RFM Poultry (RFP)

Financial Statements

For the Period Ended 7 July 2020

RFM Poultry
ARSN 164 851 218

Contents

RFM Poultry
ARSN 164 851 218

Corporate Directory

Registered Office	Level 2, 2 King Street DEAKIN ACT 2600
Responsible Entity	Rural Funds Management Limited ABN 65 077 492 838 AFSL 226701 Level 2, 2 King Street DEAKIN ACT 2600 Ph: 1800 026 665
Directors	Guy Paynter David Bryant Michael Carroll Julian Widdup
Company Secretary	Emma Spear
Custodian	Australian Executor Trustees Limited ABN 84 007 869 794 Level 19, 60 Castlereagh Street SYDNEY NSW 2000
Auditors	PricewaterhouseCoopers One International Tower Sydney Watermans Quay BARANGAROO NSW 2000
Share Registry	Boardroom Pty Limited Level 12, 225 George Street SYDNEY NSW 2000 Ph: 1300 737 760
Bankers	Australia and New Zealand Banking Group Limited (ANZ) 242 Pitt Street SYDNEY NSW 2000
Stock Exchange Listing	RFM Poultry units were listed on the National Stock Exchange of Australia (NSX)
NSX Code	RFP

RFM Poultry
ARSN 164 851 218

Directors' Report
7 July 2020

The Directors of Rural Funds Management Limited (RFM), the responsible entity of RFM Poultry (RFP or the Trust) present their report on the Trust for the period from 1 July 2019 to 7 July 2020 (the year).

Directors

The following persons held office as directors of the responsible entity during the year and up to the date of this report:

Guy Paynter	Non-Executive Chairman
David Bryant	Managing Director
Michael Carroll	Non-Executive Director
Julian Widdup	Non-Executive Director

Principal activities and significant changes in nature of activities

The principal activity of the Trust during the year was the growing of chickens in accordance with growing contracts including the provision of labour, management and infrastructure.

In recent years, construction of new poultry farms has increased the supply of shed capacity nationally. This additional shed capacity and increased operating costs have negatively impacted RFP, causing a significant financial loss in the year ended 30 June 2019 and showing forecast losses for future years.

Given these adverse business conditions, RFM as the responsible entity of RFP decided to sell RFP's poultry assets to ProTen Investment Management Pty Ltd (ProTen). The sale transaction was settled on 18 December 2019 following RFP's unitholder approval at the meeting held on 28 November 2019. Growing contracts with Baiada Poultry Pty Ltd and Turosi Farming Pty Ltd were terminated with the completion of sale transaction. Lease contracts with Rural Funds Group also ceased simultaneously with the acquisition of all the farms by ProTen.

Capital was returned to the unitholders in two stages in February 2020 and May 2020 respectively. The wind up process of the fund was formally commenced after the final distribution to the unitholders on 7 May 2020 following termination notices issued to the unitholders. Trading of units in RFP on the NSX was suspended on 7 May 2020 and RFP was delisted on 31 May 2020.

Operating results

RFP has reported a loss of $47,122 for the 12 month and 7 day year ended 7 July 2020 (30 June 2019: loss of $2,004,587). The lower loss for the year ended 7 July 2020 is largely due to cessation of operations following the sale on 18 December 2019, and the gain on sale recognized during the year. Prior to the sale transaction, the Trust continued to undergo difficulties due to higher energy costs, higher labour related costs, higher insurance costs and cost of higher bedding materials associated with Lethbridge farms.

RFP was previously forecasting a loss for the year ending 30 June 2020 and it was probable that large losses would have continued in longer term due to decline of business scale with the expiry of multiple chicken growing contracts.

Financial position

The net assets of the Trust at 7 July 2020 was nil, a reduction from $5,267,575 at 30 June 2019.

At 7 July 2020 the Trust's total assets was nil. (2019: $7,023,547).

Significant changes in state of affairs

RFP sold its poultry assets during the year ended 7 July 2020 and returned capital to its unitholders. In the opinion of the Directors, there were no other significant changes in the state of affairs of the Trust during the year.

Distributions

	Cents per unit	Total $
Distribution paid 28 February 2020	70.0000	4,819,091
Distribution paid 7 May 2020	5.8300	401,362

Earnings per unit

Net loss after income tax for the year ($)	(47,122)
Weighted average number of units on issue during the year	6,884,416
Basic and diluted earnings per unit (total) (cents)	(0.68)

Indirect cost ratio

The indirect cost ratio (ICR) is the ratio of the Trust's management costs over the Trust's average net assets for the year, expressed as a percentage. Management costs include management fees and reimbursement of other expenses in relation to the Trust, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Trust.

The ICR for the Trust for the year ended 7 July 2020 is 13.35% (2019: 3.90%).

Matters subsequent to the end of the year

No matter or circumstance has arisen since the end of the year that has significantly affected or could significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust.

Likely developments and expected results of operations

On payment of the final distribution, all the units in the Trust were cancelled and RFM agreed to underwrite all the expenses of closing the Trust.

Environmental regulation

The operations of the Trust are subject to significant environmental regulations under the laws of the Commonwealth and States or Territories of Australia. There have been no known significant breaches of any environmental requirements applicable to the Trust.

Units on issue

Number of units on issue at 7 July 2020 was nil. (2019: 6,884,416). During the year nil (2019: nil) units were issued by the Trust and 6,884,416 (2019: nil) were cancelled.

Indemnity of Responsible Entity and Custodian

In accordance with the constitution, RFM Poultry indemnifies the Directors, Company Secretaries and all other officers of the Responsible Entity and Custodian when acting in those capacities, against costs and expenses incurred in defending certain proceedings.

RFM Poultry
ARSN 164 851 218

Directors' Report
7 July 2020

Information on Directors of the Responsible Entity

Guy Paynter	Non-Executive Chairman
Qualifications	Bachelor of Laws from The University of Melbourne
Experience	Guy Paynter is a former director of broking firm JB Were. Guy brings to RFM more than 30 years of experience in corporate finance. Guy is a former member of the Australian Securities Exchange (ASX) and a former associate of the Securities Institute of Australia (now known as the Financial Services Institute of Australasia). Guy's agricultural interests include cattle breeding in the Upper Hunter region in New South Wales.
Special responsibilities	Member of Audit Committee and Remuneration Committee
Directorships currently held in other listed entities and during the three years prior to the current year	Rural Funds Group
David Bryant	Managing Director
Qualifications	Diploma of Financial Planning from the Royal Melbourne Institute of Technology and Masters of Agribusiness from The University of Melbourne.
Experience	David Bryant established RFM in February 1997 and since that time has led the team that is responsible for the acquisition of large-scale agricultural property assets and associated water entitlements. RFM manages approximately $1.3 billion of agricultural assets. David is responsible for leading the RFM management team, maintaining key commercial relationships and sourcing new business opportunities.
Special responsibilities	Managing Director
Directorships currently held in other listed entities and during the three years prior to the current year	Rural Funds Group
Michael Carroll	Non-Executive Director
Qualifications	Bachelor of Agricultural Science from La Trobe University and a Master of Business Administration from The University of Melbourne's Melbourne Business School. Michael has completed the Advanced Management Program at Harvard Business School, Boston, and is a Fellow of the Australian Institute of Company Directors.
Experience	Michael Carroll serves in a board and advisory capacity for a range of agribusiness entities. Michael is Chairman of Viridis Ag Pty Limited and Australian Rural Leadership Foundation. Michael is a Director on the Boards of Select Harvests Limited and Paraway Pastoral Company Limited. Former board positions include Elders Limited, Sunny Queen Australia Pty Limited, Tassal Group Limited, the Australian Farm Institute, Warrnambool Cheese and Butter Factory Company Holdings Limited, Queensland Sugar Limited, Rural Finance Corporation of Victoria, Meat and Livestock Australia and the Geoffrey Gardiner Dairy Foundation.

Information on Directors of the Responsible Entity (continued)

	Michael's advisory clients have included government, major banks and institutional investors. He comes from a family who have been involved in agricultural for over 145 years and has his own property in South West Victoria. Michael has senior executive experience in a range of companies, including establishing and leading the National Australia Bank (NAB) Agribusiness division. Michael worked for several years as a Senior Adviser in the NAB internal investment banking and corporate advisory team. Before joining the NAB, Michael worked for a range of agribusiness companies including Monsanto Agricultural Products and a biotechnology venture capital company.
Special responsibilities	Chairman of Audit Committee and Remuneration Committee
Directorships currently held in other listed entities and during the three years prior to the current year	Michael is on the Boards of Select Harvests Limited and Rural Funds Group, with previous roles as Chairman of Elders Limited and Director of Tassal Group Limited.
Julian Widdup	Non-Executive Director
Qualifications	Bachelor of Economics from the Australian National University. Julian is a Fellow of the Institute of Actuaries of Australia and a Fellow of the Australian Institute of Company Directors.
Experience	Julian Widdup has been involved in the financial services industry for over 25 years. Julian's current Directorships include Australian Catholic Superannuation & Retirement Fund, Catholic Schools NSW, Screen Canberra and Cultural Facilities Corporation. Julian is a former executive of infrastructure investment management companies, Palisade Investment Partners and Access Capital Advisers (now Whitehelm Capital) where he was responsible for the acquisition and asset management of major infrastructure assets, risk management, portfolio construction, institutional client management and overseeing all aspects of investment operations. Previously Julian had worked with Towers Perrin (now Willis Towers Watson) as an asset consultant, the Australian Bureau of Statistics and the Insurance and Superannuation Commission (now APRA). Julian brings extensive experience to the RFM board having previously served as a director of Palisade Investment Partners, Darwin International Airport, Alice Springs Airport, NZ timberland company Taumata Plantations Limited, Regional Livestock Exchange Investment Company, Merredin Energy power generation company, Victorian AgriBioscience Research Facility, Casey Hospital in Melbourne and Mater Hospital in Newcastle.
Special responsibilities	Member of Audit Committee and Remuneration Committee
Directorships currently held in other listed entities and during the three years prior to the current year	Rural Funds Group

RFM Poultry
ARSN 164 851 218

Directors' Report
7 July 2020

Interests of Directors of the Responsible Entity

	Guy Paynter Units	David Bryant Units
Balance at 30 June 2018	21,507	247,256
Additions	-	-
Balance at 30 June 2019	**21,507**	**247,256**
Additions	-	-
Cancelled	(21,507)	(247,256)
Balance at 7 July 2020	**-**	**-**

Company Secretary of the Responsible Entity

Emma Spear is RFM's Company Secretary. Emma joined RFM in 2008 and is a member of CPA Australia and is admitted as a Legal Practitioner of the Supreme Court of the ACT.

Meetings of Directors of the Responsible Entity

During the financial year 14 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors meetings		Audit Committee meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Guy Paynter	14	13	2	2
David Bryant	14	14	-	-
Michael Carroll	14	14	2	2
Julian Widdup	14	14	2	2

Non-audit services

During the year ended 7 July 2020 fees of $8,629 (2019: $5,655) were paid or payable to PricewaterhouseCoopers for compliance audit services provided.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act* 2001 for the year ended 7 July 2020 has been received and is included on page 7 of the financial report.

The Directors' report is signed in accordance with a resolution of the Board of Directors of Rural Funds Management Limited.

David Bryant
Director

29 September 2020

Auditor's Independence Declaration

As lead auditor for the audit of RFM Poultry for the period ended 7 July 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Rod Dring
Partner
PricewaterhouseCoopers

Sydney
29 September 2020

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RFM Poultry
ARSN 164 851 218

Statement of Comprehensive Income
For the year ended 7 July 2020

	Note	2020 12 months and 7 days $	2019 12 months $
Revenue	5	**11,900,325**	24,595,665
Gain on sale of assets	6	**2,901,314**	-
Other income	7	**71,221**	31,994
Direct grower expenses		**(3,000,425)**	(5,839,807)
Contractor fees		**(692,150)**	(3,491,408)
Employee expenses		**(2,476,004)**	(2,038,819)
Repairs and maintenance		**(1,160,230)**	(2,820,237)
Insurance expenses		**(389,146)**	(582,221)
Professional fees		**(491,989)**	(550,375)
Other indirect expenses		**(99,561)**	(131,436)
Management fees		**(126,044)**	(257,132)
Property lease expenses		**(12,736)**	(10,730,273)
Lease interest		**(1,554,320)**	-
Depreciation leased assets		**(4,822,526)**	-
Depreciation and impairment	15	**(94,851)**	(156,513)
Net (loss)/profit before income tax		**(47,122)**	(1,970,562)
Income tax expense	8	**-**	(34,025)
Net (loss)/profit after income tax		**(47,122)**	(2,004,587)
Other comprehensive income:			
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income attributable to unitholders		**(47,122)**	(2,004,587)
Earnings per unit			
Basic and diluted earnings per unit from continuing operations (cents)		**(0.68)**	(29.12)

The accompanying notes form part of these financial statements.

RFM Poultry
ARSN 164 851 218

Statement of Financial Position
As at 7 July 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	10	-	2,505,523
Trade and other receivables	11	-	1,874,931
Inventories	12	-	230,807
Other current assets	13	-	372,001
Income tax receivable	18	-	146,822
Total current assets		-	5,130,084
Non-current assets			
Plant and equipment	15	-	1,893,463
Total non-current assets		-	1,893,463
Total assets		-	7,023,547
LIABILITIES			
Current liabilities			
Trade and other payables	16	-	1,528,403
Provisions	17	-	194,532
Total current liabilities		-	1,722,935
Non-current liabilities			
Provisions	17	-	33,037
Total non-current liabilities		-	33,037
Total liabilities (excluding net assets attributable to unitholders)		-	1,755,972
Net assets attributable to unitholders		-	5,267,575
Total liabilities		-	7,023,547

The accompanying notes form part of these financial statements.

RFM Poultry

ARSN 164 851 218

Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 7 July 2020

2020	**Issued units**	**Retained earnings**	**Current year loss**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2019	**6,642,054**	**(1,374,479)**	**-**	**5,267,575**
Loss before income tax	**-**	**-**	**(47,122)**	**(47,122)**
Income tax expense	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**(47,122)**	**(47,122)**
Distributions to unitholders	**(5,220,453)**	**-**	**-**	**(5,220,453)**
Balance at 7 July 2020	**1,421,601**	**(1,374,479)**	**(47,122)**	**-**

2019	**Issued units**	**Retained earnings**	**Current year loss**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2018	6,642,054	1,084,155	-	7,726,209
Loss before income tax	-	-	(1,970,562)	(1,970,562)
Income tax expense	-	-	(34,025)	(34,025)
Total comprehensive income for the year	-	-	(2,004,587)	(2,004,587)
Distributions to unitholders	-	(454,047)	-	(454,047)
Balance at 30 June 2019	6,642,054	630,108	(2,004,587)	5,267,575

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 7 July 2020

	Note	2020 12 months and 7 days $	2019 12 months 0 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**14,963,840**	27,021,063
Payments to suppliers and employees (inclusive of GST)		**(10,761,289)**	(28,601,038)
Interest received	7	**12,226**	31,484
Lease interest paid		**(1,554,320)**	-
Income tax refund		**147,299**	(100,488)
Net cash inflow/(outflow) from operating activities	25	**2,807,756**	(1,648,979)
Cash flows from investing activities			
Receipts from sale of plant and equipment		**3,532,906**	-
Payments for plant and equipment		**(17,821)**	(654,616)
Net cash inflow/(outflow) from investing activities		**3,515,085**	(654,616)
Cash flows from financing activities			
Principal lease payments		**(3,577,000)**	-
Distributions paid		**(5,251,365)**	(622,992)
Net cash outflow from financing activities		**(8,828,364)**	(622,992)
Net (Decrease) in cash and cash equivalents held		**(2,505,523)**	(2,926,587)
Cash and cash equivalents at the beginning of the year		**2,505,523**	5,432,110
Cash and cash equivalents at the end of the year	10	**0**	2,505,523

Notes to the Financial Statements
7 July 2020

1 General information

These financial statements cover RFM Poultry (RFP or the Trust) as an individual entity. RFM Poultry is a for profit entity domiciled in Australia.

The Directors of the Responsible Entity authorised the Financial Report for issue on 29 September 2020 and have the power to amend and reissue the Financial Report.

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates (functional currency), which is Australian dollars. The financial statements are presented in Australian dollars which is the Trust's functional and presentation currency.

2 Summary of significant accounting policies

Basis of preparation

The accounting policies that have been adopted in respect of the financial report are those of Rural Funds Management Limited (RFM) as responsible entity of the Trust.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standard Board, the Trust's constitution and the *Corporations Act 2001*.

The financial statements and accompanying notes of RFM Poultry comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting years unless otherwise stated. The financial statements are based on historical cost.

Basis of accounting

During the year ended 7 July 2020, RFM Poultry sold all its plant and equipment, terminated all growing contracts with customers and all lease contracts with its lessors, ceased operations. As at 7 July 2020, the Registered Scheme had been delisted from NSX, and all net assets had been distributed to unitholders. The Responsible Entity in the process of winding up of the Registered Scheme. Under these circumstances, the directors have determined that the going concern basis of preparation is no longer appropriate. The financial statements have been prepared on a realisation basis.

New standard adopted by the Trust – Leases

The trust has adopted AASB 16 retrospectively from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

2 Summary of significant accounting policies (continued)

(a) Adjustments recognised on adoption of AASB16

On adoption of AASB 16, the trust recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of AASB117 *Leases.*

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 July 2019. The lessee’s incremental borrowing rate applied to the lease liabilities on 1 July 2019 ranged from 4% to 8.55%.

Lease liabilities recognised as at 1 July 2019

	1 July 2019
	$
Operating lease commitments disclosed as at 30 June 2019	**92,378,484**
Discounted using the lessee's incremental borrowing rate of at the date of initial application 1 July 2019	**77,678,646**
Discounted using the lessee’s incremental borrowing rate for plant and equipment	**794,251**
Lease liability recognised as at 1 July 2019	**78,472,897**
Of which are:	
Current lease liabilities as at 1 July 2019	**7,981,581**
Non-Current lease liabilities as at 1 July 2019	**70,491,316**
Total Lease liabilities recognised as at 1 July 2019	**78,472,897**

The associated right-of-use assets for all the leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets as at 1 July 2019 relate to the following types of assets:

	1 July 2019
	$
Properties	**77,678,646**
Equipment	**652,385**
Motor vehicles	**141,866**
Total right-of-use assets at 1 July 2019	**78,472,897**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- right-of-use assets – increase by $78,472,897
- lease liabilities – increase by $78,472,897

In applying AASB 16 for the first time, the trust has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous

the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases

2 Summary of significant accounting policies (continued)

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The trust has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the trust relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease.*

(b) The Trust's leasing activities and how these are accounted for

The Trust leases various Properties, plants and equipment. Lease agreements are typically made for fixed periods of 3 to 5 years for P&E items and are for 4 to 16 years for properties but may have extension options as described in (ii) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Trust. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise agricultural plant & equipment.

(i) Variable lease payments

The property leases contain variable payment terms that are related to the new development work and new infrastructure installed during the year. Variable lease payments that depend on capex are recognised in profit or loss in the period in which the work has been completed.

2 Summary of significant accounting policies (continued)

(ii) Extension and termination options

Extension and termination options are included in property lease in the Trust. The terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the trust and not by the respective lessor.

(c) Cease of Trust's leasing activities

The Trust terminated all its leases on 18 December 2019 with the sale of poultry assets to ProTen Investment Management Pty Ltd. This event has triggered a derecognition of all the lease liabilities and right-of use assets in the Balance sheet on 18 December 2019.

Lease liabilities as at 18 December 2019:

	18 December 2019
	$
Lease liabilities recognised in the balance sheet at 1 July 2019	**78,472,897**
Lease payments for the year ended 18 December 2019	**(5,131,320)**
Lease interest for the year ended 18 December 2019	**1,554,320**
Lease lability as at 18 December 2019	**74,895,897**

Depreciation charges of right-of-use assets for the year ended 18 December 2019:

	Properties	**Equipment**	**Motor vehicles**	**Total**
	$	**$**	**$**	**$**
Right-of-use assets at 1 July 2019	77,678,646	652,385	141,866	78,472,897
Depreciation charge for the year	(4,756,566)	(47,081)	(18,879)	(4,822,526)
Derecognition of balance of right-of-use assets	(72,922,080)	(605,304)	(122,987)	(73,650,371)
Total right-of-use assets 18 December 2019	**-**	**-**	**-**	**-**

Net impact of derecognition of lease assets and liabilities

	7 July 2020
	$
Derecognition of leased assets	**(73,650,371)**
Derecognition of leased liabilities	**74,895,897**
Total net impact for the year ended 7 July 2020	**1,245,526**

2 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade and other receivables include accrued income for poultry growing fees which is receivable one month in arrears.

Trade Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Trust has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

Amounts are generally received within 30 days of being recorded as receivable.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Plant and equipment

General information

Each class of plant and equipment is carried at cost less, any accumulated depreciation, and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Trust commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Capital works in progress	Nil
Plant and equipment	5-33 years
Office furniture, fixtures and fittings	3-16 years
Motor vehicles	8 years
Leasehold improvements	5-20 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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

Impairment of non-financial assets

At the end of each reporting year the Trust reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

2 Summary of significant accounting policies (continued)

Financial assets and liabilities

Recognition

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are recognised when the Trust becomes a party to the contractual agreements of the instrument. All interest-related charges are reported in profit or loss and are included in the income statement line item titled "finance costs".

All financial liabilities are measured at amortised cost.

Trade and other payables

Liabilities for creditors are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust.

Payables include outstanding settlements on distributions payable. The carrying period of payables is dictated by market conditions and is generally less than 60 days.

Provisions

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee benefits

Short term obligations

Provision is made for the employee benefits including salary and wages and annual leave arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long term obligations

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the year in which the employees render the service. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows for those benefits.

2 Summary of significant accounting policies (continued)

Revenue

Revenue is recognised at an amount that reflects the consideration to which the Trust is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Trust identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Revenue for managing the growth of chicken batches is recognised upon the performance of the growing service to the customers on an accruals basis.

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Revenue from the rental of on-farm housing is recognised in income over the rental period on an accruals basis.

All revenue is stated net of the amount of goods and services tax (GST).

Finance costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are shown inclusive of GST.

Cash flows in the Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2 Summary of significant accounting policies (continued)

Income tax

The charge for current income tax expense is based on the profit adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is recognised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be recognised.

The amount of benefits brought to account or which may be recognised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Trust will derive sufficient future assessable income to enable the benefit to be recognised and comply with the conditions of deductibility imposed by the law.

Earnings per unit

Basic earnings per unit are calculated on net profit/(loss) attributable to unitholders of the Trust divided by the weighted average number of issued units.

Issued units

Ordinary units are classified as liabilities in accordance with AASB 132 *Financial Instruments: Presentation*. Incremental costs directly attributable to the issue of ordinary units and unit options which vest immediately are recognised as a deduction from net assets attributable to unitholders, net of any tax effects. There is no equity relating to the Trust.

Distributions

In accordance with the Trust’s Constitution, the Responsible Entity of the Trust has the discretion to distribute both income and capital.

New accounting standards and interpretations

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current year other than AASB 16.

3 Significant accounting judgements, estimates and assumptions

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

Management has identified no reported amounts for which significant judgements, estimates and assumptions are made.

4 Operating segments

RFP operated one business segment (2019: one segment) being the growing of chickens under contract to a third party. Performance of the segment is measured on profit before tax as included in internal financial reports.

All revenue is generated in Australia, and all non-current assets are located in Australia. Two external customers individually account for more than 10% of Trust revenues.

5 Revenue

	2020 12 months and 7 days $	2019 12 months 0 $
Grower fees	**11,885,836**	24,478,098
Rental revenue	**14,489**	117,567
Total	**11,900,325**	24,595,665

6 Gain on Sale of assets

Consideration received on sale transaction	**3,532,906**	-
Disposal of P&E	**(1,887,609)**	-
Disposal of other assets	**(154,494)**	-
Disposal of liabilities	**164,985**	-
Derecognition of leased assets	**(73,650,371)**	-
Derecognition of leased liabilities	**74,895,897**	-
Gain on sale of assets	**2,901,314**	-

7 Other income

Interest income	**12,226**	31,484
Other income	**58,995**	510
Total	**71,221**	31,994

8 Income tax expense

The major components of income tax comprise:

	2020 12 months and 7 days $	2019 12 months 0 $
Current tax	**-**	-
Deferred tax	**-**	34,025
Income tax expense reported in the Statement of Comprehensive Income	**-**	34,025
Income tax (benefit)/expense is attributable to:		
Profit from continuing operations	**-**	34,025
Total	**-**	34,025

Numerical reconciliation of income tax benefit/ expense to prima facie tax payable:

Net (loss) before tax from continuing operations	**(47,122)**	(1,970,562)
At the statutory income tax rate of 27.5%	**(12,959)**	(541,905)
Adjustments in respect deferred income tax of previous years	**-**	36,861
Adjustments in respect deferred income tax of current year	**12,959**	539,069
Total	**-**	34,025

9 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

PricewaterhouseCoopers Australia :		
Auditing and review of financial report	**47,940**	49,496
Compliance audit	**8,629**	5,655
Total	**56,569**	55,151

10 Cash and cash equivalents

	2020 $	2019 $
Cash at bank	**-**	2,505,523
Total	**-**	2,505,523

Reconciliation of cash

Cash and cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:

Cash and cash equivalents	**-**	2,505,523

11 Trade and other receivables

	2020	2019
Current	**$**	**$**
Accrued income	-	1,874,931
Total	-	1,874,931

Receivables are recognised and carried at original amount, less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Financial difficulties of the debtor, default payments or debts more than 180 days are considered objective evidence of impairment.

Trade receivables are non-interest bearing and are generally on 30 days terms at 7 July 2020, there were no impaired or past due receivables (2019: nil).

Accrued income includes poultry growing fees which are receivable one month in arrears.

12 Inventories

Current		
Gas inventory	-	55,063
Parts	-	175,744
Total	-	230,807

13 Other current assets

Current		
Prepayments	-	262,857
Sundry debtors	-	109,144
Total	-	372,001

14 Minimum lease payments

Minimum lease payments under non-cancellable operating leases of land, buildings and improvements not recognised in the financial statements, are payable as follows:

Within one year	-	10,880,115
More than one year, but not later than five years	-	42,069,824
Later than five years	-	39,428,544
Total	-	92,378,484

15 Plant and equipment

	2020	2019
	$	$
Plant and equipment		
Cost	-	936,653
Accumulated depreciation	-	(146,189)
Total plant and equipment	-	790,464
Office furniture, fixtures and fittings		
Cost	-	33,775
Accumulated depreciation	-	(5,732)
Total office furniture, fixtures and fittings	-	28,043
Motor vehicles		
Cost	-	140,144
Accumulated depreciation	-	(91,340)
Total motor vehicles	-	48,804
Leasehold improvements		
Cost	-	1,150,595
Accumulated depreciation	-	(124,443)
Total Leasehold improvements	-	1,026,152
Total plant and equipment	-	1,893,463

Movement in carrying amounts of plant and equipment:

	Plant and equipment	Office furniture, fixtures and fittings	Motor vehicles	Leasehold improvements	Capital works in progress	Total
2020	$	$	$	$	$	$
Opening net book amount	**790,464**	**28,043**	**48,804**	**1,026,152**	**-**	**1,893,463**
Additions	**17,821**	**-**	**-**	**71,176**	**-**	**88,997**
Depreciation	**(36,310)**	**(4,496)**	**(3,975)**	**(50,070)**	**-**	**(94,851)**
Disposals	**(771,975)**	**(23,547)**	**(44,829)**	**(1,047,258)**	**-**	**(1,887,609)**
Closing net book amount	**-**	**-**	**-**	**-**	**-**	**-**

	Plant and equipment	Office furniture, fixtures and fittings	Motor vehicles	Leasehold improvements	Capital works in progress	Total
2019	$	$	$	$	$	$
Opening net book amount	404,381	1,402	59,085	777,804	115,280	1,357,952
Additions	452,511	29,667	-	209,846	-	692,024
Transfers	-	-	-	115,280	(115,280)	-
Depreciation	(66,428)	(3,026)	(10,281)	(76,778)	-	(156,513)
Closing net book amount	790,464	28,043	48,804	1,026,152	-	1,893,463

Notes to the Financial Statements
7 July 2020

16 Trade and other payables

	2020 $	2019 $
Trade payables	-	681,859
Accruals	-	679,195
Sundry payables	-	167,349
Total	-	1,528,403

17 Provisions

	2020	2019
Current		
Employee entitlements	-	163,620
Provision for distribution	-	30,912
Total	-	194,532
Non-current		
Employee entitlements	-	33,037
Total	-	33,037

18 Recognised tax assets and liabilities

	Current income tax		Deferred income tax	
	2020 $	2019 $	2020 $	2019 $
Opening balance	**146,822**	46,334	-	34,025
Income tax expense	-	-	-	(34,025)
Interest on over payments	**477**			
(Refunds)/Payments	**(147,299)**	100,488	-	-
Closing balance	-	146,822	-	-
Tax expense in Statement of Comprehensive Income			-	34,025
Amounts recognised in the Statement of Financial Position				
Deferred tax assets			-	-
Total			-	-

19 Financial risk management

Financial risk management policies

Risks arising from holding financial instruments are inherent in the Trust's activities and are managed through a process of ongoing identification, measurement and monitoring. The Trust is exposed to credit risk and liquidity risk.

Financial instruments of the Trust comprise cash and cash equivalents and other financial instruments such as trade debtors and creditors, which arise directly from the operations.

The Responsible entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Trust from changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

Concentration of risk arise where a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Trust monitors its exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative instruments to manage excessive risk concentrations when they arrive.

19 Financial risk management (continued)

Liquidity risk and capital management

The table below reflects all contractually fixed repayments resulting from recognised financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months		6 months to 1 year		1 to 5 years		Over 5 years		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets										
Cash and cash equivalents	-	2,505,523	-	-	-	-	-	-	-	2,505,523
Trade and other receivables	-	1,874,931	-	-	-	-	-	-	-	1,874,931
Total	-	4,380,454	-	-	-	-	-	-	-	4,380,454
Financial liabilities										
Trade and other payables	-	1,528,403	-	-	-	-	-	-	-	1,528,403
Total	-	1,528,403	-	-	-	-	-	-	-	1,528,403

The Trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

The responsible entity of the Trust defines capital as net assets attributable to unit holders. The Trust’s objectives when managing capital are to safeguard the going concern of the Trust and maintain an optimal capital structure.

The Trust is able to maintain or adjust its capital by divesting assets or adjusting the amount of distributions paid to unitholders.

19 Financial risk management (continued)

Credit risk

The following table details the Trust's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with aging analysis and impairment provided therein. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Trust and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully paid to the trust.

			Past due but not impaired (days overdue)				
	Gross amount	**Within initial trade terms**	**<30**	**30-60**	**61-90**	**>90**	**Past due and impaired**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2020							
Trade and other receivables	**-**	**-**	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2019							
Trade and other receivables	1,874,931	1,874,931	-	-	-	-	-
Total	1,874,931	1,874,931	-	-	-	-	-

The Trust does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. Receivables do not contain impaired assets.

Credit risk arises from the financial assets of the Trust, which comprise cash and cash equivalents and trade and other receivables. The Trust's exposure to risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets and accrued income.

The credit risk is managed through careful monitoring of debtor outstanding balances and through the ongoing relationship and communication with RFP's customers.

The maximum exposure to credit risk (excluding the value of collateral or other security) at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets. This has been disclosed in the Statement of Financial Position and notes to the financial statements.

20 Distributions

The Trust paid the following distributions in the year:

	Cents per unit	Total $
Distribution paid 28 February 2020	70.0000	4,819,091
Distribution paid 7 May 2020	5.8300	401,362

21 Earnings per unit

	2020	2019
Net (loss) after income tax for the year ($)	**(47,122)**	(2,004,587)
Weighted average number of units on issue during the year	**6,884,416**	6,884,416
Basic and diluted earnings per unit (total) (cents)	**(0.68)**	(29.12)

22 Issued units

	No of units	No of units
Units on issue at the beginning of the year	**6,884,416**	6,884,416
Units issued during the year	**-**	-
Units cancelled during the year	**(6,884,416)**	
Units on issue at the end of the year	**-**	6,884,416

23 Key management personnel

Directors

The directors of RFM are considered to be key management personnel of the Trust. The Directors of the responsible entity in office during the year and up to the date of report are:

Guy Paynter
David Bryant
Michael Carroll
Julian Widdup

Interests of Directors of the responsible entity

Units in the Trust held by Directors of RFM or entities controlled by Directors of RFM as at 7 July 2020:

	Guy Paynter Units	David Bryant Units
Balance at 30 June 2018	21,507	247,256
Additions	-	-
Balance at 30 June 2019	**21,507**	**247,256**
Additions	-	-
Cancelled	(21,507)	(247,256)
Balance at 7 July 2020	**-**	**-**

23 Key management personnel (continued)

Other key management personnel

In addition to the Directors noted above, RFM, the Responsible Entity of the Trust is considered to be key management personnel with the authority for the strategic direction and management of the Trust.

The constitution of RFP is a legally binding document between the unit holders of the Trust and RFM as responsible entity. Under the constitution, RFM is entitled to the following remuneration:

- Contribution fee: 3% (2019: 3%) of the value of each application for units in the Trust (not applicable to units issued at formation of RFP or for units issued as part of dividends reinvestment plan);
- Asset management fees: 5% (2019: 5%) of farm operating expenses;
- Performance bonus: 15% (2019: 15%) of the amount by which return on equity in a year exceeds an amount equal to 15% per annum of the total application price of units on issue during the financial year;
- Acquisition fee: 2% (2019: 2%) of the total purchase price of an asset purchased by the Trust; and,
- Expenses: all expenses incurred by RFM in relation to the proper performance of it duties in respect of the Trust are payable or reimbursable out of the Trust assets to the extent that such reimbursements is not prohibited by corporation law.

Compensation of key management personnel

No amount is paid by the Trust directly to the directors of the responsible entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Trust to the Directors as key management personnel. Fees paid to RFM, the responsible entity are disclosed in note 24.

24 Related party transactions

Responsible entity (Rural Funds Management) and related entities

Transactions between the Trust and the responsible entity and its associated entities are shown below:

	2020 $	2019 $
Asset management fee	**126,044**	257,132
Total management fees	**126,044**	257,132
Expenses reimbursed to RFM	**1,049,375**	1,694,277
Lease expenses paid to Rural Funds Group	**5,158,052**	10,717,331
Water purchase from Rural Funds Group	**-**	48,846
Expenses reimbursed by Rural Funds Group	**-**	(400,974)
Distribution paid/payable to RFM	**171,019**	20,541
Distribution paid/payable to Rural Funds Group	**82,363**	9,892
Total amount paid to RFM and related entities	**6,586,852**	12,347,045

Creditors

Current		
Rural Funds Group	**-**	7,392
RFM	**-**	264,794
Total	**-**	**272,186**

24 Related party transactions (continued)

Entities with influence over the Trust

	2020		2019	
	Units	%	Units	%
RFM	**-**	**-**	225,529	3.28
Rural Funds Group	**-**	**-**	108,615	1.58

25 Cash flow information

Reconciliation of net loss/profit after income tax to cash flow from operating activities:

	2020	2019
	$	$
Net (loss)/profit after income tax	**(47,122)**	(2,004,587)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in loss/profit		
Gain on sale of assets	**(2,901,314)**	-
Derecognition of leased assets and liabilities	**1,245,526**	
Principal lease payments	**3,577,000**	-
Depreciation and impairment	**94,851**	156,513
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	**1,874,931**	(22,412)
Decrease/(increase) in other current assets	**372,001**	(53,025)
Decrease/(increase) in inventories	**5,137**	(95,835)
Decrease in deferred tax assets	**-**	34,025
(Decrease)/increase in trade and other payables	**(1,528,403)**	278,058
(Decrease)/increase in provisions	**(31,672)**	158,772
Decrease/(Increase) in income tax receivable	**146,822**	(100,488)
Cash inflow/(outflow) from operating activities	**2,807,756**	(1,648,979)

26 Events after the reporting date

No matters or circumstance has arisen since the end of the year that has significantly affected or could significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust.

27 Likely development and expected results

On payment of the final distribution, all the units in the Trust were cancelled and RFM agreed to underwrite all the expenses of closing the Trust.

RFM Poultry
ARSN 164 851 218

Directors’ Declaration
7 July 2020

In the Directors of the Responsible Entity’s opinion:

1 The financial statements and notes of RFM Poultry set out on pages 8 to 30 are in accordance with the *Corporations Act* 2001, including:

a. comply with Accounting Standards, *Corporations Regulations* 2001 and other mandatory professional reporting requirements; and

b. give a true and fair view of the Trust’s financial position as at 7 July 2020 and of its performance for the year ended on that date; and

2 As disclosed in note 2 to the financial statements, the directors have prepared the year end financial statements on the basis that the Trust is no longer a going concern due to the disposal of all plant and equipment and the termination of all growing contracts with customers and all lease contracts with lessors. The Responsible Entity has returned all capital to the unitholders and in the process of winding up RFM Poultry. The Trust has paid all its creditors and had nil Net assets at 7 July 2020.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board.

The Directors have been given the declarations by the persons performing the chief executive officer and chief financial officer functions as required by section 295A of *the Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of the Directors of Rural Funds Management Limited.

David Bryant
Director

29 September 2020

Independent auditor's report

To the unitholders of RFM Poultry

Our opinion

In our opinion:

The accompanying financial report of RFM Poultry (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Registered Scheme's financial position as at 7 July 2020 and of its financial performance for the period 1 July 2019 to 7 July 2020

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

What we have audited

The financial report comprises:

- the statement of financial position as at 7 July 2020
- the statement of comprehensive income for the period 1 July 2019 to 7 July 2020
- the statement of changes in net assets attributable to unitholders for the period 1 July 2019 to 7 July 2020
- the statement of cash flows for the period 1 July 2019 to 7 July 2020
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

Emphasis of matter - going concern no longer appropriate

We draw attention to Note 2 in the financial report, which discusses that the directors of the Responsible entity are in the process of winding up the Trust. As a result the financial statements have

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been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the period 1 July 2019 to 7 July 2020, 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 on the other information that we obtained prior to the date of this auditor's report, 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 of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines 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 of the Responsible Entity are responsible for assessing the ability of the Registered Scheme 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 of the Responsible Entity either intends to liquidate the Registered Scheme 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Rod Dring
Partner

Sydney
29 September 2020

Responsible Entity

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