the Group divided by the weighted average number of ordinary units adjusted for the effects of all dilutive potential ordinary units.

	Consolidated 2022	Consolidated 2021
Basic income/(loss) per unit (cents)	**159.78**	(20.44)
Diluted income/(loss) per unit (cents)	**159.78**	(20.44)

The weighted number of units in the calculation of earnings per unit is 91,472,521 (2021: 93,077,011).

9. Net asset/(liability) backing per unit

	Consolidated 2022	Consolidated 2021
Basic net asset/(liability) backing per unit ($)	**0.26**	(1.34)

Basic net asset/(liability) backing per unit is calculated by dividing the total unitholders interest by the number of units on issue at the year-end.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

10. Units on issue

	Consolidated 2022 No of Units	**Consolidated 2022 $'000**	Consolidated 2021 No of Units	Consolidated 2021 $'000
Units on issue at the beginning of the period	**91,472,521**	**55,299**	97,510,036	55,299
Units cancelled during the period	**-**	**-**	(6,037,515)	-
Closing balance	**91,472,521**	**55,299**	91,472,521	55,299

Rights and restrictions over Ordinary units:

- Each unit ranks equally with all other ordinary units for purpose of distributions and on termination of the Trust, and
- At a meeting of members of the Trust ordinary units entitle the holder (whether in person or by proxy) where voting is:
  - (i) by way of a show of hands, to one vote; and
  - (ii) on a poll, each member of the scheme has 1 vote for each dollar of the value of the total interests they have in the scheme.

When managing capital, the Responsible Entity's objective is to ensure that the Group continues as a going concern and maintains optimal returns to unit holders and optimal benefits for other stakeholders. The Responsible Entity monitors its gearing ratio (debt/total assets) when assessing capital management requirements. The Trust is not subject to any externally imposed capital requirements.

The Trust has in place a Distribution Reinvestment Plan ('DRP') which assists the Responsible Entity with the management of its capital requirements. The DRP allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Securities Exchange during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the directors at their absolute discretion. The value of distributions reinvested relating to the 2022 year were $nil (2021: $nil) which resulted in the issue of nil units (2021: nil units).

11. Distributions to unitholders

The directors of the Responsible Entity have determined that no distribution will be paid for the financial year ended 30 June 2022 (2021: $nil).

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

12. Interest payable

	Consolidated 2022 $'000	Consolidated 2021 $'000
Interest payable - Debenture Series 3, 4, 6, 7 and 9	**-**	4,322
Interest payable - Debenture Series 5 and 8	**-**	17
Interest payable - Loan from IPGMF	**-**	201
Interest payable - Unitholder loan	**23**	10
Interest payable - Loan from RMBL	**40**	-
Total interest payable	**63**	4,550

Further details of the interest payable is disclosed in the Note 13.

13. 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.

In August 2021, the Trust transferred to the relevant Debenture Holder, for nil consideration, the receivable from ALT Sub Trust No 4 and ALT Sub Trust No 5 together with the units it owns in each of those ALT Sub Trusts (Sub-Trust Assets). As the Sub-Trusts Assets represent the full amount the Debenture holders were ever entitled to recover in respect of the limited recourse debentures, in exchange for transferring the Sub-Trust Assets to the Debenture Holders, the Debenture Holders have agreed to forgive any liability that the Trust has under the limited recourse debentures it has issued to the Debenture Holders, i.e. the Series 3, 4, 6, 7 and 9 debentures.

In January 2022, the Trust completed the refinance of the $10 million secured loan from IPGMF and of the Series 5 and Series 8 debentures ($1.6 million) into a single loan from RMBL. The new facility is fully drawn and has a facility limit of $13 million. The new facility has a term of three years.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

13. Interest bearing loans and borrowings (continued)

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current		
Loan from IPGMF	**-**	10,000
Debentures - Series 5 and 8	**-**	1,627
Debentures- Series 3, 4, 6, 7 and 9	**-**	123,150
Capitalised interest on debenture Series 3, 4, 6, 7 and 9	**-**	14,630
Total current	**-**	149,407
Non-current		
Capitalised borrowing cost	**(149)**	-
Unitholder loan	**1,574**	989
Capitalised interest on unitholder loan	**261**	57
Loan from RMBL	**13,000**	-
Total non-current	**14,686**	1,046
Financing facilities		
Total facilities used*	**14,574**	135,766
Total facilities unused	**926**	46,011
Total facilities	**15,500**	181,777

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. RMBL has advised the interest rate will increase to 7% and collection charges to 1.75% in December 2022.

*Excludes capitalised interest and capitalised borrowing cost.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

13. Interest bearing loans and borrowings (continued)

The debentures on issue and loans are as follows:

Loan	Facility Limit ($)	Amount ($)	Drawdown Date	Maturity	Interest Rate
Unitholder loan	2,500,000	1,573,642	26-Aug-20	25-Aug-23	15.00%
RMBL loan	13,000,000	13,000,000	28-Jan-22	28-Jan-25	6.00%
Total	**15,500,000**	**14,573,642**			

As at 30 June 2022, the unitholder loan balance was $1,834,747, including capitalised interest of $261,105. Following the refinancing of IPG Mortgage Fund board and the debentures, the rate of interest increased to 15% per annum.

14. Rental and outgoings income

	Consolidated 2022 $'000	Consolidated 2021 $'000
Rental income	**403**	100
Rental income - straight lining	**46**	12
Outgoings and other lease income	**19**	14
Total rental and outgoings income	**468**	126

15. Finance costs

	Consolidated 2022 $'000	Consolidated 2021 $'000
Interest expense	**2,917**	11,871
Borrowing costs	**24**	-
Total finance costs	**2,941**	11,871

16. Capital commitments

The Group did not have any contractual capital commitments as at 30 June 2022 (2021: $nil).

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

17. Financial risk management objectives and policies

The Group's principal financial instrument is RMBL loan. The RMBL loan of $13 million (refinanced Series 5 and 8 Debentures and IPGMF) has security over the Linkletter's Place investment property.

The Group has various other financial instruments such as cash and cash equivalents, trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the year, the Group's policy that it will not trade in financial instruments. The main risks from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Board's policies for managing each of these risks are summarised below.

(a) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to any long-term debt obligations. As at 30 June 2022, the Group has $13 million RMBL loan subject to variable rates of interest. Monthly cash outlays of approximately $81,500 per month are required to service the interest payments. An official increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on net profit of $130,000 per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

The Group reviews its debt requirements on a regular basis to ensure an appropriate mix of fixed and variable interest rate debt. As the Group's income is limited at present, having fixed costs may be beneficial. The mix of financial assets and liabilities is summarised in Notes 3, 4, 5, 7 and 13. Given that the Group has not entered into any hedging arrangements, changes in interest rates are not likely to have an effect on the carrying values of financial assets.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's harvesting activities and from the existing lease.

(c) Liquidity risk

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group updates and reviews its cash flow forecasts to assist in managing its liquidity. The remaining contractual maturities of the Group's financial assets and liabilities are summarised in the tables below.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

17. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

At 30 June 2022	**< 12 months $'000**	**1-5 years $'000**	**> 5 years $'000**	**Total $'000**
Consolidated financial assets				
Cash and cash equivalents	**134**	**-**	**-**	**134**
Other receivables	**22**	**-**	**-**	**22**
RMBL deposits	**-**	**360**	**-**	**360**
Total financial assets	**156**	**360**	**-**	**516**
Consolidated financial liabilities				
Trade and other payables	**326**	**-**	**-**	**326**
Interest payable	**63**	**-**	**-**	**63**
Interest bearing loans and borrowings	**-**	**14,686**	**-**	**14,686**
Total financial liabilities	**389**	**14,686**	**-**	**15,075**
Net maturity	**(233)**	**(14,326)**	**-**	**(14,559)**

At 30 June 2021	< 12 months $'000	1-5 years $'000	> 5 years $'000	Total $'000
Consolidated financial assets				
Cash and cash equivalents	94	-	-	94
Other receivables	5,685	-	-	5,685
Impairment – interest receivable	(5,587)	-	-	(5,587)
Loan receivable	141,279	-	-	141,279
Impairment - loan receivable	(141,279)	-	-	(141,279)
Total financial assets	192	-	-	192
Consolidated financial liabilities				
Trade and other payables	723	-	-	723
Interest payable	4,550	-	-	4,550
Interest bearing loans and borrowings	149,407	1,046	-	150,453
Total financial liabilities	154,680	1,046	-	155,726
Net maturity	(154,488)	(1,046)	-	(155,534)

17. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

As at 30 June 2021, the Series 3, 4, 6, 7 and 9 debentures were issued on a limited recourse basis, so to the extent that the Group does not recover any principal or receive any further interest on the loans to IPU, it has no obligation to pay interest on the debentures or to repay the debentures on their contractual maturity.

18. Subsequent events

The Trust was removed from the Official List of the ASX at the commencement of trading on 14 July 2022.

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.

19. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). The entity's chief operating decision maker regularly reviews its operating results, in order to make decisions about resource allocations and assess its performance, for which discrete financial information is available. This includes start-up operations, which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers - being the board of directors of the Responsible Entity. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Group operates wholly within Australia and aims to become a crop and grazing landlord after completion of remediation works on its sole investment property Linkletter's Place in Esperance, Western Australia. Opportunities for sale or leasing are assessed on an on-going basis.

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

20. Parent entity financial information

The financial information in relation to the Group's parent entity, Agricultural Land Trust, is summarised in the table below.

	Parent 2022 $'000	Parent 2021 $'000
Current assets	**7,494**	32,703
Non-current assets	**27,423**	7,172
Total assets	**34,917**	39,875
Current liabilities	**7,075**	4,601
Non-current liabilities	**3,859**	157,448
Total liabilities	**10,934**	162,049
Net assets attributable to unitholders	**23,983**	(122,174)
Represented by:		
Issued capital	**55,299**	55,299
Retained losses	**(31,316)**	(177,473)
Total unitholders' interest	**23,983**	(122,174)
Net income/(loss) of the parent entity	**146,157**	(19,021)
Total comprehensive income/(loss)	**146,157**	(19,021)

Details of any guarantees entered by the parent entity in relation to the debts of its subsidiaries	None	None
Details of any contingent liabilities of the parent entity	None	None
Details on any contractual commitments by the parent entity for the acquisition of property, plant or equipment	None	None

**Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)**

21. Other expenses

	Consolidated 2022 $'000	Consolidated 2021 $'000
Audit fees	**53**	46
Council rates	**96**	96
Legal fees	**54**	100
Listing fees	**47**	39
Lease surrender fee	**-**	350
Settlement expenses	**-**	300
Tax consulting fees	**13**	14
Valuation fees	**8**	9
Consulting fees	**2**	-
Other expenses	**6**	3
Total other expenses	**279**	957

22. Auditor's remuneration

Amounts received or due and receivable by the auditor for:

	Consolidated 2022 $	Consolidated 2021 $
Crowe Sydney - an audit and review of the financial report	**48,195**	42,338
Ernst & Young - compliance plan audit	**4,703**	3,602
Total auditor's remuneration	**52,898**	45,940

23. Related party transactions

(a) Responsible entity

The Responsible Entity of Agricultural Land Trust as at 30 June 2022 is One Managed Investment Funds Limited ("OMIFL") whose parent entity at 30 June 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 $122,343 (2021: $98,214).

Notes to the consolidated financial statements
For the year ended 30 June 2022 (continued)

23. Related party transactions (continued)

(a) Responsible entity (continued)

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

(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.

At 30 June 2022, $49,203 was payable to the Responsible Entity (2021: $23,550).

(b) Related party transactions

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**	
	2022	**2021**
	%	**%**
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
ALT Sub Trust No 4	-	100.00
ALT Sub Trust No 5	-	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.

23. Related party transactions (continued)

(b) Related party transactions (continued)

Debenture holder

As at 30 June 2021, the debenture holders in respect of Series 1 - Series 9 were One Funds Management Limited as trustee for Cornerstone New SIV Bond Fund and One Funds Management Limited as trustee for Cornerstone Bond Fund ("Cornerstone"). The Trustee of Cornerstone, One Funds Management Limited ("OFML") is owned by OIG. Interest is payable in accordance with the terms of the debentures. In January 2022, the Trust completed the refinance of the Series 5 and Series 8 debentures ($1.6 million) into the RMBL loan.

Loan holder

As at 30 June 2021, the lender in respect of the $10 million loan was One Funds Management Limited as trustee for the IPG Mortgage Fund. The Trustee of IPG Mortgage Fund, One Funds Management Limited ("OFML") is owned by OIG. Interest is payable in accordance with the terms of the loan agreement. In January 2022, the Trust completed the refinance of the $10 million secured loan from IPGMF to RMBL loan.

(c) Details of key management personnel

Directors

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

<u>One Managed Investment Funds Limited</u>

Name	**Title**
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. Compensation is payable to the Trust's Responsible Entity in the form of fees disclosed in Note 23(a).

(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.

24. 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 payments expected to be received under the non-cancellable operating lease not recognised in the consolidated financial statements as receivable are as follows:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Less than 1 year	**413**	403
1 to 5 years	**1,756**	1,713
Over 5 years	**1,810**	2,266
Total future minimum lease payments	**3,979**	4,382

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 30 June 2022 (2021: $nil).

Directors' declaration
30 June 2022

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 30 June 2022 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and

(c) with reference to Note 2 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 financial year ended 30 June 2022.

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

Frank Tearle
Director
One Managed Investment Funds Limited
Sydney
23 September 2022

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

Opinion

We have audited the financial report of Agricultural Land Trust and its controlled entities (the "Trust"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in unitholders interests and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Forest Assets Valuation

Note 6 in the financial report discloses the Trust's investment property which is valued at $38,540,000 as at 30 June 2022. We draw attention to Note 6(c) which indicates that the investment property contains forest assets located on Linkletter's Place. No current valuation has been performed and there is no asset recorded for these forest assets as at 30 June 2022. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Sydney

Barbara Richmond
Partner

23 September 2022
Sydney

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23 September 2022

The Directors
One Managed Investment Funds Limited
As Responsible Entity of Agricultural Land Trust
Level 16, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Board Members

Agricultural Land Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of One Managed Investment Funds Limited.

As lead audit partner for the audit of the financial report of Agricultural Land Trust for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Crowe Sydney

Crowe Sydney

Barbara Richmond
Partner