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Lindsay Australia Limited

ABN 81 061 642 733

ASX Code

LAU

Appendix 4E

for the year ended 30 June 2022

ASX Rule 4.3A

Lindsay Australia Limited (LAU)

Results for announcement to the market

			A\$000 30 June 2022	A\$000 30 June 2021	
Revenues	Up	26.7%	557,659	From	440,293
Profit after tax attributable to members	Up	1,433.5%	19,230	From	1,254

Dividends

	Amount per security	Franked amount per security	Conduit Foreign Income
Interim 2022 dividend - paid on 08 April 2022	1.4 cent	0%	Nil
Final 2022 dividend – to be paid on 07 October 2022	1.8 cent	0%	Nil

The Record Date for determining entitlements to the dividend is 23 September 2022.

Management Comments

Refer Annual Report 2022 which has been lodged concurrently with App 4E.

Comparison of half-year profits

	\$A'000 30 June 2022	\$A'000 30 June 2021
Profit (loss) after tax attributable to members for the 1st half-year.	12,235	6,511
Profit (loss) after tax attributable to members for the 2nd half-year.	6,995	(5,257)

Ratios

	30 June 2022	30 June 2021
Profit before tax / revenue		
Profit before tax as a percentage of revenue	4.94%	0.41%
Profit after tax / equity interests		
Profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the year	18.69%	1.41%

Earnings Per Security (EPS)

	30 June 2022	30 June 2021
(a) Basic EPS	6.4 cents	0.4 cents
(b) Diluted EPS	6.4 cents	0.4 cents
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of Basic EPS	300,793,889	299,604,515

NTA backing

	\$A'000 30 June 2022	\$A'000 30 June 2021
Net Tangible Assets (NTA)	94,490	79,914
Net tangible asset backing per ordinary security	31.3 cents	26.6 cents

The net tangible asset back per ordinary security of 31.3 cents is inclusive of right-of-use assets and lease liabilities.

Dividends

Date the dividend is payable	07 October 2022
Record date to determine entitlements to the dividend	23 September 2022
If it is a final dividend, has it been declared?	Yes

Dividend amount per security

		Amount per security	Franked amount per security at 30% tax
		¢	¢
Final dividend:	Current year	1.8	0%
	Previous year	0.5	0%
Interim dividends:	Current year	1.4	0%
	Previous year	1.2	100%
Total dividend per security:	Current year	3.2	0%
	Previous year	1.7	Mixed

There is no Conduit Foreign Income in the 2022 or 2021 financial years.

Other disclosures in relation to dividends

The company has a dividend reinvestment plan. The last date for election to participate in the plan is 26 September 2022. Shares issued pursuant to the plan are at 5% discount to the volume weighted average price for the five business days prior to and including the record date.

Issued and quoted securities at end of current year

Category of securities	Total number	Number quoted	Issue price per security (cents)
Ordinary securities	301,987,330	301,987,330	
Changes during current year:			
Increases through issues:			
Dividend Re-investment Plan	294,732	294,732	33.00
Dividend Re-investment Plan	763,110	763,110	35.00
Employee Incentive Plan	400,000	400,000	Nil
Employee Incentive Plan	400,000	400,000	Nil
	1,857,842	1,857,842	

Annual meeting

The annual meeting will be held as follows:

Place

The Annual General Meeting will be conducted as a virtual meeting. Details will be confirmed in the notice of meeting.

Date / Time

To be confirmed.

Approximate date the annual report will be available

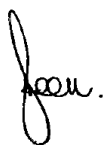
17 August 2022 – lodged concurrently with app 4E

Compliance statement

This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.

This report and the accounts, upon which the report is based, use the same accounting policies.

1. This report does give a true and fair view of the matters disclosed.
2. The entity has a formally constituted audit committee.
3. There are no entities over which control has been gained or lost during the period.
4. This report is based on accounts that have been audited.



Justin Green

Chief Financial Officer and Company Secretary

Date: 17 August 2022

ANNUAL REPORT 2022

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LINDSAY AUSTRALIA
LIMITED

ANNUAL REPORT

For the financial year ended 30 June 2022

DIRECTORS

Chair Non-executive

Mr Ian M Williams

Managing Director and Chief Executive Officer

Mr Michael K Lindsay

Non-executive Directors

Mr Robert L Green

Mr Matthew R Stubbs

Mr Stephen P Cantwell

GROUP LEGAL COUNSEL & COMPANY SECRETARY

Mr Broderick T Jones

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr Justin T Green

SHARE REGISTER REGISTERED & PRINCIPAL

Computershare Investor Services Pty Ltd
Level 1, 200 Mary Street, Brisbane QLD 4000
Telephone: 1300 552 270
Website: www.computershare.com.au

ADMINISTRATIVE OFFICE

152 Postle St, Acacia Ridge, QLD 4110
Telephone: (07) 3240 4900
Fax: (07) 3054 0240
Website: www.lindsayaustralia.com.au

AUDITOR

Pitcher Partners
Level 38, 345 Queen Street, Brisbane, QLD, 4000

STOCK EXCHANGE LISTING

Lindsay Australia Limited shares are listed on the Australian Securities Exchange, code LAU



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LINDSAY AUSTRALIA
LIMITED

OUR BUSINESS

Lindsay Australia Limited's core divisions share common customers within the agriculture and horticulture industries which gives the Lindsay Group a strategic advantage by providing a unique end-to-end service solution for all our customer's needs.

The Group continues to remain agile, increasing the range of services it can offer and the regions that it services. In the 2022 financial year the Group continued to expand its rail service offering, with an increase in our container fleet and continued to target growth in key horticulture regions.

Our Locations

Lindsay Rural

Adelaide
Atherton
Ayr
Brisbane Shop
Brisbane Warehouse
Bowen
Brandon
Bundaberg
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Invergordon
Mareeba
Mildura
Mundubbera
Murwillumbah
Nambour
Stanthorpe
Tully
Woolgoolga

Lindsay Transport

Adelaide
Ayr
Bowen
Brisbane
Bundaberg
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Mackay
Mareeba
Melbourne
Mildura
Mundubbera
Nambour
Perth
Stanthorpe
Sydney
Tully

Lindsay Fresh Logistics

Brisbane Markets



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DIRECTORS' REPORT



Directors' Report

The Directors present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Lindsay Australia Limited and its controlled entities, for the year ended 30 June 2022, referred to throughout the report as the Group.

Directors and Company Secretary information

Mr Ian Williams

Non-executive Chair

Mr Williams was appointed to the Lindsay Australia Limited Board in September 2021 as an Independent Non-executive Director and Chair.

Mr Williams is currently Chair of NXT Building Group, and a director of ASX listed New Hope Corporation, ASX listed KGL Resources, Stoddard Group, National Group Corporation and Baseball Australia. Mr Williams was a corporate partner with international law firms Herbert Smith Freehills and Ashurst for 20 years.

Mr Williams is currently Vice-President of the Australia Japan Business Co-operation Committee.

Mr Williams is a member of the Australian Institute of Company Directors.

Mr Michael Lindsay

Managing Director and Chief Executive Officer

Mr Lindsay has been Managing Director and Chief Executive Officer of Lindsay Australia Limited since 2002.

Mr Lindsay has almost 40 years' experience in the Australian transportation and rural merchandising industries. From 1974 to 1983 he worked for Lindsay Transport, gaining hands-on knowledge of the transportation industry through an involvement in all areas of the Group's operations.

In 1983 Mr Lindsay established Lindsay Rural, a specialist rural merchandising business with operations in Central and South East Queensland. As Managing Director of the Company, he was responsible for expanding it from a small local operation to a major national business.

Mr Lindsay has held no other directorships with listed companies during the last three years.

Mr Robert Green

Non-executive Director

Mr Green was appointed to the Board in August 2019 as an Independent Non-executive Director.

Mr Green has considerable board relevant experience working as a Senior Executive and General Manager in the Australian and International agricultural industry over many years. Key areas of experience include Operations Management and Business Development. Mr Green brings extensive relevant experience to the Group in trading, importing and distribution across a range of industries including the international agriculture industry.

Mr Green is currently a Director of Namoi Cotton Limited and is Chair of the Trading and Operational Risk Committee.

Mr Green has held previous directorships with Louis Dreyfus Australia, Union Dairy Company, Macrofert Australia, Soy Australia and was previously President of Australian Oilseeds Federation and Director and past President of Australia Grain Exporters Association.

Mr Green is a member of the Australian Institute of Company Directors.

Mr Green has held no other directorships with other listed companies during the last three years.

Mr Matthew Stubbs

Non-executive Director

Mr Stubbs was appointed to the Board in September 2021 as an Independent Non-executive Director.

Mr Stubbs is the founder and managing director of Allier Capital, a boutique M&A advisory firm.

Mr Stubbs has over twenty years' experience in investment banking and during his career worked on a broad range of both public and private transactions.

Mr Stubbs holds an MBA from AGSM and a Bachelor of Laws and Bachelor of Commerce from the University of Queensland.

Mr Stubbs was previously a Non-executive Director of ASX listed Lantern Hotel Group and Everlight Radiology.

Mr Stubbs has held no other directorships with other listed companies during the last three years.

Mr Stephen Cantwell

Non-executive Director

Mr Cantwell was appointed to the Board in December 2021 as an Independent Non-executive Director.

With almost 40 years' experience in a broad range of strategic, functional and customer facing roles with major national and international businesses, Mr Cantwell has extensive experience backed by strong commercial acumen.

Mr Cantwell is currently a director for the Port of Brisbane and Queensland Rail and a director and Chair of TasRail.

Mr Cantwell holds a Business Degree from the University of Southern Queensland, majoring in Operations Research and Information Systems and holds a Graduate Diploma in Transport Management and a Master of Business Degree from the Royal Melbourne Institute of Technology.

Mr Cantwell is a Fellow of the Chartered Institute of Transport and Logistics and a Fellow of the Centre for Integrated Engineering Asset Management.

Mr Cantwell is a Graduate Member of the Australian Institute of Company Directors.

Mr Cantwell has held no other directorships with other listed companies during the last three years

Mr Justin Green

Chief Financial Officer and Company Secretary

Mr Green was appointed Chief Financial Officer in January 2018 and Company Secretary in May 2018.

Mr Green has been with the Group for 20 years and has held both key Group finance roles and commercial positions for both the Rural and Transport divisions.

Mr Green is a member of the Australian Institute of Company Directors.

Mr Green holds a Bachelor of Business (accounting) and is a member of CPA Australia.

Mr Broderick Jones

Group Legal Counsel and Company Secretary

Mr Jones joined Lindsay Australia Limited in September 2014 and was appointed Company Secretary in October 2014.

Mr Jones holds a Bachelor of Laws degree from Queensland University of Technology and has over 20 years' professional experience within law, finance, property and markets gained from a number of senior roles both domestically and internationally.

Mr Richard Anderson OAM

Chairman Non-executive Director (resigned 31st August 2021)

Mr Anderson is a former partner of PriceWaterhouseCoopers having served as the firm's managing partner in Queensland for nine years and also as a member of the firm's national committee.

Mr Anderson holds a Bachelor of Commerce degree from the University of Queensland and is a Fellow of the Institute of Chartered Accountants and a Fellow of CPA Australia.

Mr Anderson is the current Chairman of Data #3 Limited and is the current president of the Guide Dogs for the Blind Association of Queensland.

Mr Anderson was awarded the medal of the Order of Australia in 1997 for services to the Guide Dogs for the Blind Association of Queensland and the Queensland Art Gallery Foundation.

Mr Anderson held a previous directorship with Namoi Cotton Limited.

Mr Anderson has held no other directorships with other listed companies during the last three years.

Mr Anderson resigned on the 31st of August 2021.

Mr Anthony Kelly

Non-executive Director

(resigned 5th November 2021)

Mr Kelly's career portfolio of directorships include Brismark (President), Brisbane Markets Limited, Gladstone Ports Corporation, Carter & Spencer Group, Brisbane Lions AFL Football Club (Chairman) and Horticulture Innovation Australia Limited which included chairing the International Trade Advisory Panel and International Market Access Assessment Panel. He has chaired and been a member of various Board committees which included Finance and Audit, Legal and Compliance and Remuneration and Nominations.

Tony graduated with a Bachelor of Laws Degree (UQ) and worked in the legal profession as a Judge's Associate and Solicitor. More recently, Tony's business experience has been extended into his co-ownership of the emerging Veracity Technology in the IT industry.

Tony has been a Non-executive Director of Lindsay Australia Limited since 2019 and has held no other directorships with other listed companies during the past three years.

Mr Kelly resigned on the 5th of November 2021.

Meeting of the directors

The table below outlines the number of directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the directors of Lindsay Australia Limited during the financial year.

	Directors' Meetings		Audit & Risk Committee		Remuneration Committee		Environmental & Occupational Health & Safety Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I M Williams (a)	15	15	1	1	1	1	9	9
M K Lindsay	18	18	-	-	-	-	11	11
R A Anderson (b)	3	3	1	1	1	1	2	2
A R Kelly (c)	5	4	1	1	1	1	3	3
R L Green	18	18	2	2	2	2	11	11
M R Stubbs (d)	15	15	1	1	1	1	9	9
S P Cantwell (e)	9	9	1	1	1	1	6	6

(a) I M Williams appointed on 3 September 2021.

(b) R A Anderson resigned on 31 August 2021.

(c) A R Kelly resigned on 5 November 2021.

(d) M R Stubbs appointed on 3 September 2021.

(e) S P Cantwell appointed on 17 December 2021.

Details of director and senior executive remuneration are set out in the Remuneration Report. The particulars of directors' interests in shares of the company as at the date of this report are set out below.

Committee membership

As at the date of this report, the Group has an Audit and Risk Committee, an Environmental & Occupational Health and Safety Committee, and a Remuneration Committee of the Board of Directors. Membership of the committees is as follows:

Audit & Risk	Remuneration	Environmental & Occupational Health & Safety
M R Stubbs (Chair)	R L Green (Chair)	S P Cantwell (Chair)
I M Williams	I M Williams	I M Williams
R L Green	S P Cantwell	R L Green
S P Cantwell	M R Stubbs	M R Stubbs
		M K Lindsay

Interests in shares of the company

At the date of this report the interests of current directors in securities of the Group are as follows:

Director	Ordinary Shares	Share Options (i)
M K Lindsay	13,012,487	400,000
I M Williams	-	-
R L Green	-	-
M R Stubbs	280,000	-
S P Cantwell	-	-

(i) Unlisted share options over ordinary shares that have vested since period end but not yet exercised.

Share options

Refer to the Remuneration Report for additional information on share options.

Share options do not entitle the holder to participate in any share issue of the Group.

During the 2022 financial year there were 400,000 share options granted over unissued ordinary shares as part of key management personnel employment agreements. Refer to the Remuneration Report for additional information on share options.

No share options over ordinary shares were granted in the 2021 financial year.

During the 2022 financial year 400,000 share options granted over unissued ordinary shares as part of an employment agreement vested. At the end of the financial year there were 800,000 share options outstanding over unissued ordinary shares which have not yet vested.

Detailed below is information regarding share options outstanding at the date of this report.

Details	Quantity	Exercise Price
M K Lindsay: Unlisted share options over ordinary shares Vested – (issued October 2019) (a)	400,000	\$nil
J T Green: Unlisted share options over ordinary shares Not Vested (issued October 2021)	200,000	\$nil
C R Baker: Unlisted share options over ordinary shares Not vested (issued October 2021)	200,000	\$nil
(a) <i>Unlisted share options over ordinary shares have vested since period end but not yet exercised.</i>		

Shares issued on the exercise of options

During the 2022 financial year there were 800,000 shares issued to M K Lindsay on exercise of share options.

No shares were issued during the 2021 financial year pursuant to the exercise of options.

Refer to the Remuneration Report for additional information on share options.

Insurance of officers and indemnities

Lindsay Australia Limited agrees to indemnify each director, officer, and company secretaries of the Group and of its Australian based subsidiaries against any liability:

- to a party other than Lindsay Australia Limited or a related body corporate, but only to the extent that the liability arises out of conduct in good faith; and
- for legal costs incurred in connection with proceedings for relief to the director or company secretary under the Corporations Act 2001 in which the court grants the relief.

The amount payable under the agreement is the full amount of the liability. No liability has arisen under these indemnities as at the date of this report.

Lindsay Australia Limited has paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director, other than conduct involving a wilful breach of duty. Disclosure of the premium paid is not permitted under the terms of the insurance agreement.

Significant changes in state of affairs

There were no significant changes to state of affairs during the financial year.

Events after the reporting date

Dividend

Since the end of the financial year, the directors have recommended payment of a final ordinary dividend of \$5,435,772 (1.80 cents per share unfranked) for the year ended 30 June 2022.

Other

Other than the dividend recommendation disclosed above, to the directors' knowledge, no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Principal activities

The principal activities and operations of the Group during the financial year were the transportation of refrigerated and general freight, logistic services associated with the import and export of horticultural goods and merchandising of rural supplies.

There were no significant changes in the nature of the activities of the Group during the year.

Likely developments and expected results

Refer to the Strategy, Risk and Governance section set out on page 14.

Environmental compliance

The Group's operations are subject to environmental laws and the National Greenhouse Energy Reporting Act 2007. The Group complies with this Act.

The directors are not aware of any environmental issues which have been raised in relation to the Group's operations during the 2022 financial year or subsequently up to the date of this report.

Dividends paid during the financial year

Dividends paid to members are as follows:	2022 cents	2021 cents
Final ordinary dividend per share paid on 8 th October 2021 for the prior financial year (2021: 9 th October 2020)	0.5	0.5
Interim ordinary dividend per share paid on 8 th April 2022 (2021: 9 th April 2021)	1.4	1.2

Dividends recommended after the end of the financial year

Since the end of the financial year, the directors have recommended payment of a final ordinary dividend of \$5,435,772 (1.80 cents per share unfranked) for the year ended 30 June 2022.

Rounding of amounts

Unless otherwise stated, the amounts in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) relying on rounding relief under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (2016/191). The Group is an entity to which the instrument applies.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached on page 25 of this report.

Non-audit services

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor, Pitcher Partners, for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of the non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact on the impartiality and objectivity of the auditor; and
- None of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners received or are due to receive the following amounts for the provision of non-audit services during the year ended 30 June 2022:

Non-audit services	2022 \$	2021 \$
Tax compliance services	-	12,150

Operating and financial review

Reconciliation of results from the Group's operations

A summary of the Group's financial results from its continuing operations for the financial year ending 30 June 2022 and the prior comparative year is set out below.

Underlying operations defined in this report are the Group's reported financial results as set out in the financial statements, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group. Significant items in the 2022 financial year include a reduction in fuel tax credits and interest from a revised ATO assessment that were expensed in prior years and costs associated with the reinstatement of the Brisbane market facility after a severe flood event. Significant items arose in the prior financial year from fuel tax credit adjustments and interest costs relating to prior years, merger and acquisition costs expensed and a trade receivable impairment provision.

The below table provides a reconciliation of the Group's reported profit/(loss) before tax and statutory EBITDA as contained in the financial statements (see Note 32 Segment Information) and non-IFRS (International Financial reporting Standards) underlying operations. The Directors believe the additional information included in the report is useful for measuring the financial performance of the Group. The following non-IFRS reconciliation has not been subject to the Group's audit but is extracted from the audited financial statements.

	Transport	Rural	Corporate/ Unallocated	Group
2022 – reconciliation of results from the Group's operations	\$'000	\$'000	\$'000	\$'000
Reported profit (loss) before tax	40,485	10,669	(23,613)	27,541

Underlying adjustments

Impact of AASB 16 Leases (a)

Depreciation right of use property/other	6,650	1,042	2,416	10,108
Finance costs right of use property/other	2,413	111	849	3,373
Operating lease rental payments (b)	(7,789)	(1,111)	(3,078)	(11,978)
AASB 16 Leases profit impact	1,274	42	187	1,503

Other underlying adjustments

Fuel tax credit provision relating to prior years (c)	(1,866)	-	-	(1,866)
Interest on fuel tax credit assessment relating to prior years (c)	-	-	(1,546)	(1,546)
Facility reinstatement costs from Brisbane Flood (d)	1,138	-	-	1,138
Total other underlying adjustments	(728)	-	(1,546)	(2,274)
Total underlying adjustments	546	42	(1,359)	(771)
Underlying profit (loss) before tax	41,031	10,711	(24,972)	26,770

Reported EBITDA	74,714	12,241	(14,174)	72,781
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Underlying adjustments

Impact of AASB 16 Leases (a)

Operating lease rental payments (b)	(7,789)	(1,111)	(3,078)	(11,978)
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Other underlying adjustments

Fuel tax credit provision relating to prior years (c)	(1,866)	-	-	(1,866)
Facility reinstatement costs from Brisbane Flood (d)	1,138	-	-	1,138
Total underlying adjustments	(8,517)	(1,111)	(3,078)	(12,706)
Underlying EBITDA	66,197	11,130	(17,252)	60,075

- (a) Eliminates the impact of AASB 16 Leases.
- (b) Operating lease rental payments were expensed prior to the adoption of AASB 16 Leases.
- (c) Reversal of fuel tax credit adjustments (FTC) and interest charges that were accounted for in FY2021. The adjustments are based on an amended assessment notice from the Australian Taxation Office. The adjustments relate to prior financial years.
- (d) Costs associated with the reinstatement of Brisbane Market facility and associated costs with the Brisbane floods.

	Transport	Rural	Corporate/ Unallocated	Group
2021 – reconciliation of results from the Group's operations	\$'000	\$'000	\$'000	\$'000
Reported profit (loss) before tax	19,909	8,339	(26,445)	1,803

Underlying adjustments

Impact of AASB 16 Leases (a)

Depreciation right of use property/other	6,404	758	2,416	9,578
Finance costs right of use property/other	2,567	103	939	3,609
Operating lease rental payments (b)	(7,530)	(829)	(2,980)	(11,339)
AASB 16 Leases profit impact	1,441	32	375	1,848

Other underlying adjustments

Fuel tax credit provision relating to prior years (c)	6,266	-	-	6,266
Interest on fuel tax credit assessment relating to prior years (c)	-	-	1,546	1,546
Merger and acquisition costs (d)	-	-	1,231	1,231
Provision for doubtful debt (e)	-	-	1,140	1,140
Total other underlying adjustments	6,266	-	3,917	10,183
Total underlying adjustments	7,707	32	4,292	12,031
Underlying profit (loss) before tax	27,616	8,371	(22,153)	13,834

Reported EBITDA	52,316	9,607	(13,927)	47,996
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Underlying adjustments

Impact of AASB 16 Leases (a)

Operating lease rental payments (b)	(7,530)	(829)	(2,980)	(11,339)
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Other underlying adjustments

Fuel tax credit provision relating to prior years (c)	6,266	-	-	6,266
Merger and acquisition costs (d)	-	-	1,231	1,231
Provision for doubtful debt (e)	-	-	1,140	1,140
Total underlying adjustments	(1,264)	(829)	(609)	(2,702)
Underlying EBITDA	51,052	8,778	(14,536)	45,294

- (a) Eliminates the impact of AASB 16 Leases.
- (b) Operating lease rental payments were expensed prior to the adoption of AASB 16 Leases.
- (c) In June 2021 the ATO completed its Fuel Tax Credit (FTC) audit and issued the Company with an amended assessment relating to FTC's previously assessed. The notice related to the review period of May 2017 to June 2019 which included claims for periods dating back to 2006.
- (d) Merger and acquisition costs that have been incurred by the Company and have been expensed during the financial year are outside the Companies ordinary operations.
- (e) The Company has made a provision for a trade receivable for a customer who notified the Company that they had entered administration proceedings. The Company consider this as a one-off transaction that will not impact ongoing ordinary operations.

Summary of operating results

In the 2022 financial year, the Group continued to expand and diversify its services, products and regional footprint to meet the evolving needs of customers. Despite ongoing disruptions from COVID-19 and several adverse weather events during the year the Group delivered a strong performance. The FY2022 result is a testament to the robust foundations formed over several years from capital investment in facility upgrades, fleet renewal, rail expansion and technology investments, as well as the Rural division's improvements as a result of a strategic shift in the division's operating model. The Group's investment initiatives remain focused on delivering long-term value creation for customers, employees, shareholders and the wider community.

Driven by strong demand for the Lindsay Group's road, rail and rural services, Group operating revenue for FY2022 grew by 27.1% to \$553.07 million, and on an underlying basis, Group EBITDA increased by 32.6% to a record \$60.1 million.

Reported and underlying results	2022 \$'000	2021 \$'000	% Change
Operating Revenue	553,070	435,153	27.1%
EBITDA	72,781	47,996	51.6%
Depreciation & Amortisation	(38,614)	(36,288)	6.4%
EBIT	34,167	11,708	191.8%
Finance Costs	(6,626)	(9,905)	(33.1%)
Reported Net Profit Before Tax	27,541	1,803	1427.5%
Income Tax	(8,311)	(549)	1413.8%
Reported Net Profit After Tax	19,230	1,254	1433.5%
Underlying EBITDA	60,075	45,294	32.6%
Underlying Net Profit Before Tax	26,770	13,834	93.5%

Within the Transport division, expansion of rail operations was a crucial driver of Group performance and the FY2022 result. This growth continues to be supported by the Group's investment in new refrigerated rail containers and associated equipment, which totalled \$8 million and added 75 new containers in the reporting period. An additional 27 refrigerated rail containers will be in operation in the first quarter of FY2023, bringing the Group's total container fleet of dry (20) and refrigerated containers (383) to 403.

In meeting our customers' ongoing logistical challenges and needs, Lindsay Australia's integrated road and rail service offering has become an increasingly valuable point of difference to our competitors in the market. Customers value the flexibility of choice and reliability that the Group's operating model provides, particularly during road or rail network disruptions which was experienced throughout FY2022. Throughout the reporting period road and rail services experienced significant disruptions due to adverse weather, which was largely mitigated due to the strength in the Lindsay Group's integrated service model.

The Transport division continues to benefit from strong demand for both rail and road transport services, supporting the Group's ongoing investment in these capabilities. Although rail has been the key organic growth strategy for the past three financial years, the capital invested in the road fleet renewal program has ensured that both parts of the division remain well placed to take advantage of the strong market conditions. The high demand for road services has provided a platform to expand the fleet in FY2023 by adding larger capacity road combinations in the first half of FY2023 and expanding Transport's trailer fleet in the second half of FY2023.

In addition, Rural's continued emphasis on growth in high-value horticulture regions, increasing its share of wallet with existing customers across new products and focus on a streamlined cost structure have helped to deliver ongoing earnings improvements over the past 3 years.

Divisional Investment

The Group focused its capital expenditure (capex) in FY2022 on delivering long-term growth:

- **RAIL:** The addition of 75 new refrigerated containers during the year, expanding the Group's refrigerated rail capacity to 356 containers at the end of the financial year. Growth capex for the year was \$8.0 million for refrigerated containers and associated equipment;
- **ROAD:** Renewal capex of \$15.2 million was invested in the Group's Road operations to ensure the Transport division takes advantage of the latest safety technology and efficiency improvements; and
- **FACILITIES:** A joint Transport and Rural facility was opened in Ayr, Queensland in October 2021.

Segment Overview

	2022	2021	% Change
	\$'000	\$'000	
External Revenue			
Transport – freight services	396,327	297,266	33.3%
Rural – sale of goods	156,743	137,887	13.6%
	553,070	435,153	27.0%

	2022	2021	% Change
	\$'000	\$'000	
Segment profit before tax			
Transport – reported	40,485	19,909	103.4%
Transport – underlying	41,031	27,616	48.6%
Rural – reported	10,669	8,339	27.9%
Rural – underlying	10,711	8,371	28.0%

Transport Segment

Transport's external revenues grew by 33.3% to \$396.33 million, achieving an increase in underlying segment profit before tax contribution of 48.6% to \$41.03 million and on a reported basis was \$20.58m or 103.4% above the prior period. The underlying comparison excludes a reversal of fuel tax credits expense accrued in FY2021 relating to prior years and eliminates the impact of AASB 16 for comparison purposes and other abnormal costs associated with the 2022 Brisbane flood.

Transport's external freight revenue year-on-year increase of \$99.06 million was driven by additional rail capacity, increased volumes from existing customers and new customer additions across both road and rail. Fuel levy recoveries also contributed to the increase in revenues due to the rise in fuel pricing. Rail freight accounted for \$28.6 million of the revenue rise.

Transport's road fleet capacity was similar to the previous year, with growth investment concentrated on opportunities in refrigerated rail. Lindsay Australia added 75 refrigerated rail containers to its fleet during the financial year, taking the Group's refrigerated fleet to 356 at year-end. An additional 27 refrigerated containers are included in the capital expenditure plan for the first quarter of FY2023.

The Group will continue to renew its road fleet in line with the replacement plan which remains a key pillar to the on-going success in the Transport segments performance and ensuring the fleet remains first in class while delivering efficiency and safety across Lindsay Australia's network. FY2023 will see the Group invest in continued growth of the road fleet capability and deliver operational improvements.

Rural Segment

The Rural division's external revenue grew by 13.6% to \$156.74 million, with an increase in underlying segment profit before tax contribution of 28.0% to \$10.71 million.

Rural's year-on-year external sales uplift of \$18.86 million was achieved through an expanded branch footprint and a focus on increasing its dedicated sales team in both new and established horticulture regions.

Rural reported a divisional profit before tax contribution in FY2022 of \$10.67 million, an increase of \$2.33 million (27.9%), benefiting from the expanded branch footprint, increase in sales staff, increased share of wallet with customers and a focus on reducing operating costs.

The division will continue to focus on high-growth horticulture regions that have a strategic synergy with the Transport division and will look to further expand its branch footprint in FY2023.

Corporate Update

Safety, People, Culture

During the financial year, the Group employed 1,494 full-time equivalent employees (FTE's), an increase of 55 FTE's from FY2021.

Division	2022	2021	Change	%
Corporate	70	69	1	1.5%
Rural	117	104	13	12.5%
Transport	1,307	1,267	40	3.2%
Total FTE	1,494	1,439	55	3.8%

The Board recognises the important leadership role it plays in promoting the Group's core values. The "Lindsay Way" motto sets a standard through which we hold ourselves accountable to customers, shareholders, partners and employees by honouring commitments and striving for excellence. The Group's core values are both individually significant and in combination, lay the platform for everyday operations and build a sustainable business for the future.

SAFETY FIRST: Making safety a personal value; think SAFE, act SAFE, be SAFE

PEOPLE FOCUSED: Development and support of current and future employees

VALUE FAMILY: Recognising the importance and value of family life

COMMUNITY SUPPORTIVE: Involved and supportive of the local communities

CUSTOMER & SUPPLIER ORIENTED: Maintain and improve high level of service to customers and suppliers

INDUSTRY INNOVATORS: Constantly challenging ourselves to provide and develop new innovations

COVID-19 impact

The Group remains a committed essential service provider in the food supply chain and continues to manage the ongoing challenges presented by the COVID-19 pandemic. The Group continues to maintain a significant number of safety initiatives in response to the COVID-19 challenge, focusing on employee, customer, supplier and community wellbeing.

The Transport division's import and export operations, conducted by Lindsay Fresh Logistics, experienced a material decline in revenues during the 2021 and 2020 financial years due to a shortage of available air freight services. In FY2022, the Group saw an uplift in these revenues, returning to pre-pandemic levels as additional available airfreight capacity returned. The Lindsay Fresh division did not receive Australian Government incentives in FY2022, whereas the division was eligible for the Australian Government JobKeeper wage subsidy scheme in FY2021 when it received subsidies of \$2.06 million.

Transport's road freight business has been impacted by higher staff absenteeism, increasing operating costs for the financial year and impacting the delivery of some services.

Although the Rural division continues to experience supply restraints across several products manufactured overseas due to increased shipping timeframes, the division was not materially impacted during FY2022.

Group operating cash flows were negatively affected due to the need to hold higher inventory balances resulting from international supply chain constraints. It is anticipated that these disruptions will continue throughout FY2023.

Although the Group's divisions remain fully operational as an essential service provider in all States, we note that circumstances are subject to sudden and continual changes.

Strategy, Risk and Governance

Business strategies and prospects for future years

The Group's overall business strategy remains consistent with prior years. Plans and initiatives for both service and geographical diversification remain a goal to reduce seasonal revenue risks. Operational performance from equipment utilisation remains a priority as is the continuous review of the latest technology to improve safety and systems.

Investing for future growth and sustainability

- Upgrading facilities to increase capacity and improve operational efficiencies;
- Expanding geographical reach to reduce seasonality risks;
- Expanding service range to meet changing customer needs; and
- Investing in technology to deliver safety outcomes.

Transport division

- Rail fleet expansion to support new freight lanes and customer additions;
- Road fleet renewal to deliver a modern fleet with latest safety features;
- Facility upgrades to deliver increased cold chain capacity; and
- Technology updates to achieve increased equipment utilisation.

Rural division

- Expand geographical reach to new major horticulture regions;
- Expand dedicated sales team;
- Focus on product sales mix to deliver margin improvements; and
- Leverage existing Transport geographical reach.

Risk management

The Group takes a proactive approach to risk management. The board is responsible for ensuring that risks and opportunities are identified on a timely basis.

The board adopts the "three lines of defence" model for management of risks:

- Accountability and ownership of risks within the operation. Implementation of board-approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature;
- Monitor and management of risks. Committees to report on specific business risks including such matters as environmental issues and concerns, and occupational health and safety; and
- Testing and assurance of the risk systems.

Risk and uncertainties that could impact future results

External risks include: weather, volatile fuel pricing, exchange rates, commodity prices, credit risks, competition, cyber, climate change and regulatory changes.

Strategic risks include: making unsuccessful acquisitions and not adapting to continually changing technologies.

Operation risks include: labour force management, fleet safety, and succession planning for key management personnel.

Funding and dividend strategy

Total dividends of 3.2 cents (1.4 cent interim, 1.8 cents final) have been paid or recommended out of the FY2022 profit. This is a payout of \$9,625,000 representing 50% of after-tax profit. The board continually evaluates the payout ratio to ensure there are sufficient funds to sustain and grow the business while considering shareholder's interests.

Remuneration Report (Audited)

The Remuneration Report details the nature and amount of remuneration for non-executive directors, the executive director and other key management personnel of Lindsay Australia Limited and its controlled entities. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The Remuneration Report contains the following sections:

Contents

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A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

It is the Group's objective to provide maximum shareholder benefit by the attraction and retention of a high-quality board and executive team (key management personnel). This is in part achieved by remunerating directors and executives fairly and appropriately with reference to relevant employment market conditions and results delivered.

Remuneration Committee

The board's Remuneration Committee is responsible for determining and reviewing compensation arrangements for directors and executives of the Group. To assist in achieving this objective, the Remuneration Committee takes into account the nature and amount of executive directors' and officers' emoluments and the Group's achieved financial and operational performance when determining and reviewing compensation arrangements.

Engagement of remuneration consultants

In accordance with the *Corporations Act 2001*, an engagement of a remuneration consultant to provide recommendations in respect of key management personnel must be approved by the Remuneration Committee. During the 2022 financial year, remuneration consultants were engaged to provide services to the Group, including executive assessments, job evaluations and profiling, benchmarking and executive remuneration reviews. The fees paid for these services were \$53,858 (2021: \$nil).

Voting and comments made at the Group's 2021 Annual General Meeting

Lindsay Australia Limited received more than 95% of "yes" votes on eligible votes cast by shareholders present or by proxy on its Remuneration Report for the 2021 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

Remuneration structure

The structure of non-executive director and senior management remuneration is separate and distinct.

Non-executive director remuneration

Objective

The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain suitably qualified and experienced directors, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution of the Company and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders at a General Meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the General Meeting held on 19 November 2007 where shareholders approved an aggregate remuneration of \$450,000 per year. The actual amount paid including statutory superannuation during the financial year ended 30 June 2022 was \$283,889 (2021: \$255,653).

The amount of aggregate remuneration sought (subject to the approval of shareholders) and the manner in which it is apportioned amongst directors is reviewed annually. The board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. No additional remuneration is paid for board committee membership.

Non-executive director personnel

The table below lists the executive directors and non-executive directors of Lindsay Australia Limited during the financial year:

Name	Position	Appointment Date	Resignation Date
I M Williams	Director and Chair (Non-Executive)	3 September 2021	
R L Green	Director (Non-Executive)	26 August 2019	
M R Stubbs	Director (Non-Executive)	3 September 2021	
S P Cantwell	Director (Non-Executive)	17 December 2021	
M K Lindsay	Managing Director and Chief Executive Officer	26 November 1996	
R A Anderson	Director and Chair (Non-Executive)	16 December 2002	31 August 2021
A R Kelly	Director (Non-Executive)	3 May 2019	5 November 2021

The directors mentioned above held office for the entire financial year and since the end of the year except as otherwise noted.

Non-Executive director remuneration

Details of the nature and amount of the emolument of each director of the Company for the years ended 30 June 2022 and 30 June 2021 are set out in the below table.

	Salary and fees	Short-term benefits	Long-term benefits	Post-employment benefits	Share-based payments (a)	Total	Performance related
	\$	Cash Bonus \$	Non-monetary benefits \$	Long service leave \$	Superannuation \$	Options \$	%
Non-executive directors							
I M Williams (Chair) (appointed 3 September 2021)							
2022	70,471	-	-	-	7,079	-	77,550 NA
2021	-	-	-	-	-	-	- NA
R L Green							
2022	63,278	-	-	-	6,331	-	69,609 NA
2021	63,278	-	-	-	6,011	-	69,289 NA
M R Stubbs (appointed 3 September 2021)							
2022	52,853	-	-	-	5,285	-	58,138 NA
2021	-	-	-	-	-	-	- NA
S P Cantwell (appointed 17 December 2021)							
2022	34,912	-	-	-	3,491	-	38,403 NA
2021	-	-	-	-	-	-	- NA
R A Anderson (resigned 31 August 2021)							
2022	14,224	-	-	-	1,427	-	15,651 NA
2021	76,855	-	-	-	7,301	-	84,156 NA
A R Kelly (resigned 5 November 2021)							
2022	22,305	-	-	-	2,233	-	24,538 NA
2021	63,278	-	-	-	6,011	-	69,289 NA
J F Pressler (resigned 6 November 2020)							
2022	-	-	-	-	-	-	- NA
2021	30,063	-	-	-	2,856	-	32,919 NA
Sub-Total 2022	258,043	-	-	-	25,846	-	283,889 NA
Sub-Total 2021	233,474	-	-	-	22,179	-	255,653 NA

Executive director and other key management personnel remuneration

Objective

The Group aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group to:

- a) Link rewards with the strategic goals and performance of the Group;
- b) Align the interests of key management personnel with shareholders; and
- c) Ensure total remuneration is market competitive.

Key management personnel

The following people employed by Lindsay Australia Limited also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the 2022 and 2021 financial years:

Name	Position	Term as KMP
M K Lindsay	Managing Director and Chief Executive Officer	Full financial year
J T Green	Chief Financial Officer and Company Secretary	Full financial year
B T Jones	Group Legal Counsel and Company Secretary	Full financial year
C R Baker	Chief Operating Officer (i)	Full financial year

- (i) C R Baker transitioned from General Manager – Rural to Chief Operating Officer during the 2022 financial year.

Details of the nature and amount of remuneration and all monetary and non-monetary components for each key management personnel during the years ended 30 June 2022 and 30 June 2021 are provided later in this report.

Structure

The key management personnel remuneration and reward framework has three components:

Component	Vehicle(s)	Rewarding
Fixed remuneration	Base salary, superannuation and salary packaged benefits	Skills and experience relative to the market
Short-term incentives (STI)	Bonus payments	Performance relative to annual goals
Long-term incentives (LTI)	Grants of performance options	Long term performance of the Group

Fixed remuneration

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash, superannuation and fringe benefits such as motor vehicles, and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating an undue cost for the Group. The fixed remuneration is not dependent upon the satisfaction of any performance conditions.

Short-term incentives (STI)

The payment of short-term incentives to key management personnel is specified in employment agreements or at the discretion of the Chief Executive Officer (CEO) and the Remuneration Committee, having regard to the overall performance of the Group and the performance of the individual during the period. Key financial indicators of profitability, revenue growth, revenue diversification and working capital improvements are factored into short-term incentive remuneration. Other key indicators include safety, employee engagement, employee retention and sustainability. The Board considers this as a balanced approach to align key management personnel rewards with overall shareholder value creation.

Short-term incentive – Chief Executive Officer

During the 2017 financial year, an employment agreement was entered into with the CEO, M K Lindsay. The agreement provides for STIs between 0% and 60% of fixed remuneration based on achieving goals. The STIs earned and paid to the CEO are measured against the delivery of strategic objectives, including:

- a) Safety outcomes benchmarked and measured internally;
- b) Earnings growth measured against historical results and internal management budgets;
- c) Diversifying Group operations both in service range and geographical reach;
- d) Shareholder returns, including both income and capital; and
- e) Succession planning for key management personnel.

The short-term objectives were chosen because of the need to renew infrastructure and set the Group on a future path of growth. In FY2022, M K Lindsay achieved STI cash bonus, inclusive of superannuation of \$430,000 (FY2021: \$120,000). For the STI paid in

FY2022, \$80,000 (inclusive of superannuation) related to the FY2021 financial year that was previously deferred. All STI payments made in FY2021 related to that financial year.

	Fixed Remuneration \$	Maximum STI \$	STI Awarded (i) \$	STI Awarded %	STI Forfeited %
M K Lindsay - Managing Director & Chief Executive Officer					
2022	849,288	509,573	430,000	84%	16%
2021	845,518	507,311	120,000	24%	76%

(i) The STI payments detailed above includes superannuation. The STI payments represent both amounts paid or payable at the end of the financial year as determined by the Remuneration Committee. At 30 June 2022, an amount of \$350,000 (including superannuation) was payable to M K Lindsay (30 June 2021: \$120,000 including superannuation). The cash bonus and superannuation amounts are disclosed separately in the remuneration table above. The \$430,000 STI awarded in FY2022 includes an \$80,000 payment that was deferred from FY2021.

Short-term incentive – Chief Operating Officer / Chief Financial Officer

During the 2022 financial year, new employment agreements were entered into with the COO, C R Baker and CFO J T Green. The agreements provide for a maximum STI of \$100,000 based on achieving goals for each executive. The STIs earned and paid are measured against the delivery of strategic objectives, including:

- a) Safety outcomes and improvements benchmarked and measured internally;
- b) Financial benchmarks including growth in Group revenues, EBITDA and returns on invested capital; and
- c) Professional development.

The short-term objectives were chosen for a balanced approach to align remuneration with shareholder value creation.

The table below details the STI cash bonus that was awarded and how much was forfeited, based on the maximum STI payable in the employment agreements.

	Fixed Remuneration \$	Maximum STI \$	STI Awarded \$	STI Awarded %	STI Forfeited %
C R Baker – Chief Operating Officer					
2022	463,300	100,000	100,000	100%	0%
J T Green – Chief Financial Officer					
2022	372,000	100,000	100,000	100%	0%

Long term incentives (LTI)

Key management personnel are eligible to participate in the Long Term Incentive (Option) Plan (LTIP) that was approved by shareholders at the 2016 Annual General Meeting. Refer to section (E) below and Note 30 for additional information on the LTIP.

Details of share options issued under the LTIP that have not yet vested or been cancelled are detailed below.

	FY2022	FY2022
Share Options Granted To	C R Baker	J T Green
Share Options Granted	200,000	200,000
Valuation at Grant Date	\$0.3219	\$0.3219
Grant Date	October 2021	October 2021
Vesting Period	30 June 2024	30 June 2024
3 Year Aggregate EPS Target	12 cents per share	12 cents per share
3 Year Total Shareholder Return Target	30%	30%

There were no share options granted in the 2021 financial year.

B. Service Agreements

The Group's policy in operation during the 2022 financial year is that service contracts for the Chief Executive Officer (CEO) and other key management personnel are unlimited in term but capable of termination, either by employer or employee, on giving between one and twelve months' notice. The notice period varies depending on the position held.

Notice period contained in employment agreements for key management positions:

Position	Employee	Notice Period
Chief Executive Officer	M K Lindsay	12 months
Chief Financial Officer	J T Green	12 months
Group Legal Counsel	B T Jones	1 month
Chief Operating Officer	C R Baker	12 months

Key management personnel are entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

Short-term incentives (STI) are based on performance against a key set of performance measures which are aligned to shareholder outcomes.

Long term incentives (LTI) include a combination of performance measures and tenure.

Compensation levels are reviewed each year to meet the principles of the remuneration policy.

New employment agreements were entered into during the 2022 financial year for the Chief Operating Officer (C R Baker) and the Chief Financial Officer (J T Green).

C. Details of Remuneration Paid to Key Management Personnel

The persons listed below are the only persons to have authority and responsibility for planning, directing and controlling the activities of Lindsay Australia Limited and the Group. There are no other executives who are key management personnel. Amounts disclosed for cash salary, fees and superannuation include amounts accrued during the year in respect of leave entitlements. Total remuneration expense may vary, as compared to base salary, with the movements in annual and long service leave accruals.

	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments (a)	Total	Performance related
	Salary and fees	Cash Bonus	Non-monetary benefits	Long service leave	Superannuation	Options		
	\$	\$	\$	\$	\$	\$	\$	%
Executive director and other key management personnel								
M K Lindsay – Managing Director & Chief Executive Officer (b)								
2022	845,385	391,000	12,110	12,564	48,706	61,958	1,371,723	33
2021	828,506	109,000	8,063	12,564	17,956	61,958	1,038,047	16
J T Green – Chief Financial Officer & Company Secretary								
2022	342,177	110,909	4,732	18,738	36,306	21,463	534,325	25
2021	287,560	40,000	-	4,666	25,369	-	357,595	11
B T Jones – Group Legal Counsel & Company Secretary								
2022	290,178	20,000	-	10,795	27,624	-	348,597	6
2021	287,022	20,000	-	6,361	25,066	-	338,449	6
C R Baker – Chief Operating Officer								
2022	468,838	90,909	4,174	26,694	35,254	21,463	647,332	17
2021	337,741	52,500	43,457	5,183	24,982	-	463,863	11
Sub-Total 2022	1,946,578	612,818	21,016	68,791	147,890	104,884	2,901,977	25
Sub-Total 2021	1,740,829	221,500	51,520	28,774	93,373	61,958	2,197,954	13

(a) Share-based payments are the probable number options that will vest at the grant date value.

(b) The STI payment awarded to M K Lindsay in FY2022 includes a payment of \$80,000 (inclusive of superannuation) that was deferred from the FY2021.

D. Other Transactions with Key Management Personnel

Amounts recognised as revenues and expenses (exclusive GST): 2022
\$

Expenses

Fees for corporate uniform procurement provided by entities associated with M K Lindsay 227,591

Amounts receivable / payable to key management personnel and their related parties at the reporting date

Current payables – trade creditors -

Current receivables – trade debtors -

The directors believe transactions with key management personnel were on commercial terms and conditions (unless otherwise stated). Current receivables and payables are unsecured, to be settled in cash and are on the same terms and conditions as non-related parties as disclosed elsewhere in this report.

E. Share-Based Compensation

Options

Options over shares in Lindsay Australia Limited may be granted under the Long Term Incentive (Option) Plan (LTIP). The LTIP is structured as a reward for length of service and is variable depending upon cumulative annual performance.

The terms and conditions of each grant of options affecting performance in the current or future reporting periods are as follows:

Grant Date	Options issued	Fair Value per option (cents)	Date vested and exercisable	Expiry date	Exercise price	Vested 30 June 2022	Exercised 30 June 2022	Balance
October 2017	400,000	36.50	October 2020	October 2024	Nil	-	400,000	-
October 2018	400,000	31.50	March 2022	October 2025	Nil	400,000	400,000	-
October 2019	400,000	30.70	October 2022	October 2026	Nil	-	-	400,000
October 2021	400,000	32.19	September 2024	September 2025	Nil	-	-	400,000

The above grants of options are performance related to provide long-term incentives.

Detail of options over ordinary shares in the company provided as remuneration to each director and key management personnel of Lindsay Australia Limited and related entities at 30 June 2022 are set out below. When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited. Further information on the options is set out in Note 30 of the financial report.

Name	Number of options granted	Value of options at grant date (a)	Number of options vested during the year	Number of options exercised during the year
M K Lindsay (October 2017)	400,000	145,881	-	400,000
M K Lindsay (October 2018)	400,000	126,041	400,000	400,000
M K Lindsay (October 2019)	400,000	122,855	-	-
C R Baker (October 2021)	200,000	64,389	-	-
J T Green (October 2021)	200,000	64,389	-	-

- (a) The value at the grant date is calculated in accordance with AASB2 Share-based Payments of options granted during the year as part of remuneration. The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from the grant date to vesting date, and the amount is included in the remuneration tables above.

Options granted have an exercise price of zero and no market conditions. The number of options vested ultimately depends on the performance of the individual and the overall Company. Fair values at grant date are determined using the share price at the grant date less the dividend discounted where the vesting date is greater than one year. The number and movement for all options during the 2022 financial year are as follows.

Name	Balance 30 June 2021		Granted during year	Vested and exercisable during year	Exercised	Forfeited	Balance 30 June 2022	
	Unvested	Vested					Unvested (i)	Vested
M K Lindsay	800,000	400,000	-	400,000	(800,000)	-	400,000	-
C R Baker	-	-	200,000	-	-	-	200,000	-
J T Green	-	-	200,000	-	-	-	200,000	-

(i) Since the end of the 2022 financial year, 400,000 share options have now vested for M K Lindsay.

In the 2022 financial year, 800,000 shares were issued in Lindsay Australia Limited pursuant to the exercise of share options for M K Lindsay. No shares were issued in the 2021 financial year.

Refer Note 30 for additional information on share options.

F. Equity Holdings of Key Management Personnel

Share holdings

The number of ordinary shares in the Company held during the financial year and prior year by each director of Lindsay Australia Limited and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at 30 June 2021	Upon resignation	Shares issued on exercise of share options	Net change other	Balance at 30 June 2022
Directors of Lindsay Australia Limited					
M K Lindsay	11,891,515	-	800,000	320,972	13,012,487
I M Williams	-	-	-	-	-
R A Anderson	391,869	(391,869)	-	-	-
M R Stubbs	-	-	-	280,000	280,000
R L Green	-	-	-	-	-
S P Cantwell	-	-	-	-	-
Other key management personnel of the Group					
B T Jones	-	-	-	-	-
J T Green	31,632	-	-	-	31,632
C R Baker	69,182	-	-	3,386	72,568

All equity transactions with directors and other key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

G. Loans to Key Management Personnel

There were no loans to key management personnel during the current or prior financial years.

H. Additional Information

The table below shows for the current financial year and previous four financial years the total remuneration cost of the key management personnel, earnings per ordinary share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

Financial Year	Total Remuneration \$	EPS ¢	Dividends ¢	Share Price ¢
2018	2,673,788	2.7	1.8	38.0
2019	2,484,462	3.0	2.1	34.5
2020	2,681,842	1.8	1.5	35.0
2021	2,453,607	0.4	1.7	37.5
2022	3,185,866	6.4	3.2	41.0

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

Ian M Williams

Chair of Directors
Brisbane, Queensland
17 August 2022



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The Directors
Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2022, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*; and
- (ii) no contraventions of APES110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Lindsay Australia Limited and the entities it controlled during the year.

Pitcher Partners

PITCHER PARTNERS

[Signature]

DAN COLWELL

Partner

Brisbane, Queensland
17 August 2022

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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TOM SPLATT

JAMES FIELD
DANIEL COLWELL
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FELICITY CRIMSTON
CHERYL MASON
KIERAN WALLIS

MURRAY GRAHAM
ANDREW ROBIN
KAREN LEVINE

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ANNUAL FINANCIAL REPORT



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These financial statements cover the consolidated financial statements for the consolidated entity consisting of Lindsay Australia Limited and its subsidiaries. The financial statements are presented in Australian currency.

Lindsay Australia Limited is a company limited by shares, incorporated and domiciled in Australia. It's Registered Office and Principal Place of Business is:

Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations in the Directors' Report which is not part of this financial report.

The financial statements were authorised for issue by the directors on 17 August 2022. The directors have the power to amend and reissue the financial statements.

Lindsay Australia Limited

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	553,070	435,153
Other revenue	5	4,589	5,140
Expenses			
Changes in inventories		5,380	2,624
Purchase of inventories		(134,162)	(116,235)
Employee benefits expense	6	(127,814)	(114,751)
Subcontractors		(111,852)	(65,199)
Depreciation and amortisation	6	(38,614)	(36,288)
Vehicle operating charges	6	(75,744)	(61,058)
Finance costs	6	(6,626)	(9,905)
Rental and equipment hire costs		(1,502)	(1,221)
Professional fees	6	(1,837)	(1,509)
Impairment loss on trade receivables	6	(141)	(1,201)
Merger and acquisition costs		-	(1,231)
Other expenses		(37,206)	(32,516)
Profit before income tax		27,541	1,803
Income tax expense	7	(8,311)	(549)
Profit for the year	25	19,230	1,254
Other comprehensive income		-	-
Total comprehensive income for the year		19,230	1,254
	Note	Cents	Cents
Basic earnings per share	27	6.4	0.4
Diluted earnings per share	27	6.4	0.4

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

Lindsay Australia Limited

Consolidated Statement of Financial Position

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	9	29,041	27,594
Trade and other receivables	10	90,264	56,717
Inventories	11	22,611	15,196
Prepayments		5,489	4,775
Current tax assets		-	668
Total current assets		147,405	104,950
Non-current assets			
Financial assets at fair value through other comprehensive income	12	25	25
Property, plant and equipment	13	67,581	64,928
Right-of-use assets	14	187,986	193,641
Intangible assets	17	8,425	8,963
Total non-current assets		264,017	267,557
Total assets		411,422	372,507
Current liabilities			
Trade and other payables	18	60,365	48,828
Borrowings	19	9,276	4,918
Lease liabilities	15	42,873	36,385
Provisions	21	12,510	11,047
Other	22	6,146	3,934
Total current liabilities		131,170	105,112
Non-current liabilities			
Borrowings	19	22,782	15,273
Lease liabilities	15	131,032	146,876
Deferred tax liabilities	20	13,517	5,206
Provisions	21	1,735	1,958
Other	22	8,271	9,205
Total non-current liabilities		177,337	178,518
Total liabilities		308,507	283,630
Net assets		102,915	88,877
Equity			
Contributed equity	23	74,397	73,709
Reserves	24	689	856
Retained earnings	25	27,829	14,312
Total equity		102,915	88,877

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Note	Contributed equity \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 30 June 2020		73,421	794	18,148	92,363
Profit for the year		-	-	1,254	1,254
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	1,254	1,254
Dividends reinvested /(paid) during year	8	288	-	(5,090)	(4,802)
Employee share schemes – value of employee services	24	-	62	-	62
At 30 June 2021		73,709	856	14,312	88,877
Profit for the year		-	-	19,230	19,230
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	19,230	19,230
Dividends reinvested /(paid) during year	8	416	-	(5,713)	(5,297)
Employee share schemes – value of employee services	24	-	105	-	105
Issue of shares under share option plan	24	272	(272)	-	-
At 30 June 2022		74,397	689	27,829	102,915

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Lindsay Australia Limited

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts in the course of operations		581,375	480,572
Payments in the course of operations		(535,049)	(423,063)
Interest received		289	245
Income taxes paid		-	(878)
Income taxes reimbursed		668	2,971
Finance costs paid		(7,652)	(8,118)
Net cash from operating activities	26	39,631	51,729
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		3,161	978
Payments for property, plant and equipment		(13,704)	(2,702)
Payments for intangibles		(99)	(150)
Net cash (used in) investing activities		(10,642)	(1,874)
Cash flows from financing activities			
Proceeds from borrowings		20,099	6,208
Repayment of borrowings		(5,519)	(7,000)
Repayment of property lease liabilities		(28,221)	(7,423)
Repayment of other lease liabilities		(8,117)	(307)
Repayment of equipment lease liabilities		(488)	(26,832)
Dividends paid		(5,296)	(4,802)
Net cash (used in) financing activities		(27,542)	(40,156)
Increase in cash and cash equivalents		1,447	9,699
Cash and cash equivalents at beginning of financial year		27,594	17,895
Cash and cash equivalents at end of financial year	9	29,041	27,594

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

Notes to the Consolidated Financial Statements

Lindsay Australia Limited and controlled entities

Lindsay Australia Limited and its controlled entities (the Group), is an integrated transport, logistics and rural supply company that has a specific focus on servicing customers in the food processing, food services, fresh produce and horticulture sectors.

Lindsay Australia Limited is a for-profit entity limited by shares. Shares in Lindsay Australia Limited are publicly traded on the Australian Securities Exchange (Code: LAU). The financial statements relate to the consolidated entity consisting of Lindsay Australia Limited and its subsidiaries.

The full board of Lindsay Australia Limited authorised the issuance of the consolidated financial statements for the year ended 30 June 2022 on 17 August 2022.

1. Significant Accounting Policies

1.1 Basis of preparation of the financial statements

These general purpose consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authorised pronouncements of the Australian Accounting Standards Board.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These financial statements have been prepared under the historical cost basis, except for investments in equity instruments which have been measured at fair value through other comprehensive income.

The financial report is presented in Australian dollars and unless otherwise stated all values are rounded to the nearest (\$000), except where whole dollars are used, relying on rounding relief under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (2016/191).

New accounting standards and interpretations

There are a number of new accounting standards, interpretations and amendments that have been issued but not yet effective. The new accounting standards, interpretations and amendments that are relevant to the activities of the Group and are not expected to have a material impact on the financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

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

Compliance with international financial reporting standards

The consolidated financial statements of Lindsay Australia Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards and Interpretations requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

1.2 Basis of consolidation of the financial statements

The consolidated financial statements contain the financial statements of Lindsay Australia Limited (the Company) and its controlled subsidiaries (the 'Group') as at 30 June 2022. Control occurs when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct its activities. Generally, there is a presumption that a majority of voting rights results in control. Supporting this assertion, the Company considers the facts and circumstances in assessing whether it has power over the entity including, the contractual arrangements with other vote holders, rights arising from other contractual arrangements, and the Company's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the Group.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent Company and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Group members are eliminated in full on consolidation.

1.3 Summary of significant accounting policies

a. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the sum of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquisition is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

c. Revenue and other income

The Group earns revenue from providing goods and services to customers. Consistent with the requirements of AASB 15 *Contracts with Customers* and the Group's performance obligations, the Group recognises revenue with respect to the provision of goods at specific points in time (typically when goods are physically transferred to the customers) and recognises revenue with respect to the provision of services over the period in which the services are provided to the customers.

Contract liabilities are recognised when advance consideration is received from customers or where revenue is otherwise deferred and the related performance obligations have not yet been met.

The recognition of each of the Group's major revenue sources is detailed below:

Sale of goods

Revenue is recognised from the sale of goods on a point in time basis, generally when the goods are delivered to the customers.

Transport/logistic services

Revenue is recognised from the provision of transport and logistics services generally over a period of time. The Group has adopted the output method of measuring revenue as this approach best reflects the Group's performance obligations over a period of time.

Other revenue

Revenue from the provision of short-term warehousing and storage services provided to customers is generally recognised over a period of time as the services are provided.

d. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e. Right-of-use property and other

The Group operates several leased facilities. Facility rental agreements range in tenure from 1 to 15 years. Lease terms are negotiated on an individual basis and with varying terms and conditions.

Leases are recognised as a right-of-use asset with a corresponding lease liability. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the lease term on a straight-line basis or over the useful life where title to the asset transfers at the end of the lease. Assets and liabilities arising from a lease are initially measured on a present value basis.

Depreciation on right-of-use assets and interest on lease liabilities is recognised in the consolidated statement of profit and loss and other comprehensive income.

Payments associated with short term leases (generally less than 12 month terms) and leases of low value are recognised on a straight-line basis as an expense in the consolidated statement of profit and loss and other comprehensive income. Low value leases include office equipment and short-term leases includes equipment that is utilised by the Group to cover peak operating periods and are on short term rental agreements of less than 12 months in tenure.

The principal portion of the lease payments are recognised as a financing cash flow and the interest portion of the lease payments are recognised as an operating cash flow in the consolidated statement of cash flows.

The Group uses critical judgements in determining the lease term. Extension options are only included in the lease term where management considers that it is reasonably certain that the lease will be extended.

f. Impairment of financial assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. In measuring the expected credit loss, a provision matrix for trade receivables is used. The provision matrix is based on historical credit losses, adjusted for any material expected changes to future credit risk. Any change in expected credit losses between the previous reporting period and the current reporting period is recognised as an impairment gain or loss in the statement of profit and loss. Collectability of trade receivables is reviewed on an ongoing basis.

g. Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses.

i. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises the cost of purchase and, where applicable, cost of conversion after deducting trade discounts, rebates and other similar items. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to market the sale. Volume rebates are apportioned evenly across the relevant product purchased. Where the product remains in inventory the rebate reduces its carrying value.

j. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

k. Investments and other financial assets

Financial assets are measured at amortised cost where the Group holds the asset in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

Financial assets are measured at fair value through other comprehensive income (FVOCI) where the Group holds the asset in order to collect contractual cash flows that arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

Financial assets at FVOCI, comprise principally marketable equity securities which do not have fixed maturities, fixed or determinable payments and management intends to hold them for the medium or long term. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the period end date.

Financial assets are irrevocably designated at FVOCI on initial recognition where equity instruments are not held for trading purposes.

The Group classifies and measures all other financial assets at fair value through profit and loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are included in current assets, except for those with maturities greater than 12 months after the period end date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

l. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as equity security financial assets at fair value through other comprehensive income) is based on quoted market prices at the period end date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

m. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of assets is calculated on a diminishing value (DV) or straight line (SL) method to allocate their cost, net of their residual values, over their estimated useful lives. The depreciation rates used for each class of depreciable asset for current and comparative years are:

Classification	Rate	Depreciation Basis
Buildings	2.5-5%	SL
Right-of-use assets	6.5-50%	SL
Leasehold improvements	6.5-30%	SL/DV
Plant and equipment	5-40%	SL/DV
Leased plant and equipment	6.5-40%	SL/DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

n. Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose, identified according to operating segments. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

o. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not amortised but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carry amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that previously suffered an impairment loss are reviewed for possible reversal of the impairment loss at each subsequent reporting date.

p. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are usually unsecured and paid within 7 to 180 days of recognition depending on the vendor payment terms.

q. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the current provision for employee benefits.

The liabilities for long service leave and annual leave which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration

is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if there is no unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

The Group makes contributions to defined contribution superannuation funds. Contributions are recognised as an expense as they become payable.

Share-based compensation benefits can be provided to employees under the Lindsay Australia Limited Long Term Incentive (Option) Plan (LTIP).

The fair value of options granted under the LTIP is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss with a corresponding adjustment to equity.

r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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 the reporting period.

s. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

u. Dividends

Provision is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year, but not distributed at reporting date.

v. GST

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

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

w. Parent entity financial information

The financial information for the parent entity, Lindsay Australia Limited, disclosed in Note 36 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries are accounted for at cost in the financial statements of Lindsay Australia Limited.

Lindsay Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation.

The head entity, Lindsay Australia Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Lindsay Australia Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Lindsay Australia Limited for any current tax payable assumed and are compensated by Lindsay Australia Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Lindsay Australia Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

x. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction of the expense to which it relates.

y. General

Lindsay Australia Limited is a public company limited by shares, incorporated and domiciled in Australia. The Registered Office and Principal Place of Business is:

Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

2. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk. Risk management is undertaken by senior management and the Board of Directors.

Monthly reports of financial assets and financial liabilities including undrawn facilities, analysis and details of significant and/or overdue debtors are provided to the Board of Directors for review.

The Group holds the following financial instruments:

	Note	2022 \$'000	2021 \$'000
Financial assets			
Cash and cash equivalents (a)	9	29,041	27,594
Trade and other receivables (a)	10	90,264	56,717
Equity securities (b)	12	25	25
		119,330	84,336
Financial liabilities			
Trade and other payables (c)	18	60,365	48,828
Borrowings (c) (d)	19	32,284	20,500
Lease liabilities (e)	15	174,191	183,795
		266,840	253,123

(a) Financial assets at amortised cost.

(b) Fair value through other comprehensive income.

(c) Other financial liabilities at amortised cost.

(d) The carrying amount of borrowings disclosed excludes offsetting borrowing costs of \$226,000 (2021: \$309,000) and at amortised cost.

(e) The carrying amount of lease liabilities excludes offsetting of fair value gain of \$286,000 (2021: \$534,000) and at amortised cost.

a. Assets pledged as security

Refer to Note 19 for information on assets pledged as security.

b. Currency risk

The Group does not operate internationally; however, does have some revenue generated from internationally based customers denominated in Australian Dollars. Revenue from international customers in FY2022 accounted for 0.1% (2021: 0.1%) of Group revenue.

In FY2022 the Group purchased approximately \$7.7 million (5.1%) (2021: \$6.2 million (4.8%)) of its inventory from overseas sources in foreign currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, during the interval, usually not greater than 90 days between purchase and settlement. Selling prices can also be adjusted to cover price movements. The Group's exposure to foreign exchange movements at 30 June 2022 is not significant.

c. Price risk

The Group is exposed to equity security price risk on unlisted equity securities financial assets. The price risk for the unlisted securities at 30 June 2022 and 30 June 2021 is not significant.

d. Interest rate risk

The Group's main interest rate risk arises from borrowings, cash and debtors. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the 2022 and 2021 financial years, the Group's borrowings at variable rate were denominated in Australian Dollars. The Group has no significant interest-bearing assets other than cash and debtors. The Group charges interest on a small number of debtor balances for seasonal extended payment terms or for debtors that extend beyond agreed payment terms.

The Group's cash flow interest rate risk primarily relates to variable rate financial instruments such as short term and long term variable rate bank loan borrowings. The proportion of variable rate borrowings to total borrowings of the Group at 30 June 2022 is 25.2% (2021: 17.1%). The Group monitors its interest rate exposure against movements in market interest rates and future interest rate expectations.

No hedging instruments are used.

As at the reporting date, the Group had the following financial instruments subject to variable interest rates outstanding:

Weighted Average Interest Rate

	2022 %	2021 %	2022 \$'000	2021 \$'000
Cash and cash equivalents	0.00%	0.00%	29,041	27,594
Borrowings				
Bank and other loans (i)	4.19%	3.14%	32,284	20,500

(i) The carrying amount of borrowings disclosed excludes offsetting borrowing costs of \$226,000 (2021: \$309,000).

At 30 June 2022, if interest rates had changed by +/-1% from the year-end rates, with all other variables held constant, after-tax profit for the year would have been \$23,000 lower/higher (2021 – change of 1%: \$50,000 lower/higher), mainly as a result of higher/lower interest expense from borrowings and higher/lower interest income from cash and cash equivalents.

e. Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, and deposits with trading banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors such as credit reports.

Individual risk limits are set based on credit worthiness and sales expectations. Management regularly monitors the compliance of credit limits by customers. The Group has significant concentrations of credit risk as detailed below. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Board of Directors reviews outstanding customer receivables in excess of \$50,000 monthly.

The maximum exposure to credit risk, excluding the value of any security the Group may hold, at balance for recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted the simplified approach to measuring expected credit losses for trade receivables. In measuring the expected credit loss, a provision matrix is used. The provision matrix is based on historical credit losses, adjusted for any material changes to future credit risk.

At 30 June 2022 the largest ten debtors comprised approximately 39% (2021: 26%) of total trade debtors (the largest individual debtor comprised 10.0% (2021: 6.5%) of trade debtors). Around a half of the trade debtors are involved in the rural industry in Queensland, New South Wales, Victoria, and South Australia - approximately 53% (2021: 66%).

At the reporting date cash was held with the Group's principal financiers, including Commonwealth Bank of Australia, Westpac Banking Corporation and the National Australia Bank.

f. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash and the availability of funding, through an adequate amount of credit facilities, to meet obligations when due. The Group manages liquidity risk by continuously monitoring cash flows and the maturity profiles of financial assets and liabilities. Surplus funds are only invested in deposits with trading banks. The Group maintains un-drawn limits on equipment finance facilities.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2022 \$'000	2021 \$'000
Available facilities		
Bank loan - working capital finance facility	10,000	10,000
Bank loan	15,500	17,500
Other loans	80	80
Equipment loans – variable	10,784	-
Equipment finance lease liabilities	119,216	130,000
Amounts utilised		
Bank loan – working capital finance facility	(6,000)	(3,000)
Bank loans (a)	(15,500)	(17,500)
Equipment loans - variable	(10,784)	-
Equipment finance lease liabilities (b)	(95,789)	(99,515)
Unused facilities	27,507	37,565

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of \$226,000 (2021: \$309,000).

(b) The carrying amount of equipment finance lease liabilities excludes offsetting of a fair value gain of \$286,000 (2021: \$534,000).

Bank loan - working capital finance facility

The working capital finance facility is available until March 2023 unless the lender demands repayment in accordance with the facility agreement. The interest rate is variable and is based on prevailing market rates. The facility is utilised to fund annual premiums such as registrations and insurances and drawn upon and repaid as per the Groups funding requirements but not longer than 12 months from initial utilisation. The facility is subject to annual review.

Bank loans

Bank loans are generally 12 months to 5 years in tenure and repayable by quarterly instalments of principal and interest with a balloon payment at maturity. The interest rate is variable and is based on prevailing market rates. The facility is subject to annual review.

Other loans

Other loans relate to a corporate card facility held with a financial institution. The amounts are payable at the end of each month. The facility is subject to annual review.

Equipment finance lease facilities

The consolidated entity can draw on these lease facilities for the acquisition of plant and equipment (by way of equipment finance lease). Generally:

- The facilities are subject to periodic review;
- Individual equipment finance agreements generally range in tenure of between 1 and 5 years depending on the equipment type;
- Fixed monthly repayments of principal and interest are arranged over the term of each agreement at the date of each draw;
- Depending on the equipment financed by the agreement, balloon residuals are generally refinanced for a further term of between 1 and 3 years; and
- The liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

At 30 June 2022, \$10,126,000 (30 June 2021: \$4,634,000) was included as a current liability for balloon residuals for equipment finance agreements expiring within 12 months of balance date. As per the Group's equipment finance strategy, these balloon residuals are expected to be refinanced for a further term as they fall due.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount liabilities \$'000
At 30 June 2021						
Trade payables	48,828	-	-	-	48,828	48,828
Borrowings (a)	5,563	2,481	14,188	-	22,232	20,500
Equipment finance leases (b)	30,976	30,398	43,925	-	105,299	99,515
Lease liabilities - properties/other	11,450	11,334	20,456	61,914	105,154	84,280
Total	96,817	44,213	78,569	61,914	281,513	253,123
At 30 June 2022						
Trade payables	60,365	-	-	-	60,365	60,365
Borrowings (a)	8,784	2,627	11,908	-	23,319	21,500
Equipment finance leases (b)	36,385	24,407	40,477	-	101,269	95,789
Equipment loans – variable	1,716	1,716	8,338	-	11,770	10,784
Lease liabilities – properties/other	12,125	11,334	27,804	44,882	96,145	78,402
Total	119,375	40,084	88,527	44,882	292,868	266,840

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of \$226,000 (2021: \$309,000).

(b) The carrying amount of equipment finance lease liabilities excludes offsetting of a fair value gain of \$286,000 (2021: \$534,000).

g. Fair value estimation

The Group has no significant financial assets measured and recognised at fair value in the financial statements at year end.

The carrying amounts of financial instruments represent reasonable approximations of their fair values, given their short-term nature.

3. Critical Accounting Estimates & Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(n). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to Note 17 for details of these assumptions.

Allowance for expected losses

The Group makes judgements as to its ability to collect outstanding receivables and provides for the portion of receivables when collection becomes doubtful. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Collectability of trade and other receivables is reviewed on an ongoing basis. Trade and other receivables, which are known to be uncollectible, are written off. An allowance for expected credit losses is established. In measuring expected credit losses, a provision matrix for trade receivables is used. The provision matrix is based on historical credit losses, adjusted for any material expected changes to future credit risk. Refer note 10 for details of the allowance for expected credit losses.

Lease terms for right-of-use assets and liabilities

The Group uses critical judgements in determining the lease term for property leases with renewable extension options. The lease term is determined to be the non-cancellable term of a lease and includes the periods covered by an option to extend the lease term where management considers that it is reasonably certain that the lease extension option will be exercised. The Group recognises a right-of-use asset at the commencement date which is initially measured on a present value basis. The associated lease liabilities have been measured at the present value of future minimum lease payments, using the Group's incremental borrowing rate.

Depreciation of property, plant and equipment

The Group makes judgements in determining depreciation rates for property, plant and equipment. Depreciation of assets is calculated on a diminishing value (DV) or straight line (SL) method to allocate their cost, net of their residual values, over their estimated useful lives. Assets are classified into asset groups and depreciated per their classification in the table disclosed under note 1(m). Asset residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Fuel tax credits

The Group uses critical input judgements when determining the Group's entitlements to fuel tax credits. These judgements are based on continual technology improvements which assist the fuel tax credit input data capture process, which includes key inputs such as kilometres travelled, fuel burn rates, idle rates and off-road kilometres and other key inputs which are continually reviewed.

Taxation

Deferred tax assets, including those arising from tax losses not recouped and temporary differences are recognised in the Consolidated Statement of Financial Position, only where it is considered more likely than not that they will be recovered. Recovery is subject to the generation of sufficient taxable profits in the future. Judgement is required to determine the amount of deferred tax assets that can be recognised based on the timing and amount of future profits. These judgements and assumptions are subject to risk and uncertainty. A change in circumstances will alter expectations which could impact the amount of deferred tax assets and deferred tax liabilities recognised in the Statement of Financial Position. If circumstances do change, some or all of the carrying amounts recognised for deferred tax assets and liabilities may require adjustment, impacting the Consolidated Statement of Profit and Loss and Comprehensive Income.

4. Revenues

In the following table, revenue from contracts with customers is disaggregated by customer type.

Horticulture customers

Customers are classified as horticulture if they are predominately exposed to the primary production of fresh fruit and vegetables. Horticulture customers include primary producers (growers), produce market agents and produce packing groups. Revenues from horticulture customers can fluctuate depending on season and can be impacted by weather related events.

Commercial customers

All other customers are classified as commercial customers. These customers do not have any direct involvement in the production of fresh fruit and vegetables. They are predominately manufacturers, food processors or distributors and third-party transport operators.

2022	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Revenues				
Horticulture	189,817	156,743	-	346,560
Commercial	206,510	-	-	206,510
Revenue from contracts with customers	396,327	156,743	-	553,070
Other revenue (refer note 5)	2,723	774	1,092	4,589
Total revenue	399,050	157,517	1,092	557,659

2021	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Revenues				
Horticulture	151,903	137,887	-	289,790
Commercial	145,363	-	-	145,363
Revenue from contracts with customers	297,266	137,887	-	435,153
Other revenue (refer note 5)	3,383	427	1,330	5,140
Total revenue	300,649	138,314	1,330	440,293

5. Other Revenue

2022	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Insurance & other recoveries	266	-	761	1,027
Rents and sub-lease rentals	142	12	9	163
Interest revenue	-	-	290	290
Warehouse income	1,247	-	-	1,247
Sundry/other Income	1,068	762	32	1,862
Total other revenue/income	2,723	774	1,092	4,589

2021	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Insurance & other recoveries	225	25	1,041	1,291
Rents and sub-lease rentals	115	15	4	134
Interest revenue	-	-	245	245
Warehouse income	1,528	-	-	1,528
Sundry/other Income	1,515	387	40	1,942
Total other revenue/income	3,383	427	1,330	5,140

6. Expenses

	2022 \$'000	2021 \$'000
Profit before income tax includes the following specific expenses:		
Cost of goods sold	128,782	113,611
Professional fees		
Legal fees	439	475
Accounting firms	272	314
Consultancy fees	1,126	720
Total professional fees	1,837	1,509
Employee benefits expense		
Salaries and wages	116,549	106,932
Defined contribution superannuation expense	8,399	7,639
Government wage subsidies received due to COVID-19	-	(2,065)
Other wage expenses	2,866	2,245
Total employee benefits expense	127,814	114,751
Finance costs		
Amortisation of fair value gain on recognition of lease liabilities	248	248
Finance costs on financial obligations	1,525	1,180
Finance costs on general interest charges (a)	(1,546)	1,546
Finance costs on equipment lease liabilities	3,026	3,322
Finance costs on other lease liabilities	64	50
Finance costs on property lease liabilities	3,309	3,559
Total finance costs	6,626	9,905
Depreciation		
Freehold buildings	410	407
Plant and equipment	8,400	6,709
Leasehold improvements	1,731	1,644
Right of use asset	27,447	26,936
Amortisation		
Customer list	257	258
Computer software	369	334
Total depreciation and amortisation	38,614	36,288
Vehicle operating expenses		
Vehicle operating expenses	77,610	53,980
Fuel tax credits relating to prior periods (a)	(1,866)	7,078
Total vehicle operating expenses	75,744	61,058
Impairment losses – trade receivables		
Movement in expected credit losses (refer note 10)	151	1,188
Trade receivables written off (recovered) during the year	(10)	13
Impairment loss on trade receivables	141	1,201
Impairment losses/(reversals) – inventory	261	30
Loss/(gain) on disposal of property, plant and equipment	(103)	964

a. Fuel tax credits relating to prior periods

The Group was subject to a fuel tax credit (FTC) audit by the ATO in prior years. During FY2021 the ATO issued a notice of amended assessment relating to FTC's previously assessed. The notice relates to the review period of May 2017 to June 2019 which included claims for periods dating back to 2006. The amended notice of assessment was for an amount due of \$6.16m (excluding interest). In addition to the ATO assessment, the Group has also incurred costs relating to the same review period for FTC claims not submitted to the ATO totalling \$918,000. In FY2022, the ATO issued an additional amended assessment notice resulting in the reversal of \$1.87m of fuel tax credits relating to prior periods and \$1.55m in General Interest Charges (GIC).

7. Income Tax

	2022 \$'000	2021 \$'000
Income tax expense		
Current tax	-	(31)
Deferred tax	8,311	580
	8,311	549
Deferred tax is attributable to:		
(Increase) decrease in deferred tax assets (Note 16)	612	(4,731)
Increase (decrease) in deferred tax liabilities (Note 20)	7,699	5,311
	8,311	580
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	27,541	1,803
Tax at the Australian tax rate of 30% (2021: 30%)	8,262	541
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	49	41
Adjustment in relation to the prior year	-	(33)
Income tax expense	8,311	549
Tax losses		
Unused tax losses for which deferred tax assets have not been recognised at 30%	263	263

All unused and unrecognised tax losses were incurred by Australian entities and comprise capital losses.

8. Franking Credits / Dividends

	2022 \$'000	2021 \$'000
Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2021: 30%)	(100)	(100)
The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for: - Franking credits that will arise from the payment or provision for income tax; - Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and - Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date. The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will not have an impact on the franking account (2021 – nil impact).		
Dividends paid		
Interim dividend for the year ended 30 June 2022 of 1.4 cents per share unfranked (at 30%) paid in full on 08 April 2022. (2021: 1.2 cent per share fully franked (at 30%) paid in full on 09 April 2021).	4,212	3,595
Interim dividends paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2022 and 2021 were as follows:		
• Paid in cash	3,899	3,390
• Satisfied by issue of shares	313	205
	4,212	3,595
Final dividend for the year ended 30 June 2021 of 0.5 cents per share unfranked (at 30%) paid on 08 October 2021 (2021 – 0.5 cents per share fully franked (at 30%) paid in full on 09 October 2020).	1,501	1,495
Final dividend out of prior year's profits paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2022 and 2021 were as follows:		
• Paid in cash	1,398	1,412
• Satisfied by issue of shares	103	83
	1,501	1,495
Dividends not recognised at year end		
In addition to the above dividends, since year end the board of directors have recommended the payment of a final dividend of 1.80 cents per share unfranked (2021: 0.50 cents per share unfranked paid in full on 08 October 2021).	5,436	1,501

9. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	29,041	27,594
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	29,041	27,594
	29,041	27,594

The Group's exposure to interest rate risk is discussed in Note 2.

10. Trade and Other Receivables

	2022 \$'000	2021 \$'000
Current		
Trade receivables	82,817	52,871
Allowance for expected credit losses	(180)	(1,326)
	82,637	51,545
Fuel rebates receivable	188	835
Future GST recoverable	391	314
Other receivables	7,048	4,023
	90,264	56,717

a. Impairment allowance for trade receivables

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for trade receivables. The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the trade receivables as well as future economic conditions relevant to the trade receivables.

The creation and release of the expected credit loss allowance for trade receivables has been included in the "Impairment loss on trade receivables" in the statement of profit and loss and other comprehensive income. Amounts charged to the loss allowance account are generally written off when there is no expectation of recovering those amounts.

The following table provides a reconciliation in the movement during the financial year of the loss allowance for trade receivables:

	\$'000
Loss allowance at 30 June 2020	138
Increase (decrease) in allowance for movements in expected credit losses	1,188
Trade receivables written off during the year against the ECL provision	-
Loss allowance at 30 June 2021 (i)	1,326
Increase (decrease) in allowance for movements in expected credit losses	151
Trade receivables written off during the year against the ECL provision	(1,297)
Loss allowance at 30 June 2022	180

- (i) The Company has made a provision for a trade receivable for a customer who notified the Company that they had entered administration proceedings. The Company consider this as a one-off transaction that will not impact ongoing ordinary operations.

b. Credit risk profile for trade receivables

The following table provides information about the risk profile of trade receivables.

The impairment allowance at the end of the reporting period for trade receivables of the Group was \$198,000 inclusive of GST of \$18,000 (2021: \$1,459,000 inclusive of GST of \$133,000). The GST component of trade receivables is not considered impaired as this is refundable.

Details of the trade receivable aging and the impairment allowance is detailed in the table shown below:

	2022	2022	2021	2021
	Trade Receivables	Impairment allowance	Trade Receivables	Impairment allowance
	\$'000	\$'000	\$'000	\$'000
Not yet due	65,678	(30)	41,583	(456)
Past due 1 to 30 days	12,613	(15)	7,907	(265)
Past due 31 to 60 days	2,864	(13)	2,092	(293)
Past due 61 days or more	1,662	(140)	1,289	(445)
	82,817	(198)	52,871	(1,459)

c. Other receivables

Other trade receivables do not contain impaired assets and are not past due. Based on historical analysis and future economic considerations of these receivables, it is expected that these amounts will be received when due.

d. Foreign exchange and interest rate risk

There are no receivables denominated in foreign currencies. The Group charges interest on a small number of debtor balances for seasonal extended payment terms or for debtors that extend beyond agreed payment terms. Interest charged on these debtors ranges between 0.75% and 1.5% per month by agreement.

e. Fair value and credit risk

The carrying amounts of financial instruments represent reasonable approximations of their fair values, given their short-term nature.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Refer Note 2 for more information on the risk management policy of the Group and on the credit quality of the entity's trade receivables.

11. Inventories

	2022	2021
	\$'000	\$'000
Raw materials and stores – at cost (i)	4,703	2,668
Finished goods – at cost	18,561	12,920
	23,264	15,588
Provision for obsolescence	(653)	(392)
	22,611	15,196

(i) Raw materials and stores are expensed and not charged to cost of sales.

12. Financial Assets at Fair Value Through Other Comprehensive Income

	2022	2021
	\$'000	\$'000
Unlisted equity securities	25	25

13. Property, Plant and Equipment

	2022 \$'000	2021 \$'000
Freehold Land and Buildings		
Land – at cost	7,034	7,034
Buildings – at cost	16,749	16,034
Accumulated depreciation	(2,748)	(2,338)
	21,035	20,730
Leasehold Improvements		
At cost	25,296	25,188
Accumulated depreciation	(7,747)	(6,016)
	17,549	19,172
Total property	38,584	39,902
Plant and Equipment		
At cost	123,793	116,316
Accumulated depreciation	(94,796)	(91,290)
	28,997	25,026
Total plant and equipment	28,997	25,026
Total property, plant and equipment	67,581	64,928

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment are shown below.

	Freehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Work in Progress Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2020	7,034	14,103	19,812	22,166	1,292	64,407
Additions	-	-	1,004	2,568	-	3,572
Disposals	-	-	-	(994)	-	(994)
Transfers – work-in-progress capital	-	-	-	137	(1,292)	(1,155)
Transfers – right-of-use assets	-	-	-	7,858	-	7,858
Depreciation	-	(407)	(1,644)	(6,709)	-	(8,760)
Carrying amount at 30 June 2021	7,034	13,696	19,172	25,026	-	64,928
Additions	-	715	108	12,880	-	13,703
Disposals	-	-	-	(1,842)	-	(1,842)
Transfers – right-of-use assets	-	-	-	1,333	-	1,333
Depreciation	-	(410)	(1,731)	(8,400)	-	(10,541)
Carrying amount at 30 June 2022	7,034	14,001	17,549	28,997	-	67,581

Assets pledged as security. Refer to Note 19 for information on assets pledged as security.

14. Right-of-use Assets

	2022 \$'000	2021 \$'000
Right-of-use Property Leases		
At Cost	103,784	103,802
Accumulated depreciation	(36,667)	(29,066)
Total right-of-use Property Leases	67,117	74,736
Right-of-use Other Leases		
At Cost	2,987	2,240
Accumulated depreciation	(839)	(328)
Total right-of-use Other Leases	2,148	1,912
Right-of-use Equipment Leases		
At Cost	191,612	177,792
Accumulated depreciation	(72,891)	(60,799)
Total right-of-use Equipment Lease	118,721	116,993
Total right-of-use assets	187,986	193,641

Movements in carrying amounts

	Right-of-use Properties \$'000	Right-of-use Other \$'000	Right-of-use Equipment \$'000	Total Right-of- use Assets \$'000
Carrying amount at 30 June 2020	81,772	-	118,984	200,756
Additions/modifications	2,211	2,240	23,390	27,841
Disposals	-	-	(1,217)	(1,217)
Transfers – work-in-progress capital	-	-	1,055	1,055
Transfers – plant and equipment	-	-	(7,858)	(7,858)
Depreciation	(9,247)	(328)	(17,361)	(26,936)
Carrying amount at 30 June 2021	74,736	1,912	116,993	193,641
Additions/modifications	1,979	747	21,699	24,425
Disposals	-	-	(1,300)	(1,300)
Transfers – plant and equipment	-	-	(1,333)	(1,333)
Depreciation	(9,598)	(511)	(17,338)	(27,447)
Carrying amount 30 June 2022	67,117	2,148	118,721	187,986

15. Lease Liabilities

	2022 \$'000	2021 \$'000
Lease liabilities – Current		
Property	8,379	7,695
Other	693	431
Equipment lease liabilities (i)	33,801	28,259
Total current lease liabilities	42,873	36,385
Lease liabilities – Non-current		
Property	67,831	74,652
Other	1,499	1,502
Equipment lease liabilities (i)	61,702	70,722
Total non-current lease liabilities	131,032	146,876
Total lease liabilities	173,905	183,261

(i) The carrying amount of equipment lease liabilities includes an offsetting fair value gain of \$286,000 (2021: \$534,000).

Movements in carrying amounts

	Lease liabilities properties \$'000	Lease liabilities other \$'000	Lease liabilities equipment \$'000	Total lease liabilities \$'000
Carrying amount at 30 June 2020	87,559	-	97,968	185,527
Additions	1,490	2,240	27,598	31,328
Lease modification	721	-	-	721
Repayments	(10,982)	(357)	(30,155)	(41,494)
Interest	3,559	50	3,322	6,931
Fair value gain – movement	-	-	248	248
Carrying amount at 30 June 2021	82,347	1,933	98,981	183,261
Additions	1,466	747	24,495	26,708
Lease modifications	514	-	-	514
Repayments	(11,426)	(552)	(31,247)	(43,225)
Interest	3,309	64	3,026	6,399
Fair value gain – movement	-	-	248	248
Carrying amount 30 June 2022	76,210	2,192	95,503	173,905

Recognition and measurement – Leases

Refer Note 1.3(e) summary of significant accounting policies on the recognition and measurement of leases.

Assets pledged as security

Refer to Note 19 for information on assets pledged as security.

16. Deferred Tax Assets

	2022 \$'000	2021 \$'000
The balance comprises temporary differences attributable to:		
Impaired receivables	53	397
Employee benefits	4,275	3,903
Payables	441	341
Other liabilities	2,170	2,088
Other	613	421
Carried forward losses	5,097	6,111
Total deferred tax assets	12,649	13,261
Set-off of deferred tax liabilities pursuant to set-off provisions (refer Note 20)	(12,649)	(13,261)
Net deferred tax assets	-	-

Movements	Employee Benefits	Impaired Receivables	Payables	Other Liabilities	Other	Carried Forward Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2020	3,610	41	373	1,779	97	-	5,900
(Charged)/credited to:							
Profit or loss	293	356	(32)	309	305	3,500	4,731
Overprovision	-	-	-	-	19	2,611	2,630
At 30 June 2021	3,903	397	341	2,088	421	6,111	13,261
(Charged)/credited to:							
Profit or loss	372	(344)	100	82	192	(1,903)	(1,501)
Overprovision	-	-	-	-	-	889	889
At 30 June 2022	4,275	53	441	2,170	613	5,097	12,649

17. Intangible Assets

	2022 \$'000	2021 \$'000
Computer software	5,439	5,351
Accumulated amortisation	(4,593)	(4,224)
	846	1,127
Goodwill	7,805	7,805
Accumulated impairment	(244)	(244)
	7,561	7,561
Customer list	1,802	1,802
Accumulated amortisation	(1,784)	(1,527)
	18	275
Total intangible assets	8,425	8,963

a. Movements in carrying amounts

Movements in the carrying amounts for each class of intangible asset are shown below.

	Computer Software \$'000	Goodwill \$'000	Customer List \$'000	Total \$'000
Carrying amount at 30 June 2020	1,211	7,561	533	9,305
Additions	150	-	-	150
Transfers – work-in-progress capital	100	-	-	100
Amortisation	(334)	-	(258)	(592)
Carrying amount at 30 June 2021	1,127	7,561	275	8,963
Additions	88	-	-	88
Amortisation	(369)	-	(257)	(626)
Carrying amount at 30 June 2022	846	7,561	18	8,425

b. Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the business segments. The carrying amount of goodwill is attributable to the Rural segment.

The Group tests whether goodwill should be impaired on an annual basis or more frequently if events or changes in circumstances indicate impairment. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

c. Key assumptions used for value-in-use calculations of the Rural CGU

	2022 %	2021 %
Average product margin	16.9	16.2
Terminal growth rate	2.0	2.0
Free cash growth rate	6.4	8.5
Pre-tax discount rate	9.1	9.0

Assumption	Approach used to determine values
Average gross margin	Based on past performance and management's expectations for the future.
Terminal growth rate	The growth rate used to extrapolate cash flows beyond the five-year forecasted period based on management's expectations of long-term growth.
Free cash growth rate	The average cash flow growth rate over the five-year forecast period is based on management's expectations for the future.
Pre-tax discount rate	Reflect specific risks relating to the relevant asset or cash generating unit and the economic and regulatory environment in which they operate based off management's expectations for the future.

d. Impact of possible changes in key assumptions

A sensitivity analysis was performed on key assumptions, which included increasing the pre-tax discount rate from 9.1% to 11.1% (2021: 9.0% to 11.0%) and reducing average product margin from 16.9% to 15.9% (2021: 16.2% to 15.2%). Both scenarios did not result in impairment (2021: no impairment).

e. Assets pledged as security

Refer to Note 19 for information on current assets pledged as security.

f. Amortisation methods and useful lives

See note 1.3 (n) for the Group's policy regarding intangible assets.

18. Trade and Other Payables

	2022 \$'000	2021 \$'000
Trade and other payables	60,365	48,828

19. Borrowings

	2022 \$'000	2021 \$'000
Current		
<i>Secured</i>		
Bank loans	8,000	5,000
Bank loans – borrowing costs offset	(82)	(82)
Equipment loans	1,358	-
Total current borrowings	9,276	4,918
Non-current		
<i>Secured</i>		
Bank loans	13,500	15,500
Bank loans – borrowing costs offset	(144)	(227)
Equipment loans	9,426	-
Total non-current borrowings	22,782	15,273
Total borrowings	32,058	20,191

a. Bank loans

Bank loan – working capital facility has a \$10,000,000 limit of which \$6,000,000 was drawn at 30 June 2022 (2021: \$3,000,000) and is utilised to fund short term working capital requirements of the Group.

Bank loan – corporate facility has a limit of \$15,500,000 which was fully drawn at 30 June 2022 (2021: Limit of \$17,500,000, fully drawn) and is utilised to fund freehold properties and leasehold fitouts for key facilities. The facility is repaid at \$500,000 each quarter with a balloon repayment of \$10,000,000 in March 2025 (if not refinanced prior).

The bank loan facilities are secured by guarantees by all companies in the consolidated entity supported by mortgage charges over all the consolidated entity's property and other assets.

b. Equipment loans - secured

Equipment loans are effectively secured as the rights to the assets backed by the loan revert to the financier in the event of default. Equipment loans are financed on variable interest rate terms which are revised quarterly.

c. Assets pledged as security

All the assets of the consolidated entity are pledged as security for the facilities as noted above.

d. Fair value

Information about the Group's fair value of borrowings is provided in Note 2.

e. Risk exposure

Information about the Group's exposure to risks arising from borrowings is provided in Note 2.

20. Deferred Tax Liabilities

	2022 \$'000	2021 \$'000
The balance comprises temporary differences attributable to:		
Prepayments	1,350	1,228
Inventories	661	382
Depreciation and amortisation	24,054	16,562
Other receivables	101	295
Total deferred tax liabilities	26,166	18,467
Set-off of deferred tax assets pursuant to set-off provisions (refer Note 16)	(12,649)	(13,261)
Net deferred tax liabilities	13,517	5,206

Movements	Prepayments \$'000	Inventories \$'000	Depreciation & Amortisation \$'000	Other Receivables \$'000	Total \$'000
At 30 June 2020	1,356	611	6,887	247	9,101
Charged /(credited):					
Profit or loss	(128)	113	5,278	48	5,311
Overprovision (i)	-	(342)	4,397	-	4,055
At 30 June 2021	1,228	382	16,562	295	18,467
Charged /(credited):					
Profit or loss	122	279	6,603	(194)	6,810
Overprovision (i)	-	-	889	-	889
At 30 June 2022	1,350	661	24,054	101	26,166

- (i) After the end of the 2020 and 2021 financial years the Group reviewed its eligibility to Government tax incentives for accelerated depreciation for assets acquired during the financial year. On review, the Group was able to claim additional depreciation for assets acquired during the period and included the additional depreciation in the Groups tax return lodgements for both periods.

21. Provisions

	2022 \$'000	2021 \$'000
Current		
Employee benefits	12,510	11,047
Non-current		
Employee benefits	1,735	1,958

22. Other Liabilities

	2022 \$'000	2021 \$'000
Current		
Contract liabilities	5,607	3,934
Other	539	-
	6,146	3,934
Non-current		
Other	8,271	9,205

Contract liabilities relates to monies received in advance of delivery of goods or services and performance obligations that have not yet been met.

The changes in contract liabilities reflect both:

- (a) The release of deferred revenues to the profit and loss through the performance of delivery of the goods or service; and
- (b) New monies received where the delivery of the goods or service has not yet been completed and performance obligations have not yet been met.

Revenue recognised in the financial year from contract liabilities at the beginning of the period being satisfied was \$3,934,000 (2021: \$3,356,000).

Revenue not recognised in the financial year as performance obligations not yet satisfied and classified as contract liabilities is \$5,607,000 (2021: \$3,934,000).

23. Contributed Equity

			2022 \$'000	2021 \$'000
Fully paid ordinary shares			74,397	73,709
The movement in fully paid ordinary shares for 2022 and 2021 is reconciled as follows:				
	Note	No of Shares	Issue Price	\$'000
Balance at 30 June 2020		299,290,033		73,421
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	252,476	33.0 cents	83
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	586,979	35.0 cents	205
Balance at 30 June 2021		300,129,488		73,709
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	294,732	35.0 cents	103
Issue of shares under employee incentive plans		400,000	36.5 cents	146
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	763,110	41.0 cents	313
Issue of shares under employee incentive plans		400,000	31.5 cents	126
Balance at 30 June 2022		301,987,330		74,397

a. Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount as determined by the directors but no more than 5% to the market price.

Issues pursuant to the Dividend Reinvestment Plan are:

2021 Dividends	Number of Shares	Issue Price
09 October 2020	252,476	33 cents
09 April 2021	586,979	35 cents
2022 Dividends		
08 October 2021	294,732	35 cents
08 April 2022	763,110	41 cents

b. Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a cost-effective cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise or retire debt finance or sell assets to reduce debt.

Lindsay Australia Limited has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods.

24. Reserves

	2022 \$'000	2021 \$'000
Share-based payment reserve		
Opening balance at 1 July	856	794
Employee share schemes – value of employee services (note 30)	105	62
Transferred to share capital on exercise of options (note 23)	(272)	-
Closing balance at 30 June	689	856

a. Nature and purposes of reserve

The share-based payments reserve is used to recognise the fair value of options issued to employees.

25. Retained Earnings

	2022 \$'000	2021 \$'000
Retained earnings at the beginning of the year	14,312	18,148
Profit for the year	19,230	1,254
Dividends paid or provided for (note 8)	(5,713)	(5,090)
Retained earnings at the end of the year	27,829	14,312

26. Cash Flow Information

	2022 \$'000	2021 \$'000
Reconciliation of Cash Flows from Operating Activities with Profit for the Year		
Profit for the year	19,230	1,254
Adjustment for non-cash items in profit		
Depreciation/amortisation	38,614	36,288
Net (gain)/loss on disposal of property, plant and equipment	(103)	964
Non-cash employee benefits expense-share-based payments	105	62
Movement in capitalised borrowing costs	81	82
Movement in fair value gain (refer note 15)	248	248
Movement in interest accrual	(1,356)	-
Net changes in assets and liabilities		
(Increase)/decrease in current taxes	668	633
(Increase)/decrease in trade and other receivables	(33,547)	(5,939)
(Increase)/decrease in prepayments and other assets	(704)	513
(Increase)/decrease in inventories	(7,415)	(3,143)
(Decrease)/increase in trade and other payables	12,983	16,355
(Decrease)/increase in other liabilities	1,278	1,427
(Decrease)/increase in provisions	1,240	978
(Decrease)/increase in net deferred tax liabilities	8,309	2,007
Cash flows from operating activities	39,631	51,729
Non-Cash Financing and Investing Activities		
Dividends satisfied by issue of shares	416	288

27. Earnings per Share

	2022 \$'000	2021 \$'000
Basic earnings per share	6.4	0.4
Diluted earnings per share	6.4	0.4
Earnings used in calculating basic and diluted earnings per share – net profit	19,230	1,254

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share (i)	300,793,889	299,604,515

(i) The dilutive effect of options is not significant.

28. Auditor's Remuneration

	2022 \$	2021 \$
During the year the auditor of the parent entity earned the following remuneration:		
Audit or review of financial reports	195,000	181,570
Taxation and other services	-	12,150
Total remuneration	195,000	193,720

29. Related Party Disclosures

a. Key management personnel compensation (including non-executive directors)

	2022 \$	2021 \$
Short-term employee benefits	2,838,455	2,247,323
Long-term employee benefits	68,791	28,774
Post-employment benefits	173,736	115,552
Share-based payments expense	104,884	61,958
	3,185,866	2,453,607

Detailed remuneration disclosures are provided in the remuneration report contained in the directors' report.

b. Other transactions and balances with key management personnel

	2022 \$	2021 \$
Amounts recognised as revenues and expenses (GST exclusive):		
Revenues		
Cartage revenue received / receivable	-	2,990,420
Sale of rural supplies	-	4,558,676
	-	7,549,096
Expenses		
Fees for corporate uniform consultancy	227,591	110,546

The directors believe transactions with entities related to key management personnel were on commercial terms and conditions (unless otherwise stated). Current receivables and payables are unsecured, to be settled in cash and are on the same terms and conditions as non-related parties as disclosed elsewhere in this report.

c. Loans to key management personnel

There were no loans to key management personnel during the current or prior reporting period.

30. Share-based Payments

Lindsay Australia Limited has a Long Term Incentive (Option) Plan (LTIP) as described in the Remuneration Report. The LTIP has been accounted for in accordance with the fair value recognition provisions of AASB 2 "Share-based Payment".

Expense arising from share-based payment transactions

During the 2022 financial year \$104,884 (2021: \$61,958) was recognised as employee benefit expense arising from equity settled share-based payment transactions. There was no additional expense recognised for the modification of a share-based payment plan (2021: \$nil).

	2022 \$	2021 \$
Expense arising from equity settled share-based payment transactions	104,884	61,958
Total expense arising from share-based payment transactions	104,884	61,958

In 2022 800,000 share options were exercised during the year. In 2021 no share options converted to shares during the year.

Employee share option plans

Long Term Incentive (Option) Plan (LTIP)

At the 2016 Annual General Meeting, Shareholders approved a LTIP. The plan has the following characteristics:

Eligibility	The LTIP will be open to eligible employees (including directors, contractors and consultants) of the Company who the Board determines in its absolute discretion to issue options.
Grant of options	No amount is payable by eligible employees for the issue of options under the LTIP. The offer must be in writing and specify, amongst other things, the number of options being issued, the exercise period, any conditions to be satisfied before the options may be exercised and the exercise price of the options. The options may also be subject to specific terms established by the Board.
Exercise	The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.
Lapse	The options shall lapse in accordance with specific offer terms or events contained in the LTIP rules, including termination of employment or resignation, redundancy, death or disablement (subject to the Board's direction to extend the terms of exercise in restricted cases).
Right of participants	Once shares are allotted upon exercise of the options the participant will hold the shares free of restrictions (unless the Board determines otherwise). The shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue. Should the Company undergo any reorganisation of capital, the number of options or shares will be adjusted in accordance with the Listing Rules as applicable to options at the time of the reorganisation. In the event of a change of control, and subject to the Listing Rules and any applicable laws, the Board may determine that: (a) a participant's unvested options will vest notwithstanding some or all of the vesting conditions have not been satisfied; (b) that an eligible employee may transfer or otherwise dispose of their options; or (c) that a disposal restriction will be waived in respect of the options. A holder of options is not entitled to participate in dividends, a new issue of shares or other securities made by the Company to shareholders merely because he or she holds options.
Assignment	The options are not transferable or assignable without the prior written approval of the Board.
Administration	The LTIP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and, subject to the Listing Rules and applicable laws, all decisions of the Board as to the interpretation, effect or application of the plan rules and all calculations and determinations made by the Board under the plan rules are final, conclusive and binding in the absence of manifest error.
Termination and amendment	The LTIP may be terminated or suspended at any time by the Board, or if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction. The LTIP may be amended at any time by the Board provided that any amendment does not materially alter the rights of any participant in respect of the issue of options under the plan prior to the date of the amendments unless: (a) the amendment is introduced primarily for the purposes of complying with or conforming to present or future applicable legislation; (b) to correct any manifest error or mistake; or (c) to enable the plan or Company to comply with any applicable laws or any required policy.

Options granted under LTIP

In the 2022 financial year, a grant of 200,000 options for shares exercisable at \$nil were granted to each of CFO J T Green and COO C R Baker pursuant to the LTIP.

No other options have been granted pursuant to the LTIP in the financial year.

Fair value of options granted under LTIP – 2022 financial year

The assessed fair value at grant date of options granted during the year ended 30 June 2022 was \$0.3219. The options have \$nil exercise price, a three-year vesting period where they do not participate in dividends, and two performance criteria (three year EPS target and three year Total Shareholder Return (TSR) target). A Black Scholes option valuation model has been used to determine the fair value the options at grant date. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options. These valuation methods are based on a number of assumptions, set out below, with an adjustment to the expected life of the options to take account of limitations on transferability. These valuations impute a total value of \$128,769 for the 400,000 options issued.

Model inputs	FY2022
Risk free rate (i)	1.73%
Grant date share price	\$0.38
Exercise price	\$nil
Expected volatility	33%

(i) risk free rate based on the Australian Government 10-year bond rate as at the grant date

Fair value of options granted under LTIP – 2021 financial year

No options for shares were granted pursuant to the LTIP in the 2021 financial year.

Employee Share Options Granted

The following table summarises options that have been granted under the LTIP and the previous employee share option plan.

The weighted average exercise price (WAEP) and movements in the options during the year are detailed below. No options expired during the periods covered by the below table.

	2022		2021	
	Number	WAEP	Number	WAEP
Balance at beginning of year	1,200,000	-	1,200,000	-
Granted during the year	400,000	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(800,000)	-	-	-
Balance at the end of the year	800,000	-	1,200,000	-
Exercisable at end of year	-	-	400,000	-

Summary of options outstanding

The share options outstanding at the end of the year had an exercise price of nil (2021: nil) and a weighted average remaining contractual life of 3.3 years (2021: 4.3 years).

A summary of the status of the Groups equity settled share option plans at 30 June 2022 is presented below. When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited at a zero-exercise price.

Tranche	Fair Value Per Option (cents)	Grant Date	Expiry Date	Number Issued	Number Forfeited	Number Modified (a)	Number Vested	Number Exercised	Balance – 30 June 2022
LTIP – FY18	36.5	October 2017	October 2024	400,000	-	-	400,000	400,000	-
LTIP – FY19	31.5	October 2018	October 2025	400,000	-	400,000	400,000	400,000	-
LTIP – FY20 (b)	30.7	October 2019	October 2026	400,000	-	-	-	-	400,000
LTIP – FY21	-	-	-	-	-	-	-	-	-
LTIP – FY22	32.2	October 2021	October 2024	400,000	-	-	-	-	400,000
				1,600,000	-	400,000	800,000	800,000	800,000

Determining option value at grant date

All issued and outstanding options contain no market conditions to vest. All options are non-participating zero priced options. These options have an exercise price of zero and do not participate in dividends until exercised. The fair value at the grant date for the issues was determined by taking the share price at grant date less the present value of dividends discounted at the risk-free rate where the vest date is greater than one year from grant date.

(a) Modification of share-based payment arrangements

No modifications to share based payments occurred in the 2022 financial year.

In the 2021 financial year, the board of directors declared to extend the vesting period for 400,000 options granted to MK Lindsay in the 2019 financial year a further 12 months to October 2022.

(b) Options vested since year-end

400,000 share options have vested since 2022 financial year end.

31. Subsidiaries

The Group consists of the ultimate parent entity Lindsay Australia Limited and its wholly owned subsidiaries. Set out below are the names of the subsidiaries which are included in the consolidated financial statements shown in this report. All entities were incorporated in Australia.

Name	Class Shares/Units	Equity Holding %	Equity Holding %
		2022	2021
Lindsay Brothers Holdings Pty Ltd ^{(a), (c)}	Ordinary	100	100
Lindsay Transport Pty Ltd ^{(a), (c)}	Ordinary	100	100
Lindsay Brothers Management Pty Ltd ^{(a), (c)}	Ordinary	100	100
Lindsay Brothers Fuel Services Pty Ltd ^{(a), (c)}	Ordinary	100	100
Lindsay Brothers Hire Pty Ltd ^{(a), (c)}	Ordinary	100	100
Lindsay Brothers Plant & Equipment Pty Ltd ^{(a), (c)}	Ordinary	100	100
P & H Produce Pty Ltd ^(c)	Ordinary	100	100
Lindsay Rural Pty Ltd ^(c)	Ordinary	100	100
Skinner Rural Pty Ltd ^{(b), (c)}	Ordinary	100	100
Croptec Fertilizer and Seeds Pty Ltd ^{(b), (c)}	Ordinary	100	100
Lindsay Fresh Logistics Pty Ltd ^(c)	Ordinary	100	100

(a) Lindsay Brothers Holdings Pty Ltd (LBH) is the parent entity of Lindsay Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, and Lindsay Brothers Plant and Equipment Pty Ltd. Accordingly, the parent entity's interest in these entities (other than LBH) is indirect.

(b) These companies are subsidiaries of Lindsay Rural Pty Ltd.

(c) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (wholly-owned companies) Instrument 2016/785. For further information refer to Note 33.

32. Segment Information

Description of segments

The Group has identified the following reporting segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-maker) in assessing performance and determining the allocation of resources:

- Transport – Cartage of general and refrigerated products and ancillary sales, warehouse and distribution and;
- Rural – Sale and distribution of a range of agricultural supply products.

The segments are determined by the type of product or service provided to customers and the operating characteristics of each segment. The Group operated in these business segments for the whole of the 2022 and 2021 financial years. Group revenues are derived predominately from customers within Australia.

Basis of accounting for purposes of reporting segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as chief decision-maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The Group does not allocate assets or liabilities to each segment because management does not include this information in its measurement of the performance of the operating segments.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. All such transactions are eliminated on consolidation for the Group's financial statements. Some corporate charges are allocated to reporting segments based on the segments' overall proportion of usage within the Group.

Unallocated items

The following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest received;
- Finance costs (except for interest costs relating to property right-of-use lease liabilities);
- Corporate costs including impairment of receivables; and
- Income tax expense.

Major customers

No customer of the Group accounts for more than 10% of external revenue (2021: none). The largest individual customer accounts for 4.16% of external revenues (2021: 4.74%).

Segment information

	Transport \$'000	Rural \$'000	Corporate \$'000	Total \$'000
2022				
Revenue				
Revenue for services (i)	401,708	-	-	401,708
Revenue for sale of goods (ii)	-	157,994	-	157,994
Other revenue (refer note 5 for breakdown of other revenue)	2,723	774	1,092	4,589
Total segment revenue/income	404,431	158,768	1,092	564,291
Inter-segment revenue elimination	(5,381)	(1,251)	-	(6,632)
Total segment revenue/income	399,050	157,517	1,092	557,659
EBITDA	74,714	12,241	(14,174)	72,781
Total depreciation and amortisation	31,816	1,461	5,337	38,614
EBIT	42,898	10,780	(19,511)	34,167
Total finance costs	2,413	111	4,102	6,626
Segment net profit before tax	40,485	10,669	(23,613)	27,541
(i)	Revenue from provision of services is recognised over time			
(ii)	Revenue from sale of goods is recognised at a point in time			

	Transport \$'000	Rural \$'000	Corporate \$'000	Total \$'000
2021				
Revenue				
Revenue for services (i)	302,851	-	-	302,851
Revenue for sale of goods (ii)	-	139,111	-	139,111
Other revenue (refer note 5 for breakdown of other revenue)	3,383	427	1,330	5,140
Total segment revenue/income	306,234	139,538	1,330	447,102
Inter-segment revenue elimination	(5,585)	(1,224)	-	(6,809)
Total segment revenue/income	300,649	138,314	1,330	440,293
EBITDA	52,316	9,607	(13,927)	47,996
Total depreciation and amortisation	29,840	1,165	5,283	36,288
EBIT	22,476	8,442	(19,210)	11,708
Total finance costs	2,567	103	7,235	9,905
Segment net profit before tax	19,909	8,339	(26,445)	1,803
(i)	Revenue from provision of services is recognised over time			
(ii)	Revenue from sale of goods is recognised at a point in time			

33. Deed of Cross Guarantee

The following companies are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (wholly-owned companies) Instrument 2016/785. The companies include: Lindsay Australia Limited, Lindsay Brothers Holdings Pty Ltd, Lindsay Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, Lindsay Brothers Plant and Equipment Pty Ltd, P & H Produce Pty Ltd, Lindsay Rural Pty Ltd, Skinner Rural Pty Ltd, Cropotec Fertiliser and Seeds Pty Ltd and Lindsay Fresh Logistics Pty Ltd.

The above companies represent a 'closed Group' for the purposes of the Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Lindsay Australia Limited, they also represent the 'extended closed Group'.

34. Capital Commitments

	2022 \$'000	2021 \$'000
Capital Commitments		
Commitments for capital expenditure (property, plant, equipment and intangibles) contracted for but not recognised in the financial statements are as follows.	1,806	6,651

35. Contingent Liabilities

Guarantees

	2022 \$'000	2021 \$'000
Guarantees to secure lease obligations	7,884	7,726
Total Guarantees	7,884	7,726

Cross guarantees have been given as described in Note 33.

Other

From time to time the consolidated entity is subject to claims and litigation during the normal course of business. The directors have given consideration to such matters and are of the opinion that there are no further material contingent liabilities as at the reporting date that are likely to arise.

36. Parent Company Information

Information relating to Lindsay Australia Limited is as follows:

	2022 \$'000	2021 \$'000
Summary financial information		
Statement of financial position		
Current assets	1,542	1,580
Total assets	440,473	442,858
Current liabilities	317,262	322,113
Total liabilities	364,203	365,098
Issued capital	74,398	73,710
Retained profits	1,184	3,195
Share-based payments reserve	688	855
Total shareholders' equity	76,270	77,760
Profit of the parent entity	3,701	7,216
Total comprehensive income of the parent entity	3,701	7,216
Contingent liabilities of the parent entity	-	-
Contractual commitments	-	-

Guarantees entered into by parent entity

Lindsay Australia Limited has guaranteed the Groups external debt in respect of working capital loans, equipment finance leases and bank loans of subsidiaries amounting to \$95,625,248 (2021: \$86,077,889) which are secured by registered mortgage charges over property and other assets. The parent entity has also given unsecured guarantees in respect of financial leases of subsidiaries amounting to \$10,946,514 (2021: \$13,437,006).

In addition, there are cross guarantees given by Lindsay Australia Limited as described in Note 33. No deficiencies of assets exist in any of these companies. No liability has been recognised in relation to these financial guarantees in accordance with the policy set out in Note 1(w) as the present value of the difference in net cash flows is not significant.

37. Events after the reporting period

Dividend recommended after year end

Since the end of the financial year, the directors have recommended payment of a final ordinary dividend of \$5,435,772 (1.8 cents per share unfranked) for the year ended 30 June 2022.

Other

Other than the events disclosed above, to the directors' knowledge, no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

In the directors' opinion:

- a. The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i. Complying with Accounting Standards, the Corporations Regulations 2001; and other mandatory professional reporting requirements, and
 - ii. Giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- c. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 33 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 33.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Ian M Williams



Chair of Directors
Brisbane, Queensland

17 August 2022



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Independent Auditor's Report To the Members of Lindsay Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lindsay Australia Limited, ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group'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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Brisbane Sydney Newcastle Melbourne Adelaide Perth



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FELICITY CRIMSTON
CHERYL MASON
KIERAN WALLIS

MURRAY GRAHAM
ANDREW ROBIN
KAREN LEVINE

Key audit matter	How our audit addressed the matter
Impairment of goodwill Refer to Note 17: Intangible Assets	
At 30 June 2022 the Group's balance sheet includes goodwill amounting to \$7.561 million relating to historical business acquisitions. In accordance with AASB136 <i>Impairment of Assets</i>, an annual impairment test is performed which requires management to exercise judgement in determining the key assumptions to calculate the recoverable amount using a value-in-use model. Key assumptions in the model include discount rates, average gross margin, free cash growth rate and terminal growth rate. The key assumptions and a sensitivity analysis are included in Note 17. It is due to the use of management judgement in determining the key assumptions that this is a key area of audit focus.	Our procedures included, amongst others: • Understanding and evaluating the design and implementation of management's processes and controls relevant to the impairment of goodwill; • Checking management's calculations for accuracy; • Critically assessing the reasonableness of key assumptions, considering supporting documentation and historic performance, where available; • Performing sensitivity analysis on key assumptions used in management's calculations to assess the level of headroom available; and • Reviewing the adequacy of the Group's disclosures on goodwill impairment to ensure compliance with Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 Group 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 Group 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 Group'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 Group'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 Group 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our 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 our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 24 of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Lindsay Australia Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PITCHER PARTNERS



DAN COLWELL
Partner

Brisbane, Queensland
17 August 2022

Corporate Governance Statement

Introduction

The Board of Directors of Lindsay Australia Limited (the 'Company') is responsible for the corporate governance of the consolidated entity being the Company and its related companies. The board guides and monitors the business and affairs of Lindsay Australia Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Lindsay Australia Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations 4th Edition. Lindsay Australia Limited's Corporate Governance practices recognise the Company's market capitalisation and the complexity of its operations. For further information on corporate governance policies adopted by Lindsay Australia Limited, refer to our website: www.lindsayaustralia.com.au

The following governance related documents can be found on the Lindsay Australia Limited website at <https://lindsayaustralia.com.au/corporate-governance>

- a) Corporate Governance Charter, inclusive of the Board Charter and Committee Charters;
- b) Code of Conduct;
- c) Securities Trading Policy;
- d) Continuous Disclosure Policy;
- e) Shareholder Communications and Meetings Policy;
- f) Risk Management Policy;
- g) Diversity Policy;
- h) Whistleblower Protection Policy;
- i) Anti-Bribery and Corruption Policy; and
- j) Modern Slavery Statement.

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Principle 1

Lay solid foundations for management and oversight.

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

- a) *the respective roles and responsibilities of its board and management; and*
- b) *those matters expressly reserved to the board and those delegated to management.*

During the financial year the Company was governed in accordance with its Corporate Governance Charter adopted by the board. The Corporate Governance Charter is published on the Company's website.

The Corporate Governance Board Charter reserves powers for the board. Functions not reserved to the Board are delegated to senior management and the Chief Executive Officer (CEO). The CEO is accountable to the board.

Recommendation 1.2

A listed entity should:

- a) *undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and*
- b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company undertakes appropriate checks and evaluation before appointing or re-appointing a director or senior executive including putting forward a candidate for election as a director.

The Corporate Governance Charter outlines the process for appointment and retirement of members of the board including the provision of relevant information to security holders.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has entered into written agreements with directors and senior executives, these documents together with the Corporate Governance Charter outline roles, responsibilities and expectations.

Recommendation 1.4

The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Each Company Secretary has access to all board members and the primary functions are to assist and advise the board on governance matters and compliance with internal processes and policies. The role of the Company Secretary is outlined in the Board Charter which support the recommendations. The Company Secretary's appointment and engagement terms reflect the requirements of the recommendations.

Recommendation 1.5

A listed entity should:

- a) have and disclose a diversity policy;
- b) through its board or a committee set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- c) disclose in relation to each reporting period:
 1. the measurable objectives set for that period to achieve gender diversity;
 2. the entity's progress towards achieving those objectives; and
 3. either:
 - A. the respective proportions of men and women on the board, in the senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Diversity Policy is published on the Company's website. The board has established the following objectives in relation to gender diversity (refer to table below). The intention is to achieve the objectives over time as positions become available. There are no women on the board at this time. The Company is actively promoting measures to attract females to its workforce and increase the percentage of women in the workforce and in management positions.

The board maintains full transparency of board processes, reviews and appointments and encourages gender diversity. The board notes that while some positions within the Company have perceived time and physical demands that may make these jobs traditionally unattractive to women, these issues are being addressed.

	Objective	2022	2021
Percentage of women in Group's workforce	15%	10%	10%
Percentage of women in management positions	20%	11%	15%

Recommendation 1.6

A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company has adopted processes concerning the evaluation and development of the board, board committees and individual directors including the CEO. Processes include an internal board review and assessment. The Corporate Governance Statement outlines the Company's disclosed skills criteria for directors, refer to Recommendation 2.2.

During the 2022 financial year, an internal board performance assessment was performed and reviewed, the board assessment criteria itself was also reviewed.

Recommendation 1.7

A listed entity should:

- a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Company's Corporate Governance Charter details the procedures for performance reviews and evaluation. Senior executives are subject to formal/informal evaluations against individual performance and business measures either on an ongoing or annual basis or both. The CEO is responsible for these reviews.

Principle 2

Structure the board to be effective and add value.

Recommendation 2.1

The board of a listed entity should:

- a) have a nomination committee which;
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director,and disclose;
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The board believes that due to the Company's relatively small size, the board can undertake all functions that would be delegated to a nomination committee and therefore a nomination committee is not necessary. The Corporate Governance Charter contains procedures for the appointment of directors and procedures to be followed for a nomination committee, which are discharged by the board. The Board Charter also outlines the requirements for the composition of the board which includes an independent director as chair who also presides over nomination type matters.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Company's objective is an appropriate mix of skills, experience and personal attributes relevant to the board in discharging its responsibilities.

Leadership and Governance	Technical and Operations	Business, Finance and Risk
Publicly listed company experience	Road and rail transport experience	Legal and regulatory compliance
Leadership	Agriculture industry experience	Finance, accounting and audit
Strategy	Human resources	Risk management
Corporate Governance	Government, policy and stakeholder management	Capital market
	Health, safety and environment	Merger and acquisitions

Recommendation 2.3

A listed entity should disclose:

- a) the names of the directors considered by the board to be independent directors;
- b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

Director	Status	Appointment	Resignation	Length of Service	Interest/Association
		Date	Date		
R A Anderson	Non-Executive Independent Director	16/12/2002	31/08/2021	18 years (as at 16/12/2020)	
M K Lindsay	Executive Non-Independent Director	26/11/1996		25 years (as at 26/11/2021)	Chief Executive Officer
A R Kelly	Non-executive Independent Director	03/05/2019	05/11/2021	2 years (as at 03/05/2021)	
R L Green	Non-Executive Independent Director	26/08/2019		2 years (as at 26/08/2021)	
I M Williams	Non-Executive Independent Director	03/09/2021		9 months (as at 03/06/2022)	Current Board Chair
M R Stubbs	Non-Executive Independent Director	03/09/2021		9 months (as at 03/06/2022)	
S P Cantwell	Non-Executive Independent Director	17/12/2021		6 months (as at 17/06/2022)	

Recommendation 2.4

The majority of the board of a listed entity should be independent directors.

The Company has complied with this recommendation, with four of the five current directors considered to be independent directors as outlined above in recommendation 2.3.

The board considers the current composition of the board an appropriate blend of skills and experience relevant to the Company's business. The board will assess independence when any new appointments are made.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Mr R A Anderson an independent director was the chair until his resignation. Mr I M Williams an independent director is the current chair. Mr MK Lindsay is the CEO and is not the chair.

Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

The board assumes responsibility for new board member induction, education and development. The Corporate Governance Charter requires new directors to be provided with relevant information, induction and opportunities for training, and the opportunity to take independent advice at the expense of the Company.

Principle 3

Instil a culture of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed entity should articulate and disclose its values.

The corporate values are disclosed on the Company's website at <https://lindsayaustralia.com.au>; they are

- Safety Always;
- People Focused;
- Value Family;
- Community Supportive;
- Customer and Supplier Orientated; and
- Industry Innovators.

Recommendation 3.2

A listed entity should:

- a) have and disclose a code of conduct for its directors, senior executives and employees; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that code.

The Code of Conduct and Corporate Governance Charter outline a broad range of conduct related matters which apply to directors, officers, employees and contractors of the Company.

Recommendation 3.3

A listed entity should:

- a) have and disclose a whistleblower policy; and
- b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Whistleblower Policy demonstrates the commitment of the Company to appropriate standards of behaviour and good corporate governance. The policy outlines the processes for making reports regarding certain conduct. The Company has engaged a third-party independent service provide to receive any such reports offering independent integrity to the process. Any material incidents are reported to the board.

Recommendation 3.4

A listed entity should:

- a) have and disclose an anti-bribery and corruption policy; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Anti-Bribery and Corruption Policy demonstrates and supports high level of accountability and integrity in the manner in which the Company conducts its business affairs. The policy provides a key framework for the conduct of business. Any material breaches are reported to the board.

Principle 4

Safeguard the integrity of corporate reports.

Recommendation 4.1

The board of a listed entity should:

- a) have an audit committee which:
 - 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - 2. is chaired by an independent director, who is not the chair of the board,
- and disclose;
- 3. the charter of the committee;
 - 4. the relevant qualifications and experience of the members of the committee; and
 - 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The board has established an audit and risk committee, which operates under a charter approved by the board. The charter is contained in the Company's Corporate Governance Charter.

Until his resignation, the chair of the committee was Mr A R Kelly, an independent director. The current chair of the committee is Mr M R Stubbs, an independent director. The members of the committee and their details, the number of meetings and attendances are contained in the Directors' Report to the Annual Report and disclosed on the Company's website. All members of the audit and risk committee are non-executive directors. There is a majority of independent directors on the committee.

The board has delegated the responsibility for the establishment and maintenance of a framework of internal controls and ethical standards for the management of the consolidated entity to the audit and risk committee.

It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In respect of the relevant financial reporting period the Company's CEO and CFO provide the board with a declaration in accordance with S.295A of the Corporations Act which is consistent with Recommendation 4.2.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company currently discloses the annual Directors Report as part of the Annual Report, the annual and half yearly financial statements. These reports are all subject to the auditor review and sign-off in accordance with the Corporations Act. The Company has not released any other periodic report. The Company has sufficient expertise and resources, both human and systems to verify and validate the accuracy of information released to the market.

The Company's auditor is represented at the Annual General Meeting and is available to answer questions from security holders in accordance with the requirements of the Corporations Act.

Principle 5

Make timely and balanced disclosure.

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

The Company has adopted a Continuous Disclosure Policy and has complied with the continuous disclosure requirements of Chapter 3 of the Australian Securities Exchange Listing Rules. The Corporate Governance Charter contains additional requirements. Relevant market disclosures are reviewed by the board and at board meetings. These processes enable shareholders and stakeholders to receive information issued by the Company in a timely and appropriate manner.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

All material Company announcements are approved by the board of directors. Release to the market of material announcements such as periodic reports are confirmed to the board.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

All material Company announcements including investor related presentations are transparent and approved by the board of directors and released to the market ahead of the presentation.

Principle 6

Respect the rights of security holders.

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

The Company provides information about itself and its governance via its website. This information is available to investors and stakeholders. The Company commits to updating its website with relevant information regarding operations and activities and the Company uses other social media platforms to further provide information. The website provides details of the key business divisions, copies of recent annual and half-year reports, other relevant publications, disclosures and investor information. The specific codes and policies contained on the Company website are outlined at the beginning of this Corporate Governance Statement.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company's Shareholder Communications and Meetings Policy supports the boards processes for investor relations. Information is communicated to investors via:

- Periodic reports being the annual and half-year reports;
- ASX announcements;
- Annual General Meetings;
- The Company website; and
- Investor briefings and disclosure of material relating to such briefings.

The board encourages attendance at the meetings and is also available to shareholders at the general meetings. General meetings are set well in advance of their scheduled date to facilitate maximum attendance by shareholders. Investors may communicate directly with the Company in person or electronically via the Company's website.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

The Shareholder Communications and Meetings Policy supports the boards processes for investor relations. The board encourages attendance at meetings to ensure accountability to shareholders and to address all matters relevant to shareholders including Company performance and strategy.

The Company's notice of meetings are clear, concise and effective. All general meetings of the Company allow shareholder participation and the opportunity to ask questions directly of the board prior to a poll or vote.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Resolutions conducted at Annual General Meetings or other General Meetings of the Company are conducted by a poll, enabling the Company to evidence the decisions and determinations of shareholders accurately and effectively.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company's share registry is maintained and visible electronically through Computershare Limited and a link is provided on the Company's website. Contact information for Computershare Limited is also provided in the Company's Annual Report. Security holders can also contact the Company electronically via the Company's website.

Principle 7

Recognise and manage risk.

Recommendation 7.1

The board of a listed entity should:

- a) *have a committee or committees to oversee risk, each of which:*
 1. *has at least three members, a majority of whom are independent directors; and*
 2. *is chaired by an independent director,*
and disclose
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The board has established an audit and risk committee. The Charter is contained in the Company's Corporate Governance Charter.

Until his resignation the chair of the committee was Mr A R Kelly, an independent director. The current chair is Mr M R Stubbs, an independent director.

The members of the committee, meetings and attendances are contained in the Directors' Report to the Annual Report disclosed on the Company's website. All members of the audit and risk committee are non-executive directors. There is a majority of independent directors on the committee.

The board has delegated the responsibility for the establishment and maintenance of a framework of internal controls and ethical standards for the management of the consolidated entity to the audit and risk committee.

It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The board considers risks at each board meeting. The Board assesses risk and risk issues at each board meeting described further under recommendation 7.2.

The Risk Management Policy supports the boards initiatives to recognise and manage risk.

Recommendation 7.2

The board or a committee of the board should:

- a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- b) *disclose, in relation to each reporting period, whether such a review has taken place.*

The board is responsible for the Company's risk management framework. Risks are monitored on a regular basis and prevention or mitigation measures adopted as appropriate and the Company intends to undertake a review and implement measures to improve the risk management framework.

Policies and procedures have been established in respect of business related risks including asset maintenance, workplace health and safety and inventory control. Details of financial risks are reviewed by the audit and risk committee and also provided in the Notes to the Financial Statements in the Annual Report.

The Risk Management Policy supports the boards initiatives to recognise and manage risk.

The board has established an environmental and occupational health and safety committee, details on meetings, membership and attendance are contained in the Directors Report to the Annual report located on the Company's website. It is the board's responsibility to ensure that the Company observes all regulatory compliance and provide a safe workplace by identifying and managing risks in the workplace. The board has delegated the responsibility for these functions to the environmental and occupational health and safety committee.

Recommendation 7.3

A listed entity should disclose:

- a) *if it has an internal audit function, how the function is structured and what role it performs; or*
- b) *if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.*

The Company does not have an internal audit function. The board considers that due to the relatively small size of the Company such a function would not be cost effective. Details of financial risks are provided in Notes to the Financial Statements. The board may engage an independent third party to undertake the equivalent activities of internal audit at any time if it requires.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environment or social risks and, if it does, how it manages or intends to manage those risks.

The Company actively considers and monitors business and other environmental, social and governance type risks. Physical risks associated with extreme weather events pose a risk to primary producers and supply chain related disruptions including impacts on transport related infrastructure.

The Company actively assesses new vehicle related technologies by reference to actual or potential positive environmental and social sustainability impact.

The Company commits to supporting and respecting the protection of the internationally proclaimed human rights. The Company has committed to providing transparency on any risks identified in its supply chain. In accordance with legislation, in 2021 financial year the Company published its first Modern Slavery Statement which is available on the Company's website.

The board has established an environmental and occupational health and safety committee, details on meetings, membership and attendance are contained in the Directors Report to the Annual Report located on the Company's website. It is the board's responsibility to ensure that the Company observes all regulatory compliance, is proactive in achieving environmental outcomes consistent with sustainable development, and to provide a safe workplace by identifying and managing risks in the workplace. The board has delegated the responsibility for these functions to the environmental and occupational health and safety committee.

Principle 8

Remunerate fairly and responsibly.

Recommendation 8.1

The board of a listed entity should:

- a) *have a remuneration committee which:*
 - 1. *has at least three members, a majority of whom are independent directors; and*
 - 2. *is chaired by an independent director,**and disclose*
 - 3. *the charter of the committee;*
 - 4. *the members of the committee; and*
 - 5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company has established a remuneration committee. The Remuneration committee has a formal Charter contained in the Corporate Governance Charter on the Company's website. The members of the committee, meetings and attendances are disclosed in the Directors Report to the Annual Report disclosed on the Company's website. The members of the committee include all the independent directors of the board. The Chair of the committee is Mr R L Green, is an independent director.

It is the Company's objective to provide maximum security holder benefit from the retention of a high-quality board and executive team, by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the remuneration committee links the nature and amount of executive directors' and officers' remuneration to the Company's financial and operational performance. The key expected outcomes of the remuneration structure are:

1. *Retention and motivation of key executives;*
2. *Attraction of quality management to the Company; and*
3. *Performance incentives which allow executives to share the rewards of the success of the Company.*

For details on the amount of remuneration and all monetary and non-monetary components for each of the key management personnel during the year and for all directors, refer to the Remuneration Report contained in the Directors' Report in the Annual Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of the Company and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the CEO and the key management personnel.

The remuneration policy is disclosed in the Remuneration Report contained in the Directors' Report in the Annual Report. There were no material changes to that policy during the year. Due to the relatively small size of the Company the only direct link between remuneration and performance of the Company for the CEO and two senior executives is by the potential issue of options or performance rights over shares. Unquoted options issued to the CEO and two senior executives are detailed in the Remuneration Report contained in the Director's Report in the Annual Report. There were no other employee options or performance rights on issue at 30 June 2022 held by key management personnel.

At any review the performance of the Company and the contribution by particular executives form part of the process. Details of the remuneration of the directors and the key management personnel of the Group is disclosed in the Remuneration Report contained in the Director's Report in the Annual Report.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Executives will be remunerated by way of salary and statutory superannuation. Senior Executives may participate in a performance based incentive structure. The Company complies with the guidelines of the ASX Corporate Governance Council, specifically non-executive directors do not receive options or bonus payments nor retirement benefits other than statutory superannuation. Refer also to the Remuneration Report contained in the Directors' Report in the Annual Report.

Recommendation 8.3

A listed entity which has an equity based remuneration scheme should:

- a) *have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and*
- b) *disclose that policy or a summary of it.*

The Company has a limited equity based incentive scheme approved by shareholders, potentially applying to a small number of senior executive only. Trading in Company securities is regulated by the Securities Trading Policy disclosed on the Company's website. Trading activities relating to any short-term or speculative gain is prohibited.

Shareholder Information

Information relating to security holders as at 30 June 2022.

Distribution of Shareholders

Range	Number of Shareholders	Number of Shares
1- 1,000	124	19,937
1,001 – 5,000	476	1,286,816
5,001 – 10,000	282	2,253,690
10,001 – 100,000	943	36,073,842
100,001 and over	261	262,353,045
Total	2,086	301,987,330

Number of holdings less than a marketable parcel of shares – 150 (50,246 shares)

Top Twenty Shareholders

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	44,600,000	14.77
ANKLA PTY LTD	40,587,430	13.44
BKI INVESTMENT COMPANY LIMITED	16,783,130	5.56
MILTON CORPORATION LIMITED	13,341,599	4.42
MR THOMAS KELSALL LINDSAY	11,364,402	3.76
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,604,239	3.18
LINDSAY SUPER CO PTY LTD <LINDSAY FAMILY S/F A/C>	6,668,374	2.21
SKYLEVI PTY LTD <SUPERFUN SUPER FUND A/C>	6,204,324	2.05
ARCHERFIELD AIRPORT CORPORATION PTY LTD	4,500,000	1.49
MR NICHOLAS BARRY DEBENHAM + MRS ANNETTE CECILIA DEBENHAM N&A DEBENHAM S/F	4,386,731	1.45
NATIONAL NOMINEES LIMITED	4,272,165	1.41
K & D LINDSAY PTY LTD <D LINDSAY FAMILY A/C>	4,022,148	1.33
MULAWA HOLDINGS PTY LTD	3,499,478	1.16
MR FRED SALOME	3,100,000	1.03
RM & DM PELL PTY LTD <PELL FAMILY SUPER FUND A/C>	2,944,592	0.98
MR NICHOLAS BARRY DEBENHAM <NICHOLAS DEBENHAM FAM A/C>	2,899,035	0.96
HEADING EAST PTY LTD <HEADING EAST 2012 S/F A/C>	2,549,506	0.84
SUNSTAR AUSTRALIA PTY LTD	2,536,364	0.84
MS GRETA MARJORIE LINDSAY <THE GRETA LINDSAY NO 2 A/C>	2,328,551	0.77
CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C>	2,150,000	0.71
Totals: Top 20 holders	188,342,068	62.36

Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 671B of the Corporations Act 2001 are:

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	68,868,090	22.90
MIZIKOVSKY GROUP	49,509,410	16.46

Voting Rights of Ordinary Shares

The holders of ordinary shares in the Group are entitled at any general meeting, either in person or by proxy, on a show of hands, to one vote, and on a poll to one vote for each fully paid share.

On-market Buy Back of Shares

There is no current on-market buyback of shares.

Other Equity Instruments

Details	Quantity	Exercise Price
M K Lindsay: Unlisted share options over ordinary shares Vested since period end (issued October 2019)	400,000	\$nil
C R Baker: Unlisted share options over ordinary shares Not vested (issued October 2021)	200,000	\$nil
J T Green: Unlisted share options over ordinary shares Not vested (issued October 2021)	200,000	\$nil