Lindsay Australia Limited

ABN 81 061 642 733

ASX Code LAU

Appendix 4E

for the year ended 30 June 2020
ASX Rule 4.3A

Lindsay Australia Limited (LAU)

Results for announcement to the market

			A$000 **30 June 2020**		A$000 **30 June 2019**
Revenues	Up	6.5%	415,110	From	389,823
Profit after tax attributable to members	Down	40.1%	5,322	From	8,879

Dividends

	Amount per security	Franked amount per security	Conduit Foreign Income
Interim 2020 dividend - paid on 09 April 2020	1.0 cent	100%	Nil
Final 2020 dividend – to be paid on 09 October 2020	0.5 cent	100%	Nil

The Record Date for determining entitlements to the dividend is 25 September 2020.

Management Comments

Refer Annual Report 2020 which has been lodged concurrently with App 4E.

Comparison of half-year profits

	$A'000 30 June 2020	$A'000 30 June 2019
Profit (loss) after tax attributable to members for the 1st half-year.	5,785	5,398
Profit (loss) after tax attributable to members for the 2nd half-year.	(463)	3,481

Ratios

	30 June 2020	30 June 2019
Profit before tax / revenue Profit before tax as a percentage of revenue	1.85%	3.27%
Profit after tax / equity interests Profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the year	5.76%	9.43%

Earnings Per Security (EPS)

	30 June 2020	30 June 2019
(a) Basic EPS	1.8 cents	3.0 cents
(b) Diluted EPS	1.8 cents	3.0 cents
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of Basic EPS	298,409,063	295,525,789

NTA backing

	$A'000 30 June 2020	$A'000 30 June 2019
Net Tangible Assets (NTA)	83,058	84,499
Net tangible asset backing per ordinary security	27.8 cents	28.5 cents

The net tangible asset back per ordinary security of 27.8 cents is inclusive of right-of-use assets and lease liabilities.

Dividends

Date the dividend is payable	09 October 2020
Record date to determine entitlements to the dividend	25 September 2020
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 Previous year	0.5 1.1	100% 100%
Interim dividends:	Current year Previous year	1.0 1.0	100% 100%
Total dividend per security:	Current year Previous year	1.5 2.1	100% 100%

There is no Conduit Foreign Income in 2020 or 2019.

Other disclosures in relation to dividends

The company has a dividend reinvestment plan. The last date for election to participate in the plan is 28 September 2020. 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	299,290,033	299,290,033	
Changes during current year: Increases through issues: Dividend Re-investment Plan Dividend Re-investment Plan	 1,912,218 521,350	 1,912,218 521,350	 34.00 30.00
	2,433,568	2,433,568	

Annual meeting

The annual meeting will be held as follows:

Place	The Annual General Meeting will be conducted as a virtual meeting. Details will be confirmed in the notice of meeting.
Date	Friday 6th November 2020
Time	11:00 am
Approximate date the annual report will be available	25 September 2020

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: 25 August 2020

2020

ANNUAL REPORT

For the financial year
ended 30 June 2020

LINDSAY AUSTRALIA
LIMITED

Annual Report

For the financial year ended 30 June 2020

DIRECTORS	**Chairman non-executive** Mr John F Pressler OAM MAICD
	Managing Director and Chief Executive Officer Mr Michael K Lindsay
	Non-executive Directors Mr Richard A Anderson OAM BCom FCA FCPA
	Mr Anthony R Kelly LLB MAICD JP (Qual)
	Mr Robert L Green BBus (QAC)
GROUP LEGAL COUNSEL & COMPANY SECRETARY	Mr Broderick T Jones LLB
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Mr Justin T Green BBus CPA
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

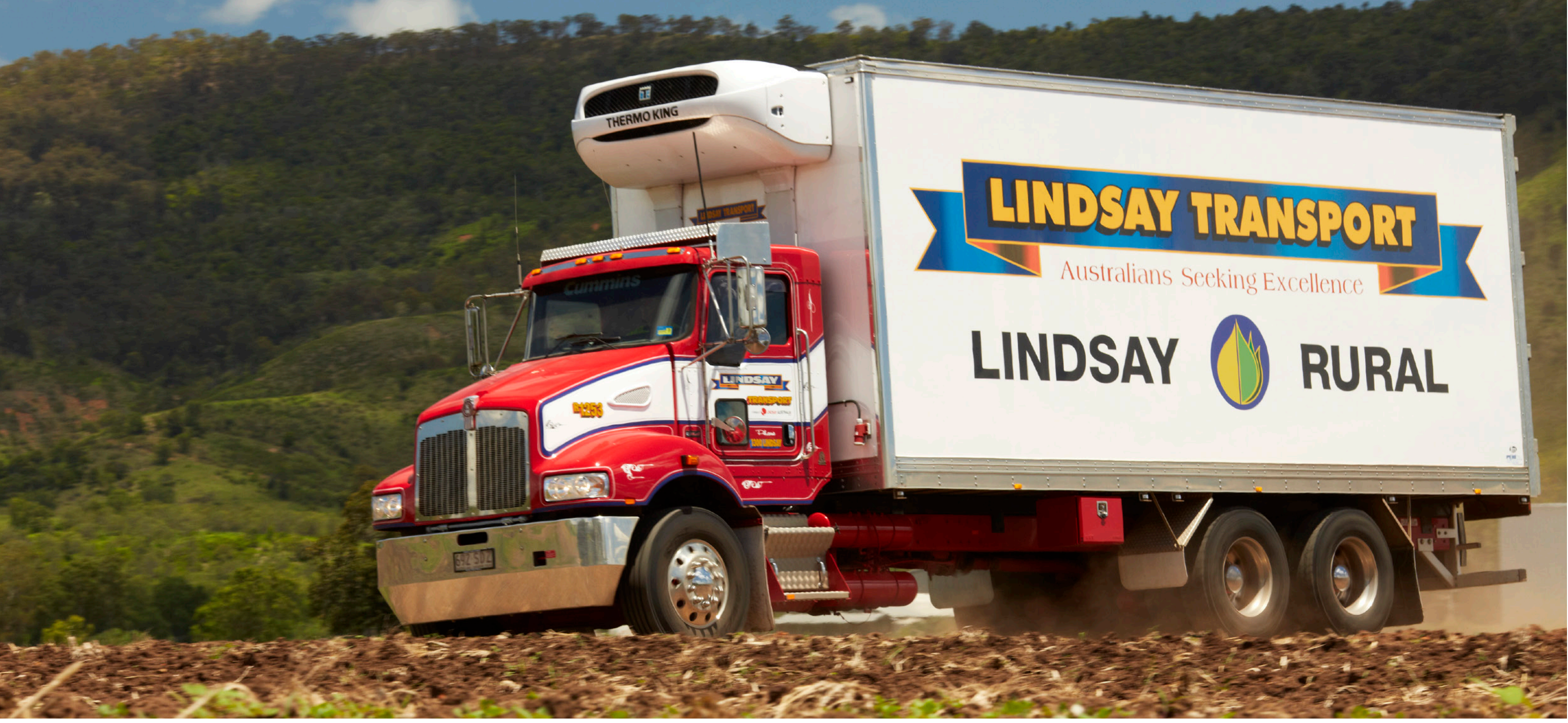


Table of Contents

LINDSAY AUSTRALIA LIMITED

Our business

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

The Group continues to remain agile, increasing the range of services it can offer and the regions that it services. In the 2020 financial year the Group continued to expand its rail service offering, with an increase in both refrigerated and dry containers.

Our Locations

Lindsay Rural

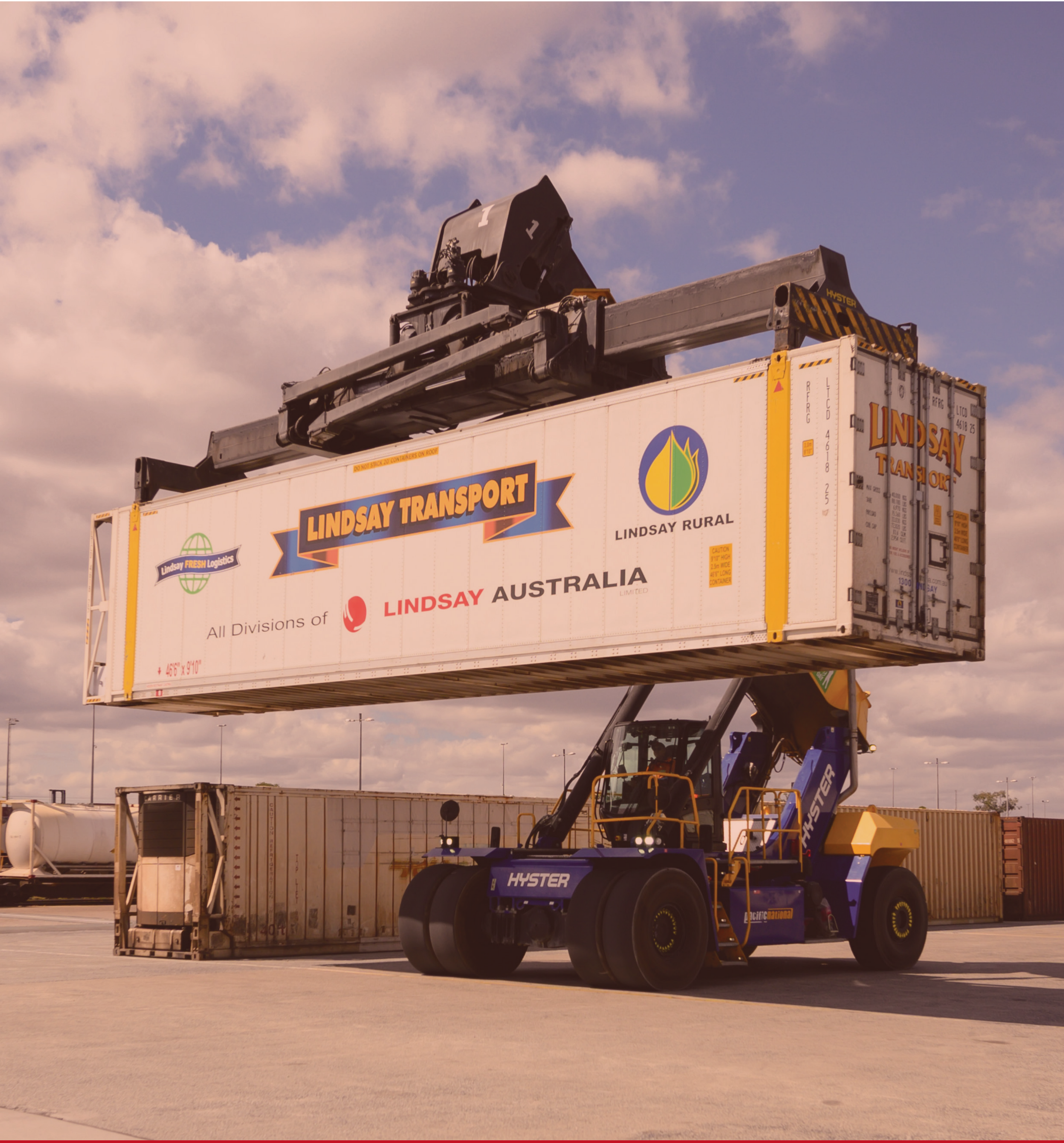
Adelaide
Brisbane Shop
Brisbane Warehouse
Bowen
Brandon
Bundaberg
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Invergordon
Mareeba
Mildura
Mundubbera
Murwillumbah
Nambour
Stanthorpe
Tully

Lindsay Transport

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

Lindsay Fresh Logistics

Brisbane Markets



Directors' Report

Directors' Report

The Directors present their report (including the Remuneration Report) together with the Financial Statements of the consolidated entity, being Lindsay Australia Limited and its controlled entities, for the year ended 30 June 2020, referred to throughout the report as the Group.

Directors and Company Secretary information

Mr John Pressler OAM

Chairman Non-executive Director

Mr Pressler has had a highly successful involvement in the agricultural and horticultural industries for over 40 years and is recognised as one of the industry's leading participants in both the Bundaberg and Emerald regions. Mr Pressler was awarded the medal of the Order of Australia in 2004 for services to the horticultural industry.

Mr Pressler was a Non-executive Director of Wide Bay Australia Limited from 1988 to 2013, and Chairman from 1997 to 2009 and has held no other directorships with other listed companies during the last three years.

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

Mr Michael Lindsay

Managing Director and Chief Executive Officer

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

Mr Lindsay has over 35 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 regional business.

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

Mr Richard Anderson OAM

Non-executive Director

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

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

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

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

Mr Anderson held a previous directorship with Namoi Cotton Limited. Mr Anderson has held no other directorships with other listed companies during the last three years.

Mr Anthony Kelly

Non-executive Director

Mr Kelly joined Lindsay Australia Limited in May 2019 as an Independent Non-Executive Director. Mr Kelly brings a wealth of knowledge and relevant industry insight to the Group, having over 32 years' experience in the agricultural and horticulture industries. Mr Kelly is a qualified lawyer, having graduated from the University of Queensland in 1984.

Mr Kelly is currently a Director and Deputy Chair of Brisbane Markets Limited. He is also the Chair of the Legal and Compliance Committee and member of the Finance and Audit Committee, and Remuneration Committee. He was also recently appointed to the Board of the Queensland Academy of Sport.

Mr Kelly is currently Chairman and co-owner of Veracity Technology, an IT company that specialises in cloud-based platforms and services. He has held previous directorships with Gladstone Ports Corporation, Brisbane Lions AFL Football Club (Chairman), Brismark (President) and Carter & Spencer Group.

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

Mr Robert Green

Non-executive Director

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

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

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

Mr Green has held previous directorships with Louis Dreyfus Australia, Union Dairy Company, Macrofertil 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 Australia Institute of Company Directors.

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 19 years and has held both Group finance positions in head office and commercial positions for both the Rural and Transport divisions.

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 offshore.

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
J F Pressler	20	19	2	2	1	1	12	11
M K Lindsay	20	20	2	2	-	-	12	12
R A Anderson	20	16	2	2	1	1	12	10
A R Kelly	20	20	2	2	1	1	12	12
R L Green (a)	17	17	1	1	-	-	10	10

(a) Mr R L Green appointed Independent Non-executive Director on 26 August 2019.

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 on 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
R A Anderson (Chairman)	R L Green (Chairman)	A R Kelly (Chairman)
J F Pressler	J F Pressler	J F Pressler
A R Kelly	R A Anderson	R A Anderson
R L Green	A R Kelly	R L Green
		M K Lindsay

Interests in shares of the company

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

Director	Ordinary Shares	Share Options (i)
J F Pressler	2,670,387	-
M K Lindsay	11,843,886	1,200,000
R A Anderson	391,869	-
A R Kelly	-	-
R L Green	-	-

(i) Unlisted share options over ordinary shares not vested.

Share options

During the 2020 financial year 400,000 share options were granted over unissued ordinary shares as part of an employment agreement. At the end of the financial year there was 1,200,000 share options outstanding over unissued ordinary shares. Detailed below is information regarding share options issued.

Details	Quantity	Exercise Price
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2017)	400,000	$nil
M K Lindsay: Unlisted share options over ordering shares Not Vested (issued October 2018)	400,000	$nil
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2019)	400,000	$nil

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

Since the end of the financial year up to the date of this report, no share options over ordinary shares in Lindsay Australia Limited have been granted.

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

Shares issued on the exercise of options

Since the end of the financial year up to the date of this report, no shares have been issued pursuant to the exercise of options.

Since the end of the financial year 400,000 share options for MK Lindsay have vested but have not yet been exercised. The 400,000 share options have an expiry date of 31 October 2024.

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 secretary of the Group and of its Australian based subsidiaries against any liability:

a. 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

b. for legal costs incurred in connection with proceedings for relief to the director or company secretary under the Corporations Act 2001 in which the court grants the relief.

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

Lindsay Australia Limited has paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director, other than conduct involving a wilful breach of duty. The amount of the premium for the 2020 financial year was $180,801 exclusive of GST.

Significant changes in state of affairs

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

Events after the reporting date

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

Principal activities

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

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

Likely developments and expected results

Refer to the Strategy, Risk and Governance section set out on page 11.

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 since the beginning of the financial year up to the date of this report.

Dividends paid during the financial year

Dividends paid to members are as follows:	**2020 cents**	**2019 cents**
Final ordinary dividend per share paid on 30th September 2019 for the prior financial year (2019: 28th September 2018)	1.1	1.0
Interim ordinary dividend per share paid on 9th April 2020 (2019: 29th March 2019)	1.0	1.0

Dividends recommended after the end of the financial year

Since the end of the financial year, the directors have recommended payment of a final ordinary dividend of $1,496,450 (0.5 cents per share fully franked) for the year ended 30 June 2020.

Rounding of amounts

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

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached on page 21 of this report.

Non-audit services

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

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

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

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

Pitcher Partners received or are due to receive the following amounts for the provision of non-audit services during the year ended 30 June 2020:

Non-audit services	**2020 $**	**2019 $**
Tax compliance services	28,920	60,505
Other services	-	12,000

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 2020 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 include restructuring costs associated with the Group's core operations and non-recurring costs of closure of underperforming segments. Significant items arose in the prior financial year from the change in calculation methodology on fuel tax credits.

The below table provides a reconciliation of the Group's results as contained in the financial statements and non-IFRS (International Financial reporting Standards) underlying operations. The Directors believe the additional information included in the report is useful for measuring the financial performance of the Group. The following non-IFRS reconciliation has not been subject to the Group's audit but is extracted from the audited financial statements.

	Transport	**Rural**	**Corporate/ Unallocated**	**Group**
2020	**$'000**	**$'000**	**$'000**	**$'000**
Reported profit (loss) before tax	26,029	6,482	(24,828)	7,683
Impact of application of AASB 16				
Depreciation right of use properties	4,382	742	2,423	7,547
Finance costs right-of-use properties	1,505	98	1,024	2,627
Operating lease rental payments	(5,096)	(817)	(2,903)	(8,816)
AASB 16 profit impact	791	23	544	1,358
Underlying adjustments				
Restructure costs	985	-	443	1,428
Merger and acquisition costs	-	-	211	211
Historical claim costs	-	-	451	451
Total underlying adjustments	1,776	23	1,649	3,448
Underlying profit (loss) before tax	27,805	6,505	(23,179)	11,131
Reported EBITDA (net of fair value gain)	53,022	7,756	(13,645)	47,133
Less: depreciation right of use properties	(4,382)	(742)	(2,423)	(7,547)
Less: finance costs right-of-use properties	(1,505)	(98)	(1,024)	(2,627)
Add: underlying adjustments	1,776	23	1,649	3,448
Underlying EBITDA	48,911	6,939	(15,443)	40,407

2019	Transport $'000	Rural $'000	Corporate/ Unallocated $'000	Group $'000
Reported profit (loss) before tax	31,229	3,874	(22,334)	12,769
Underlying adjustments				
Fuel tax credits relating to prior periods	(3,366)	-	-	(3,366)
Fuel tax credits consultancy fees	-	-	673	673
Total underlying adjustments	(3,366)	-	673	(2,693)
Underlying profit (loss) before tax	27,863	3,874	(21,661)	10,076
Reported EBITDA (net of fair value gain)	50,676	4,346	(14,607)	40,415
Less: underlying adjustments	(3,366)	-	673	(2,693)
Underlying EBITDA	47,310	4,346	(13,934)	37,722

Summary of operating results

The 2020 financial year was punctuated by a series of unprecedented domestic and global economic events with widespread drought, bushfires and the sudden spread of Covid-19 all presenting unique challenges. Despite this, the Group continued to meet strategic goals and customer demands through strong process management, sound governance and appropriate capital deployment. Continual investments in diversifying Lindsay's service offerings coupled with upgrades to facilities, equipment and technology enabled continuity of revenue despite the turbulent market conditions. The additional costs associated with trading throughout these unprecedented events were mitigated mainly by the cost efficiencies gained from these improvements. Group external revenue for FY2020 grew 6.6%, and on an underlying basis, Group EBITDA increased 7.1%.

Reported and underlying results	2020 $'000	2019 $'000	% Change
Operating Revenue	411,515	386,077	6.6%
EBITDA (net of fair value gain)	47,133	40,415	16.6%
Depreciation & Amortisation	(31,258)	(21,753)	43.7%
EBIT (net of fair value gain)	15,875	18,662	(14.9%)
Finance Costs (net of fair value gain)	(8,192)	(5,893)	39.0%
Reported Net Profit Before Tax	7,683	12,769	(39.8%)
Income Tax	(2,361)	(3,890)	(39.3%)
Reported Net Profit After Tax	5,322	8,879	(40.1%)
Underlying EBITDA	40,407	37,722	7.1%
Underlying Net Profit Before Tax	11,131	10,076	10.5%

Throughout FY2020, Transport continued its rail strategy with capital investments focused on expansion. The additional capacity and service offerings helped mitigate some of the challenges encountered by road transport and import/export logistics during the financial year. Continued investment in technology upgrades and safety remain crucial in ensuring the division remains a market leader. Transport's external freight service revenues grew 5.3% to $282.43 million while the underlying segment contribution for the year remained steady.

The Rural division had an exceptional year increasing external revenues by 12.9% to $128.66 million and delivering an increase in segment contribution of 67.3% to $6.48 million.

Lindsay Connect ceased trading in the first quarter of FY2020 as previously announced.

Capital expenditure (capex) in FY2020 was focused on delivering four key projects.

- SAFETY: Driver safety project completed with the roll-out of new monitoring technology in all interstate vehicles;
- FACILITIES: The new purpose-built Sydney distribution facility was opened in March 2020, driving both operational efficiencies and providing a platform for future growth. The Group contributed $7.8 million capex to the purpose built fit-out;
- RAIL: The addition of 110 new refrigerated rail containers during the year, expanding the Group's fleet to 186 at 30 June 2020. Growth capex for the year was $11.4 million for refrigerated containers and associated equipment; and

- TECHNOLOGY: Trailer monitoring project completed with the installation of real-time tracking and temperature monitoring for all refrigerated trailers and rail containers.

Divisional Performance

Segment overview	2020 $'000	2019 $'000	% Change
External sales			
Transport – freight services	282,431	268,266	5.3%
Transport – sale of goods	424	3,813	(88.9%)
Rural	128,660	113,998	12.9%
	411,515	386,077	6.6%

Segment overview	2020 $'000	2019 $'000	% Change
Segment profit before tax			
Transport – reported	26,029	31,229	(16.7%)
Transport – underlying	27,805	27,863	(0.2%)
Rural – reported	6,482	3,874	67.3%
Rural – underlying	6,505	3,874	67.9%

Transport Segment

Transport external freight revenue for the year grew $14.16 million (5.3%) to $282.43 million. Increases in rail freight revenues for the year of $22.26 million were driven by new customer additions and capacity expansion offset a reduction in produce freight volumes which were negatively impacted in some regions due to adverse weather and seasonality.

Transport made a divisional contribution in FY2020 of $26.03 million, which was below FY2019 by $5.20 million (16.7%). However, on an underlying basis, the Transport divisions segment contribution was on par with FY2019. The underlying comparison excludes additional fuel tax credits in FY2019 and in FY2020 eliminates the impact of the adoption of AASB16 for comparison purposes and other abnormal restructuring costs.

Transport's road fleet capacity remained similar to the previous year with investment concentrated on growth opportunities in refrigerated rail. 110 refrigerated rail containers were added to the fleet during the financial year, taking the Group's fleet to 186 at year end. An additional 75 refrigerated and 20 dry containers are included in the capital expenditure plan for the first half of FY2021. The road fleet will continue to be renewed in line with the replacement plan to ensure the fleet remains first in class while delivering efficiency and safety across our network.

Import/Export logistic revenue for Lindsay Fresh was materially impacted in the 4th quarter due to Covid-19. Fresh had a positive start to the first half of FY2020 where import/export logistics revenue rose 22% over the prior period, but as a result of Covid-19 volumes dropped off significantly with revenues finishing the year 12% up on FY2019. The first half of FY2021 remains a challenge for this revenue segment as available air freight remains an issue.

Rural Segment

The Rural segment saw significant uplift as a result of the FY2019 strategic , which shifted the focus and resources of the segment to high growth regions. The review also resulted in the closure of several marginal earning branches bringing with it a renewed focus for the division.

Rural external revenues grew by $14.66 million (12.9%) to $128.66 million.

Rural made a divisional contribution in FY2020 of $6.48 million, an increase of $2.63 million (67.3%). The division benefited from a full year of operating cost reductions from the branch rationalisation.

The division remains focused on high growth horticulture regions that have a strategic synergy with the Transport division.

Corporate Update

Safety, People, Culture

During the financial year, the Group employed 1,457 full-time equivalent employees (FTE's); this was an increase of 32 FTE's from FY2019.

During the year a number of administration roles within the Group were restructured within the Transport and Corporate divisions who were made redundant and with process improvements, the roles have been incorporated into existing teams roles. One-off costs incurred for the restructure for the financial year was $548k.

Safety remains paramount and was further demonstrated in FY2020 with the completion of the roll-out of new driver monitoring technology across the Group's 300 interstate prime movers in the first half of FY2020. The project acknowledges the importance of driver wellbeing and safety.

Division	2020	2019	Change	%
Corporate	76	74	2	2.7%
Rural	99	102	(3)	(2.9%)
Transport	1,282	1,249	33	2.6%
Total FTE	1,457	1,425	32	2.2%

The Board recognises it has an important leadership role in promoting safety at all levels in the Group and is committed to ensuring safety practices, behaviours, policies, procedures and culture are in place, not only for the employees but the community and all stakeholders.

Covid-19 impact

As a leading national provider of transport and logistic services to the horticulture and food related industries, the Group remains committed to maintaining its essential services to customers during these unprecedented times and continuing its key role in the food supply chain.

The Group has implemented and maintains a significant number of initiatives in response to the Covid-19 challenges, with a particular focus on staff wellbeing, customer communications and safety and compliance for the suppliers, customers and all community stakeholders.

Transport's road freight business has been impacted by freight imbalances and sub-optimal equipment utilisation rates caused by abnormal consumer spending on food and related products during the last quarter of the year.

Transport's import/export logistics operations which are conducted by Lindsay Fresh experienced a material decline in revenues since the onset of the pandemic due to a lack of air freight capacity and associated export services. Capacity restraints are expected to continue for the first half for FY2021. The Lindsay Fresh division was eligible for the Australian Government Job Keeper wage subsidy scheme and received wage subsidies in the year ended 30 June 2020 of $870,000.

The Rural division has experienced some supply restraints on products which are manufactured overseas due to increased shipping timeframes, however, the division overall has not been materially impacted.

While Transport is fully operational as an essential service provider in all States, we are aware that circumstances are subject to sudden and continual changes.

Strategy, Risk and Governance

Business strategies and prospects for future years

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

Investing for future growth and sustainability

- Facility upgrades to improve operational efficiencies and increased cold store capacity;
- Sydney purpose-built cold store distribution facility opened in March 2020;
- Real-time temperature monitoring project to retrofit all refrigerated trailers and containers completed in FY2020; and
- Driver safety monitoring technology roll-out for all interstate prime movers completed in FY2020.

Transport division

- Ongoing expansion of the refrigerated rail container fleet to support the service expansion for new freight lanes and customer additions;
- Road fleet renewal to deliver a modern fleet with latest safety features;
- Use of technology to achieve increased equipment utilisation; and
- Customer reviews to ensure service model meets customer demands.

Rural division

- Focus on high growth horticulture regions;
- Reducing cost to service;
- Focus on product sales mix to deliver margin improvements; and
- Leverage existing Transport geographical reach.

Risk management

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

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

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

Risk and uncertainties that could impact future results

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

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

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

Funding and dividend strategy

Total dividends of 1.5 cents (1.0 cent interim, 0.5 cents final) are proposed out of the FY2020 profit. This is a payout of $4,484,000 representing 84% of after-tax profit. The board continually evaluates the payout ratio to ensure there are sufficient funds to sustain and grow the business while considering shareholder's interests.

Remuneration Report (Audited)

The Remuneration Report details the nature and amount of remuneration for non-executive directors, the executive director and other key management personnel of Lindsay Australia Limited and its controlled entities.

The Remuneration Report is set out under the following main headings:

Contents

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

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.

Remuneration structure

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

Non-executive director remuneration

Objective

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

Structure

The Constitution of the Company and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders at a General Meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the General Meeting held on 19 November 2007 where shareholders approved an aggregate remuneration of $450,000 per year. The actual amount paid including statutory superannuation during the financial year ended 30 June 2020 was $287,986 (2019: $195,570).

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

Details of the nature and amount of the emolument of each director of the Company for the years ended 30 June 2020 and 30 June 2019 are set out on page 17.

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

Name	Position	Appointment Date
J F Pressler	Chairman (Non-Executive)	8 January 1997
M K Lindsay	Managing Director and Chief Executive Officer	26 November 1996
R A Anderson	Director (Non-Executive)	16 December 2002
A R Kelly	Director (Non-Executive)	3 May 2019
R L Green	Director (Non-Executive)	26 August 2019

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

Executive director and other key management personnel remuneration

Objective

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

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

Structure

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

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

Fixed remuneration

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

Short-term incentives (STI)

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

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

- Safety outcomes and initiatives benchmarked and measured internally;
- Delivering an updated network with new sites, systems and updating the fleet;
- Growing new sources of revenue, particularly in import/export;
- Maintaining a profitable business; and
- Building staff skills and retaining key management personnel.

The short-term objectives were chosen because of the need to renew infrastructure and set the Group on a future path of growth. In FY2020, M K Lindsay achieved STI cash bonus, inclusive of superannuation of $200,000 (FY2019: $200,000).

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 agreement of M K Lindsay.

	Fixed Remuneration $	Maximum STI $	STI Awarded $	STI Awarded %	STI Forfeited %
M K Lindsay - Managing Director & Chief Executive Officer					
2020	845,518	507,311	200,000	39%	61%
2019	845,518	507,311	200,000	39%	61%

Long term incentives (LTI)

Key management personnel are eligible to participate in the Long Term Incentive (Option) Plan (LTIP) that was approved by shareholders at the 2016 Annual General Meeting. Terms and conditions of the LTIP are detailed in Note 30.

At the 2017, 2018 and 2019 Annual General Meeting, shareholders approved the issue of 400,000 share options (each year) to the CEO, M K Lindsay, pursuant to the LTIP.

The terms of the options issued under the LTIP are:

- Each option is to acquire one ordinary share in Lindsay Australia Limited (the Company);
- The options were issued for nil consideration;
- The employee must remain employed by the Company during the vesting period;
- The exercise price to acquire a share is $nil;
- The options will not be transferrable other than with the written consent of the Board;
- The options will expire on the date which is seven years after the issue date;
- In the event that the CEO leaves the Company, the Board will determine their status as a Good Leaver or Bad Leaver and determine the treatment of any equity instruments in accordance with the LTIP rules;
- The options will vest if a number of performance targets are achieved (refer table below);
- Notwithstanding the vesting conditions, in accordance with the LTIP rules, the Board may, at its absolute discretion, waive some or all of the vesting conditions such that the options may vest despite a vesting condition not being satisfied.

Details of share options issued under the LTIP (including performance targets) are listed in the table below.

	FY2020	FY2019
Share Options Granted To	M K Lindsay	M K Lindsay
Share Options Granted	400,000	400,000
Valuation at Grant Date	$0.3071	$0.3151
Net Profit After Tax Hurdle	$9,530,000 (FY2020)	$9,010,000 (FY2019)
3 Year Aggregate EPS Target	11.54 cents per share	11.54 cents per share
4 Year Aggregate EPS Target (if 3 year not met)	Board to determine	Board to determine

The Board reviews other key management remuneration personnel on a regular basis to ensure remuneration is linked to the achievement of operational goals and performance of the Group.

Refer to section (E) below and Note 30 for additional information on LTIP.

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 2020 and 2019 financial years:

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

Details of the nature and amount of remuneration and all monetary and non-monetary components for each key management personnel during the years ended 30 June 2020 and 30 June 2019 are provided later in this report.

Use of external consultants

The Remuneration Committee has approved the engagement of external consultant The Indelible Link to review and provide recommendations regarding remuneration mix and quantum for executives and to assist in designing the future performance and remuneration framework for the Group's executives. The Indelible Link consultancy services were not used in FY2020 but were used in FY2019.

Following assurances from the Indelible Link and the Remuneration Committee, the Board is satisfied the advice received is free from undue influence from the key management personnel to whom the remuneration recommendations apply. The remuneration recommendations were provided as an input into the decision-making process only. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions. All reports provided by The Indelible Link are issued directly to the Chair of the Remuneration Committee and subsequently reviewed with all members of the Remuneration Committee. The Remuneration Committee is satisfied that the review was objective.

The cost of engagement of The Indelible Link in FY2019 was $10,810 with no engagement costs in FY2020.

Voting and comments made at the Group's 2019 Annual General Meeting

Lindsay Australia Limited received more than 97% of "yes" votes on eligible votes cast by shareholders present or by proxy on its Remuneration Report for the 2019 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

B. Service Agreements

The Group's policy in operation during the 2020 financial year is that service contracts for the Chief Executive Officer (CEO) and other key management personnel are unlimited in term but capable of termination, either by employer or employee, on giving between one and twelve months' notice. The notice period varies depending on the position held.

Notice period contained in employment agreements for key management positions:

Position	Employee	Notice Period
Chief Executive Officer	M K Lindsay	12 months
Chief Financial Officer	J T Green	3 months
Group Legal Counsel	B T Jones	1 month
General Manager – Rural	C R Baker	1 month

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

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

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

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

There were no new key management personnel service agreements entered into during the financial year.

C. Details of Remuneration Paid to Key Management Personnel

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

	Short-term benefits			Long-term benefits	Post-employment benefits	Share-based payments (a)	Total	Performance related
	Salary and fees $	Cash Bonus $	Non-monetary benefits $	Long service leave $	Superannuation $	Options $	$	%
Non-executive directors								
J F Pressler (Chairman)								
2020	84,156	-	-	-	7,995	-	92,151	NA
2019	84,049	-	-	-	7,985	-	92,034	NA
R A Anderson								
2020	63,117	-	-	-	5,996	-	69,113	NA
2019	63,036	-	-	-	5,988	-	69,024	NA
G D Farrell (retired 26 October 2018)								
2020	-	-	-	-	-	-	-	NA
2019	21,012	-	-	-	1,996	-	23,008	NA
A R Kelly (appointed 3 May 2019)								
2020	63,117	-	-	-	5,996	-	69,113	NA
2019	10,506	-	-	-	998	-	11,504	NA
R L Green (appointed 26 August 2019)								
2020	52,611	-	-	-	4,998	-	57,609	NA
2019	-	-	-	-	-	-	-	NA
Sub-Total 2020	263,001	-	-	-	24,985	-	287,986	NA
Sub-Total 2019	178,603	-	-	-	16,967	-	195,570	NA
Executive director and other key management personnel								
M K Lindsay - Managing Director & Chief Executive Officer								
2020	843,420	182,648	12,713	12,590	26,411	131,592	1,209,374	26
2019	828,171	182,648	9,578	12,564	25,000	90,641	1,148,602	24
J T Green - Chief Financial Officer & Company Secretary								
2020	298,682	40,000	-	4,677	25,260	-	368,619	11
2019	288,393	37,500	-	4,666	25,000	-	355,559	11
B T Jones – Group Legal Counsel & Company Secretary								
2020	293,905	20,000	-	13,880	25,085	-	352,870	6
2019	296,393	20,000	-	-	25,000	-	341,393	6
C R Baker - General Manager Rural								
2020	334,651	52,500	52,498	(2,099)	25,443	-	462,993	11
2019	311,447	45,000	56,708	5,183	25,000	-	443,338	10
Sub-Total 2020	1,770,658	295,148	65,211	29,048	102,199	131,592	2,393,856	18
Sub-Total 2019	1,724,404	285,148	66,286	22,413	100,000	90,641	2,288,892	16
Total 2020	2,033,659	295,148	65,211	29,048	127,184	131,592	2,681,842	16
Total 2019	1,903,007	285,148	66,286	22,413	116,967	90,641	2,484,462	15

(a) Share-based option payments are the probable number to vest at the grant date value.

D. Other Transactions with Key Management Personnel

Amounts recognised as revenues and expenses (exclusive GST):	2020 $
Revenues	
Cartage revenue received / receivable from and the sale of rural supplies to entities associated with J F Pressler	20,579,591
Expenses	
Fees for corporate uniform consultancy provided by entities associated with M K Lindsay	18,867
Amounts receivable / payable to key management personnel and their related parties at the reporting date	
Current receivables – trade debtors	1,071,183

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

E. Share-Based Compensation

Options

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

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

Grant Date	Options issued	Fair Value per option (cents)	Date vested and exercisable	Expiry date	Exercise price	Vested
October 2017	400,000	36.5	October 2020	October 2024	-	-
October 2018	400,000	31.5	October 2021	October 2025	-	-
October 2019	400,000	30.7	October 2022	October 2026	-	-

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

Detail of options over ordinary shares in the company provided as remuneration to each director and key management personnel of Lindsay's Australia Limited and related entities at 30 June 2020 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 during the year	Value of options at grant date [(a)]	Number of options forfeited	Number of options vested during the year
M K Lindsay (October 2017)	400,000	145,881	-	-
M K Lindsay (October 2018)	400,000	126,041	-	-
M K Lindsay (October 2019)	400,000	122,855	-	-

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

Options granted have an exercise price of zero and no market conditions. The number of options vested ultimately depends on the performance of the individual and the overall Company. Fair values at grant date are determined using the share price at the grant date less the dividend discounted where the vesting date is greater than one year. The number and movement for all options during the 2020 financial year are as follows.

Name	Balance 30 June 2019		Granted during year	Modified, vested and Exercised during year	Forfeited	% Forfeited	Balance 30 June 2020	
	Unvested	Vested					Unvested	Vested
M K Lindsay	800,000	-	400,000	-	-	-	1,200,000	-

F. Equity Holdings of Key Management Personnel

Share options provided as remuneration and shares issued on exercise of such options

During the 2020 and 2019 financial years, share options were provided as remuneration as part of the Long Term Incentive (Option) Plan.

The table below details share options issued to key management personnel.

No shares in Lindsay Australia Limited have been issued in the 2020 or 2019 financial years up to the reporting date on the exercise of such options.

Refer Note 30 for additional information on share options.

Details	Quantity	Exercise Price
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2017)	400,000	$nil
M K Lindsay: Unlisted share options over ordering shares Not Vested (issued October 2018)	400,000	$nil
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2019)	400,000	$nil

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 2019	Net change other	Balance at 30 June 2020
Directors of Lindsay Australia Limited			
J F Pressler	2,665,786	4,601	2,670,387
M K Lindsay	11,615,581	228,305	11,843,886
R A Anderson	391,869	-	391,869
A R Kelly (appointed 3 May 2019)	-	-	-
R L Green (appointed 26 August 2019)	-	-	-
Other key management personnel of the Group			
B T Jones	-	-	-
J T Green	31,632	-	31,632
C R Baker	61,764	4,125	65,889

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 ¢
2016	2,578,782	2.8	2.2	47.5
2017	2,238,340	2.2	1.6	38.0
2018	2,673,788	2.7	1.8	38.0
2019	2,484,462	3.0	2.1	34.5
2020	2,681,842	1.8	1.5	35.0

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

John F Pressler

Chairman of Directors
Brisbane, Queensland
25 August 2020

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
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 2020, 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

DAN COLWELL

Partner

Brisbane, Queensland
25 August 2020

Annual Financial Report

Contents

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

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

Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

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

The financial statements were authorised for issue by the directors on 25 August 2020. The directors have the power to amend and reissue the financial statements.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Revenue	4	411,515	386,077
Other revenue	5	3,595	3,746
Fair value gain arising on recognition of financial liabilities	15	864	-
Expenses			
Changes in inventories		(641)	87
Purchase of inventories		(105,895)	(97,671)
Employee benefits expense	6	(116,291)	(111,022)
Subcontractors		(50,563)	(36,964)
Depreciation and amortisation	6	(31,258)	(21,753)
Vehicle operating charges	6	(59,551)	(60,119)
Finance costs	6	(9,056)	(5,893)
Operating lease rentals		-	(9,605)
Rental and equipment hire costs		(2,155)	-
Professional fees	6	(1,834)	(2,471)
Impairment loss on trade receivables		(115)	(36)
Other expenses		(30,932)	(31,607)
Profit before income tax		7,683	12,769
Income tax expense	7	(2,361)	(3,890)
Profit for the year	25	5,322	8,879
Other comprehensive income		-	-
Total comprehensive income for the year		5,322	8,879
		Cents	Cents
Basic earnings per share	27	1.8	3.0
Diluted earnings per share	27	1.8	3.0

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

The Group has initially applied AASB 16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the retained earnings (refer note 1).

Lindsay Australia Limited

Consolidated Statement of Financial Position

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	9	17,895	17,460
Trade and other receivables	10	50,508	55,003
Inventories	11	12,053	13,150
Prepayments		5,288	4,552
Current tax assets		1,301	663
Total current assets		87,045	90,828
Non-current assets			
Financial assets at fair value through other comprehensive income	12	25	25
Property, plant and equipment	13	64,407	170,064
Right-of-use assets	14	200,756	-
Intangible Assets	17	9,305	9,606
Total non-current assets		274,493	179,695
Total assets		361,538	270,523
Current liabilities			
Trade and other payables	18	34,019	39,549
Borrowings	19	7,918	38,548
Lease liabilities	15	36,043	-
Provisions	21	10,159	9,533
Other	22	3,363	3,300
Total current liabilities		91,502	90,930
Non-current liabilities			
Borrowings	19	17,190	77,377
Lease liabilities	15	149,484	-
Deferred tax liabilities	20	3,201	3,164
Provisions	21	1,868	1,523
Other	22	5,930	3,424
Total non-current liabilities		177,673	85,488
Total liabilities		269,175	176,418
Net assets		92,363	94,105
Equity			
Contributed equity	23	73,421	72,615
Reserves	24	794	662
Retained earnings	25	18,148	20,828
Total equity		92,363	94,105

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

The Group has initially applied AASB 16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the retained earnings (refer note 1).

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

	Note	Contributed equity $'000	Share-based payments reserve $'000	Retained earnings $'000	Total equity $'000
At 30 June 2018		71,656	565	18,186	90,407
At 1 July 2018		71,656	565	18,186	90,407
Adjustment to retained earnings with application of AASB 15		-	-	(340)	(340)
Adjusted balance at 1 July 2018		71,656	565	17,846	90,067
Profit for the year		-	-	8,879	8,879
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	8,879	8,879
Dividends reinvested /(paid) during year	8	959	-	(5,897)	(4,938)
Employee share schemes – value of employee services		-	97	-	97
At 30 June 2019		**72,615**	**662**	**20,828**	**94,105**
At 1 July 2019		72,615	662	20,828	94,105
Adjustment to retained earnings with application of AASB 16	1	-	-	(1,749)	(1,749)
Adjusted balance at 1 July 2019		72,615	662	19,079	92,356
Profit for the year		-	-	5,322	5,322
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	5,322	5,322
Dividends reinvested /(paid) during year	8	806	-	(6,253)	(5,447)
Employee share schemes – value of employee services		-	132	-	132
At 30 June 2020		**73,421**	**794**	**18,148**	**92,363**

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

The Group has initially applied AASB 16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB 16 is recognised in the retained earnings (refer note 1).

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts In the course of operations		460,690	426,417
Payments In the course of operations		(411,322)	(383,693)
Interest received		312	304
Income taxes paid		(3,032)	(3,205)
Income taxes received		819	1,415
Finance costs paid		(9,195)	(6,009)
Net cash from operating activities	26	38,272	35,229
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,458	1,335
Payments for property, plant and equipment		(13,948)	(4,199)
Payments for Intangibles		(225)	(50)
Net cash (used in) investing activities		(11,715)	(2,914)
Cash flows from financing activities			
Proceeds from borrowings (i)	26	31,600	25,393
Repayment of borrowings (i)	26	(26,281)	(25,835)
Repayment of property lease liabilities		(6,189)	-
Repayment of equipment lease liabilities (ii)	26	(51,483)	(24,191)
Proceeds of equipment lease liabilities (ii)	26	31,678	-
Dividends paid		(5,447)	(4,938)
Net cash (used in) financing activities		(26,122)	(29,571)
Increase/(decrease) in cash and cash equivalents		435	2,744
Cash and cash equivalents at beginning of financial year		17,460	14,716
Cash and cash equivalents at end of financial year	9	17,895	17,460

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

The Group has initially applied AASB 16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the retained earnings (refer note 1).

(i) Refer to Note 26 cash flow information, term debt facility renegotiated in September 2018 and March 2020.

(ii) Refer to Note 26 cash flow information for information regarding equipment lease liability refinancing during the year.

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 2020 on 25 August 2020.

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

Except as detailed below, 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 2019. The changes detailed below were also adopted in the interim financial statements for 31 December 2019.

AASB 16 *Leases*
The Group adopted AASB 16 *Leases* from 1 July 2019. Details of the new requirements of AASB 16 as well as the impact on the consolidated financial statements are described below.

AASB 16 *Leases* supersedes AASB 117 *Leases.* AASB 16 introduces a single lessee accounting model and eliminates the classification between operating and finance leases. All leases are required to be accounted for "on balance sheet" by lessees, other than for short-term and low value leases. The standard also provides new guidance on the definition of a lease and on sale and leaseback accounting and requires new and different disclosures about leases.

The Group leased assets include properties and equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risk and rewards of ownership.

From 1 July 2019 the Group recognises a right-of-use asset and lease liability at the commencement date which is initially measured on a present value basis.

On initial adoption of AASB 16:

- For leases previously classified as finance leases, the Group has recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and lease liability at 1 July 2019;
- For leases previously classified as operating leases under the principles of AASB 117 *Leases*, the Group has recognised a right-of-use asset and lease liabilities;
- The right-of-use assets have been recognised at the carrying amount as if AASB 16 *Leases* had always applied, discounted using the Group's incremental borrowing rate; and
- The associated lease liabilities have been measured at the present value of future minimum lease payments, using the Group's incremental borrowing rate of 4.20%.

The reconciliation between the operating commitments disclosed in the 30 June 2019 financial statements and the lease liability recognised as at 1 July 2019 is detailed below:

	$'000
Operating lease commitments disclosed at 30 June 2019	60,897
Discounted using lessee's incremental borrowing rate at the implementation of AASB 16	(10,675)
Less: short-term leases not recognised as a liability	(694)
Lease liability recognised as at 1 July 2019 (i)	49,528

Current Liability	5,180
Non-current liability	44,348
Lease liability recognised as at 1 July 2019 (i)	49,528

(i) In addition to those previously recognised as finance leases.

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

Properties	44,672
Equipment	116,714
Total right-of-use assets (net)	161,386

In applying AASB 16 for the first time, the Group has applied the following practical expedients as permitted by the standard:

- Applied the exemption not to recognise right-of-use assets and lease liabilities for low value leases or leases with less than 12 months of lease term;
- Applied the use of a single discount rate to the portfolio of leases with similar characteristics. The rate applied was the Group's weighted average borrowing rate of 4.20%;
- Applied the use of hindsight in determining the lease term where the contract contains options to extend the lease; and
- Relied on previous assessments on whether leases are onerous.

The impact on the consolidated statement of financial position on the initial adoption of the new lease standard is set out below.

The Group has adopted AASB 16 on 1 July 2019 using the modified retrospective approach. As permitted under the specific transitional provisions of the standard, comparatives have not been restated for the 2019 reporting period. The reclassifications and adjustments arising from the adoption of the new leasing standard are recognised in the opening statement of financial position.

On transition, the Group recognised new right-of-use assets of $45.10 million and lease liabilities of $49.52 million which were previously classified as operating leases. The table below summarises the impact of the adoption on the statement of financial position as at 1 July 2019:

	As reported 30 June 2019 $'000	**AASB 16 transition adjustments $'000**	**Opening balance 1 July 2019 $'000**
Property, plant and equipment	170,064	(116,285)	53,779
Right-of-use assets	-	161,386	161,386
Borrowings (current and non-current)	(115,925)	95,861	(20,064)
Lease liabilities (current and non-current)	-	(145,389)	(145,389)
Other liabilities	(6,724)	1,928	(4,796)
Deferred taxes (net)	(3,164)	750	(2,414)
Retained earnings	(20,828)	1,749	(19,079)

The impact on the consolidated statement of profit and loss and other comprehensive income and the Group's before tax earnings and earnings before interest, tax and depreciation (EBITDA) for the year ended 30 June 2020 as a result of the adoption of the new lease standard is set out below.

The movement in the right-of-use assets for the period has resulted in $7.55 million of depreciation charges. The finance lease liabilities gave rise to finance costs of $2.63 million for the period.

	Transport	**Rural**	**Corporate/ Unallocated**	**Group**
2020	**$'000**	**$'000**	**$'000**	**$'000**
Reported profit (loss) before tax	26,029	6,482	(24,828)	7,683
Impact of application of AASB 16				
Depreciation right of use properties	4,382	742	2,423	7,547
Finance costs right-of-use properties	1,505	98	1,024	2,627
Operating lease rental payments	(5,096)	(817)	(2,903)	(8,816)
AASB 16 profit impact	791	23	544	1,358

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 AIFRS 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 2020. Control occurs when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct its activities. Generally, there is a presumption that a majority of voting rights results in control. Supporting this assertion, the Company considers the facts and circumstances in assessing whether it has power over the entity including, the contractual arrangements with other vote holders, rights arising from other contractual arrangements, and the Company's voting rights and potential voting rights.

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

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

1.3 Summary of significant accounting policies

a. Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.
The excess of the sum of the:

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

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

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

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

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

b. Segment reporting

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

c. Revenue and other income

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

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

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

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

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

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

d. Income Tax

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

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

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

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

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

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

e. Leases

The Group has adopted AASB 16 *Leases* from 1 July 2019.

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. Until the end of the 2019 financial year, leases of property were classified as 'operating leases'. Expenses incurred under operating leases were previously charged to the profit and loss on a straight-line basis.

From 1 July 2019, leases are now 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 have continued to be 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 recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends on the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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 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.

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.

Financial assets at fair value through other comprehensive income (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.

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 are:

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

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

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

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

n. Intangible assets

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose, identified according to operating segments.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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. 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 90 days of recognition.

p. 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 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 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.

q. 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.

r. 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.

s. 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.

t. 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.

u. 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.

v. New accounting standards and interpretations

A number of new or amended accounting standards and interpretations are effective for the Group from 1 July 2019. However, aside from those described below, these are not considered relevant to the activities of the group nor are they expected to have a material impact on the financial statements of the Group.

The Group has adopted AASB 16 Leases on 1 July 2019. Refer note 1.1 for additional information regarding the impact of adopting the standard.

There are a number of new accounting standards, amendments and interpretations that have been issued but are not yet effective, however these are not considered relevant to the activities of the Group nor are they expected to have a material impact on the financial statements of the Group.

w. Parent entity financial information

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

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

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

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

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

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

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

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

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

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

x. Government grants

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

y. General

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

Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

2. Financial Risk Management

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

The Group holds the following financial instruments:

	2020 $'000	2019 $'000
Financial assets		
Cash and cash equivalents (a)	17,895	17,460
Trade and other receivables (a)	50,508	55,003
Equity securities (b)	25	25
	68,428	**72,488**
Financial liabilities		
Trade and other payables (c)	34,019	39,549
Borrowings (c) (d)	25,500	116,041
Lease liabilities (e) (f)	186,309	-
	245,828	**155,590**

(a) Financial assets at amortised cost
(b) Fair value through other comprehensive income
(c) Other financial liabilities
(d) The carrying amount of borrowings disclosed excludes offsetting borrowing costs of $392,000 (2019: $116,000).
(e) The carrying amount of lease liabilities excludes offsetting of fair value gain of $782,000 (2019: nil).
(f) Lease liabilities include $87.6m of liabilities relating to the application of AASB 16 for property leases.

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 FY2020 accounted for 0.2% (2019: 1.1%) of Group revenue.

In FY2020 the Group purchased approximately $5.4 million (5.1%) (2019: $3.9 million (4.0%)) of its inventory from overseas sources in overseas 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 2020 and 30 June 2019 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 2020 and 30 June 2019 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 2020 and 2019, the Group's borrowings at variable rate were denominated in Australian Dollars. The Group's policy is to fix interest rates for plant and equipment purchases at the time of purchase or leasing. 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 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 2020 is 20.5% (2019: 14.0%). 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

	2020 %	2019 %	2020 $'000	2019 $'000
Cash and cash equivalents	0.01%	0.03%	17,865	17,460
Borrowings				
Bank loans (i)	3.18%	4.20%	25,500	16,206

(i) The carrying amount of borrowings disclosed excludes offsetting borrowing costs of $392,000 (2019: $116,000).

At 30 June 2020, 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 $53,000 lower/higher (2019 – change of 1%: $9,000 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 2020 the largest ten debtors comprised approximately 29% (2019: 23%) of total trade debtors (the largest individual debtor comprised 7.2% (2019: 3.7%) of trade debtors). The majority of the trade debtors are involved in the rural industry in Queensland, New South Wales, Victoria, and South Australia - approximately 69% (2019: 66%).

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

f. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash and the availability of funding, through an adequate amount of at call committed 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:

	2020 $'000	2019 $'000
Available facilities		
Bank overdraft	-	5,000
Bank loan - working capital finance facility	10,000	-
Bank loan	19,500	24,215
Other loans	80	659
Equipment finance lease liabilities	130,000	135,800
Amounts utilised		
Bank loan – working capital finance facility	(6,000)	-
Bank loans (a)	(19,500)	(19,721)
Other loans	-	(459)
Equipment finance lease liabilities (b)	(98,749)	(95,861)
Unused facilities	35,331	49,633

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of $392,000 (2019: $116,000).
(b) The carrying amount of equipment finance lease liabilities disclosed excludes offsetting of a fair value gain of $782,000 (2019: nil).

Bank loan - working capital finance facility

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

Bank loans

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

Other loans

In 2020, 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.

In 2019, the balance of other loans included an amount of $459,000 that related to an interest free working capital loan provided by Visy Board Pty Ltd. The loan was repaid in full in FY2020.

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 tenor 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 finance 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 2020, $5,166,000 (30 June 2019: $5,960,000) was included as a current liability on the financial statement 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 2019						
Trade payables	39,549	-	-	-	39,549	39,549
Borrowings	8,141	3,931	9,860	-	21,932	20,180
Equipment finance leases	34,707	31,841	37,274	-	103,822	95,861
Total	82,397	35,772	47,134	-	165,303	155,590
At 30 June 2020						
Trade payables	34,019	-	-	-	34,019	34,019
Borrowings (a)	8,661	2,556	15,513	-	26,730	25,500
Equipment finance leases (b)	32,001	24,419	49,187	-	105,607	98,749
Lease liabilities - properties	10,735	10,368	29,107	61,405	111,615	87,559
Total	85,416	37,343	93,807	61,405	277,971	245,827

(a) The carrying amount of borrowings disclosed excludes offsetting of borrowing costs of $392,000 (2019: $116,000).

(b) The carrying amount of equipment finance lease liabilities excludes offsetting of a fair value gain of $782,000 (2019: nil).

g. Fair value estimation

The Group has no significant financial assets measured and recognised at fair value in the financial statements at year end. In FY2020 the Group recognised a fair value gain of $864,000 on the refinance of $24,233,000 of equipment finance obligations. Refer Note 15 for additional information. There were no other significant liabilities measured at fair value in the financial statements 2020 or 2019 financial years.

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.

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.

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

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 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.

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 for 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.

2020	Transport	Rural $'000	Group $'000
Revenues			
Horticulture	146,090	128,660	274,750
Commercial	136,765	-	136,765
Revenue from contracts with customers	282,855	128,660	411,515
Other revenue	2,180	263	2,443
Corporate/unallocated revenue			1,152
Total other revenue			3,595
Total revenue	285,035	128,923	415,110

2019	Transport	Rural $'000	Group $'000
Revenues			
Horticulture	155,191	113,998	269,189
Commercial	116,888	-	116,888
Revenue from contracts with customers	272,079	113,998	386,077
Other revenue	2,080	606	2,686
Corporate/unallocated revenue			1,060
Total other revenue			3,746
Total revenue	274,159	114,604	389,823

5. Other Revenue

	2020 $'000	2019 $'000
Other revenue comprises		
Insurance and other recoveries	996	970
Rents received	130	308
Interest received	312	304
Other	2,157	2,164
	3,595	3,746

6. Expenses

	2020 $'000	2019 $'000
Profit before income tax includes the following specific expenses:		
Cost of goods sold	106,536	97,584
Professional fees		
Legal fees	396	373
Accounting firms	298	242
Consultancy fees	1,140	1,183
Fuel tax credits consultancy fees (a)	-	673
Total professional fees	1,834	2,471
Employee benefits expense		
Salaries and wages	108,779	102,173
Defined contribution superannuation expense	7,513	7,098
Government wage subsidies received due to Covid-19	(870)	-
Other wage expenses	869	1,751
Total employee benefits expense	116,291	111,022
Finance costs		
Break fee related to refinancing of equipment lease liabilities (refer note 15)	864	-
Amortisation of fair value gain on recognition of lease liabilities	82	-
Finance costs on financial obligations	1,614	1,483
Finance costs on equipment lease liabilities	3,869	4,410
Finance costs on property lease liabilities	2,627	-
Total finance costs	9,056	5,893
Depreciation		
Freehold buildings	412	411
Plant and equipment	5,082	4,499
Leasehold improvements	1,056	892
Right of Use Asset	24,153	-
Amortisation		
Plant and equipment under finance lease	-	15,416
Customer list	258	257
Computer software	297	278
Total depreciation and amortisation	31,258	21,753
Vehicle operating expenses		
Vehicle operating expenses	59,551	63,485
Fuel tax credits relating to prior periods (a)	-	(3,366)
Total vehicle operating expenses	59,551	60,119
Impairment losses – trade receivables	115	36
Impairment losses/(reversals) – inventory	117	(57)
Rental and equipment hire costs	2,155	9,605

a. Fuel tax credits relating to prior periods

During the 2019 financial year, external consultants were engaged to conduct a review of the Group's fuel tax credit processes. The external review was conducted to ensure the Lindsay Group was using an accurate and reliable methodology to ensure it was claiming the correct amount of tax to which it was entitled. The new processes focused on utilising new systems and data, which had been implemented with the recent IT system upgrades. Using the new processes to review prior periods, external consultants identified a further $3,366,000 of fuel tax credits to which the business was entitled. Professional costs of $673,000 were incurred in identifying the fuel tax claims resulting in net benefit to the Group of $2,693,000.

7. Income Tax

	2020 $'000	2019 $'000
Income tax expense		
Current tax	1,460	2,214
Deferred tax	901	1,676
	2,361	3,890
Deferred tax is attributable to:		
(Increase) decrease in deferred tax assets (Note 16)	(1,609)	(51)
Increase (decrease) in deferred tax liabilities (Note 20)	2,510	1,727
	901	1,676
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	7,683	12,769
Tax at the Australian tax rate of 30% (2019: 30%)	2,305	3,831
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	56	59
Income tax expense	2,361	3,890
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

	2020 $'000	2019 $'000
Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2019: 30%)	3,539	4,650

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

a. Franking credits that will arise from the payment or provision for income tax;

b. Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

c. Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $641,000 (2019 - $1,399,000).

	2020 $'000	2019 $'000
Dividends paid		
Interim dividend for the year ended 30 June 2020 of 1.0 cent per share fully franked (at 30%) paid in full on 09 April 2020. (2019: 1.0 cent per share fully franked (at 30%) paid in full on 29 March 2019).	2,988	2,955
Interim dividends paid in cash or satisfied by the issue of shares under the dividend re-investment plan during the years ended 30 June 2020 and 2019 were as follows:		
• Paid in cash	2,832	2,460
• Satisfied by issue of shares	156	495
	2,988	2,955
Final dividend for the year ended 30 June 2019 of 1.1 cents per share fully franked (at 30%) paid on 30 September 2019 (2019 – 1.0 cent per share fully franked (at 30%) paid in full on 28 September 2018).	3,265	2,942
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 2020 and 2019 were as follows:		
• Paid in cash	2,615	2,478
• Satisfied by issue of shares	650	464
	3,265	2,942
Dividends not recognised at year end		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 0.5 cents per share fully franked based on tax paid at 30% (2019: 1.1 cents per share fully franked (at 30%) paid in full on 30 September 2019).	1,496	3,265

9. Cash and Cash Equivalents

	2020 $'000	2019 $'000
Cash at bank and on hand	17,895	17,460
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	17,895	17,460
	17,895	17,460

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

10. Trade and Other Receivables

	2020 $'000	2019 $'000
Current		
Trade receivables	46,034	49,767
Allowance for expected credit losses	(138)	(171)
	45,896	49,596
Fuel rebates receivable	823	3,428
Future GST recoverable	631	581
Other receivables	3,158	1,398
	50,508	55,003

a. Impairment allowance for trade receivables

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

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

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

	$'000
Loss allowance at 1 July 2018	291
Increase (decrease) in allowance for movements in expected credit losses	(290)
Trade receivables written off during the year	170
Loss allowance at 30 June 2019	171
Increase (decrease) in allowance for movements in expected credit losses	(182)
Trade receivables written off during the year	149
Loss allowance at 30 June 2020	138

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 $152,000 inclusive of GST of $14,000 (2019: $188,000 inclusive of GST of $17,000). 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:

	2020 Trade Receivables $'000	2020 Impairment allowance $'000	2019 Trade Receivables $'000	2019 Impairment allowance $'000
Not yet due	37,024	(30)	35,200	(29)
Past due 1 to 30 days	7,985	(15)	13,024	(38)
Past due 31 to 60 days	487	(4)	429	(11)
Past due 61 days or more	538	(103)	1,114	(110)
	46,034	(152)	49,767	(188)

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 agree payment terms. Interest charged on these debtors is at 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

	2020 $'000	2019 $'000
Raw materials and stores – at cost (a)	2,149	2,605
Finished goods – at cost	10,266	10,790
	12,415	13,395
Provision for obsolescence	(362)	(245)
	12,053	13,150

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

12. Financial Assets at Fair Value Through Other Comprehensive Income

	2020 $'000	2019 $'000
Unlisted equity securities	25	25

13. Property, Plant and Equipment

	2020 $'000	2019 $'000
Freehold Land and Buildings		
Land – at cost	7,034	7,009
Buildings – at cost	16,034	16,034
Accumulated depreciation	(1,931)	(1,519)
	21,137	21,524
Leasehold Improvements		
At cost	24,184	12,225
Accumulated depreciation	(4,372)	(3,316)
	19,812	8,909
Total property	40,949	30,433
Plant and Equipment		
At cost	95,921	87,395
Accumulated depreciation	(73,755)	(67,415)
	22,166	19,980
Plant and equipment under finance lease		
At cost	-	173,706
Accumulated amortisation	-	(57,420)
	-	116,286
Work in progress – capital	1,292	3,365
Total plant and equipment	23,458	139,631
Total property, plant and equipment	64,407	170,064

Movements in carrying amounts

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

	Freehold Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant & Equipment $'000	Plant & Equipment Under Finance Lease $'000	Work in Progress Capital $'000	Total $'000
Carrying amount at 30 June 2018	6,430	14,363	9,801	21,128	116,478	-	168,200
Additions	579	563	-	1,863	18,849	3,365	25,219
Disposals	-	-	-	(2,135)	(2)	-	(2,137)
Transfers	-	-	-	3,623	(3,623)	-	-
Depreciation/amortisation	-	(411)	(892)	(4,499)	(15,416)	-	(21,218)
Carrying amount at 30 June 2019	7,009	14,515	8,909	19,980	116,286	3,365	170,064
Application of AASB 16 (refer note 14)	-	-	-	-	(116,286)	-	(116,286)
Carrying amount 1 July 2019	7,009	14,515	8,909	19,980	-	3,365	53,778
Additions	5	-	11,629	3,253	-	1,292	16,179
Disposals	-	-	-	(1,316)	-	-	(1,316)
Transfers – WIP Capital	20	-	330	637	-	(3,365)	(2,378)
Transfers – right-of-use assets	-	-	-	4,694	-	-	4,694
Depreciation	-	(412)	(1,056)	(5,082)	-	-	(6,550)
Carrying amount at 30 June 2020	7,034	14,103	19,812	22,166	-	1,292	64,407

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

14. Right-of-use Assets

	2020 $'000	2019 $'000
Right-of-use Property Leases		
At Cost	102,553	-
Accumulated depreciation	(20,781)	-
Total right-of-use Property Lease	81,772	-
Right-of-use Equipment Leases		
At Cost	179,588	-
Accumulated depreciation	(60,604)	-
Total right-of-use Equipment Lease	118,984	-
Total right-of-use assets	200,756	-

Movements in carrying amounts

	Right-of-use Properties $'000	Right-of-use Equipment $'000	Total Right-of-use Assets $'000
Carrying amount at 30 June 2019	-	-	-
Application of AASB 16 Leases (refer note 1)	45,100	116,286	161,386
Carrying amount at 1 July 2019	45,100	116,286	161,386
Additions/modifications	44,219	22,686	66,905
Disposals	-	(1,037)	(1,037)
Transfers – WIP Capital	-	2,349	2,349
Transfers – plant and equipment	-	(4,694)	(4,694)
Depreciation	(7,547)	(16,606)	(24,153)
Carrying amount at 30 June 2020	81,772	118,984	200,756

15. Lease Liabilities

	2020 $'000	2019 $'000
Lease liabilities – Current		
Property	7,226	-
Equipment (i)	28,817	-
Total current lease liabilities	36,043	-
Lease liabilities – Non-current		
Property	80,333	-
Equipment (i)	69,151	-
Total non-current lease liabilities	149,484	-
Total lease liabilities	185,527	-

(i) The carrying amount of equipment lease liabilities includes an offsetting fair value gain of $782,000.

Movements in carrying amounts

	Lease liabilities properties $'000	Lease liabilities equipment $'000	Total lease liabilities $'000
Carrying amount at 30 June 2019	-	-	-
Application of AASB 16 Leases	49,528	95,861	145,389
Carrying amount at 1 July 2019	49,528	95,861	145,389
Additions (i)	44,219	54,371	98,590
Lease modification	(30)	-	(30)
Repayments (i)	(8,785)	(55,351)	(64,136)
Interest	2,627	3,869	6,496
Fair value gain – movement	-	(782)	(782)
Carrying amount at 30 June 2020	87,559	97,968	185,527

(i) Refer to note 26 cash flow information for breakdown of lease liabilities refinanced during the financial year.

Recognition and measurement – Leases

Refer Note 1.3(e) summary of significant accounting policies and Note 19(b) leases for additional information on the recognition and measurement of leases.

Assets pledged as security

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

Fair value gain arising on recognition of financial liabilities

In March 2020 the Group renegotiated its financing arrangements which included the refinancing of $24,233,000 of equipment lease liabilities. As part of the refinance of the equipment lease liabilities, the Group was able to secure below market fixed interest rates on a range of separate agreements between 12 months and 5 years tenor. Using the income valuation approach, the Group recognised a fair value gain of $864,000 on the new financial obligations by comparing the present value of future cash flows of the liabilities with the financier's standard rates with the discounted rates under the new arrangement. The fair value gain will be amortised over the remaining term of the new lease liabilities using the effective interest method. The carrying value of the fair value gain at 30 June 2020 is $782,000 and is offset against equipment lease liabilities in the statement of financial position. $82,000 has been expensed to finance costs during the year.

16. Deferred Tax Assets

	2020 $'000	2019 $'000
The balance comprises temporary differences attributable to:		
Impaired receivables	41	51
Employee benefits	3,610	3,318
Payables	373	386
Other liabilities	1,779	1,029
Other	97	85
Total deferred tax assets	5,900	4,869
Set-off of deferred tax liabilities pursuant to set-off provisions (refer Note 20)	(5,900)	(4,869)
Net deferred tax assets	-	-

Movements	Employee Benefits	Impaired Receivables	Payables	Other liabilities	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 30 June 2018	3,073	87	493	844	175	4,672
(Charged)/credited to:						
Profit or loss	245	(36)	(107)	185	(236)	51
Adoption of AASB 15	-	-	-	-	146	146
At 30 June 2019	3,318	51	386	1,029	85	4,869
(Charged)/credited to:						
Profit or loss	292	(10)	(13)	1,328	12	1,609
Adoption of AASB 16	-	-	-	(578)	-	(578)
At 30 June 2020	3,610	41	373	1,779	97	5,900

17. Intangible Assets

	2020 $'000	2019 $'000
Computer software	5,100	4,846
Accumulated amortisation	(3,889)	(3,592)
	1,211	1,254
Goodwill	7,805	7,805
Accumulated impairment	(244)	(244)
	7,561	7,561
Customer list	1,802	1,802
Accumulated amortisation	(1,269)	(1,011)
	533	791
Total intangible assets	9,305	9,606

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 2018	1,481	7,561	1,048	10,090
Additions	51	-	-	51
Amortisation	(278)	-	(257)	(535)
Carrying amount at 30 June 2019	1,254	7,561	791	9,606
Additions	225	-	-	225
Transfers – work-in-progress capital	29	-	-	29
Amortisation	(297)	-	(258)	(555)
Carrying amount at 30 June 2020	1,211	7,561	533	9,305

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 frequent 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

	2020 %	2019 %
Average Gross margin	15.9	16.3
Terminal growth rate	2.0	2.0
Free cash growth rate	10.6	13.2
Discount rate	9.2	9.5

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 discount rate from 9.2% to 11.2% (2019: 9.5% to 11.5%) and reducing average product margin from 15.9% to 14.9% (2019: 16.3% to 15.3%). Both scenarios did not result in impairment (2019: 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(f) for the accounting policies relevant to impairment of assets and note 1(n) for the Group's policy regarding intangible assets.

18. Trade and Other Payables

	2020 $'000	2019 $'000
Trade payables	34,019	39,549

19. Borrowings

	2020 $'000	2019 $'000
Current		
Secured		
Equipment finance lease liabilities	-	31,149
Bank loans	8,000	6,965
Bank loans – borrowing costs offset	(82)	(25)
Total secured current borrowings	7.918	38,089
Unsecured		
Other loans	-	459
Total unsecured current borrowings	-	459
Total current borrowings	7,918	38,548
Non-current		
Secured		
Equipment finance lease liabilities	-	64,712
Bank loans	17,500	12,756
Bank loans – borrowing costs offset	(310)	(91)
Total non-current borrowings	17,190	77,377
Total borrowings	25,108	115,925

Refer to Note 26 cash flow information, financing arrangements renegotiated in September 2018 and March 2020.

a. Bank loans

In March 2020 the Group renegotiated its financing arrangements and the bank overdraft facility was terminated and replaced by a short-term bank loan facility. The new facility has a $10,000,000 limit of which $6,000,000 was drawn at 30 June 2020. 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. Lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Certain lease liabilities are also guaranteed by entities in the consolidated entity in addition to mortgage charges over the property and other assets.

c. Other Loans

In 2019, the balance of other loans included an amount of $459,000 that related to an interest free working capital loan provided by Visy Board Pty Ltd. The loan was repaid in full in FY2020.

In 2020, 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.

d. Assets pledged as security

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

e. Fair value

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

f. Risk exposure

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

20. Deferred Tax Liabilities

	2020 $'000	2019 $'000
The balance comprises temporary differences attributable to:		
Prepayments	1,356	1,143
Inventories	611	710
Depreciation and amortisation	6,887	5,093
Other receivables	247	1,087
Total deferred tax liabilities	9,101	8,033
Set-off of deferred tax assets pursuant to set-off provisions (refer Note 16)	(5,900)	(4,869)
Net deferred tax liabilities	3,201	3,164

Movements	**Prepayments** $'000	**Inventories** $'000	**Depreciation & Amortisation** $'000	**Other Receivables** $'000	**Total** $'000
At 30 June 2018	1,082	695	4,333	196	6,306
Charged /(credited):					
Profit or loss	61	15	760	891	1,727
At 30 June 2019	1,143	710	5,093	1,087	8,033
Charged /(credited):					
Profit or loss	213	(99)	3,236	(840)	2,510
Implementation AASB 16	-	-	(1,328)	-	(1,328)
Overprovision	-	-	(114)	-	(114)
At 30 June 2020	1,356	611	6,887	247	9,101

21. Provisions

	2020 $'000	2019 $'000
Current		
Employee benefits	10,159	9,533
Non-current		
Employee benefits	1,868	1,523

22. Other Liabilities

	2020 $'000	2019 $'000
Current		
Contract liabilities	3,356	3,284
Other	7	16
	3,363	3,300
Non-current		
Other	5,930	3,424

Contract liabilities relates to monies received in advance of delivery of goods or services (previously classified as deferred revenue) and performance obligations that have not yet been met.

The changes in contract liabilities reflect both:

(a) The release of deferred revenues to the profit and loss through the performance of delivery of the goods or service; and

(b) New monies received where the delivery of the goods or service has not yet been completed and performance obligations have not yet been met.

Revenue recognised in the financial year from contract liabilities at the beginning of the period being satisfied was $3,284,000 (2019: $2,802,000).

Revenue not recognised in the financial year as performance obligations not yet satisfied and classified as contract liabilities is $3,356,000 (2019: $3,284,000).

Other liabilities include make-good liabilities, as well as, straight lining liabilities (2019 only).

23. Contributed Equity

	2020 $'000	2019 $'000
Fully paid ordinary shares	73,421	72,615

The movement in fully paid ordinary shares for 2020 and 2019 is reconciled as follows:

	Note	No of Shares	Issue Price	$'000
Balance at 30 June 2018		294,153,227		71,656
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	1,363,800	34 cents	464
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	1,339,438	37 cents	495
Balance at 30 June 2019		296,856,465		72,615
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	1,912,218	34 cents	650
Issue of shares pursuant to the Dividend Reinvestment Plan	(a)	521,350	30 cents	156
Balance at 30 June 2020		299,290,033		73,421

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:

2019 Dividends	**Number of Shares**	**Issue Price**
28 September 2018	1,363,800	34 cents
29 March 2019	1,339,438	37 cents
2020 Dividends		
30 September 2019	1,912,218	34 cents
09 April 2020	521,350	30 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 2020 and 2019 reporting periods.

24. Reserves

Movements in the Share-based payments reserve are shown below.

	2020 $'000	2019 $'000
Share-based payment reserve		
Opening balance at 1 July	662	565
Employee share schemes – value of employee services	132	97
Closing balance at 30 June	794	662

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

	2020 $'000	2019 $'000
Retained earnings at the beginning of the year	20,828	18,186
Adjustment to retained earnings with application of AASB15	-	(340)
Adjustment to retained earnings with application of AASB16	(1,749)	-
Profit for the year	5,322	8,879
Dividends paid or provided	(6,253)	(5,897)
Retained earnings at the end of the year	18,148	20,828

26. Cash Flow Information

	2020 $'000	2019 $'000
Reconciliation of Cash Flows from Operating Activities with Profit for the Year		
Profit for the year	5,322	8,879
Adjustment for non-cash items in profit		
- Depreciation/amortisation	31,258	21,753
- Net (gain)/loss on disposal of property, plant and equipment	10	701
- Non-cash employee benefits expense-share-based payments	132	97
- Adjustment to retained earnings on application of AASB 15	-	(340)
- Movement in capitalised borrowing costs	(276)	(116)
- Movement in fair value gain (refer note 15)	(782)	-
Net changes in assets and liabilities		
- (Increase)/decrease in current taxes	(638)	424
- (Increase)/decrease in trade and other receivables	4,336	(6,040)
- (Increase)/decrease in prepayments and other assets	(691)	(292)
- (Increase)/decrease in inventories	1,097	(140)
- (Decrease)/increase in trade and other payables	(3,476)	6,881
- (Decrease)/increase in other liabilities	221	1,080
- (Decrease)/increase in provisions	972	812
- (Decrease)/increase in net deferred tax liabilities	787	1,530
Cash flows from operating activities	38,272	35,229
Non-Cash Financing and Investing Activities		
Acquisition of plant and equipment by means of finance leases	-	18,849
Dividends satisfied by issue of shares	806	959

Refinance of borrowings

FY2019: In September 2018 the Group renegotiated its term debt loan facility to finance the acquisition of the Bowen property and partly finance the proposed Sydney depot fit out. The total available limit on the new facility was $20,700,000. At 30 June 2019, $16,206,000 was drawn on the facility. The facility is repayable in quarterly repayments of $862,500 commencing September 2019 with a balloon payment in September 2023. Included in repayment of borrowings on the statement of cash flows for FY2019 is $15,165,000 that related to the refinance of the previous facility.

FY2020: In March 2020 the Group changed its major corporate debt financing arrangements to a syndicated corporate debt facility. The total available limit on the new facility at 30 June 2020 is $19,500,000. At 30 June 2020, $19,500,000 was drawn on the facility. The facility is repayable in quarterly repayments of $500,000 which commenced in June 2020 with a balloon payment in March 2025. Included in repayment of borrowings on the statement of cash flows for FY2020 is $14,499,000 that related to the refinance of the previous facility.

Refinance of equipment lease liabilities

FY2020: Included in repayments of equipment lease liabilities on statement of cash flows is $24,233,000 of equipment lease residuals that were refinanced under new facilities.

27. Earnings per Share

	2020 $'000	2019 $'000
Basic earnings per share	1.8	3.0
Diluted earnings per share	1.8	3.0
Earnings used in calculating basic and diluted earnings per share – net profit	5,322	8,879

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	298,409,063	295,525,789

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

28. Auditor's Remuneration

	2020 $	2019 $
During the year the auditor of the parent entity earned the following remuneration:		
Audit or review of financial reports	181,100	171,320
Taxation and other services	28,920	72,505
Total remuneration	210,020	243,825

There was no remuneration paid to related practices of the auditor.

29. Related Party Disclosures

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

	2020 $	2019 $
Short-term employee benefits	2,394,018	2,254,441
Long-term employee benefits	29,048	22,413
Post-employment benefits	127,184	116,967
Share-based payments expense	131,592	90,641
	2,681,842	2,484,462

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

b. Other transactions and balances with key management personnel

	2020 $	2019 $
Amounts recognised as revenues and expenses (GST exclusive):		
Revenues		
Cartage revenue received / receivable	8,343,730	7,186,610
Sale of rural supplies	12,235,861	9,066,850
	20,579,591	16,253,460
Expenses		
Fees for corporate uniform consultancy	18,867	10,400
Amounts receivable / payable to key management personnel and their related parties at the reporting date		
Current receivables – trade debtors	1,071,183	706,349

The directors believe transactions with key management personnel were on commercial terms and conditions (unless otherwise stated). Current receivables and payables are unsecured, to be settled 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 2020 financial year $131,592 (2019: $96,898) 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 (2019: $nil).

	2020 $	2019 $
Expense arising from equity settled share-based payment transactions	131,591	96,898
Total expense arising from share-based payment transactions	131,591	96,898

There were no share options converted to shares during the year.

Employee share option plans

Long Term Incentive (Option) Plan (LTIP)

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

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

Options granted under LTIP

In the 2020 financial year a grant of 400,000 (2019: 400,000) options for shares exercisable at $nil was granted to the CEO M K Lindsay pursuant to the LTIP. This issue was approved by shareholders at the Annual General Meeting held in October 2019.

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

Change in share-based payment reserve

During the financial year the share-based payment reserve increased by $131,592 (2019: $96,898) arising from equity settled share-based payment transactions of $131,592 (2019: $96,898).

Fair value of options granted under LTIP

The assessed fair value at grant date of options granted during the year ended 30 June 2020 was $0.3071 (2019: $0.3151). The options have $nil exercise price, a three-year vesting period where they do not participate in dividends, and two performance criteria (year one NPAT and year three EPS). There are no direct market criteria incorporated in valuing the options. Under these criteria both the Black Scholes and a discounted cash model produce a similar result and are permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options. These valuation methods are based on a number of assumptions, set out below, with an adjustment to the expected life of the options to take account of limitations on transferability. These valuations impute a total value of $122,855 (2019: $126,041) after tax for the proposed options over the three-year vesting period.

The models used the following assumptions and inputs shown below:

- risk free rate based on the Australian Government 10-year bond rate as at the grant date;
- a share price being the most recent traded price on ASX at grant date before the valuation was completed;
- the option exercise price on 30 June 2026 of $nil (2019: 30 June 2025 at $nil);
- volatility of 30% is based on the standard deviation of the monthly Company's share price movement over the last 4 years; and
- no discount has been applied to reflect the fact the options will be unlisted and non-transferrable.

Model inputs	FY2020	FY2019
Risk free rate	1.20%	2.56%
Share price	$0.365	$0.36
Exercise price	$nil	$nil
Volatility	30%	30%

Employee Share Options Granted

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

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

	2020		2019	
	Number	WAEP	Number	WAEP
Balance at beginning of year	800,000	-	537,827	-
Granted during the year	400,000	-	400,000	-
Modified, vested and exercised during the year	-	-	(137,827)	-
Balance at the end of the year	**1,200,000**	-	**800,000**	-
Exercisable at end of year	-	-	-	-

Summary of options outstanding

The share options outstanding at the end of the year had an exercise price of nil (2019: nil) and a weighted average remaining contractual life of 5.8 years (2019: 5.8 years).

A summary of the status of the Groups equity settled share option plans at 30 June 2020 is presented below. When exercisable, each option is convertible into one ordinary share of Lindsay Australia Limited at a zero-exercise price.

Tranche	Fair Value Per Option (cents)	Grant Date	Expiry Date	Number Issued	Number Forfeited	Number Modified, Vested and Exercised)	Vested Not Exercisable
LTIP – FY18	36.5	October 2017	October 2024	400,000	-	-	-
LTIP – FY19	31.5	October 2018	October 2025	400,000	-	-	-
LTIP – FY20	30.7	October 2019	October 2026	400,000	-	-	-

Determining option value at grant date

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

Modification of share-based payment arrangements

2020

No modifications to share based payments occurred in FY2020.

2019

In December 2018, Lindsay Australia Limited with agreement with W T Lorenz cash settled options previously issued under the Employee Option Plan. A credit of $6,257 was included in the share-based payment reserve for the modification of the share options. The difference was recognised as a cash bonus for the relevant employee.

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 % 2020	Equity Holding % 2019
Lindsay Brothers Holdings Pty Ltd [(a), (c)]	Ordinary	100	100
Lindsay Transport Pty Ltd [(a), (c)]	Ordinary	100	100
Lindsay Brothers Management Pty Ltd [(a), (c)]	Ordinary	100	100
Lindsay Brothers Fuel Services Pty Ltd [(a), (c)]	Ordinary	100	100
Lindsay Brothers Hire Pty Ltd [(a), (c)]	Ordinary	100	100
Lindsay Brothers Plant & Equipment Pty Ltd [(a), (c)]	Ordinary	100	100
P & H Produce Pty Ltd [(c)]	Ordinary	100	100
Lindsay Rural Pty Ltd [(c)]	Ordinary	100	100
Skinner Rural Pty Ltd [(b), (c)]	Ordinary	100	100
Croptec Fertilizer and Seeds Pty Ltd [(b), (c)]	Ordinary	100	100
Lindsay Fresh Logistics Pty Ltd [(c)]	Ordinary	100	100

(a) Lindsay Brothers Holdings Pty Ltd (LBH) is the parent entity of Lindsay Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, and Lindsay Brothers Plant and Equipment Pty Ltd. Accordingly, the parent entity's interest in these entities (other than LBH) is indirect.
(b) These companies are subsidiaries of Lindsay Rural Pty Ltd.
(c) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (wholly-owned companies) Instrument 2016/785. For further information refer to Note 33.

32. Segment Information

Description of segments

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

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

The segments are determined by the type of product or service provided to customers and the operating characteristics of each segment. The Group operated in these business segments for the whole of the 2020 and 2019 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 liabiltiies;
- 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 (2019: nil). The largest individual customer accounts for 4.96% of external revenues (2019: 4.05%).

Segment information

	Transport $'000	Rural $'000	Total $'000
2020			
Revenue			
Revenue for services (i)	288,672	-	288,672
Revenue for sale of goods (ii)	424	129,991	130,415
Other revenue	2,180	263	2,443
Total segment revenue/income	291,276	130,254	421,530
Inter-segment revenue elimination	(6,241)	(1,331)	(7,572)
	285,035	128,923	413,958
Reconciliation of segment revenue/income to Group revenue/income			
Interest income			312
Corporate/unallocated income (including fair value gain)			1,704
Total revenue/income			415,974
Segment net profit before tax	26,029	6,482	32,511
Reconciliation of segment profit to Group net profit before tax			
Corporate/unallocated			(17,375)
Finance costs			(7,453)
Net profit before income tax			7,683
Income tax expense			(2,361)
Profit for year			5,322
Depreciation and amortisation	25,488	1,176	26,664
Corporate/unallocated cost			4,594
			31,258
Finance costs (iii)	1,505	98	1,603
Corporate/unallocated cost			7,453
			9,056

(i) Revenue from provision of services is recognised over time

(ii) Revenue from sale of goods is recognised at a point in time

(iii) Segment finance costs relate to property lease liabilities, equipment lease liabilities and borrowings cost remain unallocated

	Transport $'000	Rural $'000	Total $'000
2019			
Revenue			
Revenue for services (i)	274,238	-	274,238
Revenue for sale of goods (ii)	3,813	115,262	119,075
Other revenue	2,080	606	2,686
Total segment revenue/income	280,131	115,868	395,999
Inter-segment revenue elimination	(5,972)	(1,264)	(7,236)
	274,159	114,604	388,763
Reconciliation of segment revenue/income to Group revenue/income			
Interest income			304
Corporate/unallocated income			756
Total revenue/income			389,823
Segment net profit before tax (iii)	31,229	3,874	35,103
Reconciliation of segment profit to Group net profit before tax			
Corporate/unallocated			(16,441)
Finance costs			(5,893)
Net profit before income tax			12,769
Income tax expense			(3,890)
Profit for year			8,879
Depreciation and amortisation	19,447	472	19,919
Corporate/unallocated cost			1,834
			21,753
Finance costs	-	-	-
Corporate/unallocated costs			5,893
			5,893

(i) Revenue from provision of services is recognised over time

(ii) Revenue from sale of goods is recognised at a point in time

(iii) Transport segment contribution for FY2019 includes additional fuel tax credits relating to prior years of $3,336,000. Professional costs associated with the fuel tax credit review of $673,000 are included in the corporate unallocated costs.

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

	2020 $'000	**2019 $'000**
Capital Commitments		
Commitments for capital expenditure (property, plant, equipment and intangibles) contracted for but not recognised in the financial statements are as follows:	5,833	8,679

35. Contingent Liabilities

Guarantees

	2020 $'000	**2019 $'000**
Guarantees to secure lease obligations	7,726	7,741
Guarantees to cover workers compensation policies	1,578	1,733
Total Guarantees	9,304	9,474

Cross guarantees have been given as described in Note 33.

Fuel tax credit claims

In May 2020, the Group was subject to an Australian Taxation Office (ATO) audit of the Group's historical fuel tax credit (FTC) claims for the period of 1 July 2006 to 30 June 2019. The initial findings from the ATO determined the Group was not entitled to claim FTC's for amounts relating to fuel used from battery powered sleeper cabin air conditioners and challenged other legislative interpretations of the Group's FTC claims. The ATO's initial findings were the Group had overclaimed $4,893,841 in FTC's.

The Group, in consultation with its expert advisor Deloitte, have disputed the ATO findings. The ATO is still reviewing the additional information provided by the Group and has not provided a timeframe in which it will respond to the Group. On the basis of the advice received from Deloitte, the Group believes it has a reasonable position to dispute the ATO findings, so no provision has been recognised at 30 June 2020 in respect of the ATO claim.

At 30 June 2020 the Group has FTC receivable accounted for of $256k (net of fees) that has not yet been remitted to the ATO until the above matter has been concluded.

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.

Other than the dividends recommended after the end of the financial year as disclosed in the Directors' Report, to the directors' knowledge no matter or circumstance has arisen since the end of the 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.

36. Parent Company Information

Information relating to Lindsay Australia Limited is as follows:

	2020 $'000	2019 $'000
Summary financial information		
Statement of financial position		
Current assets	2,106	1,018
Total assets	452,505	405,636
Current liabilities	323,179	314,837
Total liabilities	377,221	331,252
Issued capital	73,422	72,615
Retained profits	1,069	1,107
Share-based payments reserve	793	662
Total shareholders' equity	75,284	74,384
Profit of the parent entity	7,040	3,041
Total comprehensive income of the parent entity	7,040	3,041
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 $81,555,886 (2019: $29,069,466) 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 $17,192,953 (2019: $66,791,580).

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(u) as the present value of the difference in net cash flows is not significant.

37. Events after the reporting period

Other than the dividends recommended after the end of the financial year as disclosed in the Directors' Report ,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 2020 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

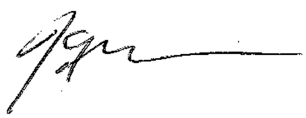
c. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 33 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 33.

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.

John F Pressler



Chairman of Directors
Brisbane, Queensland

25 August 2020

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

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 2020, the consolidated statement of profit or 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 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 2020 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

PITCHER PARTNERS

Key audit matter	How our audit addressed the matter
Impairment of goodwill ***Refer to Note 17: Intangible Assets***	
At 30 June 2020 the Group's balance sheet includes goodwill amounting to $7.561 million relating to historical business acquisitions. In accordance with AASB136 *Impairment of Assets*, 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 management's processes and controls; ▪ Checking management's calculations for accuracy; ▪ Critically assessing the reasonableness of key inputs including assumptions, considering supporting documentation and historic performance, where available; ▪ Performing a 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.
Adoption of Australian Accounting Standard AASB 16: Leases ***Refer to Note 14: Right of Use Assets and Note 15: Lease Liabilities***	
The 30 June 2020 financial year was the first year of adoption of Australian Accounting Standard AASB 16: *Leases*. The Group has a significant number of leases over premises and equipment. The Group elected to apply the modified retrospective approach. Effective on the date of transition, $145.389 million Lease Liabilities and $161.386 million of Right of Use Assets were recognised, including amounts previously recognised in Property, Plant and Equipment and Borrowings. An after-tax adjustment of $1.749 million impacting retained earnings was recognised upon transition. Given the financial significance to the Group of its leasing arrangements, the complexity and judgements involved in the application of AASB 16, such as, the Incremental Borrowing Rate and the transition requirements of the standard, this was assessed as a key audit matter.	Our procedures included, amongst others: ▪ Understanding management's processes and controls related to the identification, recognition and measurement of lease liabilities and right of use assets; ▪ Assessing the integrity of the management's AASB 16 lease calculation model, including the accuracy of formulas; ▪ Agreeing inputs into the AASB 16 lease calculation model, using audit sampling to agree the lease term, fixed and variable rent payments, renewal options and lease incentives back to underlying executed lease agreements; ▪ Assessing the reasonableness of management's judgements in relation to the accounting treatment of lease renewal options under AASB 16; ▪ Assessing the reasonableness of the Incremental Borrowing Rate used to discount future lease payments to present value; ▪ Reviewing whether the Group's new accounting policy satisfied the requirements of AASB 16 including the adoption of practical expedients applied by management for the transitional accounting; and Reviewing the adequacy of the disclosures in the financial report to ensure compliance with Australian Accounting Standards.

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 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, 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 12 to 20 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Lindsay Australia Limited, for the year ended 30 June 2020, 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

PITCHER PARTNERS

DAN COLWELL
Partner

Brisbane, Queensland
25 August 2020

Corporate Governance Statement

Introduction

The Board of Directors of Lindsay Australia Limited is responsible for the corporate governance of the consolidated entity. 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. 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

Contents

Principle 1

Lay solid foundations for management and oversight.

Recommendation 1.1

Recognise and publish the respective roles and responsibilities of the board and 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 Company should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

The Corporate Governance Board Charter reserves powers for the board. Functions not reserved to the Board are delegated to senior management.

Recommendation 1.2

Undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director. 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 person 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 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.

The Company Secretary has access to all Board members and the primary functions are to assist and advise the Board on governance matters and compliance with internal processes. 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 a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

b. Disclose the policy or a summary of it; and

c. Disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

    i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined senior executive for these purposes); or

    ii. 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 the Act.

The Diversity Policy is published on the Company's website. The board has established the following objectives in relation to gender diversity. The intention is to achieve the objectives over time as positions become available. The board notes that some positions within the Company have time and physical demands that may make these jobs traditionally unattractive to women.

	Objective	**2020**	**2019**
Percentage of women in Group's workforce	15%	10%	12%
Percentage of women in management positions	20%	14%	12%

The Company's Workplace Gender Equality Act public report for 2020 is available on the Company's website.

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 in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company has adopted processes concerning the evaluation and development of the board, board committees and individual directors. Procedures include an internal Board assessment. The Corporate Governance Statement outlines the skills criteria for Directors of the Company.

During the 2020 financial year, an internal board performance assessment was performed and reviewed against the criteria. The review did not result in any governance or other changes.

Recommendation 1.7

A listed entity should:

a. Have and disclose a process for periodically evaluating the performance of its senior executives; and
b. Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

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.

Principle 2

Structure the board to add value – Have a board of an effective composition, size, and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1

The board of a listed entity should:

a. Have a Nomination Committee which:
    i. Has at least three members, a majority of whom are independent directors; and
    ii. is chaired by an independent director; and disclose;
    iii. the charter of the committee;
    iv. the members of the committee; and
    v. as at the end of each reporting period, the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings.
b. If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skill, knowledge and experience, independence and diversity to enable it to discharge its duties responsibly and effectively.

The Company does not have a nomination committee. The board believes that due to the Company's relatively small size a Nominations Committee is not necessary as the board can undertake all functions normally delegated to a Nomination Committee. 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.

Recommendation 2.2

A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity 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 expertise and attributes relevant to the board in discharging its responsibilities.

Skills/Expertise	Experience	Attributes
Strategy	Transport Industry	Integrity
Financial	Agriculture Industry	Communication
Governance	Import Export Industry	Commitment
Risk Management and Safety	Property	Innovation
Policy, Legal and Compliance		Influence
Government and Stakeholders		
Culture and Values		
Executive Management		
Information Technology		

Recommendation 2.3

A listed entity should disclose:

a. The names of directors considered by the board to be independent directors;

b. If a director has an interest, position, association or relationship of the type described in box 2.3 of 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, association 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 Date	Resignation Date	Length of Service	Interest/Association
J F Pressler	Non-Executive. Independent Director	08/01/1997		23 years (as at 08/01/2020)	
R A Anderson	Non-Executive. Independent Director	16/12/2002		17 years (as at 16/12/2019)	
M K Lindsay	Executive. Non Independent Director	26/11/1996		23 years (as at 26/11/2019)	Chief Executive Officer
A R Kelly	Non-executive. Non Independent Director	03/05/2019		1 year (as at 03/05/2020)	
R L Green	Non-Executive. Independent Director	26/08/2019		10 months (as at 30/06/2020)	

Recommendation 2.4

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

The Company has complied with this recommendation. Out of the five current directors, four directors are considered to be independent.

Directors of Lindsay Australia Limited are considered to be independent when they are independent of management and free from any material business or other relationship that could interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement In the context of director independence, a factor is considered "material" if it is greater than 5% of either sales or purchases of the Group. In accordance with the definition of independence detailed on the Company's website, the following Directors of Lindsay Australia Limited are considered to be independent:

- *J F Pressler*
- *R A Anderson*
- *A R Kelly*
- *R L Green*

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

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

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 Chief Executive Officer of this entity.

The Company complies with this recommendation. Mr J F Pressler, an independent director, is the Chair. Mr M K Lindsay is the Chief Executive Officer.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their 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

Promote ethical and responsible decision-making.

Recommendation 3.1

A listed entity should:

a. Have a code of conduct for its directors, senior executives and employees; and
b. Disclose the code of conduct or a summary of it.

A formal Code of Ethics forms part of the Corporate Governance Charter that is disclosed on the Company's website. The Company has a code of conduct, equal opportunity policy and employee workplace and safety handbook applicable to all employees. A summary of these policies is disclosed on the Company's website.

Principle 4

Safeguard integrity in corporate reporting.

Recommendation 4.1

The board of a listed entity should:

a. Have an audit committee which:
   i. Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors;
   ii. Is chaired by an independent director who is not the chair of the board; and disclose
   iii. The charter of the committee;
   iv. The relevant qualifications and members of the committee; and
   v. 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 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 which is available on the Company's website.

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

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

It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and 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 period, receive from its Chief Executive Officer and Chief Financial Officer 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 control which is operating effectively.

In respect of the relevant financial reporting period the Company's Chief Executive Officer and Chief Financial Officer 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 that has an Annual General Meeting should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Representative of the Company's auditor attends the Annual General Meeting and are available to answer questions from security holders.

Principle 5

Make timely and balanced disclosure – Promote timely and balanced disclosure of all material matters concerning the Company.

Recommendation 5.1

Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance.

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. The continuous disclosure obligations are reviewed at board meetings.

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 Corporate Governance Charter is available on the Company website together with other Company policies. The website provides details of the key business divisions, copies of recent annual reports and other relevant publications and investor information.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The board encourages attendance at meetings and is available to shareholders at 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 website.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company's notice of meetings is clear, concise and effective, shareholders receive notice of meetings in hard copy. All general meetings of the Company allow shareholder participation through the opportunity to ask questions directly of the board prior to a poll or vote.

Recommendation 6.4

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 electronically through Computershare Limited, and a link is provided on the Company's website. Contact information for Computershare Limited is also provided in the 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:
   i. Has at least three members, a majority of whom are independent directors;
   ii. Is chaired by an independent director; and disclose:
   iii. The charter of the committee;
   iv. The members of the committee;
   v. 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.

b. If it does not have a risk committee or a committee that satisfies (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

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 Statement which is available on the Company's website. The chairman of the committee is Mr RA Anderson, an independent director. The members of the committee, meetings and attendances are contained in the Directors' Report to the Annual Report disclosed on the Company's website. All members of the audit and risk committee are non-executive Directors. There is a majority of independent directors on the committee.

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

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

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

Recommendation 7.2

The board or a committee of the board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.

The board is responsible for the Company's risk management framework. Risks are monitored on a regular basis and prevention or mitigation measures adopted as appropriate. Policies and procedures have been established for, asset maintenance, workplace health and safety and inventory control. A business risks checklist is reviewed at each meeting of the board. Details of financial risks are provided in the Notes to the Financial Statements.

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

Recommendation 7.3

A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs or 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 risk management and internal control processes.

The Company does not have an internal audit function. The board considers that due to the relatively small size of the Company such a function would not be cost effective. Details of financial risks are provided in Note 2 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 a material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company actively considers and monitors business and other risks but does not consider it has material exposure to these risks. Where possible the Company looks to adopt products or processes that have a positive environmental or social sustainability impact.

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:
   i. Has at least three members, a majority of whom are independent directors;
   ii. Is chaired by an independent director; and disclose:
   iii. The charter of the committee;
   iv. The members of the committee; and
   v. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or

b. If it does not have a Remuneration Committee, disclose the 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 Chairman of the committee, Mr RL 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 Lindsay Australia Limited.*

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 relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of Lindsay Australia Limited 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 and the Chief Executive Officer and the key management personnel.

The remuneration policy is disclosed in the Remuneration Report contained in the Directors' Report. There were no material changes to that policy during the year. Due to the relatively small size of the Company the only direct link between remuneration and performance of the Company for the Chief Executive Officer and Senior Executive staff is by the potential issue of options or performance rights over shares. Unquoted options issued to the Chief Executive Officer are detailed in the Remuneration Report contained in the Director's Report, there were no other employee options or performance rights on issue at 30 June 2020 held by key management personnel. At any review the performance of the Company and the contribution by particular executives form part of the process. Details of the remuneration of the directors and the key management personnel of the Group is disclosed in the Remuneration Report contained in the Director's Report.

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 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.

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 the policy or a summary of it.

The Company has a limited equity based incentive scheme applying to a small number of senior executives 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 04 August 2020.

Distribution of Shareholders

Range	Number of Shareholders	Number of Shares
1- 1,000	114	21,419
1,001 – 5,000	366	1,025,755
5,001 – 10,000	237	1,924,520
10,001 – 100,000	819	31,532,092
100,001 and over	237	264,786,247
Total	1,773	299,290,033

Number of holdings less than a marketable parcel of shares – 172 (96,203 shares)

Top Twenty Shareholders

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	55,526,491	18.55
ANKLA PTY LTD	42,260,889	14.12
BKI INVESTMENT COMPANY LIMITED	16,783,130	5.61
MILTON CORPORATION LIMITED	13,341,599	4.46
MULAWA HOLDINGS PTY LTD	11,540,611	3.86
MR THOMAS KELSALL LINDSAY + MR THOMAS GLEN LINDSAY <LINDSAY BROTHERS S/F A/C>	11,364,402	3.80
LINDSAY SUPER CO PTY LTD <LINDSAY FAMILY S/F A/C>	6,668,374	2.23
NATIONAL NOMINEES LIMITED	5,245,823	1.75
SKYLEVI PTY LTD <SUPERFUN SUPER FUND A/C>	4,100,067	1.37
ARCHERFIELD AIRPORT CORPORATION PTY LTD	4,000,000	1.34
K & D LINDSAY PTY LTD <D LINDSAY FAMILY A/C>	3,222,148	1.08
RM & DM PELL PTY LTD <PELL FAMILY SUPER FUND A/C>	3,104,592	1.04
PROCO PTY LTD <COSOFF S/F A/C>	3,030,000	1.01
KIRKFARE PTY LTD	2,897,643	0.97
SUNSTAR AUSTRALIA PTY LTD	2,727,632	0.91
MR FRED SALOME	2,700,000	0.90
HEADING EAST PTY LTD <HEADING EAST 2012 S/F A/C>	2,549,506	0.85
MS GRETA MARJORIE LINDSAY <THE GRETA LINDSAY NO 2 A/C>	2,328,551	0.78
CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C>	2,150,000	0.72
PROCO PTY LTD <THE COSOFF SUPER FUND A/C>	2,100,000	0.70
Totals: Top 20 holders	197,641,458	66.04

Substantial Shareholders

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

Name	Number of Shares	% of Issued Shares
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	55,526,491	18.55
MIZIKOVSKY GROUP	49,509,410	16.57
BKI INVESTMENT COMPANY LIMITED	16,783,130	5.61

Voting Rights of Ordinary Shares

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

On-market Buy Back of Shares

There is no current on-market buyback of shares.

Other Equity Instruments

Details	Quantity	Exercise Price
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2017) (i)	400,000	$nil
M K Lindsay: Unlisted share options over ordering shares Not Vested (issued October 2018)	400,000	$nil
M K Lindsay: Unlisted share options over ordinary shares Not vested (issued October 2019)	400,000	$nil

(i) Since the end of the financial year, 400,000 share options have vested but up to the date of this report have not been exercised and no shares have been issued. The expiry date to exercise these options is 31 October 2024.