

Lindsay Australia Limited

ABN 81 061 642 733

ASX Code LAU

Appendix 4E

for the year ended 30 June 2023

ASX Rule 4.3A

Lindsay Australia Limited (ASX: LAU)

Results for announcement to the market

			A\$000 30 June 2023		A\$000 30 June 2022
Revenues	Up	22.4%	682,740	From	557,659
Profit after tax attributable to members	Up	79.5%	34,517	From	19,230

Dividends

	Amount per security	Franked amount per security	Conduit Foreign Income
Interim 2023 dividend - paid on 14 April 2023	1.9 cent	0%	Nil
Final 2023 dividend – to be paid on 06 October 2023	3.0 cent	100%	Nil

The Record Date for determining entitlements to the dividend is 22 September 2023.

Management Comments

Refer Annual Report 2023 which has been lodged concurrently with App 4E.

Comparison of half-year profits

	\$A'000 30 June 2023	\$A'000 30 June 2022
Profit (loss) after tax attributable to members for the 1st half-year.	16,817	12,235
Profit (loss) after tax attributable to members for the 2nd half-year.	17,700	6,995

Ratios

	30 June 2023	30 June 2022
Profit before tax / revenue		
Profit before tax as a percentage of revenue	7.24%	4.94%
Profit after tax / equity interests		
Profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the year	27.10%	18.69%

Earnings Per Security (EPS)

	30 June 2023	30 June 2022
(a) Basic EPS	11.4 cents	6.4 cents
(b) Diluted EPS	11.4 cents	6.4 cents
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of Basic EPS	302,696,327	300,793,889

NTA backing

	\$A'000 30 June 2023	\$A'000 30 June 2022
Net Tangible Assets (NTA)	118,664	94,490
Net tangible asset backing per ordinary security	39.1 cents	31.3 cents

The net tangible asset back per ordinary security of 39.1 cents is inclusive of right-of-use assets and lease liabilities.

Dividends

Date the dividend is payable	06 October 2023
Record date to determine entitlements to the dividend	22 September 2023
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	3.0	100%
	Previous year	1.8	0%
Interim dividends:	Current year	1.9	0%
	Previous year	1.4	0%
Total dividend per security:	Current year	4.9	Mixed
	Previous year	3.2	0%

There is no Conduit Foreign Income in the 2022 or 2023 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 25 September 2023. 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	303,404,886	303,404,886	
Changes during current year:			
Increases through issues:			
Dividend Re-investment Plan	787,953	787,953	58.0
Dividend Re-investment Plan	629,603	629,603	91.0
	1,417,556	1,417,556	

Annual meeting

The annual meeting will be held as follows:

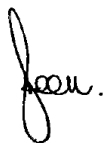
Place	It is anticipated the Annual General Meeting will be conducted as a hybrid in-person and virtual meeting. Details will be confirmed in the notice of meeting.
Date / Time	To be confirmed.
Approximate date the annual report will be available	28 August 2023 – lodged concurrently with app 4E

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: 28 August 2023



LINDSAY AUSTRALIA
LIMITED



ANNUAL FINANCIAL REPORT 2023



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ANNUAL REPORT

For the financial year ended 30 June 2023

DIRECTORS **Chairman Non-executive**
Mr Ian M Williams

Non-executive Directors
Mr Robert L Green

Mr Matthew R Stubbs

Mr Stephen P Cantwell

**INTERIM CHIEF
EXECUTIVE OFFICER** Mr Craig R Baker

**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

TABLE OF CONTENTS

ABOUT LINDSAY AUSTRALIA	1
DIRECTORS' REPORT	2
Remuneration report	
AUDITOR'S INDEPENDENCE DECLARATION	27
ANNUAL FINANCIAL REPORT	28
Consolidated Statement of Comprehensive Income	31
Consolidated Statement of Financial Position	32
Consolidated Statement of Changes in Equity	33
Consolidated Statement of Cash Flows	34
Notes to the Consolidated Financial Statements	35
Directors' Declaration	72
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINDSAY AUSTRALIA LIMITED	73
CORPORATE GOVERNANCE STATEMENT	77
SHAREHOLDER INFORMATION	88

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 needs.

The Group continues to remain agile, increasing the range of services it can offer and the regions that it services. In the 2023 financial year the Group continued to expand its rail service offering, with an increase in both refrigerated and dry containers.

Lindsay Rural

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

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

Lindsay Australia Limited For the year ended 30 June 2023

The Directors of Lindsay Australia Limited present their Directors' Report together with the Financial Report of the Company and its controlled entities (collectively the Group) for the financial year ended 30 June 2023 and the Independent Auditors' Report thereon.

The Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Directors and Company Secretary information

Mr Ian Williams

Chair, Independent Non-Executive Director

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 Limited (ASX: NHC – appointed 01 November 2012), Stoddart 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 graduate of Sydney University and Oxford University and the Australian Institute of Company Directors.

Mr Robert Green

Independent 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 with key executive roles in the Australian and International agricultural industry over many years. Key areas of experience include Trading and Risk Management, 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 and Chair of the Safety Committee of Namoi Cotton Co-operative Ltd (ASX: NAM – appointed 27 May 2013). Mr Green is currently Chair of Boomaroo Nurseries.

Mr Green has held previous directorships with Louis Dreyfus Australia, Union Dairy Company, Macfertil 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.

Other than Lindsay Australia Limited and Namoi Cotton, Mr Green has held no other directorships with other listed companies during the last three years.

Mr Matthew Stubbs

Independent 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 held a Non-executive Director role with previously ASX listed Lantern Hotel Group (appointed 7 March 2016) and Everlight Radiology.

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

Mr Stephen Cantwell

Independent 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 Michael Lindsay – Retired 23 June 2023

Managing Director and Chief Executive Officer

Mr Lindsay has been Managing Director and Chief Executive Officer of Lindsay Australia Limited since 2002 and retired on the 23 June 2023.

Mr Lindsay has 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 directorships with 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 22 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.

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	22	22	4	4	5	5	2	2
M K Lindsay (a)	22	22	-	-	-	-	2	2
R L Green	22	22	4	4	5	5	2	2
M R Stubbs	22	21	4	4	5	4	2	2
S P Cantwell	22	22	4	4	5	5	2	2

(a) M K Lindsay retired 23 June 2023

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 (Retired 23 June 2023)

Director's Interests

As at 30 June 2023 the interests of current directors in securities of the Group are as follows:

Director	Ordinary Shares
I M Williams	-
R L Green	-
M R Stubbs	280,000
S P Cantwell	-

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 2023 financial year there were 550,000 share options granted over unissued ordinary shares under the Long Term Incentive (Option) Plan (LTIP). At the end of the financial year, there were 1,350,000 share options over unissued ordinary shares outstanding, of which 400,000 have vested but not yet exercised.

Share options issued in the 2023 financial year:

Details	Quantity	Exercise Price
J T Green: Unlisted share options over ordinary shares <i>Not Vested (issued December 2022)</i>	200,000	\$nil
C R Baker: Unlisted share options over ordinary shares <i>Not Vested (issued December 2022)</i>	200,000	\$nil
B T Jones: Unlisted share options over ordinary shares <i>Not Vested (issued December 2022)</i>	50,000	\$nil
S K Banfield: Unlisted share options over ordinary shares <i>Not Vested (issued December 2022)</i>	50,000	\$nil
M Strong: Unlisted share options over ordinary shares <i>Not Vested (issued December 2022)</i>	50,000	\$nil

Shares issued on the exercise of options

During the 2023 financial year, no shares were issued on exercise of share 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 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, Officer 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, Officers and Company Secretaries against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of Director, Officer or Company Secretary of the Group. This does not include such liabilities that arise from their 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 recommended after the end of the financial year

Since the end of the financial year, the directors have recommended payment of a final fully franked ordinary dividend for the year end 30 June 2023 of 3.00 cents per share (approximately \$9,297,000).

Acquisition of W.B. Hunter Pty Ltd

On 3 July 2023 Lindsay Australia Limited announced it had entered into a binding agreement to acquire 100% of rural merchandising company W.B. Hunter Pty Ltd. The acquisition expands the Rural division's footprint in Victoria and New South Wales. Refer to the subsequent events Note 37 in the 2023 Annual Report for business combination disclosure.

Appointment of Chief Executive Officer

Following M K Lindsay's retirement on 23 June 2023, C R Baker (Chief Operating Officer) was appointed as Interim Chief Executive Officer. Following the end of the financial year, C J McDonald commenced on the 17 July 2023 as Chief Executive Officer.

Mr McDonald has extensive leadership experience in the transport and logistics sector and was previously Group Executive Bulk at Aurizon Limited. Mr McDonald has held a number of senior executive positions at Aurizon since 2008, prior to which he was employed at Toll Group between 2001 and 2008.

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.

Principal activities

The principal activities and operations of the Group during the financial year were the transportation of refrigerated and general freight, logistics 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 2023 financial year or subsequently up to the date of this report.

Dividends paid during the financial year

Dividends paid to members are as follows:	2023 cents	2022 cents
Final ordinary dividend per share paid on 7 th October 2022 for the prior financial year (2022: 8 th October 2021)	1.8	0.5
Interim ordinary dividend per share paid on 14 th April 2023 (2022: 8 th April 2022)	1.9	1.4

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 included on page 27 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.

The Company did not engage Pitcher Partners in the 2022 or 2023 financial years for any non-audit related services.

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 2023 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 2023 financial year include a reduction in fuel tax credits from a revised ATO assessment that were expensed in prior years, costs associated with the Chief Executive Officer retirement and executive search costs for the appointment of the new Chief Executive Officer, costs associated with a facility fire in Bundaberg and merger and acquisition costs. Significant items arose in the prior financial include a reduction in fuel tax credit and interest costs from a revised ATO assessment that were expensed in a prior year and facility reinstatement costs associated with the Brisbane market facility due to a flooding event.

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.

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	Transport	Rural	Corporate/ Unallocated	Group
2023 – reconciliation of results from the Group's operations	\$'000	\$'000	\$'000	\$'000
Reported profit (loss) before tax	71,308	9,674	(31,585)	49,397
Underlying adjustments				
Impact of AASB 16 Leases (a)				
Depreciation right of use property/other	7,004	1,154	2,546	10,704
Finance costs right of use property/other	2,276	138	784	3,198
Operating lease rental payments (b)	(8,236)	(1,273)	(3,312)	(12,821)
AASB 16 Leases profit impact	1,044	19	18	1,081
Other underlying adjustments				
Fuel tax credit provision relating to prior years (c)	(1,204)	-	-	(1,204)
CEO retirement and transition costs	-	-	1,150	1,150
Facility reinstatement costs from Bundaberg Fire (d)	583	-	-	583
Asset acquisition costs (e)	616	-	-	616
Merger & acquisition costs	-	-	633	633
Total other underlying adjustments	(5)	-	1,783	1,778
Total underlying adjustments	1,039	19	1,801	2,859
Underlying profit (loss) before tax	72,347	9,693	(29,784)	52,256
Reported EBITDA	109,333	11,214	(19,253)	101,294
Underlying adjustments				
Impact of AASB 16 Leases (a)				
Operating lease rental payments (b)	(8,236)	(1,273)	(3,312)	(12,821)
Other underlying adjustments				
Fuel tax credit provision relating to prior years (c)	(1,204)	-	-	(1,204)
CEO retirement and transition costs	-	-	1,150	1,150
Facility reinstatement costs from Bundaberg Fire (d)	583	-	-	583
Asset acquisition costs (e)	616	-	-	616
Merger & acquisition costs	-	-	633	633
Total underlying adjustments	(8,241)	(1,273)	(1,529)	(11,043)
Underlying EBITDA	101,092	9,941	(20,782)	90,251

- (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 expensed 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 the Bundaberg facility.
- (e) One-off costs associated with the acquisition of second-hand assets.

	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
Underlying adjustments				
Impact of AASB 16 Leases (a)				
Operating lease rental payments (b)	(7,789)	(1,111)	(3,078)	(11,978)
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 that were expensed 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.

Summary of operating results

In the 2023 financial year, the strategy of integrated road, rail and rural continued to deliver value and growth in a rapidly evolving market. Lindsay Australia's key focus of safety, quality service and diversification delivered an increasing customer base, resulting in Group revenues increasing by \$123.1m to \$676.2m, representing growth of 22.3% and driven by strong demand for road and rail services and supported by high fuel price recoveries due to rising diesel prices. Our consistent execution of the Group's strategy, combined with favourable conditions in the Transport sector, delivered underlying EBITDA of \$90.3m, an increase of \$30.2m or 50.2% from FY2022.

Consolidation in the logistics sector led to a surge in demand for Transport services. Thanks to the strong foundations established over recent years and the Group's strategic capital investments, the Group could effectively meet some of the excess demand requirements in the market. The Group continues to manage rising cost challenges due to inflation and a competitive labour market. Still, these forces have been somewhat mitigated through cost management and favourable trading conditions in some segments.

The Rural division, like much of the agriculture retail sector, faced headwinds owing to shifting inventory balances, global price fluctuations and high freight costs, which negatively impacted earnings. The segment's diversified product mix and strong market position partially offset these challenges to deliver positive revenue growth of 4.0% to \$163.0m, with underlying profit before tax of \$9.7 million, a reduction of 9.5% from the prior year.

The Group remains committed to upholding our position as a leading essential service provider and a critical link within Australia's food and agriculture sectors. Lindsay's top priority remains the safety of all staff, customers, community members and stakeholders. Lindsay will continue investing in safety through its annual fleet renewal plan, increasing road monitoring and compliance resources and utilising technology to deliver positive safety outcomes.

Reported and underlying results	2023 \$'000	2022 \$'000	% Change
Operating Revenue	676,245	553,070	22.3%
EBITDA	101,294	72,781	39.2%
Depreciation & Amortisation	(42,833)	(38,614)	10.9%
EBIT	58,461	34,167	71.1%
Finance Costs (net of bank interest received)	(9,064)	(6,626)	36.8%
Reported Net Profit Before Tax	49,397	27,541	79.4%
Income Tax	(14,880)	(8,311)	79.0%
Reported Net Profit After Tax	34,517	19,230	79.5%
Underlying EBITDA	90,251	60,075	50.2%
Underlying Net Profit Before Tax	52,256	26,770	95.2%

Segment Overview

	2023	2022	% Change
	\$'000	\$'000	
External Revenue			
Transport – freight services	513,276	396,327	29.5%
Rural – sale of goods	162,969	156,743	4.0%
	676,245	553,070	22.3%

	2023	2022	% Change
	\$'000	\$'000	
Segment profit before tax			
Transport – reported	71,308	40,485	76.1%
Transport – underlying	72,347	41,031	76.3%
Rural – reported	9,674	10,669	(9.3%)
Rural – underlying	9,693	10,711	(9.5%)

Transport Segment

Transport's revenues grew 29.5% to \$513.28 million, following unprecedented demand in road and rail services, accelerated by industry consolidation and high fuel levy recoveries due to increased diesel prices. Execution of the division's strategy to expand rail, maintain and invest in road assets, and improve our underlying core business, combined with geographical diversification, laid the foundations for the Transport division to meet the surge in demand following the exit of a key competitor. As a result, Transport delivered underlying segment profit before tax contributions of \$72.35 million, an increase of 76.3% on the prior period.

Transport's growth continues to be supported by investment in new road and rail equipment which totalled \$40m for the reporting period. This investment included the rollout of larger road combinations, which will continue to drive utilisation and support increasing customer demand. The Group also acquired a large parcel of used assets from a major competitor, which ceased operations in the second half of the year for an additional \$23 million. This acquisition included 44 prime movers and 350 used containers and other rail assets which have empowered the Group to meet our customers' ongoing logistical challenges and needs. Ongoing investment in the Transport division remains a key focus for the Group to ensure we maintain our first-class, safe and reliable fleet and can continue to perform our role as an essential service provider and a key player in securing food security for Australia.

Rail continues to be a key pillar of growth for Transport, delivering revenues of \$102.8 million, an increase of \$25.3 million despite disruption from a major rail outage over several months. The revenue growth was driven by additional rail capacity and higher volumes from existing and new customers. During the year, Transport expanded its rail fleet with 35 new refrigerated rail containers in the first quarter, further bolstered by the aforementioned acquisition of 350 second-hand containers in quarter four.

The Group will continue to renew its road fleet in line with the replacement plan, which remains a key pillar to the ongoing success of the Transport segment. This plan will ensure the fleet remains first in class while delivering efficiency and safety across Lindsay Australia's network. In FY2024, the Group will continue to invest in growth in the road fleet, acquiring new larger trailer combinations to improve operational performance. FY2024 will see a renewal program commence after obtaining the used containers in FY2023.

Rural Segment

The Rural division's external revenue grew by 4.0% to \$162.97 million, achieved through an expanded branch footprint and a focus on increasing its dedicated sales team in new and established horticulture regions. The division confronted challenges this year, including inventory shifts, global price volatility, inflationary impacts and steep freight costs, affecting annual earnings. Positively, Rural's diversified product mix and strong market position were able to mitigate the impact of some of these headwinds, with underlying segment profit before tax reducing only by \$1.02 million or 9.5%.

Rural continues to drive value across the Group, providing strong returns on capital for the limited investment required and generating value for the broader group through Lindsay Australia's end-to-end service offering. The division will continue to focus on high-growth horticulture regions and expanding its footprint. This is highlighted by the announcement in July 2023 that the Group executed a binding agreement to acquire leading rural merchandise company W.B. Hunter Pty Ltd, a major retailer operating 8 branches spanning Victoria and New South Wales, for an enterprise value of ~\$34.6m. The acquisition is expected to deliver high single digit accretion pre-synergies in pro forma FY2024 earnings per share.

Divisional Investment

The Group focused its capital expenditure (capex) in FY2023 on delivering long-term growth:

- ESG: Solar project completed in Q4 / Edge Impact engagement to deliver Group's first sustainability report in 1H2024
- RAIL: \$4.2m invested in new refrigerated containers and the addition of 350 used containers
- ROAD: \$40m investment in new trucks, trailers and road equipment, expanding the Group's operational capacity coupled with fleet renewals which allow for safety upgrades and efficiency improvements; and
- FACILITIES: Bundaberg land purchase / Melbourne fitout well progressed / Mackay expanding cold chain

Corporate Update

Safety, People, Culture

During the financial year, the Group employed 1,592 full-time equivalent employees (FTEs), an increase of 98 FTEs from FY2022.

Division	2023	2022	Change	%
Corporate	82	70	12	17.1%
Rural	123	117	6	5.1%
Transport	1,387	1,307	80	6.1%
Total FTE	1,592	1,494	98	6.6%

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 ALWAYS: 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

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 seasonal horticulture production risks;
- Expanding service range to meet changing customer needs; and
- Investing in technology to deliver safety outcomes.

Transport division

- Rail fleet utilisation to support new freight lanes and customer additions;
- Road fleet renewal to deliver a modern fleet with latest safety features;
- Investment in road fleet for larger combinations with increased load capacity;
- 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:

Increased input costs, labour, cyber security, rising interest rates, volatile fuel pricing, credit management and climate change have been identified as the most significant risks being managed by the Group. These risks were present throughout the year and are expected to persist in future financial years.

In the 2023 financial year, the Group has concentrated on refining its existing risk framework to build a more robust framework to meet the ISO 31000:2018 standards. The Group reviews all risks periodically and continuously evaluates its risk environment to proactively identify, measure, monitor and mitigate all significant risks. This is generally achieved by strengthening its control environment. All the key controls are tested periodically to ensure the associated risks are mitigated to the maximum possible extent. The risks mentioned above have been identified as significant as they could impact the group's ability to deliver its financial plan.

- **Increased input costs** – Given the recent changes in economic conditions, including inflationary pressures, the Group has witnessed increased costs across most of its outgoings. Significant cost increases affect a wide range of operations including but not limited to property costs, labour force, fleet (purchase and maintenance) and transport costs. Increased input costs are reviewed regularly and form the basis of customer pricing reviews which are typically conducted annually.
- **Labour force management** – Sourcing labour in some operational regions remains a risk to the transport industry, which has witnessed a shortage of suitable and qualified resources, impacting seamless supply chain management. The Group proactively manages labour force shortages through subcontracting and engaging with several recruitment and labour-hire providers and aims to be an employer of choice by providing a positive, safe working environment and continuing to invest in compliance, facilities, assets and technology. Labour costs are largely subject to award rates and enterprise agreements. A tightening market will put upward pressure on labour rates. Labour is a major component in transport operations and as such are reviewed regularly and factored into customer pricing reviews.
- **Cyber security** – A cyber breach potentially impacts the Groups' ability to efficiently service its customers, with the risk of financial and reputational damage. The Group mitigates this risk by adopting state-of-the-art technologies. The Group has implemented IT security measures, including multifactor authentication, password management, firewalls, phishing identification, and cloud-hosted solutions. The Group conducts annual penetration testing of its network to identify deficiencies and educates its workforce on changing IT environment risks through its dedicated training modules.
- **Interest rate movements** – The Group actively monitors interest rate fluctuations to assess its position to manage its interest bearing liabilities. The Group typically fixes equipment finance interest rates when new equipment is delivered and funded to minimise exposure to interest rate fluctuations. These funding terms range from 3 to 5 years to provide certainty around future funding costs. At 30 June 2023, 71.1% of the Group's borrowings were on fixed interest rates.
- **Fuel pricing volatility** – The Group has witnessed ongoing fluctuations in fuel pricing, which may impact revenue and profits. The Group looks to manage fluctuating fuel prices through a fuel levy, a rise and fall mechanism that moves in line with national diesel prices, which is then charged to customers. The Group has a dedicated team that calculates the fuel levy monthly in line with market changes. These calculations are published on the Group website and included in customer rates.
- **Customer credit management** – The Group provides credit facilities to its customers for services provided and sales; non-payment could impact cash flows and increase debt collection costs or recognition of bad or doubtful debts. The Group has a dedicated credit management team and credit approval processes to mitigate credit risk. The team actively monitors credit limits and ensures the collection of funds in a timely manner. Large accounts with more than \$50,000 balance are provided to the Board on a monthly basis.
- **Climate change** – Climate change impacts, such as increasing severe weather events such as drought, fire and flood, may impact performance. The adverse effects of climatic-related events may include reducing the amount of horticultural or agricultural produce that requires transport and logistics-related services and or damage or outage of transport-related infrastructure, including road and rail. The Group considers climate-related factors in commissioning capital towards property and other investments and has a business continuity plan to assist in addressing natural weather events.
- **Funding and dividends** – The Board continually evaluates dividend payouts to ensure sufficient funds to sustain and grow the business while considering shareholder interest. Total dividends paid and recommended for 2023 total 4.9 cents per share (1.9 cents interim paid and 3.0 cents final recommended), representing a FY2023 after-tax payout ratio of 43%. Strict capital management ensures sufficient funds are retained as a priority to ensure the Group operations has sufficient resources available to sustain the existing business. Excess funds may be allocated to growth initiatives or returned to shareholders via dividend distributions.

Remuneration Report (Audited)

The Remuneration Report details the nature and amount of remuneration for non-executive directors, the executive director and other executive 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

A.	Principles used to determine the nature and amount of remuneration	17
B.	Service Agreements	23
C.	Details of Remuneration Paid to Executive Management Personnel	23
D.	Other Transactions with Key Management Personnel	24
E.	Share-Based Compensation	24
F.	Equity Holdings of Key Management Personnel	25
G.	Loans to Key Management Personnel	25
H.	Additional Information	26

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 2023 financial year, remuneration consultants were engaged to provide services to the Group, including executive leadership assessments, job evaluations and profiling, benchmarking executive remuneration. The fees paid for these services were \$59,272 (2022: \$53,858).

Voting and comments made at the Group's 2022 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 2022 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 Annual General Meeting held on 04 November 2022 where shareholders approved an aggregate remuneration of \$600,000 per year. The actual amount paid including statutory superannuation during the financial year ended 30 June 2023 was \$404,956 (2022: \$283,889).

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. The directors receive a base fee per annum. In addition to the base fee, if a director holds a Committee Chair role, they will also be entitled to an additional \$10,000 fee per annum. Other than a Committee Chair role, no additional remuneration is paid for board committee membership.

Non-executive director personnel

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

Name	Position	Appointment 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

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 2023 and 30 June 2022 are set out in the below table.

	Salary and fees \$	Short-term benefits Cash Bonus \$	Non-monetary benefits \$	Long-term benefits Long service leave \$	Post-employment benefits Superannuation \$	Share-based payments Options \$	Total \$	Performance related %
Non-executive directors								
I M Williams (Chair)								
2023	110,406	-	-	-	11,490	-	121,896	NA
2022	70,471	-	-	-	7,079	-	77,550	NA
R L Green								
2023	85,317	-	-	-	8,881	-	94,198	NA
2022	63,278	-	-	-	6,331	-	69,609	NA
M R Stubbs								
2023	85,317	-	-	-	8,881	-	94,198	NA
2022	52,853	-	-	-	5,285	-	58,138	NA
S P Cantwell								
2023	87,799	-	-	-	6,865	-	94,664	NA
2022	34,912	-	-	-	3,491	-	38,403	NA
A R Kelly (resigned 5 November 2021)								
2023	-	-	-	-	-	-	-	NA
2022	22,305	-	-	-	2,233	-	24,538	NA
R A Anderson (resigned 31 August 2021)								
2023	-	-	-	-	-	-	-	NA
2022	14,224	-	-	-	1,427	-	15,651	NA
Sub-Total 2023	368,839	-	-	-	36,117	-	404,956	NA
Sub-Total 2022	258,043	-	-	-	25,846	-	283,889	NA

Executive director and other executive management personnel remuneration

Objective

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

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

Executive 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 2023 and 2022 financial years:

Name	Position	Term as KMP
M K Lindsay	Managing Director and Chief Executive Officer	Retired 23 June 2023
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 was appointed Interim Chief Executive Officer from 23 June 2023

New Chief Executive Officer appointment

Following M K Lindsay's retirement on 23 June 2023, C R Baker was appointed as Interim Chief Executive Officer. Following the end of the financial year, C J McDonald commenced on the 17 July 2023 as Chief Executive Officer.

Key terms of new Chief Executive Officer employment agreement:

- Effective: 17 July 2023.
- Fixed Annual Remuneration (FAR): \$830,000 per annum (including superannuation).
- Short term incentives (STI): possible STI in a range from 0% up to 50% (target) to 100% (maximum) of FAR based on achievement of agreed key performance indicators and relevant targets determined by the board.
- Long term incentive (LTI): possible LTI in a range from 0% to 50% (target) to 100% (maximum) of FAR based on achievement of relevant key performance indicators and targets determined by the board over defined periods.
- Sign-on benefits: to be provided as one-off sign on payments in lieu of STIs and LTIs being forgone and subject to service or vesting requirements:
 - \$434,000 cash payment over the initial 12 months of service;
 - A number of zero priced options equal to the value of \$437,500 to be determined by a VWAP calculation method vesting in October 2023 and October 2024; and
 - A number of zero priced options equal to the value of \$699,000 to be determined by a VWAP calculation method vesting in October 2026.
- Ancillary items: The employment agreement provides for usual ancillary items in addition to remuneration, being phone, laptop and car allowance (\$20,000).
- Termination: Other than for serious misconduct, either party may terminate the employment agreement by giving 6 months' notice

Structure

The executive 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)	Cash 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 other benefits such as motor vehicles and expense payments. 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 executive 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 executive management personnel rewards with overall shareholder value creation.

Short-term incentive – Chief Executive Officer – M K Lindsay (Retired 23 June 2023)

During the 2017 financial year, an employment agreement was entered into with the CEO, M K Lindsay. The agreement provided 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:

- Safety outcomes benchmarked and measured internally;
- Earnings growth measured against historical results and internal management budgets;
- Diversifying Group operations both in service range and geographical reach;
- Shareholder returns, including both income and capital; and
- Succession planning for executive 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 FY2023, M K Lindsay achieved STI cash bonus, inclusive of superannuation of \$510,000 (FY2022: \$430,000). For the STI paid in FY2022, \$80,000 (inclusive of superannuation) related to the FY2021 financial year that was previously deferred.

	Fixed Remuneration \$	Maximum STI \$	STI Awarded (i) \$	STI Awarded %	STI Forfeited %
M K Lindsay - Managing Director & Chief Executive Officer					
2023	878,275	526,965	510,000	97%	3%
2022	849,288	509,573	430,000	84%	16%

- (i) The STI payments detailed above includes superannuation. The STI payments represent both amounts paid or payable at the end of the financial year. At 30 June 2023, there were no STI amounts payable to M K Lindsay (30 June 2022: \$350,000 including superannuation). The cash bonus and superannuation amounts are consolidated in the table above. The \$430,000 STI awarded in FY2022 includes \$80,000 payment that was deferred from FY2021.

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

During the 2023 financial year, the COO, C R Baker and CFO J T Green were entitled to receive a maximum STI of \$150,000 inclusive of superannuation (2022: \$100,000 inclusive of superannuation). The STIs earned and paid are measured against the delivery of strategic objectives, including:

- a) Safety outcomes and improvements;
- 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 the Group's safety focus and 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					
2023	476,719	150,000	150,000	100%	0%
2022	463,300	100,000	100,000	100%	0%
J T Green – Chief Financial Officer					
2023	376,600	150,000	150,000	100%	0%
2022	372,000	100,000	100,000	100%	0%

Long term incentives (LTI)

Executive management personnel are eligible to participate in the Long Term Incentive (Option) Plan (LTIP) that was approved by shareholders at the 2022 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.

2023 Financial Year	FY2023	FY2023
Share Options Granted To	C R Baker	J T Green
Share Options Granted	200,000	200,000
Valuation of shares with EPS target at grant date	\$0.6054	\$0.6054
Valuation of shares with TSR target at grant date	\$0.3600	\$0.3600
Grant Date	December 2022	December 2022
Vesting Period	30 June 2025	30 June 2025
3 Year Aggregate EPS Target	\$0.213 per share	\$0.213 per share
3 Year Total Shareholder Return Target	30%	30%

2022 Financial Year	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	\$0.12 cents per share	\$0.12 cents per share
3 Year Total Shareholder Return Target	30%	30%

B. Service Agreements

The Group's policy in operation during the 2023 financial year is that service contracts for the Chief Executive Officer (CEO) and other executive 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 (Retired 23 June 2023)	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

Executive 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.

C. Details of Remuneration Paid to Executive 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 executive management personnel. Amounts disclosed for cash salary, fees and superannuation include amounts paid or payable at the end of the year. 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)	Termination payment on	Total	Performance related
	Salary and fees \$	Cash Bonus \$	Non-monetary benefits \$	Long service leave \$	Superannuation \$	Options \$	Retirement(c) \$	\$	%
Executive director and other executive management personnel									
M K Lindsay – Managing Director & Chief Executive Officer – Retired 23 June 2023									
2023	880,074	510,000	27,749	22,406	27,500	-	894,400	2,362,129	22
2022	845,385	391,000(b)	12,110	12,564	48,706	61,958	-	1,371,723	33
J T Green – Chief Financial Officer & Company Secretary									
2023	358,316	150,000	5,435	8,872	27,500	42,121	-	592,244	32
2022	342,177	110,909	4,732	18,738	36,306	21,463	-	534,325	25
B T Jones – Group Legal Counsel & Company Secretary									
2023	306,887	20,000	-	7,483	27,500	5,164	-	367,034	7
2022	290,178	20,000	-	10,795	27,624	-	-	348,597	6
C R Baker – Chief Operating Officer									
2023	452,350	150,000	6,616	9,744	27,500	42,121	-	688,331	28
2022	468,838	90,909	4,174	26,694	35,254	21,463	-	647,332	17
Sub-total 2023	1,997,627	830,000	39,800	48,505	110,000	89,406	894,400	4,009,738	23
Sub-total 2022	1,946,578	612,818	21,016	68,791	147,890	104,884	-	2,901,977	25

(a) Share-based payments are the probable number of 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.

(c) In lieu of share options being issued in the 2021, 2022 and 2023 financial years and in lieu of notice on resignation, M K Lindsay received a retirement cash settlement of \$894,400. The settlement is paid in two tranches. The first tranche of \$531k was paid on the 28 June 2023. The second tranche of \$363k is due to be paid on the 26 June 2024 subject to certain post-employment conditions being met.

D. Other Transactions with Key Management Personnel

There were no other related party transactions with Key Management Personnel in the 2023 Financial Year.

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

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 2023	Exercised 30 June 2023	Balance
October 2019	400,000	30.70	Oct-22	Oct-26	Nil	400,000	-	400,000
October 2021	400,000	32.19	Sep-24	Sep-25	Nil	-	-	400,000
December 2022	225,000	36.00	Jun-25	Jun-26	Nil	-	-	225,000
December 2022	225,000	60.53	Jun-25	Jun-26	Nil	-	-	225,000

Performance hurdles for new options issued

225,000 share options issued in December 2022 include a Total Shareholder Return (TSR) performance target. TSR target for the period 01 July 2022 to 30 June 2025 is over 30%. The TSR target includes both income (dividends) and capital growth. The TSR target is based off the 30 June 2022 Lindsay Australia Limited share price of \$0.41.

225,000 share options issued in December 2022 include an Earnings Per Share (EPS) target. Cumulative EPS target of \$0.213 for the period 01 July 2022 to 30 June 2025. EPS target is based on underlying results, adjusted for one-off or non-recurring events.

Option details

Detail of options over ordinary shares in the company provided as remuneration to each director and executive management personnel of Lindsay Australia Limited and related entities at 30 June 2023 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 2019)	400,000	122,855	400,000	-
C R Baker (October 2021)	200,000	64,389	-	-
C R Baker (December 2022)	200,000	96,541	-	-
J T Green (October 2021)	200,000	64,389	-	-
J T Green (December 2022)	200,000	96,541	-	-
B T Jones (December 2022)	50,000	24,135	-	-

- (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 issued to executive management personnel during the 2023 financial year are as follows.

Name	Balance 30 June 2022		Granted during year	Vested and exercisable during year	Exercised	Forfeited	Balance 30 June 2023	
	Unvested	Vested					Unvested	Vested
M K Lindsay	400,000	-	-	400,000	-	-	-	400,000
C R Baker	200,000	-	200,000	-	-	-	400,000	-
J T Green	200,000	-	200,000	-	-	-	400,000	-
B T Jones	-	-	50,000	-	-	-	50,000	-

No shares were issued in the 2023 financial year pursuant to the exercise of share options. In the 2022 financial year, 800,000 shares were issued in Lindsay Australia Limited to M K Lindsay pursuant to the exercise of share options.

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 2022	Upon resignation	Shares issued on exercise of share options	Net change other	Balance at 30 June 2023
Directors of Lindsay Australia Limited					
M K Lindsay (Retired 23 June 2023)	13,012,487	(12,668,218)	-	(344,269)	-
I M Williams	-	-	-	-	-
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	72,568	-	-	3,816	76,384

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 ¢
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
2023	4,414,694	11.4	4.9	114.0

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

Ian M Williams
Chair of Directors
Brisbane, Queensland
28 August 2023



Level 38, 345 Queen Street
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GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

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 2023, 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

J. Evans
JASON EVANS
Partner

Brisbane, Queensland
28 August 2023

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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NIGEL FISCHER	JASON EVANS	BRETT HEADRICK	SIMON CHUN	JAMES FIELD	FELICITY CRIMSTON	MURRAY GRAHAM	EDWARD FLETCHER
MARK NICHOLSON	KYLIE LAMPRECHT	WARWICK FACE	JEREMY JONES	DANIEL COWELL	CHERYL MASON	ANDREW ROBIN	ROBERT HUGHES
PETER CAMBIZUJI	NORMAN THURECHT	COLE WILKINSON	TOM SPLATT	ROBYN COOPER	KIERAN WILLIS	KAREN LEVINE	

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ANNUAL FINANCIAL REPORT



Contents

Consolidated Statement of Profit and Loss and Other Comprehensive Income	31
Consolidated Statement of Financial Position	32
Consolidated Statement of Changes in Equity	33
Consolidated Statement of Cash Flows	34
Notes to the Consolidated Financial Statements	35
1. Significant Accounting Policies	35
2. Financial Risk Management	42
3. Critical Accounting Estimates & Judgements	45
4. Revenues	46
5. Other Income	46
6. Expenses	47
7. Income Tax	48
8. Franking Credits / Dividends	49
9. Cash and Cash Equivalents	50
10. Trade and Other Receivables	50
11. Inventories	51
12. Financial Assets at Fair Value Through Other Comprehensive Income	51
13. Property, Plant and Equipment	52
14. Right-of-use Assets	53
15. Lease Liabilities	54
16. Deferred Tax Assets	55
17. Intangible Assets	55
18. Trade and Other Payables	57
19. Borrowings	57
20. Deferred Tax Liabilities	58
21. Provisions	58
22. Other Liabilities	59
23. Contributed Equity	59
24. Reserves	60
25. Retained Earnings	60
26. Cash Flow Information	61
27. Earnings per Share	61
28. Auditor's Remuneration	61
29. Related Party Disclosures	62
30. Share-based Payments	62
31. Subsidiaries	66
32. Segment Information	67
33. Deed of Cross Guarantee	69
34. Capital Commitments	69
35. Contingent Liabilities	69
36. Parent Company Information	70
37. Events after the reporting period	70
Directors' Declaration	72
Independent Auditor's Report To the Members of Lindsay Australia Limited	73
Corporate Governance Statement	77
Shareholder Information	88

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. Its 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 28 August 2023. 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 2023

	Note	2023 \$'000	2022 \$'000
Revenue	4	676,245	553,070
Other income	5	6,495	4,589
Expenses			
Changes in inventories		(3,890)	5,380
Purchase of inventories		(130,072)	(134,162)
Employee benefits expense	6	(144,934)	(127,814)
Subcontractors		(160,885)	(111,852)
Depreciation and amortisation	6	(42,833)	(38,614)
Vehicle operating charges	6	(91,799)	(75,744)
Finance costs	6	(9,837)	(6,626)
Rental and equipment hire costs		(2,247)	(1,502)
Professional fees	6	(2,023)	(1,837)
Impairment loss on trade receivables	6	(265)	(141)
Merger and acquisition costs		(633)	-
Other expenses		(43,925)	(37,206)
Profit before income tax		49,397	27,541
Income tax expense	7	(14,880)	(8,311)
Profit for the year	25	34,517	19,230
Other comprehensive income		-	-
Total comprehensive income for the year		34,517	19,230
	Note	Cents	Cents
Basic earnings per share	27	11.4	6.4
Diluted earnings per share	27	11.4	6.4

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 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	9	51,973	29,041
Trade and other receivables	10	107,591	90,264
Inventories	11	18,064	22,611
Prepayments		7,802	5,489
Total current assets		185,430	147,405
Non-current assets			
Financial assets at fair value through other comprehensive income	12	25	25
Property, plant and equipment	13	91,443	67,581
Right-of-use assets	14	202,192	187,986
Intangible assets	17	8,708	8,425
Total non-current assets		302,368	264,017
Total assets		487,798	411,422
Current liabilities			
Trade and other payables	18	68,811	60,365
Borrowings	19	3,696	9,276
Lease liabilities	15	42,100	42,873
Provisions	21	12,881	12,510
Other	22	6,591	6,146
Total current liabilities		134,079	131,170
Non-current liabilities			
Borrowings	19	42,220	22,782
Lease liabilities	15	146,020	131,032
Deferred tax liabilities	20	28,299	13,517
Provisions	21	2,065	1,735
Other	22	7,743	8,271
Total non-current liabilities		226,347	177,337
Total liabilities		360,426	308,507
Net assets		127,372	102,915
Equity			
Contributed equity	23	75,427	74,397
Reserves	24	788	689
Retained earnings	25	51,157	27,829
Total equity		127,372	102,915

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 2023

	Note	Contributed equity \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
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
Profit for the year		-	-	34,517	34,517
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	34,517	34,517
Dividends reinvested /(paid) during year	8	1,030	-	(11,189)	(10,159)
Employee share schemes – value of employee services	24	-	99	-	99
At 30 June 2023		75,427	788	51,157	127,372

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

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Lindsay Australia Limited

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts in the course of operations		734,116	581,375
Payments in the course of operations		(639,682)	(535,049)
Interest received		1,141	289
Income taxes paid		(100)	-
Income taxes reimbursed		-	668
Finance costs paid		(9,472)	(7,652)
Net cash from operating activities	26	86,003	39,631
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,418	3,161
Payments for property, plant and equipment		(35,732)	(13,704)
Payments for intangibles		(793)	(99)
Net cash (used in) investing activities		(34,107)	(10,642)
Cash flows from financing activities			
Proceeds from borrowings		28,774	20,099
Repayment of borrowings		(9,703)	(5,519)
Repayment of property lease liabilities		(9,335)	(8,117)
Repayment of other lease liabilities		(288)	(488)
Repayment of equipment lease liabilities		(28,253)	(28,221)
Dividends paid		(10,159)	(5,296)
Net cash (used in) financing activities		(28,964)	(27,542)
Increase in cash and cash equivalents		22,932	1,447
Cash and cash equivalents at beginning of financial year		29,041	27,594
Cash and cash equivalents at end of financial year	9	51,973	29,041

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 2023 on 28 August 2023.

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 are not expected to have a material impact on the financial statements of the Group.

The Group has applied all new accounting standards with effect from 1 July 2022, however none of the new standards had 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 2022.

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 2023. 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 *Revenue from 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 and tax consolidation

The income tax expense or benefit 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.

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.

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.

The marketable equity securities 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(o)).

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.

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	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents (a)	9	51,973	29,041
Trade and other receivables (a)	10	107,591	90,264
Equity securities (b)	12	25	25
		159,589	119,330
Financial liabilities			
Trade and other payables (c)	18	68,811	60,365
Borrowings (c) (d)	19	46,060	32,284
Lease liabilities (e)	15	188,158	174,191
		303,029	266,840

(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 \$144,000 (2022: \$226,000) and at amortised cost.

(e) The carrying amount of lease liabilities excludes offsetting of fair value gain of \$38,000 (2022: \$286,000) 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 FY2023 accounted for 0.1% (2022: 0.1%) of Group revenue.

In FY2023 the Group purchased approximately \$6.8 million (5.2%) (2022: \$7.7 million (5.1%)) 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 2023 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 2023 and 30 June 2022 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 2023 and 2022 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 2023 is 28.9% (2022: 25.2%). 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

	2023 %	2022 %	2023 \$'000	2022 \$'000
Cash and cash equivalents	3.02%	0.00%	51,973	29,041
Borrowings				
Bank and other loans (i)	7.02%	4.19%	46,060	32,284

(i) The carrying amount of borrowings disclosed excludes offsetting borrowing costs of \$144,000 (2022: \$226,000).

At 30 June 2023, 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 \$41,000 lower/higher (2022 – change of 1%: \$23,000 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 2023 the largest ten debtors comprised approximately 35% (2022: 39%) of total trade debtors (the largest individual debtor comprised 8.3% (2022: 10.0%) 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 59% (2022: 53%).

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:

	2023 \$'000	2022 \$'000
Available facilities		
Bank loan - working capital finance facility	30,000	10,000
Bank loan	13,500	15,500
Other loans	80	80
Equipment loans – variable	12,561	10,784
Equipment finance lease liabilities	162,439	119,216
Amounts utilised		
Bank loan – working capital finance facility	(20,000)	(6,000)
Bank loans (a)	(13,500)	(15,500)
Equipment loans - variable	(12,560)	(10,784)
Equipment finance lease liabilities (b)	(113,146)	(95,789)
Unused facilities	59,374	27,507

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of \$144,000 (2022: \$226,000).

(b) The carrying amount of equipment finance lease liabilities excludes offsetting of a fair value gain of \$38,000 (2022: \$286,000).

Bank loan - variable finance facility

The variable finance facility was renegotiated in March 2023 and extended to March 2025 unless the lender demands repayment in accordance with the facility agreement. The available facility limit was also increased for \$10 million to \$30 million. 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 for other requirements of the Group. The facility is drawn upon and repaid as per the Groups funding requirements. The facility is subject to annual review.

Bank loans - corporate finance facility

The corporate finance facility is 5 years in tenure and due in March 2025. The facility is repayable by \$500,000 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 2023, \$6,680,000 (30 June 2022: \$10,126,000) 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 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
At 30 June 2023						
Trade payables	68,811	-	-	-	68,811	68,811
Borrowings (a)	4,390	4,250	31,076	-	39,716	33,500
Equipment finance leases (b)	36,950	37,189	50,160	-	124,299	113,146
Equipment loans – variable	2,613	2,609	9,500	-	14,722	12,560
Lease liabilities – properties/other	12,623	11,494	29,651	36,574	90,342	75,012
Total	125,387	55,542	120,387	36,574	337,890	303,029

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of \$144,000 (2022: \$226,000).

(b) The carrying amount of equipment finance lease liabilities excludes offsetting of a fair value gain of \$38,000 (2022: \$286,000).

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

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 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.

Share-based payments

The Group provides benefits to employees (including executive management personnel) in the form of share-based payment incentives. Options over shares in Lindsay Australia Limited (ASX: LAU) may be granted under the Long Term Incentive (Option) Plan (LTIP). The LTIP is structured for reward for length of service and is variable depending upon cumulative annual performance targets. The Group makes estimates and assumptions in determining the fair value of the share options granted.

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.

2023	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Revenues				
Horticulture	233,254	162,969	-	396,223
Commercial	280,022	-	-	280,022
Revenue from contracts with customers	513,276	162,969	-	676,245
Other revenue (refer note 5)	3,144	754	1,824	5,722
Total revenue	516,420	163,723	1,824	681,697
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

5. Other Income

2023	Transport \$'000	Rural \$'000	Corp \$'000	Group \$'000
Insurance & other recoveries	27	2	1,139	1,168
Rents and sub-lease rentals	201	11	9	221
Interest revenue – other	-	-	369	369
Interest revenue – bank	-	-	-	773
Warehouse income	1,300	-	-	1,300
Sundry/other Income	1,616	741	307	2,664
Total other revenue/income	3,144	754	1,824	6,495
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 - other	-	-	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

6. Expenses

	2023 \$'000	2022 \$'000
Profit before income tax includes the following specific expenses:		
Cost of goods sold	133,962	128,782
Professional fees		
Legal fees	204	439
Accounting firms	299	272
Consultancy fees	1,520	1,126
Total professional fees	2,023	1,837
Employee benefits expense		
Salaries and wages	130,890	116,549
Defined contribution superannuation expense	9,864	8,399
Other wage expenses	4,180	2,866
Total employee benefits expense	144,934	127,814
Finance costs		
Amortisation of fair value gain on recognition of lease liabilities	248	248
Finance costs on interest bearing liabilities	1,902	1,399
Finance costs on general interest charges (a)	-	(1,546)
Finance costs on equipment loans	703	126
Finance costs on equipment lease liabilities	3,786	3,026
Finance costs on other lease liabilities	63	64
Finance costs on property lease liabilities	3,135	3,309
Total finance costs	9,837	6,626
Depreciation		
Freehold buildings	250	410
Plant and equipment	9,342	8,400
Leasehold improvements	1,905	1,731
Right of use asset	30,814	27,447
Amortisation		
Customer list	18	257
Computer software	504	369
Total depreciation and amortisation	42,833	38,614
Vehicle operating expenses		
Vehicle operating expenses	93,003	77,610
Fuel tax credits relating to prior periods (a)	(1,204)	(1,866)
Total vehicle operating expenses	91,799	75,744
Impairment losses – trade receivables		
Movement in expected credit losses (refer note 10)	290	151
Trade receivables written off (recovered) during the year	(25)	(10)
Impairment loss on trade receivables	265	141
Impairment losses/(reversals) – inventory	22	261
Loss/(gain) on disposal of property, plant and equipment	(143)	(103)

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). Since the end of the 2023 financial year, the ATO has issued a further revised assessment notice, resulting in a further reduction of \$1.20m.

7. Income Tax

	2023 \$'000	2022 \$'000
Income tax expense		
Current tax	98	-
Deferred tax	14,782	8,311
	14,880	8,311
Deferred tax is attributable to:		
(Increase) decrease in deferred tax assets (Note 16)	3,093	612
Increase (decrease) in deferred tax liabilities (Note 20)	11,689	7,699
	14,782	8,311
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	49,397	27,541
Tax at the Australian tax rate of 30% (2022: 30%)	14,819	8,262
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	61	49
Income tax expense	14,880	8,311
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

	2023 \$'000	2022 \$'000
Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2022: 30%)	-	(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. On 07 August 2023, the Group settled the acquisition of W.B Hunter Pty Limited (Hunters). On completion, Hunters joined the Lindsay Australia Limited income tax consolidated group. On completion Hunters have an approximate franking account surplus of \$8.1m. 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 be approximately \$3,975,000 (2022 – nil impact).		
Dividends paid		
Interim dividend for the year ended 30 June 2023 of 1.9 cents per share unfranked paid in full on 14 April 2023 (2022: 1.4 cent per share unfranked paid in full on 08 April 2022).	5,753	4,212
Interim dividends paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2023 and 2022 were as follows:		
• Paid in cash	5,180	3,899
• Satisfied by issue of shares	573	313
	5,753	4,212
Final dividend for the year ended 30 June 2022 of 1.8 cents per share unfranked paid on 07 October 2022 (2022 – 0.5 cents per share fully unfranked paid in full on 08 October 2021).	5,436	1,501
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 2023 and 2022 were as follows:		
• Paid in cash	4,979	1,398
• Satisfied by issue of shares	457	103
	5,436	1,501
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 fully franked dividend of 3.0 cents per share (2022: 1.8 cents per share unfranked paid in full on 07 October 2022).	9,297	5,436

9. Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	51,973	29,041
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	51,973	29,041
	51,973	29,041

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

10. Trade and Other Receivables

	2023 \$'000	2022 \$'000
Current		
Trade receivables	99,556	82,817
Allowance for expected credit losses	(455)	(180)
	99,101	82,637
Fuel rebates receivable	965	188
Future GST recoverable	352	391
Other receivables	7,173	7,048
	107,591	90,264

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 consolidated 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 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
Increase (decrease) in allowance for movements in expected credit losses	290
Trade receivables (written off) during the year against the ECL provision	(15)
Loss allowance at 30 June 2023	455

- (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 \$501,000 inclusive of GST of \$46,000 (2022: \$198,000 inclusive of GST of \$18,000). 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:

	2023	2023	2022	2022
	Trade Receivables	Impairment allowance	Trade Receivables	Impairment allowance
	\$'000	\$'000	\$'000	\$'000
Not yet due	68,781	(35)	65,678	(30)
Past due 1 to 30 days	20,633	(17)	12,613	(15)
Past due 31 to 60 days	3,484	(22)	2,864	(13)
Past due 61 days or more	6,658	(427)	1,662	(140)
	99,556	(501)	82,817	(198)

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

	2023	2022
	\$'000	\$'000
Raw materials and stores – at cost (i)	4,046	4,703
Finished goods – at cost	14,649	18,561
	18,695	23,264
Provision for obsolescence	(631)	(653)
	18,064	22,611

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

12. Financial Assets at Fair Value Through Other Comprehensive Income

	2023	2022
	\$'000	\$'000
Unlisted equity securities	25	25

13. Property, Plant and Equipment

	2023 \$'000	2022 \$'000
Freehold Land and Buildings		
Land – at cost	8,798	7,034
Buildings – at cost	16,749	16,749
Accumulated depreciation	(2,998)	(2,748)
	22,549	21,035
Leasehold Improvements		
At cost	25,296	25,296
Accumulated depreciation	(9,652)	(7,747)
	15,644	17,549
Total property	38,193	38,584
Plant and Equipment		
At cost	153,654	123,793
Accumulated depreciation	(100,404)	(94,796)
	53,250	28,997
Total property, plant and equipment	91,443	67,581

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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
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
Additions	1,764	-	-	33,968	35,732
Disposals	-	-	-	(405)	(405)
Transfers – right-of-use assets	-	-	-	32	32
Depreciation	-	(250)	(1,905)	(9,342)	(11,497)
Carrying amount at 30 June 2023	8,798	13,751	15,644	53,250	91,443

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

14. Right-of-use Assets

	2023 \$'000	2022 \$'000
Right-of-use Property Leases		
At Cost	109,785	103,784
Accumulated depreciation	(46,236)	(36,667)
Total right-of-use Property Leases	63,549	67,117
Right-of-use Other Leases		
At Cost	2,267	2,987
Accumulated depreciation	(1,003)	(839)
Total right-of-use Other Leases	1,264	2,148
Right-of-use Equipment Leases		
At Cost	224,732	191,612
Accumulated depreciation	(87,353)	(72,891)
Total right-of-use Equipment Lease	137,379	118,721
Total right-of-use assets	202,192	187,986

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 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
Additions/modifications	6,688	602	40,316	47,606
Disposals	(88)	(950)	(1,516)	(2,554)
Transfers – plant and equipment	-	-	(32)	(32)
Depreciation	(10,168)	(536)	(20,110)	(30,814)
Carrying amount 30 June 2023	63,549	1,264	137,379	202,192

15. Lease Liabilities

	2023 \$'000	2022 \$'000
Lease liabilities – Current		
Property	9,236	8,379
Other	476	693
Equipment lease liabilities (i)	32,388	33,801
Total current lease liabilities	42,100	42,873
Lease liabilities – Non-current		
Property	64,472	67,831
Other	828	1,499
Equipment lease liabilities (i)	80,720	61,702
Total non-current lease liabilities	146,020	131,032
Total lease liabilities	188,120	173,905

(i) The carrying amount of equipment lease liabilities includes an offsetting fair value gain of \$38,000 (2022: \$286,000).

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 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
Additions	6,687	602	45,610	52,899
Lease modifications	(86)	(970)	-	(1,056)
Repayments	(12,238)	(583)	(32,039)	(44,860)
Interest	3,135	63	3,786	6,984
Fair value gain – movement	-	-	248	248
Carrying amount 30 June 2023	73,708	1,304	113,108	188,120

Recognition and measurement – Leases

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

The Group leases various properties and equipment. Leases for equipment (trucks, trailers, motor vehicles, material handling equipment and ancillary equipment) do not typically exceed 5 years. Leases for property range in tenure from 3 to 15 years depending on the particular property. Lease terms for both property and equipment are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss.

Assets pledged as security

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

16. Deferred Tax Assets

	2023 \$'000	2022 \$'000
The balance comprises temporary differences attributable to:		
Impaired receivables	135	53
Employee benefits	4,485	4,275
Payables	487	441
Other liabilities	2,079	2,170
Other	908	613
Carried forward losses	1,462	5,097
Total deferred tax assets	9,556	12,649
Set-off of deferred tax liabilities pursuant to set-off provisions (refer Note 20)	(9,556)	(12,649)
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 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
(Charged)/credited to:							
Profit or loss	210	82	46	(91)	295	(3,691)	(3,149)
Overprovision	-	-	-	-	-	56	56
At 30 June 2023	4,485	135	487	2,079	908	1,462	9,556

17. Intangible Assets

	2023 \$'000	2022 \$'000
Computer software	6,244	5,439
Accumulated amortisation	(5,097)	(4,593)
	1,147	846
Goodwill	7,805	7,805
Accumulated impairment	(244)	(244)
	7,561	7,561
Customer list	1,802	1,802
Accumulated amortisation	(1,802)	(1,784)
	-	18
Total intangible assets	8,708	8,425

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 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
Additions	805	-	-	805
Amortisation	(504)		(18)	(522)
Carrying amount at 30 June 2023	1,147	7,561	-	8,708

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

	2023 %	2022 %
Average product margin	17.3	16.9
Terminal growth rate	2.0	2.0
Free cash growth rate	5.6	6.4
Pre-tax discount rate	10.2	9.1

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 10.2% to 12.2% (2022: 9.1% to 11.1%) and reducing average product margin from 16.9% to 15.9% (2022: 16.9% to 15.9%). Both scenarios did not result in impairment (2022: 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

	2023 \$'000	2022 \$'000
Trade and other payables	68,811	60,365

19. Borrowings

	2023 \$'000	2022 \$'000
Current		
<i>Secured</i>		
Bank loans	2,000	8,000
Bank loans – borrowing costs offset	(82)	(82)
Equipment loans	1,778	1,358
Total current borrowings	3,696	9,276
Non-current		
<i>Secured</i>		
Bank loans	31,500	13,500
Bank loans – borrowing costs offset	(62)	(144)
Equipment loans	10,782	9,426
Total non-current borrowings	42,220	22,782
Total borrowings	45,916	32,058

a. Bank loans

Bank loan – variable finance facility has a \$30,000,000 limit of which \$20,000,000 was drawn at 30 June 2023 (2022: \$10,000,000 limit and \$6,000,000 drawn) and is utilised to fund working capital requirements and other requirements of the Group.

Bank loan – corporate finance facility has a limit of \$13,500,000 which was fully drawn at 30 June 2023 (2022: Limit of \$15,500,000, 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

	2023 \$'000	2022 \$'000
The balance comprises temporary differences attributable to:		
Prepayments	1,570	1,350
Inventories	414	661
Depreciation and amortisation	35,582	24,054
Other receivables	289	101
Total deferred tax liabilities	37,855	26,166
Set-off of deferred tax assets pursuant to set-off provisions (refer Note 16)	(9,556)	(12,649)
Net deferred tax liabilities	28,299	13,517

Movements	Prepayments \$'000	Inventories \$'000	Depreciation & Amortisation \$'000	Other Receivables \$'000	Total \$'000
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
Charged /(credited):					
Profit or loss	220	(247)	11,524	188	11,685
Overprovision (i)	-	-	4	-	4
At 30 June 2023	1,570	414	35,582	289	37,855

- (i) After the end of the 2021 and 2022 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

	2023 \$'000	2022 \$'000
Current		
Employee benefits	12,881	12,510
Non-current		
Employee benefits	2,065	1,735

22. Other Liabilities

	2023 \$'000	2022 \$'000
Current		
Contract liabilities	6,481	5,607
Other	110	539
	6,591	6,146
Non-current		
Other	7,743	8,271

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 \$5,607,000 (2022: \$3,934,000).

Revenue not recognised in the financial year as performance obligations not yet satisfied and classified as contract liabilities is \$6,481,000 (2022: \$5,607,000).

23. Contributed Equity

			2023 \$'000	2022 \$'000
Fully paid ordinary shares			75,427	74,397
The movement in fully paid ordinary shares for 2023 and 2022 is reconciled as follows:				
	Note	No of Shares	Issue Price	\$'000
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
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	787,953	58.0 cents	457
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	629,603	91.0 cents	573
Balance at 30 June 2023		303,404,886		75,427

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:

2022 Dividends	Number of Shares	Issue Price
08 October 2021	294,732	35 cents
08 April 2022	763,110	41 cents
2023 Dividends		
07 October 2022	787,953	58 cents
14 April 2023	629,603	91 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 2023 and 2022 reporting periods.

24. Reserves

	2023 \$'000	2022 \$'000
Share-based payment reserve		
Opening balance at 1 July	689	856
Employee share schemes – value of employee services (note 30)	99	105
Transferred to share capital on exercise of options (note 23)	-	(272)
Closing balance at 30 June	788	689

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

	2023 \$'000	2022 \$'000
Retained earnings at the beginning of the year	27,829	14,312
Profit for the year	34,517	19,230
Dividends paid or provided for (note 8)	(11,189)	(5,713)
Retained earnings at the end of the year	51,157	27,829

26. Cash Flow Information

	2023 \$'000	2022 \$'000
Reconciliation of Cash Flows from Operating Activities with Profit for the Year		
Profit for the year	34,517	19,230
Adjustment for non-cash items in profit		
Depreciation/amortisation	42,833	38,614
Net (gain)/loss on disposal of property, plant and equipment	(143)	(103)
Non-cash employee benefits expense-share-based payments	99	105
Movement in capitalised borrowing costs	81	81
Movement in fair value gain (refer note 15)	248	248
Movement in interest accrual	55	(1,356)
Net changes in assets and liabilities		
(Increase)/decrease in current taxes	-	668
(Increase)/decrease in trade and other receivables	(17,923)	(33,547)
(Increase)/decrease in prepayments and other assets	(2,323)	(704)
(Increase)/decrease in inventories	4,547	(7,415)
(Decrease)/increase in trade and other payables	8,446	12,983
(Decrease)/increase in other liabilities	83	1,278
(Decrease)/increase in provisions	701	1,240
(Decrease)/increase in net deferred tax liabilities	14,782	8,309
Cash flows from operating activities	86,003	39,631
Non-Cash Financing and Investing Activities		
Dividends satisfied by issue of shares	1,030	416
Right-of-use equipment acquired via new lease agreements	47,606	24,495

27. Earnings per Share

	2023 \$'000	2022 \$'000
Basic earnings per share	11.4	6.4
Diluted earnings per share	11.4	6.4
Earnings used in calculating basic and diluted earnings per share – net profit	34,517	19,230

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share (i)	302,696,327	300,793,889

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

28. Auditor's Remuneration

	2023 \$	2022 \$
During the year the auditor of the parent entity earned the following remuneration:		
Audit or review of financial reports	205,000	195,000
Total remuneration	205,000	195,000

29. Related Party Disclosures

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

	2023 \$	2022 \$
Short-term employee benefits	3,236,266	2,838,455
Long-term employee benefits	48,505	68,791
Post-employment benefits	146,117	173,736
Share-based payments expense	89,406	104,884
Termination payments on retirement	894,400	-
	4,414,694	3,185,866

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

b. Other transactions and balances with key management personnel

	2023 \$	2022 \$
Expenses		
Fees for corporate uniform consultancy	-	227,591

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 2023 financial year \$99,735 (2022: \$104,884) 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 (2022: \$nil).

	2023 \$	2022 \$
Expense arising from equity settled share-based payment transactions	99,735	104,884
Total expense arising from share-based payment transactions	99,735	104,884

In the 2023 financial year, no share options were exercised. In the 2022 financial year, 800,000 share options were exercised during the year.

Employee share option plans

Long Term Incentive (Option) Plan (LTIP)

At the 2022 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 to executive management personnel

In the 2023 financial year, a grant of 200,000 options for shares exercisable at \$nil were granted to each of CFO J T Green, COO C R Baker. In addition, a grant of 50,000 options for shares exercisable at \$nil were granted to the GLC, B T Jones. All options granted in 2023 financial year are pursuant to the LTIP.

Options granted under LTIP to employees or other eligible participants

In addition to the KMP share options issued in the 2023 financial year, a further 100,000 options for shares issued to eligible employees under the LTIP.

Fair value of options granted under LTIP – 2023 financial year

During the 2023 financial year, the Group issued share options under the LTIP to the COO, CFO and other senior executives. The share options issued are subject to the below performance hurdles:

- 50% of the share options will vest if an underlying Earnings Per Share (EPS) target is achieved; and
- 50% of the share options will vest if a Total Shareholder Return (TSR) target is achieved.

A binomial valuation model has been used to determine the fair value at grant date for the share options with an EPS performance hurdle.

A trinomial lattice pricing model incorporating a Monte Carlo simulation has been used to determine the fair value at grant date for the share options with a TSR performance hurdle.

The below assumptions were used in determining the fair value of the share options granted during the 2023 financial year:

Model inputs	FY2023
Number of share options	550,000
Grant date	13 December 2022
Exercise price	\$nil
Vesting period	01 July 2022 to 30 June 2025
Risk-free interest rate % (i)	3.40%
Volatility % (ii)	49.0%
Share price at grant date	\$0.6950
Fair value per share option – EPS performance hurdle	\$0.3600
Fair value per share option – TSR performance hurdle	\$0.6053

- (i) Risk-free rate is based on the Australian Government 10 year bond rate as at the grant date.
(ii) Expected volatility is based on the historic volatility of Lindsay Australia Limited (LAU) shares over a period of time.

Fair value of options granted under LTIP – 2022 financial year

During the 2022 financial year, the Group issued share options under the LTIP to the COO and CFO. The share options issued are subject to the below performance hurdles:

- 50% of the share options will vest if an underlying Earnings Per Share (EPS) target is achieved; and
- 50% of the share options will vest if a Total Shareholder Return (TSR) target is achieved.

A Black Scholes option valuation model was used to determine the fair value of the options at grant date. The below assumptions were used in determining the fair value of the share options granted during the 2022 financial year.

Model inputs	FY2022
Number of share options	400,000
Grant date	21 October 2021
Exercise price	\$nil
Vesting period	01 July 2021 to 30 June 2024
Risk-free interest rate % (i)	1.73%
Volatility % (ii)	32.8%
Share price at grant date	\$0.3800
Fair value per share option	\$0.3219

- (iii) Risk-free rate is based on the Australian Government 10 year bond rate as at the grant date.
(iv) Expected volatility is based on the historic volatility of Lindsay Australia Limited (LAU) shares over a period of time.

Weighted average exercise price

The weighted average exercise price (WAEP) and movements in the options during the year are detailed below. In the 2022 financial year, 800,000 share options were exercised at \$nil.

	2023		2022	
	Number	WAEP	Number	WAEP
Balance at beginning of year	800,000	-	1,200,000	-
Granted during the year	550,000	-	400,000	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(800,000)	-
Balance at the end of the year	1,350,000	-	800,000	-
Exercisable at end of year	400,000	-	-	-

Shares issued pursuant to exercise of options

No shares were issued pursuant to exercise of share options in the 2023 financial year.

In the 2022 financial year, 800,000 shares were issued pursuant to the exercise of share options.

Date	Shares issued	Share price at issue date	Option exercise price
22 November 2021	400,000	\$0.4100	\$nil
31 May 2022	400,000	\$0.4000	\$nil

Summary of options outstanding

The share options outstanding at the end of the year had an exercise price of nil (2022: nil).

A summary of the status of the Groups equity settled share option plans at 30 June 2023 is presented below. When vested and 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	Exercise Price	Number Issued	Number Forfeited	Number Vested	Number Exercised	Balance 30 June 2023
LTIP – FY20	30.7	October 2019	October 2026	\$nil	400,000	-	400,000	-	400,000
LTIP – FY22	32.2	October 2021	October 2025	\$nil	400,000	-	-	-	400,000
LTIP – FY23	36.0	December 2022	December 2026	\$nil	275,000	-	-	-	275,000
LTIP – FY23	60.5	December 2022	December 2026	\$nil	275,000	-	-	-	275,000
					1,350,000	-	400,000	-	1,350,000

Modification of share-based payment arrangements

No modifications to share based payments occurred in the 2023 or 2022 financial years.

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 % 2023	Equity Holding % 2022
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.

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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 2023 and 2022 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 (2022: none). The largest individual customer accounts for 8.1% of external revenues (2022: 4.16%).

Segment information

	Transport \$'000	Rural \$'000	Corporate \$'000	Total \$'000
2023				
Revenue				
Revenue for services (i)	519,884	-	-	519,884
Revenue for sale of goods (ii)	-	164,503	-	164,503
Other income (refer note 5 for a breakdown of other income)	3,143	754	2,598	6,495
Total segment revenue/income	523,027	165,257	2,598	690,882
Inter-segment revenue elimination	(6,608)	(1,534)	-	(8,142)
Total segment revenue/income	516,419	163,723	2,598	682,740
EBITDA	109,333	11,214	(19,253)	101,294
Total depreciation and amortisation	35,749	1,402	5,682	42,833
EBIT	73,584	9,812	(24,935)	58,461
Finance costs (net of bank interest received – refer note 5 for breakdown)	2,276	138	6,650	9,064
Segment net profit before tax	71,308	9,674	(31,585)	49,397
(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
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
Finance costs (net of bank interest)	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			

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, Croptec 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

	2023 \$'000	2022 \$'000
Capital Commitments		
Commitments for capital expenditure (property, plant, equipment and intangibles) contracted for but not recognised in the financial statements are as follows.	5,551	1,806

35. Contingent Liabilities

Guarantees

	2023 \$'000	2022 \$'000
Guarantees to secure lease obligations	8,093	7,884
Total Guarantees	8,093	7,884

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:

	2023 \$'000	2022 \$'000
Summary financial information		
Statement of financial position		
Current assets	1,007	1,542
Total assets	427,026	440,473
Current liabilities	276,280	317,262
Total liabilities	339,196	364,203
Issued capital	75,428	74,398
Retained profits	11,614	1,184
Share-based payments reserve	788	688
Total shareholders' equity	87,830	76,270
Profit of the parent entity	21,619	3,701
Total comprehensive income of the parent entity	21,619	3,701
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 \$108,563,653 (2022: \$95,625,248) 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 \$17,142,331 (2022: \$10,946,514).

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 \$9,297,000 (3.0 cents per fully franked) for the year ended 30 June 2023.

Appointment of Chief Executive Officer

Following M K Lindsay's retirement on 23 June 2023, C R Baker (Chief Operating Officer) was appointed as Interim Chief Executive Officer. Following the end of the financial year, C J McDonald commenced on the 17 July 2023 as Chief Executive Officer.

Mr McDonald has extensive leadership experience in the transport and logistics sector and was previously Group Executive Bulk at Aurizon Limited. Mr McDonald has held a number of senior executive positions at Aurizon since 2008, prior to which he was employed at Toll Group between 2001 and 2008.

Acquisition of W.B. Hunter Pty Ltd

On 07 August 2023, the group acquired 100% of the share capital of W.B. Hunter Pty Ltd ("WB Hunter"). The key strategic and commercial rationale for the acquisition include:

- Acquiring a market-leading supplier of rural merchandise and complimentary products and services;
- Establishing a regional footprint complementary to Lindsay Rural's store network;
- Enhanced exposure to the rapidly growing Australian agribusiness segment and the introduction of new products and services to the Lindsay Rural network;
- Provides a strategic entry point into the Victorian and New South Wales agricultural supply market and a platform for continued pursuit of growth opportunities for Lindsay
- Longstanding customer base with enduring relationships and loyalty evidenced through strong repeat buying behaviour.

As at the date of this report, the group has not completed the initial accounting for the business combination. The following disclosures therefore represent preliminary estimates of the fair value of consideration payable for the acquisition, the carrying value of net assets acquired (prior to any adjustments being recognised to reflect such net assets at their fair values), identifiable intangible assets and goodwill to be recognised as a result of the business combination. The actual amounts arising on completion of the initial accounting for the business combination are expected to vary.

	\$'000
Purchase Consideration	
Cash consideration paid	22,036
Deferred consideration ¹	13,541
Scrip consideration ²	7,987
Total purchase consideration	43,564
Fair value of Identifiable Net Assets Acquired	
Cash and cash equivalents	10,298
Trade and other receivables ³	9,700
Inventories	14,076
Investments	123
Property, plant and equipment	3,056
Right-of-use assets	5,146
Deferred tax assets	178
Trade and other payables	(9,536)
Current tax liabilities	(521)
Employee provisions	(1,090)
Lease liabilities	(5,907)
Net identifiable assets acquired (excl. intangible assets ⁴)	25,523
Add: Goodwill and other intangible assets ⁴	18,041
Total purchase consideration	43,564

1 The group is required to pay an agreed amount for inventory held by WB Hunter at the acquisition date in four quarterly instalments over the period ending 12 months from the acquisition date. A discount rate of 6.25% has been applied in measuring the fair value of this deferred consideration, consistent with the group's prevailing cost of debt at the acquisition date.

2 Total of 6,493,506 shares in Lindsay Australia Limited were issued as part of the consideration, with the fair value of consideration measured with reference to the share price as at the acquisition date.

3 Receivables stated above is the net of gross contractual amounts receivable (\$10,570,000) net of the group's best estimate of contractual cash flows not expected to be received (\$870,000).

4 As at the date of this report, the group has not yet identified and valued intangible assets (other than goodwill) acquired. For purposes of the above disclosures, "goodwill" therefore incorporates all such assets. Identifiable assets acquired may include items such as customer relationships, non-compete arrangements, and brand names.

Factors that make up the goodwill recognised on the transaction include the expected synergies arising from the transaction as described above, and intangible assets which do not qualify for separate recognition under Australian Accounting Standards, such as the value of the acquired workforce. No amount of goodwill is expected to be deductible for tax purposes.

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 2023 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

28 August 2023

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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 2023, the consolidated statement of profit and loss and other 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 2023 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.

Brisbane Sydney Newcastle Melbourne Adelaide Perth



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FELICITY CRIMSTON
CHERYL MASON
KIERAN WILLIS

MURRAY GRAHAM
ANDREW ROBIN
KAREN LEVINE

EDWARD FLETCHER
ROBERT HUGHES

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.

Key audit matter	How our audit addressed the matter
Impairment of goodwill <i>Refer to Note 17: Intangible Assets</i>	
At 30 June 2023 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 2023, 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 16 to 26 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Lindsay Australia Limited, for the year ended 30 June 2023, 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



JASON EVANS
Partner

Brisbane, Queensland
28 August 2023

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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) Constitution;
- b) Corporate Governance Charter, inclusive of the Board Charter and Committee Charters;
- c) Code of Conduct;
- d) Securities Trading Policy;
- e) Continuous Disclosure Policy;
- f) Shareholder Communications and Shareholder Meetings Policy;
- g) Risk Management Policy;
- h) Diversity Policy;
- i) Whistleblower Protection Policy;
- j) Anti-Bribery and Corruption Policy; and
- k) Modern Slavery Statement 2022.

Contents

Principle 1	78
Principle 2	80
Principle 3	81
Principle 4	82
Principle 5	83
Principle 6	84
Principle 7	85
Principle 8	86

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 appointment letters and 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 directors 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	2023	2022
Percentage of women in Company's workforce	15%	12%	10%
Percentage of women in management positions	20%	11%	11%

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, individual directors and 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 2023 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 size, the board can undertake all functions that would be delegated to a nomination committee and therefore a nomination committee has not been established. 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 markets
	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 of the ASX Corporate Governance Principles and Recommendations 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		
M K Lindsay	Executive Non-Independent Director	26/11/1996	23/06/2023	26 years (as at 26/11/2022)	Chief Executive Officer
R L Green	Non-Executive Independent Director	26/08/2019		3 years (as at 26/08/2022)	
I M Williams	Non-Executive Independent Director	03/09/2021		1 year (as at 03/09/2022)	Current Board Chair
M R Stubbs	Non-Executive Independent Director	03/09/2021		1 year (as at 03/09/2022)	
S P Cantwell	Non-Executive Independent Director	17/12/2021		1 year (as at 17/12/2022)	

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 has 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 I M Williams an independent director is the current chair. Mr M K Lindsay (upto his retirement on 23 June 2023) was 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> referred to as the "Lindsay Way" 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. Any material breaches are reported to the board.

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 is disclosed on the Company's website and 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 is disclosed on the Company's website and 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.

The 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 reports, other relevant publications, disclosures and investor information. The specific governance related 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 Shareholder 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 Shareholder 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. The chair of the committee 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 risk management framework, 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. 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 with oversight through the audit and risk committee. Risks are monitored on a regular basis and prevention or mitigation measures adopted as appropriate. The Company has undertaken a review and implemented measures to improve the risk management framework by reference to industry standards.

Policies and procedures have been established in relation to a range of 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 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.

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 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 and refrigeration related technologies by reference to actual or potential positive environmental and social sustainability impact. The Company has commenced the process to deliver its first sustainability strategy during CY2023.

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 the Modern Slavery Act, in FY2022 the Company published its second 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 responsibility.

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. The only direct link between remuneration and performance of the Company for the CEO and senior executives is by the potential issue of options over shares under the Company's Long Term Incentive (Option) Plan. All current unquoted options issued to the CEO and senior executives are detailed in the Remuneration Report contained in the Director's Report in the Annual Report.

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 2023.

Distribution of Shareholders

Range	Number of Shareholders	Number of Shares
1- 1,000	350	170,950
1,001 – 5,000	738	2,061,586
5,001 – 10,000	429	3,428,576
10,001 – 100,000	1,291	45,919,985
100,001 and over	262	251,823,789
Total	3,070	303,404,886

Number of holdings less than a marketable parcel of shares – 147 (15,389 shares)

Top Twenty Shareholders

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	57,941,599	19.10
NATIONAL NOMINEES LIMITED	17,632,817	5.81
ANKLA PTY LTD	17,258,030	5.69
BKI INVESTMENT COMPANY LIMITED	16,783,130	5.53
CITICORP NOMINEES PTY LIMITED	14,929,695	4.92
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,245,203	3.38
LINDSAY SUPER CO PTY LTD <LINDSAY FAMILY S/F A/C>	6,668,374	2.20
MR THOMAS LINDSAY KELSELL	5,912,224	1.95
MR NICHOLAS BARRY DEBENHAM & MRS ANNETTE CECILIA DEBENHAM <N & A DEBENHAM S/FUND A/C>	5,564,794	1.83
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,243,195	1.73
K & D LINDSAY PTY LTD <D LINDSAY FAMILY A/C>	4,022,148	1.33
MR NICHOLAS BARRY DEBENHAM <NICHOLAS DEBENHAM FAM A/C>	3,205,003	1.06
T MITCHELL PTY LTD <THE T MITCHELL S/F A/C>	3,082,000	1.02
BNP PARIBAS NOMS(NZ) LTD<DRP>	3,047,315	1.00
MS GRETA MARJORIE LINDSAY <THE GRETA LINDSAY NO 2 A/C>	2,328,551	0.77
MANDEL PTY LTD <MANDEL SUPER FUND A/C>	2,325,000	0.77
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,013,656	0.66
UBS NOMINEES PTY LTD	1,705,623	0.56
MR FRED SALOME	1,500,000	0.49
SHACK TIME PTY LTD <A D LINDSAY SUPER FUND A/C>	1,314,922	0.43
Totals: Top 20 holders	182,723,279	60.22

Substantial Shareholders

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

Name	Date of Notice	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	10/10/2022	57,941,599	19.14
MIZIKOVSKY GROUP	16/05/2023	19,693,030	6.49

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
Unlisted share options over ordinary shares Vested (issued October 2019)	400,000	\$nil
Unlisted share options over ordinary shares Not vested (issued October 2021)	400,000	\$nil
Unlisted share options over ordinary shares Not vested (issued December 2022)	550,000	\$nil