

Agricultural Land Trust

28 February 2022

Company Announcements Platform
Australian Securities Exchange

The directors of One Managed Investment Funds Limited, the Responsible Entity of the Agricultural Land Trust (the "Trust"), release the attached Appendix 4D together with the Half year report for the Trust for the period ended 31 December 2021.

The Appendix 4D and Half year report should be read in conjunction with the Trust's Annual report for the financial year ended 30 June 2021 together with all public announcements made on behalf of the Trust during the period ended 31 December 2021 and up until the date of this release.

For further information please contact:

Frank Tearle
Director (02) 8277 0000

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Agricultural Land Trust
ARSN 096 588 046

Appendix 4D
For the half year ended 31 December 2021

	% change	6 months ended 31 December 2021 \$'000	6 months ended 31 December 2020 \$'000
Results			
Revenue from ordinary activities	Up 2005%	146,812	6,973
Profit (loss) from ordinary activities after tax attributable to unit holders	Not applicable	141,544	(6,185)
Net profit (loss) attributable to unit holders	Not applicable	141,544	(6,185)
Commentary on Results			
Discussion and analysis of the Trust's results is contained in the Half Year Report.			
The Trust does not propose to pay an Interim distribution for the period			
Interim distribution payable (\$'000)		-	-
Basic and diluted earnings (cents per unit)		154.74	(6.53)

	31 December 2021	31 December 2020
Net tangible assets		
Total net tangible assets/(liabilities) attributable to unit holders (\$'000)	19,370	(109,338)
Units on issue	91,472,521	91,472,521
Net tangible assets/(liabilities) attributable to unit holders (\$ per unit)	0.21	(1.20)

Entities over which control was gained and lost during the period

The table below sets out entities over which ALT gained and lost control of during the period.

Control gained	None
Control lost	<ul style="list-style-type: none"> • ALT Sub Trust No 4 • ALT Sub Trust No 5

This Appendix 4D should be read in conjunction with the attached Half Year Financial Report. This financial report contains an independent audit review with an unqualified conclusion.

Agricultural  Land Trust

ARSN 096 588 046

**Half year report
31 December 2021**

Agricultural Land Trust

Half year report

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Terms and abbreviations

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

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

The terms "the half year" refer to the six months ended 31 December 2021 unless otherwise stated.

Agricultural Land Trust

Half year report

Directors' report

For the half year ended 31 December 2021

The Directors of One Managed Investment Funds Limited ("OMIFL"), the Responsible Entity of Agricultural Land Trust (the "Trust") present their report for the Agricultural Land Trust and its controlled entities (the "Group") for the period ended 31 December 2021.

Directors

One Managed Investment Funds Limited

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

Review of operations

- General overview

For the half-year ended 31 December 2021, the Group reported a net profit attributable to unit holders of \$141.54 million (31 December 2020: loss \$6.19 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 31 December 2021, the Group had assets with a total value of \$33.48 million (30 June 2021: \$33.55 million) and liabilities of \$14.11 million (30 June 2021: \$155.73 million). The basis for valuation of the assets is disclosed in Note 1 to the financial report.

Operating costs for the half year ended 31 December 2021 were \$0.19 million (31 December 2020: \$0.13 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.

During the half-year ended 31 December 2021 the Group earned \$0.33 million (31 December 2020: \$nil) from the sale of timber and earned \$0.23 million (31 December 2020: \$nil) from renting the cleared areas of the property and incurred costs of \$0.40 million (31 December 2020: \$0.13 million) relating to roading and other maintenance costs.

- Investment property - Linkletter's Place

The fair value of the Group's investment property, comprising solely of the Linkletter's Place property, as at 31 December 2021 was \$33.31 million (30 June 2021: \$33.31 million).

Agricultural Land Trust Half year report

Directors' report (continued) For the half year ended 31 December 2021

The investment property has been measured at fair value based on an independent valuation, conducted by Opteon in June 2021, 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 \$33.31 million. This approach considers the current mixed usage of the property as both an agricultural and plantation asset. Further details are set out in Note 6 of the Group's 30 June 2021 Annual Report.

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

The Group considers the IPG Mortgage Fund loan, the series 5 and 8 debentures and the unitholder loan to be its 'core debt'. The table below summarises these facilities.

Item	31 December 2021 (\$'000)	30 June 2021 (\$'000)	Description
Loan from IPG Mortgage Fund	10,000	10,000	Loan from IPG Mortgage Fund secured by Linkletter's Place. Current interest rates are 6% - 8% per annum. The facility matures on 28 February 2022. Refer to Note 10 of the financial statements for further details.
Debentures Series 5 and 8	1,627	1,627	Unsecured loans used to fund the Group's working capital needs. Current interest rates are 10% - 12.5% per annum. The term of these debentures was extended during the financial year and they now have maturity dates in 2022. Refer to Note 10 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 31 December 2021, the Trust had drawn down \$1.57 million of the loan facility. Refer to Note 10 of the financial statements for further details.
Total core debt	13,201	12,616	

As noted below the IPG Mortgage Fund Loan, and series 5 and 8 debentures were repaid after 31 December 2021.

At 31 December 2021 the interest payable to loan from IPG Mortgage Fund, series 5 and 8 debentures and unitholder loan was \$205,479, \$17,659 and \$17,181 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 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 does not expect to earn this margin income in the future.

Agricultural Land Trust Half year report

Directors' report (continued) For the half year ended 31 December 2021

These 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.

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 are uncertain.

Distributions

The Responsible Entity has determined that no distribution will be paid for the half-year ended 31 December 2021 (31 December 2020: \$nil).

Significant events after balance date

Refinance of loans

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. The cost of the facility is currently 6% of interest rate per annum plus 1.5% of collection charges.

COVID-19

As at 31 December 2021, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Responsible Entity has been monitoring both the valuation of the Trust's assets and the Trust's liquidity. In these circumstances, there is uncertainty around valuations (refer Note 8). The Responsible Entity will continue to closely monitor market situations to ensure that valuations remain appropriate and update the ASX where necessary to provide informed guidance for investors during this rapidly changing environment.

Other

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

**Agricultural Land Trust
Half year report**

**Directors' report (continued)
For the half year ended 31 December 2021**

Rounding

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

Auditor's independence declaration

A copy of the Auditor's independence declaration, from the Auditor Crowe Sydney, as required under section 307C of the *Corporations Act 2001* is set out on page 24.

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



Frank Tearle
Director
One Managed Investment Funds Limited
Sydney
28 February 2022

Agricultural Land Trust
Half year report

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	31 December	31 December
	2021	2020
Notes	\$'000	\$'000
Continuing operations		
Timber income	331	-
Interest income	2,350	6,973
Rental and outgoings income	234	-
Gain on restructure of debentures	143,921	-
Unrealised fair value loss on investment property	8 (24)	-
Total income	146,812	6,973
Expenses		
Finance costs	2,304	5,896
Responsible entity fees	11 50	(15)
Audit fees	30	29
Maintenance and roading costs	399	134
Impairment losses on financial assets	2,350	6,973
Other expenses	135	141
Total expenses	5,268	13,158
Net income/(loss) attributable to unitholders	141,544	(6,185)
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) attributable to unitholders	141,544	(6,185)
Basic and diluted income/(loss) per unit (cents)	154.74	(6.53)

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

Agricultural Land Trust
Half year report

Consolidated statement of financial position
As at 31 December 2021

	Notes	31 December 2021 \$'000	30 June 2021 \$'000
Current assets			
Cash and cash equivalents	5(a)	55	94
Other current assets		13	-
Trade and other receivables	6	100	5,685
Provision for impairment - interest receivable	6	-	(5,587)
Loan receivable	7	-	141,279
Provision for impairment - loan receivable	7	-	(141,279)
Total current assets		168	192
Non-current assets			
Other assets - equipment		-	50
Investment property	8	33,310	33,310
Total non-current assets		33,310	33,360
Total assets		33,478	33,552
Current liabilities			
Trade and other payables		529	723
Interest payable	9	240	4,550
Interest bearing loans and borrowings	10	11,627	149,407
Total current liabilities		12,396	154,680
Non-current liabilities			
Interest bearing loans and borrowings	10	1,712	1,046
Total non-current liabilities		1,712	1,046
Total liabilities		14,108	155,726
Net assets/(liabilities) attributable to unitholders		19,370	(122,174)

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

**Agricultural Land Trust
Half year report**

**Consolidated statement of financial position
As at 31 December 2021
(continued)**

		31 December 2021	30 June 2021
	Notes	\$'000	\$'000
Represented by			
Units on issue	13	55,299	55,299
Retained losses		(35,929)	(177,473)
Total unitholders interests		19,370	(122,174)

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

Agricultural Land Trust
Half year report

Consolidated statement of changes in unitholders interests
For the half-year ended 31 December 2021

	Retained losses \$'000	Units on issue \$'000	Net assets/ (liabilities) attributable to unitholders \$'000
At 1 July 2020	(158,452)	55,299	(103,153)
Net (loss) attributable to unitholders before distributions to unitholders	(6,185)	-	(6,185)
At 31 December 2020	<u>(164,637)</u>	<u>55,299</u>	<u>(109,338)</u>

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

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

**Agricultural Land Trust
Half year report**

**Consolidated statement of cash flows
For the half-year ended 31 December 2021**

	31 December 2021	31 December 2020
Notes	\$'000	\$'000
Cash flows from operating activities		
Rental and outgoings received	10	-
Other receipts	323	-
Interest and borrowing costs paid	(392)	(394)
Other expenses paid	(565)	(322)
Net cash flows used in operating activities	(624)	(716)
Cash flows from investing activities		
Purchase of equipment	-	(50)
Net cash flows used in investing activities	-	(50)
Cash flows from financing activities		
Proceeds from unitholder loan	585	488
Net cash flows provided by financing activities	585	488
Net decrease in cash and cash equivalents	(39)	(278)
Cash and cash equivalents at the beginning of the period	94	339
Cash and cash equivalents at the end of the period	55	61
Non-cash financing and investing activities	-	-

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

Agricultural Land Trust

Half year report

Notes to the consolidated financial statements

For the half-year ended 31 December 2021

1 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

The half year financial report should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2021 together with all public announcements made on behalf of the Trust and its controlled entities during the half year ended 31 December 2021, and those up to the date of this financial report, in accordance with the continuous disclosure obligations arising under the *Australian Securities Exchange Listing Rules* and the *Corporations Act 2001*.

The half year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2021 except for the impact of the changes in accounting policy described below.

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

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

(b) Going concern

Notwithstanding that current liabilities exceeded current assets at 31 December 2021 the financial statements have been prepared on a going concern basis as subsequent to 31 December 2021 ALT successfully refinanced the IPG Mortgage Fund loan and Series 5 and Series 8 debentures all of which had a maturity date of less than 12 months from 31 December 2021. The new facility has a limit of \$13 million and as at the date of signing these Financial Statements is fully drawn. The cost of the facility is currently 6% of interest rate per annum plus 1.5% of collection charges. Additionally there is headroom available in the unitholder loan (\$926,358) to help meet the Group's short-term working capital needs.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

1 Summary of significant accounting policies (continued)

(c) Changes in accounting policy

New Standards and Interpretations

The accounting policies applied in these half year financial statements are the same as those applied to the Group's financial statements for the year ended 30 June 2021.

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

2 Contingent liabilities and contingent assets

There were no contingent assets and liabilities or commitments as at 31 December 2021 (30 June 2021: \$nil).

3 Segment reporting

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

4 Non-cash financing and investing activities

The Trust has a distribution reinvestment plan ("DRP") which allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the ASX 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.

For the period ended 31 December 2021, there were \$nil distributions (31 December 2020: \$nil).

	31 December 2021 \$'000	31 December 2020 \$'000
Non-cash financing and investing activities	-	-

Agricultural Land Trust
Half year report

Notes to the consolidated financial statements (continued)
For the half-year ended 31 December 2021

5 Cash and cash equivalents

(a) Components of cash and cash equivalents

	31 December 2021 \$'000	30 June 2021 \$'000
Cash at bank	<u>55</u>	94
Total cash and cash equivalents	<u>55</u>	94

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

	31 December 2021 \$'000	31 December 2020 \$'000
Net income/(loss)	141,544	(6,185)
<i>Adjustments:</i>		
Impairment loss	2,350	6,973
Gain on restructure of debentures	(143,921)	-
Non-cash interest income and expense	(443)	(1,474)
Straight lining adjustments	(24)	-
Net decrement in fair value adjustment	24	-
<i>Changes in assets and liabilities:</i>		
(Increase) in receivables	(5)	(9)
(Increase) in other assets	(13)	-
(Decrease) in payables	(136)	(21)
Net cash flows used in operating activities	<u>(624)</u>	(716)

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

6 Trade and other receivables

	31 December 2021 \$'000	30 June 2021 \$'000
GST receivables	6	-
Accrued income – timber	94	98
Loan interest receivable	-	5,587
Gross trade and other receivables	100	5,685
Less Provision for impairment - interest receivable	-	(5,587)
Total trade and other receivables	100	98

7 Loan receivable and Provision for impairment

	31 December 2021 \$'000	30 June 2021 \$'000
Loan receivable	-	141,279
Provision for impairment - loan receivable	-	(141,279)
Total loan receivable	-	-

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).

8 Investment property

(a) Investment property

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

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

Agricultural Land Trust
Half year report

Notes to the consolidated financial statements (continued)
For the half-year ended 31 December 2021

8 Investment property (continued)

(a) Investment property (continued)

	31 December 2021 \$'000	30 June 2021 \$'000
Rural property - Linkletter's Place at fair value	33,310	33,310
Total investment property	33,310	33,310

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

	31 December 2021 \$'000	30 June 2021 \$'000
Opening balance	33,310	30,380
Fair value (loss)/gain adjustments	(24)	2,918
Accumulated straight-lining of rental income	24	12
Closing balance	33,310	33,310

Rental income from the investment property during the year was \$0.23 million (2020: \$nil).

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

The investment property has been measured at fair value based on an independent valuation, conducted by Opteon in July 2021, 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 \$33.31 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 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.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

8 Investment property (continued)

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

The table below presents the summary of Level 3 inputs.

Land Component	Area (Hect)	Rate	Source	Basis of Valuation	Valuation Level	Basis
Recently Cleared	1,867	\$5,000	Opteon	Comparable sales	2	
Plantation Land	\$5,488	\$3,750	Opteon	Discount to cleared areas	3	Comparable sales (\$5,000 per hectare) discounted by \$1,250 to reflect costs of clearing land and remediating to agricultural standard
Existing Cleared Land	560	\$4,500	Opteon	Comparable sales	2	
Balance	1,029	\$50	Opteon	Comparable sales	2	

Further details are set out in Note 6 of the Group's 30 June 2021 Annual Report.

9 Interest payable

	31 December 2021 \$'000	30 June 2021 \$'000
Interest payable - Debenture Series 3, 4, 6, 7 and 9	-	4,322
Interest payable - Debenture Series 5 and 8	18	17
Interest payable - Loan from IPGMF	205	201
Interest payable - Unitholder loan	17	10
Total interest payable	240	4,550

Further details of the interest payable on Series 3, 4, 6, 7 and 9 debentures is disclosed in the Note 10.

10 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.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

10 Interest bearing loans and borrowings (continued)

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.

	31 December 2021 \$'000	30 June 2021 \$'000
Current		
Loan from IPGMF	10,000	10,000
Debentures - Series 5 and 8	1,627	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	11,627	149,407
Non-current		
Unitholder loan	1,574	989
Capitalised interest on unitholder loan	138	57
Total non-current	1,712	1,046
Financing facilities		
Total facilities used*	13,201	135,766
Total facilities unused	926	46,011
Total facilities	14,127	181,777

* Excludes capitalised interest.

The unitholder loan is from Balmain Investment Trust. The non default interest rate on the loan is 12% per annum and 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.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

10 Interest bearing loans and borrowings (continued)

The debentures on issue and loans are as follows:

Debenture/Loan	Facility Limit (\$)	Amount (\$)	Drawdown Date	Maturity	Interest Rate
Debentures Series 5	1,000,000	1,000,000	7-Sep-17	7-Apr-22	12.50%
Debentures Series 8	627,081	627,081	28-Feb-18	7-Apr-22	10.00%
IPG Mortgage Fund	10,000,000	10,000,000	28-Feb-18	28-Feb-22	6.00%
Unitholder loan*	2,500,000	1,573,642	26-Aug-20	25-Aug-23	12.00%
Total	14,127,081	13,200,723			

* As at 31 December 2021, the unitholder loan balance was \$1,711,619, including capitalised interest of \$137,977. Following the refinancing of IPG Mortgage Fund board and the debentures, the rate of interest increased to 15% per annum.

11 Related party disclosures

(a) Responsible entity

The Responsible Entity of Agricultural Land Trust as at 31 December 2021 is One Managed Investment Funds Limited ('OMIFL') whose parent entity at 31 December 2021 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 \$49,592 for the half year ended 31 December 2021 (31 December 2020: \$49,823).

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

- (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.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

11 Related party disclosures (continued)

(a) Responsible entity (continued)

- (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 31 December 2021, \$25,915 was payable to the Responsible Entity (30 June 2021: \$23,550).

(b) Transactions with Responsible Entity and its associated entities

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

Name

	Equity interest held by parent entity	
	31 December 2021	30 June 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.

Debenture holder

The debenture holders in respect of Series 1 - Series 9 are 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.

Loan holder

The lender in respect of the \$10 million loan is 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.

Agricultural Land Trust

Half year report

Notes to the consolidated financial statements (continued) **For the half-year ended 31 December 2021**

11 Related party disclosures (continued)

(c) Details of key management personnel

Directors

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

One Managed Investment Funds Limited

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.

(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.

12 Subsequent events after balance date

Refinance of loans

In January 2022, the Trust 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 with a term of three years. The cost of the facility is currently 6% of interest rate per annum plus 1.5% of collection charges.

COVID-19

As at 31 December 2021, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Responsible Entity has been monitoring both the valuation of the Trust's assets and the Trust's liquidity. In these circumstances, there is uncertainty around valuations (refer Note 8). The Responsible Entity will continue to closely monitor market situations to ensure that valuations remain appropriate and update the ASX where necessary to provide informed guidance for investors during this rapidly changing environment.

Agricultural Land Trust Half year report

Notes to the consolidated financial statements (continued) For the half-year ended 31 December 2021

12 Subsequent events after balance date (continued)

Other

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.

13 Units on issue

	31 December 2021	31 December 2021	30 June 2021	30 June 2021
	No. of Units	\$'000	No. of Units	\$'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)	-
Units on issue at the end of the period	91,472,521	55,299	91,472,521	55,299

14 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 under the non-cancellable operating lease not recognised in the consolidated financial statements as receivable are as follows:

	31 December 2021	30 June 2021
	\$'000	\$'000
Less than 1 year	418	403
1 to 5 years	1,778	1,713
Over 5 years	1,578	2,266
Total future minimum lease payments	3,774	4,382

One Managed Investment Funds Limited (OMIFL) is involved in 2 separate litigation matters which have arisen as a result of the collapse of the iProsperity Group (IPG) whereby OMIFL and other parties 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 there will be no impact on the Trust itself or on the Linkletter's Place property (or any other trust involving OMIFL) as a result of the IPG Litigation.

The Group has no other contingent assets or contingent liabilities as at 31 December 2021 (30 June 2021: \$nil).

Agricultural Land Trust Half year report

Directors' declaration

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

In the opinion of the Directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Australian Accounting Standard AASB 134 "Interim Financial Reporting"*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) with reference to Note 1(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half year ended 31 December 2021.

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



Frank Tearle
Director
One Managed Investment Funds Limited
Sydney
28 February 2022

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

Conclusion

We have reviewed the half-year financial report of Agricultural Land Trust (the Trust), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in unitholders' interests and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Agricultural Land Trust's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis of Conclusion

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

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibility of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Sydney



Barbara Richmond

Partner

28 February 2022

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

As lead auditor for the review of the half year financial report of Agricultural Land Trust for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, that there have been:

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

Yours sincerely,
Crowe Sydney



Barbara Richmond
Partner

28 February 2022

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