

2 March 2020

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 2019.

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 2019 together with all public announcements made on behalf of the Trust during the period ended 31 December 2019 and up until the date of this release.

For further information please contact:

Frank Tearle
Director (02) 8277 0000

Agricultural Land Trust

ARSN 096 588 046

Half Year Report

Results for Announcement to the Market

Appendix 4D

31 December 2019

	% change	6 months ended 31 December 2019 \$'000	6 months ended 31 December 2018 \$'000
Results			
Revenue from ordinary activities	Up 178.0%	5,054	1,818
Profit (loss) from ordinary activities after tax attributable to members	Not applicable	958	(124)
Net profit (loss) attributable to unit holders	Not applicable	958	(124)
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)		0	0
Basic and diluted earnings (cents per unit)		0.98	(0.13)

	31 December 2019	31 December 2018
Net tangible assets		
Total net tangible assets attributable to unit holders	\$25,031,994	\$10,207,417
Units on issue	97,510,036	97,510,036
Net tangible assets attributable to unit holders (\$ per unit)	\$0.26	\$0.10

This Appendix 4D should be read in conjunction with the attached Half-Year Financial Report. This financial report contains an independent audit review that is subject to an emphasis of matter.

Agricultural  Land Trust

ARSN 096 588 046

**Half Year Report
For the half year ended
31 December 2019**

AGRICULTURAL LAND TRUST

Directors' Report

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 2019.

Directors

One Managed Investment Funds Limited

Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Non-executive Director (resigned 1 October 2019)
Michael Sutherland	Executive Director (appointed 1 October 2019)
Sarah Wiesener	Executive Director and Company Secretary

Review of operations and results

The reported net income of the Group attributable to unit holders from continuing operations for the half year ended 31 December 2019 was \$958,000 (2018: loss \$124,000). The primary drivers of the increase in net income includes revenue from the sale of harvested timber from the Linkletter's Place property of \$1,319,000 (2018: 193,000) and an increase in net margin income due to new issues of debentures being on-lent.

Revenue and expenses

Revenue from operations totalled \$5,054,000 (2018: \$1,818,000) and comprises interest income of \$3,732,000 (2018: \$1,624,000), distributions from One Cash Management Fund and bank interest of \$3,000 (2018: \$1,000) and harvesting income of \$1,319,000 (2018: \$193,000).

Expenses from operations totalled \$4,096,000 (2018: \$1,942,000) and is comprised predominately of interest on the loan and debentures of \$3,499,000 (2018: \$1,688,000). Expenses relating to maintenance and roading costs associated with the harvesting of timber were \$366,000 (2018: \$69,000).

Expenses from operations also included responsible entity fees of \$101,000 (2018: \$34,000). The fees paid to the responsible entity increased primarily as a result of an increase in net interest income earned by the Group and as a result of the full six months of harvesting activities at Linkletter's Place.

Statement of financial position

The net assets of the Group attributable to unit holders totalled \$25,032,000 as at 31 December 2019 (30 June 2019: \$24,074,000).

The fair value of the Group's investment property, comprising solely of the Linkletter's Place property, as at 31 December 2019 was \$35,400,000 (30 June 2019: \$35,400,000).

The investment property has been measured at fair value based on directors' valuations, having regard to an independent valuation conducted by CBRE in July 2019 of the Linkletter's Place property and is based on the market value applying an 'As If Complete' (remediated to an agricultural standard) valuation approach. This approach considers the highest and best use of the aggregation past its forestry use which is considered will be as a mixed grazing and cropping business. Further details are set out in Note 4 of the Group's 30 June 2019 Annual Report.

AGRICULTURAL LAND TRUST

Directors' Report

Review of operations and results (continued)

Since 1 July 2019, further Series 9 debentures were issued with an aggregate face value of \$13,200,000 and further Series 7 debentures were issued with a face value of \$4,500,000 (see Note 10 for further details). Each series was originally repayable within two years of their relevant issue date (see Notes 10 and 12 of this financial report and Note 12 of the Group's 30 June 2019 Annual Report).

As at 31 December 2019, the Group had interest amounts receivable and payable on its associated loan receivables and debt instruments.

As at 31 December 2019, the Group's gearing ratio (debt to total assets) was 81.6% (30 June 2019: 81.1%).

Cash flow

The overall increase in cash and cash equivalents for the Group was \$890,000 for the half year ended 31 December 2019 (2018: decrease \$84,000).

Operating cash inflow for the period was \$890,000 (2018: cash outflow \$84,000). This improvement is attributable predominantly to the income from wood chipping, compared to the prior corresponding period.

Investing activity cash outflow for the period was \$17,700,000 (2018: \$42,000,000). This was in relation to the loans to iProsperity Underwriting Pty Ltd.

Financing activity cash inflow for the period was \$17,700,000 (2018: cash inflow \$42,000,000) being the additional debentures Series 7 and Series 9 issued.

Distributions to unit holders

There is \$nil distribution for the financial half year ended 31 December 2019 (2018: \$nil).

Second half outlook

The responsible entity considers the Group faces uncertainty. As was communicated to the market in the Annual Report for the financial year ended 30 June 2019, 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 as well as exploring opportunities to earn rental income from cleared areas of Linkletter's Place.

The Group continues to prepare Linkletter's Place for remediation and once the remediation works are completed, opportunities for sale or leasing will be assessed. The Group continues to earn income from the Timber Purchase Agreement with SPF Resources Pty Ltd ("SPF") for the wood chip harvesting of the plantation trees located on Linkletter's Place. SPF can harvest the plantation trees in one or more harvest period and at any time during the harvest window of a five year period beginning on the contract date of 13 February 2018. There is no certainty as to the amounts or timing of this income and it is possible that matters such as the Corona Virus will impact the Global demand and pricing for wood chips.

The maturity date of the \$10 million loan from IPG Mortgage Fund has been extended to 28 February 2022. On 14 August 2019, it was announced to the market that Series 9 Debentures would be issued to the existing debenture holders, with a face value up to \$50 million. For the half year ended December 2019, Series 9 Debentures of \$11.5 million and \$1.7million were issued and on-lent to iProsperity Underwriting Pty Ltd. It is unlikely the Trust will issue further debentures (see Note 7 of this financial report).

AGRICULTURAL LAND TRUST

Directors' Report

Significant events after balance date

Subsequent to the balance date, agreement was reached with iProsperity Underwriting Pty Ltd and the holders of the debentures issued by the Trust to amend the terms of the relevant agreements between them. There are continuing negotiations with respect to the amendment to the terms of the existing loans and debentures. The parties agreed to extend the maturity dates by 24 months for each of the debentures (including the Series 7 Debentures) payable to Cornerstone New SIV Bond Fund and Cornerstone Bond Fund and for the corresponding loans receivable from iProsperity Underwriting Pty Ltd and for the loan to IPG Mortgage Fund (see Notes 10 and 12 of this financial report and Note 12 of the Trust's 30 June 2019 Annual Report).

Subsequent to the balance date, iProsperity Underwriting Pty Ltd paid all outstanding loan interest which was due as at 31 December 2019.

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 periods.

Rounding of amounts

The entity is of the kind specified in the Australian Securities & Investments Commission class order 2016/191. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated otherwise.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2019.

This report has been made in accordance with a resolution of the directors.



Frank Tearle
Director

Sydney
2 March 2020

2 March 2020

The Directors
One Managed Investment Funds Limited
As Responsible Entity of Agricultural Land Trust
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Dear Directors

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 review of the financial statements of Agricultural Land Trust for the half-year ended 31 December 2019, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


Crowe Sydney

John Haydon
Senior Partner

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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

AGRICULTURAL LAND TRUST

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2019

	Consolidated	
Note	31 December 2019 \$'000	31 December 2018 \$'000
Income		
Other income	3	1
Timber income	1,319	193
Interest income	3,732	1,624
Total income	5,054	1,818
Expenses		
Finance costs	(3,499)	(1,688)
Responsible entity fees	11 (101)	(34)
Auditor's remuneration	(27)	(30)
Maintenance and roading costs	(366)	(69)
Other expenses	(103)	(121)
Total expenses	(4,096)	(1,942)
Net income/(loss)	958	(124)
Net income/(loss) attributable to unitholders of the Trust	958	(124)
Other comprehensive income	-	-
Total comprehensive income/(loss)	958	(124)
 Basic and diluted earnings per unit	 0.98	 (0.13)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

AGRICULTURAL LAND TRUST

Consolidated Statement of Financial Position

As at 31 December 2019

		Consolidated	
	Note	31 December 2019 \$'000	30 June 2019 \$'000
Current assets			
Cash and cash equivalents	5	1,031	141
Trade and other receivables	6	5,510	3,410
Loan receivable	7	107,950	105,450
Total current assets		114,491	109,001
Non-current assets			
Loan receivable	7	15,200	-
Investment property	8	35,400	35,400
Total non-current assets		50,600	35,400
Total assets		165,091	144,401
Current liabilities			
Trade and other payables		147	231
Interest payable	9	5,135	3,019
Interest bearing loans and borrowings	10	119,577	117,077
Total current liabilities		124,859	120,327
Non-current liability			
Interest bearing loans and borrowings	10	15,200	-
Total non-current liabilities		15,200	-
Total liabilities		140,059	120,327
Net assets attributable to unit holders		25,032	24,074
Represented by:			
Units on issue		55,299	55,299
Retained losses		(30,267)	(31,225)
Total unit holders interests		25,032	24,074

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

AGRICULTURAL LAND TRUST

Consolidated Statement of Changes in Unitholders Interests

For the half year ended 31 December 2019

	Consolidated		Net Assets Attributable to Unit Holders
	Retained Losses	Units on Issue	to Unit Holders
	\$'000	\$'000	\$'000
At 1 July 2018	(44,968)	55,299	10,331
Net loss attributable to unit holders	(124)	-	(124)
At 31 December 2018	(45,092)	55,299	10,207
At 1 July 2019	(31,225)	55,299	24,074
Net (loss)/profit attributable to unit holders	958	-	958
At 31 December 2019	(30,267)	55,299	25,032

The Consolidated Statement of Changes in Unitholders interests should be read in conjunction with the accompanying Notes.

AGRICULTURAL LAND TRUST

Consolidated Statement of Cash Flows

For the half year ended 31 December 2019

		Consolidated	
	Note	31 December 2019 \$'000	31 December 2018 \$'000
Cash flows from operating activities			
Interest received		1,173	1,293
Other income received		1,941	143
Interest and borrowing costs paid		(1,383)	(1,296)
Other expenses paid		(841)	(224)
Net cash inflow/(outflow) from operating activities	5(b)	890	(84)
Cash flows from investing activities			
Loan to iProsperity Underwriting Pty Ltd		(17,700)	(42,000)
Net cash outflow from investing activities		(17,700)	(42,000)
Cash flows from financing activities			
Proceed from issuing debenture		17,700	42,000
Net cash inflow from financing activities		17,700	42,000
Net increase (decrease) in cash and cash equivalents		890	(84)
Cash and cash equivalents at the beginning of period	5	141	224
Cash and cash equivalents at the end of period	5	1,031	140
Non-cash financing activities	4		

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the consolidated financial statements

For the half year ended 31 December 2019

1. Summary of significant accounting policies

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 based upon directors' valuations. Independent valuations are conducted at intervals of not more than one year and are considered by the directors of the responsible entity when determining fair value.

The half year financial report does not include all notes of the type normally included within the 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 2019 together with all public announcements made on behalf of the Trust and its controlled entities during the half year ended 31 December 2019, 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 2019 except for the impact of the changes in accounting policy described below.

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

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of the normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Trust has two primary sources of income:

- harvest income – being income from the sale of trees from Linkletter's Place; and
- interest margin income – being the difference between the interest paid on the debentures issued to Cornerstone New SIV Bond Fund and Cornerstone Bond Fund and the interest received on the moneys on-lent to iProsperity Underwriting Pty Ltd.

Whilst there is a risk that each of these sources of income will be reduced or not paid in the next twelve months, the directors believe that the Trust will be able to pay its debts as and when they fall due in the ordinary course of business for the next twelve months. The Trust's ability to meet its debts as and when they fall due will depend, however, on a number of factors including receiving the margin interest income in full, receiving the harvest income

Notes to the consolidated financial statements

For the half year ended 31 December 2019

1. Summary of significant accounting policies (continued)

and the effective management of the Trust's costs and identifying other sources of funding for the Trust.

There can be no assurances that this income will be received over the full 12 months and if it does not and the responsible entity cannot reach agreement with the Trust's creditors to defer or otherwise manage its debts the Trust may experience significant cash flow difficulties. It is possible that the Trust's secured creditors may exercise their rights under their security to sell the Trust's assets to recover the amounts owed to them.

b) 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 Trust's financial statements for the year ended 30 June 2019.

The following lists the new accounting standards or amendments that have come into effect for the period 31 December 2019:

- AASB 16 Lease (Applicable 1 July 2019)

The above standard will primarily affect the accounting of entities that have lease contracts as a lessee and as such, is not applicable to the Group.

The Group has not changed any of its accounting policies as a result of above new and revised accounting standards.

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

2. Contingent liabilities and contingent assets

There are no contingent assets or liabilities as at 31 December 2019 (30 June 2019: nil).

3. Segment reporting

The Group operates wholly within Australia and aims to become a crop and grazing producing business after completion of remediation works on its sole investment property Linkletter's Place in Esperance, Western Australia. Opportunities for sale or leasing may also be assessed in the future. The Group has also entered into debenture borrowings and on lending the proceeds of these borrowings to earn an interest income margin.

4. Non-cash financing 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.

AGRICULTURAL LAND TRUST

Notes to the consolidated financial statements

For the half year ended 31 December 2019

4. Non-cash financing activities (continued)

For the period ended 31 December 2019, there were \$nil distributions (2018: \$nil).

	31 December 2019 \$'000	30 June 2019 \$'000
<i>Non-cash financing activities:</i>		
Capitalised interest on Series 3	-	121
Capitalised interest on loan from IPG Mortgage Fund	-	150
	<u>-</u>	<u>271</u>

5. Cash and cash equivalents

(a) Components of cash and cash equivalents

	31 December 2019 \$'000	30 June 2019 \$'000
Cash at Bank	1,029	139
Units in One Cash Management Fund	2	2
	<u>1,031</u>	<u>141</u>

Units held in the One Cash Management Fund, a fund managed by a related party of One Managed Investment Funds Limited ("OMIFL"), are redeemable on a daily basis. They are stated at their net asset values

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

	31 December 2019 \$'000	31 December 2018 \$'000
Net income/(loss)	958	(124)
Capitalised interest	-	121
(Increase)/decrease in receivables	(2,100)	(388)
Increase/(decrease) in payables	2,032	307
	<u>890</u>	<u>(84)</u>

6. Trade and other Receivables

	31 December 2019 \$'000	30 June 2019 \$'000
Loan interest receivable	5,422	2,860
Timber income receivable	80	550
Prepayments	8	-
	<u>5,510</u>	<u>3,410</u>

AGRICULTURAL LAND TRUST

Notes to the consolidated financial statements

For the half year ended 31 December 2019

6. Trade and other Receivables (continued)

The ageing analysis of loan interest receivable is presented below:

All amounts \$'000	Past Due		Accrued but not yet due	Total \$'000
	> 30 days	1 - 30 days		
Interest receivable-iProsperity	3,084	883	1,455	5,422

Subsequent to the balance date iProsperity Underwriting Pty Ltd paid all outstanding loan interest which was due as at 31 December 2019.

7. Loan receivable

	31 December 2019 \$'000	30 June 2019 \$'000
Current asset		
Loan	107,950	105,450
Non-current asset		
Loan	15,200	-
	123,150	105,450

The Group entered into further loans with iProsperity Underwriting Pty Ltd during the period to 31 December 2019, totalling \$17,700,000, following a corresponding issue of debentures.

OMIFL notes that determining the carrying values of the loans to iProsperity Underwriting Pty Ltd is uncertain and may require amendment in the future. OMIFL has not been provided with sufficient information by iProsperity Underwriting Pty Ltd to meaningfully allow it to determine whether the current carrying values are appropriate or whether an impairment loss should be recognised against the current carrying values of the loans. Whilst the Trust may need to impair the carrying values of the loans in the future, it is noted that the Trust's obligations to the debenture holders is limited to the amounts the Group receives from iProsperity Underwriting Pty Ltd.

8. Investment properties

The fair value of the Trust's investment property as at 31 December 2019 was \$35,400,000 (30 June 2019: \$35,400,000) comprising Linkletter's Place.

The investment property has been measured at fair value based on directors' valuations, having regard to an independent valuation, conducted by CBRE in July 2019, of the Linkletter's Place property. This is based on the market value applying an 'As If Complete' (remediated to an agricultural standard) valuation approach of \$35.40 million. This approach considers the highest and best use of the aggregation past its forestry use which is considered will be as a mixed grazing and cropping business.

The valuer, CBRE considered the following inputs in determining the fair value:

Level 2 inputs:

- Comparable land sales.

Notes to the consolidated financial statements

For the half year ended 31 December 2019

8. Investment Properties (continued)

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; and
- Discount rates and depreciated replacement cost estimates used to calculate impairment arising from the lease in place.

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 CBRE 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.

Further details are set out in Note 4 of the Trust's 30 June 2019 Annual Report.

In the period under review no properties were sold or held for sale (2018: \$nil).

The Linkletter's Place investment property is pledged as security to secure the Group's IPG Mortgage Fund borrowings (refer to Note 10).

9. Interest payable

	31 December 2019 \$'000	30 June 2019 \$'000
Debenture Series 3,4,6,7 and 9	4,508	2,398
Debenture Series 5 and 8	16	15
IPG Mortgage Fund	611	606
	5,135	3,019

AGRICULTURAL LAND TRUST

Notes to the consolidated financial statements

For the half year ended 31 December 2019

10. Interest bearing borrowings-loans and debentures

	31 December 2019 \$'000	30 June 2019 \$'000
Current		
Debenture	109,577	107,077
Loan	10,000	10,000
	119,577	117,077
Non-current		
Debenture	15,200	-
	15,200	-
Financing facilities		
Total facilities used	134,777	117,077
Total facilities unused	45,350	13,050
Total facilities	180,127	130,127

The \$10,000,000 loan is from IPG Mortgage Fund. The loan interest rate is at 6%, interest payment is on a six monthly cycle.

AGRICULTURAL LAND TRUST

Notes to the consolidated financial statements

For the half year ended 31 December 2019

10. Interest bearing borrowings-loans and debentures (continued)

The debentures on issue and loans are as follows:

Debenture/Loan	Facility Limit	Amount	Drawdown Date	Maturity as at 31.12.2019*	Interest Rate
Debentures Series 3	5,500,000	4,000,000	23-May-17	22-May-20	6.00%
Debentures Series 3		1,500,000	16-Jun-17	15-Jun-20	6.00%
Debentures Series 4	10,000,000	5,000,000	14-Aug-17	13-Aug-20	4.50%
Debentures Series 4		4,000,000	07-Sep-17	13-Aug-20	4.50%
Debentures Series 4		1,000,000	22-Nov-17	13-Aug-20	4.50%
Debentures Series 5	1,000,000	1,000,000	07-Sep-17	07-Apr-20	12.50%
Debentures Series 6	5,000,000	2,000,000	13-Dec-17	13-Dec-21	6.00%
Debentures Series 7	98,000,000	3,000,000	24-Jan-18	24-Jan-20	4.00%
Debentures Series 7		3,000,000	24-Jan-18	24-Jan-20	4.00%
Debentures Series 7		3,000,000	15-Feb-18	24-Jan-20	4.00%
Debentures Series 7		10,000,000	28-Feb-18	24-Jan-20	4.00%
Debentures Series 7		1,200,000	03-May-18	24-Jan-20	4.00%
Debentures Series 7		5,000,000	01-Jun-18	24-Jan-20	4.00%
Debentures Series 7		2,400,000	13-Jun-18	24-Jan-20	4.00%
Debentures Series 7		950,000	15-Jun-18	24-Jan-20	4.00%
Debentures Series 7		3,000,000	24-Jul-18	24-Jan-20	4.00%
Debentures Series 7		4,000,000	13-Sep-18	24-Jan-20	4.00%
Debentures Series 7		4,000,000	26-Oct-18	24-Jan-20	4.00%
Debentures Series 7		12,000,000	08-Nov-18	24-Jan-20	4.00%
Debentures Series 7		8,000,000	08-Nov-18	24-Jan-20	4.00%
Debentures Series 7		5,000,000	19-Dec-18	24-Jan-20	4.00%
Debentures Series 7		6,000,000	28-Dec-18	24-Jan-20	4.00%
Debentures Series 7		5,000,000	12-Feb-19	24-Jan-20	4.00%
Debentures Series 7		3,000,000	04-Mar-19	24-Jan-20	4.00%
Debentures Series 7		300,000	23-Apr-19	24-Jan-20	4.00%
Debentures Series 7		3,000,000	10-May-19	24-Jan-20	4.00%
Debentures Series 7		1,100,000	24-May-19	24-Jan-20	4.00%
Debentures Series 7		5,000,000	28-May-19	24-Jan-20	4.00%
Debentures Series 7		4,500,000	27-Aug-19	24-Jan-20	4.00%
Debentures Series 8	627,081	627,081	28-Feb-18	07-Apr-20	10.00%
Debentures Series 9	50,000,000	11,500,000	29-Aug-19	29-Aug-21	4.00%
Debentures Series 9		1,700,000	10-Sep-19	29-Aug-21	4.00%
IPG Mortgage Fund	10,000,000	10,000,000	28-Feb-18	28-Feb-20	6.00%
	<u>180,127,081</u>	<u>134,777,081</u>			

Subsequent to 31 December 2019, the parties agreed to extend the maturity date by 24 months for each of these Series of Debentures.

Notes to the consolidated financial statements

For the half year ended 31 December 2019

10. Interest bearing borrowings-loans and debentures (continued)

Debenture Series 7 was extended to 24 January 2022; IPG Mortgage Fund loan has been extended to 28 February 2022 as detailed in Note 12 Subsequent events after balance date.

As at 31 December 2019, the aggregate debenture balance of series 3 to series 9 was \$124,777,081 (June 2019: \$89,677,081). The fair value approximates to the current value of \$124,777,081 of the loans to iProsperity Underwriting Pty Ltd (see Note 7). The loan from IPG Mortgage Fund was \$10,000,000 as at 31 December 2019.

Series 3, 4, 6, 7 and 9 debentures have security limited to the amounts recovered in respect of the loans made by the Group to iProsperity Underwriting Pty Ltd.

11. Related party disclosures

Responsible entity fees

The responsible entity of Agricultural Land Trust as at 31 December 2019 is One Managed Investment Funds Limited ("OMIFL") whose parent entity at 31 December 2019 is One Investment Group Pty Limited ("OIG"). The ultimate parent entity is One Investment Group Holdings Pty Limited ("OIGH").

The responsible entity fees for the half year were \$101,471 (2018: \$34,322). The responsible entity's entitlement to fees is contained in the Constitutions of the Group's trusts.

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 \$10m loan is One Funds Management Limited as trustee for the IPG Mortgage Fund. The trustee of IPG Mortgage Fund, OFML is owned by OIG. Interest is payable in accordance with the terms of the loan agreement.

Investments in unlisted funds managed by OMIFL

Units held in the One Cash Management Fund, a fund managed by a related party of One Managed Investment Funds Limited ("OMIFL"), are redeemable on a daily basis. See Note 5 for details.

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.

Units in the trust held by key management personnel

Key management personnel do not directly hold any units in the Trust at the period end. As at 31 December 2019, Justin Epstein (who resigned as a director during the half year) has an indirect interest in 223,891 units in the Trust.

AGRICULTURAL LAND TRUST

Notes to the consolidated financial statements

For the half year ended 31 December 2019

12. Subsequent events after balance date

Subsequent to balance date, there are continuing negotiations with respect to the amendment to the terms of the existing loans and debentures. The parties agreed to certain terms including to extend the maturity dates by 24 months for the loans receivable from iProsperity Underwriting Pty Ltd and corresponding debentures issued to Cornerstone New SIV Bond Fund and Cornerstone Bond Fund. The maturity date of the loan from IPG Mortgage Fund was extended to 28 February 2022.

Subsequent to the balance date iProsperity Underwriting Pty Ltd paid all outstanding loan interest which was due as at 31 December 2019.

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 periods.

13. Units on issue

	31 December 2019 Number	31 December 2018 Number
Ordinary units on issue at beginning of the period	97,510,036	97,510,036
Ordinary units issued during the period		
- Distribution reinvestment plan – Note 4	-	-
Ordinary units on issue at the end of the period	97,510,036	97,510,036

There is no movement in the issue of ordinary units.

AGRICULTURAL LAND TRUST

Directors' Declaration

In accordance with a resolution of the directors of One Managed Investment Funds Limited:

In the opinion of the directors:

- (a) the 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 financial position as at 31 December 2019 and the performance for the half year ended on that date; and
 - ii Complying with Accounting Standards.
- (b) With reference to Note 1(a) there are reasonable grounds to believe the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Frank Tearle
Director

Sydney
2 March 2020

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agricultural Land Trust (the Trust), which comprises the consolidated statement of financial position as at 31 December 2019, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Half-Year 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, the Constitution of the Trust and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2019 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*. As the auditor of the Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

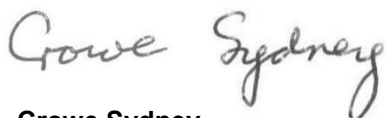
Conclusion

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

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

The Trust has a net current liability position of \$10,368,000 as at 31 December 2019. As stated in Note 1 the directors have prepared the financial report on a going concern basis and have outlined various matters relating to going concern in Note 1. Should the events set forth in Note 1 not eventuate, it may result in material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Crowe Sydney



John Haydon
Senior Partner

Dated 2 March 2020