Elders Limited Appendix 4E (Rule 4.3A) FINAL FINANCIAL REPORT RESULTS FOR ANNOUNCEMENT TO MARKET

For the year ended 30 September 2021

Attached is the final report for the year ended 30 September 2021. The consolidated profit after tax and non-controlling interests was $149.8 million (2020: $122.9 million).

Additional Appendix 4E disclosure requirements and further details on the results and operations are included in the Annual Report provided to the Australian Securities Exchange.

	Results			$000
Revenue from continuing operations	up	22%	to	2,548,924
Profit after tax for the year attributable to members	up	22%	to	149,777

Dividends	Amount per security	Franked amount per security
2021		
Final Dividend	22 cents	4.4 cents
Interim Dividend	20 cents	4 cents
2020		
Final Dividend	13 cents	13 cents
Interim Dividend	9 cents	9 cents

The record date for the final dividend is 23 November 2021; and payable on 17 December 2021.

Net tangible assets	2021	2020
	$	$
Net tangible assets backing per ordinary security (156,476,574)[1]	2.17	1.68

1 *Assets for the purpose of net tangible assets include right-of-use assets associated with leases recognised in accordance with AASB 16*

FOR AUSTRALIAN AGRICULTURE

Elders

2021 Elders Annual Report

Elders Limited ABN 34 004 336 636

Contents

Chair's Report

In the face of unprecedented global uncertainty, the Australian agricultural industry has continued to provide Australians with security whilst also delivering its greatest ever contribution to the Australian economy.

Elders has played a critical role in supporting our primary producers to achieve this all-time high production value.

The outlook for the industry remains overwhelmingly positive. As the most trusted partner of Australian primary producers, we intend to support them to capitalise on this opportunity and to grow our own business into the future.

Sustainability and community

Elders has committed to being an industry leader in adopting the best governance and sustainability standards practised in corporate Australia. We published our first Sustainability Report in 2020 and we have continued to develop and implement our strategy throughout the 2021 financial year.

Climate change is one of the most significant challenges that we face. Action to address climate change is not only a corporate social responsibility, it is critical to ensure the sustainability of Australian agribusiness into the future. As an industry leader, we acknowledge the role we play in leading by example to accelerate the adoption of sustainable farming practices throughout Australia. We have committed to aggressively and transparently reducing the greenhouse gas emissions associated with our own activities to net zero through a staged emissions reduction plan. In addition, we are investing in developing a carbon farming advisory capability that will support Australian farmers to implement carbon emission reduction strategies.

We will achieve full alignment of our climate-related disclosures with the recommendations of the Taskforce on Climate-related Financial Disclosures by the end of our third Eight Point Plan (30 September 2023). Our second Sustainability Report is available at **Elders Investor Centre.**

We have also continued to invest into the communities in which we operate through direct financial support and job creation. We also support organisations that provide critical services to remote and rural communities in Australia. The best example of this is the extension of our commitment to the Royal Flying Doctors Service (Central Division) through a $300,000 contribution to its capital-raising program for the perennial upgrade of its fleet of flying intensive care units. This is an investment in the health and wellbeing of the rural and regional communities that support our teams and business every day.

People and safety

Our business is built on relationships and our people are our most important asset.

We continue to support our people to achieve their best. It was very pleasing to receive the results from a detailed Korn Ferry survey across our business which ranked the engagement and enablement of our workforce above the high performance benchmark. I commend our leadership team for their ongoing commitment to attracting and developing the very best talent in our business, and positioning Elders as an employer of choice in the agricultural industry.

As our business continues to grow and our team expands, the risk of workplace injury increases. We have an unrelenting commitment to the safety and wellbeing of our team. It is not a priority, it is a prerequisite of everything that we do. In 2021 three lost time injuries occurred within the business. Whilst this represents excellent safety performance, injuring any of our people is an unacceptable outcome and we maintain our resolve to achieving a no injury workplace.

It is no secret that the Australian agricultural industry has some way to go when it comes to diversity. At Elders, we are working hard to change this. Whether it's in our branch network or in our corporate offices, we are taking conscious steps to bring the benefits of a diverse workforce to our clients. We are tackling this from the most junior levels of the organisation through to our executive team and Board. In FY21, the Elders graduate agronomy program welcomed 9 graduates, 6 of the 9 new agronomists were female and we increased women in senior management positions by 3%. We have achieved an 80% increase in representation of women in management positions over the last 5 years.

Financial performance

Elders has delivered an exceptional financial result in FY21, Our underlying net profit after tax (NPAT) of $151.1 million is a 40% increase on FY20's decade high result. Underlying earnings before interest and tax (EBIT) was $166.5 million.

Key components of our Eight Point Plan are to capture more margin through optimised pricing, backward integration and supply chain efficiency whilst winning more market share through organic and acquisitive growth initiatives. These ongoing business improvement initiatives and the successful integration of key strategic and bolt on acquisitions have combined with favourable seasonal and market conditions to deliver outstanding growth. In doing so, we have maintained our strong financial discipline, delivering return on capital of 22.5%. The Elders balance sheet continues to strengthen with net assets of $778.6m, up $106.3m on last year, whilst our gearing ratio fell from 47.2% to 38.6% and leverage from 2.0to 1.4 times.

The Board has declared a final dividend of 22 cents per ordinary share, taking dividends for the year to 42 cents, partially franked at 4.4 cents.

Combined with share price growth from $10.85 to $12.23 through the reporting period, we have delivered Total Shareholder Return (TSR) of 14.6%.

Governance and culture

The Elders Corporate Governance Statement outlines our commitment to compliance, transparency, disclosure, and acting lawfully, ethically and responsibly. Our One Elders Values, including integrity, accountability, teamwork, innovation and customer focus, are put into action everyday by our people. They are ingrained in our culture and symbolise what it means to wear a pink shirt. This culture is one of the key reasons Elders continues to be ranked the most trusted agribusiness brand in Australia according to independent research.

Elders is also proactively applying those expectations and values to third parties who we deal with. This year, along with the launch of our first Modern Slavery Statement, we launched our Ethical Contracting Framework and Responsible Sourcing Code. This provides an important framework to guide decision making on procurement and third party dealings having regard to ethical contracting, human rights, environment and safety matters.

Acknowledgements

I would like to thank my fellow Directors for their support and contribution throughout the year. Welcome also to Raelene Murphy who joined our Board in January 2021.

On behalf of the Board I would like to thank the entire Elders team who have demonstrated tremendous resilience to adapt and continue to provide our clients with the highest level of service in challenging circumstances. Your relentless pursuit of excellence and improvement in our business is delivering significant value to our shareholders, who we thank for their continued support.

Finally, thank you to our loyal customers. It is an exciting time to be working in Australian agriculture and we look forward to partnering with you in 2022 as we continue to grow our industry sustainably into the future.

Your Chair,

Ian Wilton
Chair

CEO's Report

Elders has delivered an exceptional result for shareholders and, in partnership with our customers, has played a critical role in maintaining the consistent supply of quality Australian agricultural products during a period of continued disruption and volatility. Elders is, and will always be, for Australian Agriculture.

Most trusted agribusiness brand

According to Roy Morgan brand trust research, Elders has maintained its strong position as the most trusted agribusiness brand in regional Australia. Whilst this is an outcome that we are extremely proud of, it is not a position we take for granted. I commend all of our team for their tireless commitment to delivering the very best service and advice to our many customers day in day out. It is this commitment to supporting our customers to achieve their goals which underpins the performance of our business and our ongoing growth.

Exceptional financial performance

In FY21 our underlying net profit after-tax (NPAT) was $151.1 million, an increase of 40% to the prior corresponding period. Underlying earnings before interest and tax (EBIT) was $166.5 million, an increase of 38%.

We have seen growth across all of our core product and geographic areas, with the exception of our Feed and Processing business which was challenged by higher cattle prices.

This excellent performance reflects the methodical implementation of our Eight Point Plan, coupled with strong seasonal and market conditions. We have created significant value through successfully executing and integrating strategic acquisitions, including strong contribution from our AIRR wholesale business and numerous smaller high return bolt on acquisitions. Our business improvement initiatives are generating excellent results, including our ongoing rural products backward integration strategy and other margin initiatives. There is more value to be extracted as we continue to execute our Eight Point Plan moving forward.

We have not compromised our unflinching financial discipline in achieving this growth, with our commitment to cost and capital efficiency reflected in underlying return on capital (ROC) of 22.5%, up from 18.9% in FY20 and outperforming our benchmark target of 15% ROC through the agricultural cycles.

Key highlights of the FY21 results include:
- Sales of $2,548.9 million, up 22%
- Gross margin of $529 million, up 21%
- Rural Products gross margin increase from 13.4% to 14.1%, including 36% growth in gross margin contribution from our AgChem sales, where we continue to grow margins through our backward integration strategy and other business improvement initiatives
- Agency services outperformed despite lower volumes, contributing gross margin of $140.0 million, up 10%
- Real Estate turnover of $3,129.9 million, up 39%
- Strong recovery of our wool business with gross margin of $15.9 million, up 44%
- Our Wholesale business contributed $61.2 million in gross margin in its first full year of operation post acquisition
- Reduction in debt and improvement of leverage, interest cover and gearing ratios

Safety and wellbeing

Safety is central to everything that we do at Elders and is a focus throughout the business, from the board room to the saleyards.

In FY21 we reported three lost time injuries (LTIs). Whilst this represents a significant decrease from 33 LTIs in 2013 (the year that our first Eight Point Plan was implemented), it is unacceptable that our people are harmed at work and we continue to work harder than ever to achieve a zero injury environment.

We have invested in safety education and the promotion of our safety culture throughout the business. We also invested $1.9 million in safety capital expenditure throughout the Elders network. In addition to our safety action framework, we have implemented a safety monitoring platform which allows us to collect and analyse safety information across the business in real time, providing deep insights into key risk areas. As a result, we have established three critical risk teams to focus on livestock handling, driving and manual handling. These teams have been tasked to identify further steps we can take to mitigate those risks and keep our people safe.

We have continued to support government and community efforts to limit the impact of the COVID-19 pandemic and ensure the health and safety of our team and customers, whilst also minimising business interruption. We have implemented travel restrictions, social distancing measures and deployed protective equipment where needed. Whilst a number of our operations have been impacted throughout the year, we have largely been able to continue operations safely through the adaption and resilience of our people.

We have also focussed on mental health and wellbeing initiatives, with increased resourcing and new initiatives implemented during the course of the year, particularly in response to the impacts of COVID-19 restrictions. Whilst we have successfully adapted to new ways of working, it has been crucial to ensure that our team continue to feel connected and supported during periods of disruption, isolation and uncertainty.

Sustainability and innovation

Sustainability is another key focus of the business. We continue to invest in a dedicated sustainability team and have been working hard to identify opportunities to mitigate our environmental impacts and take a leading position on sustainability within the agricultural industry. Our strategy continues to evolve and our work aligning our climate-related disclosures with the Task Force on Climate-related Financial Disclosures continues. We have recently announced the following targets, and are actively working to achieve them:

- 100% renewable electricity in all Australian sites by 2025
- 50% reduction in Scope 1 and 2 emissions intensity (tCO_2e/$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)
- Net Zero Scope 1 and 2 emissions by 2050

Full details on our targets and strategy can be found in our Sustainability Report, available at **Elders Investor Centre**.

The challenge of reducing emissions from cattle is one we share with many of our clients. This year, we launched our carbon farming advisory service, which combines our agronomy and livestock production services with our carbon farming specialists to advise clients on best farming practice and registering carbon farming projects. In the coming years, we aim to partner with industry on the development and implementation of technology to tackle the carbon footprint of our cattle.

We are engaged in numerous partnerships with educational institutions and government bodies undertaking projects and trials aimed at developing innovative farming practices, including our Struan and Kybybolite best practice demonstration farm, a joint venture between Thomas Elders Institute and the State Government of South Australia.

We are embarking on a systems modernisation program aimed at establishing a more customer centric business, whilst also driving operational efficiencies. This program will be undertaken in waves over several years and will ultimately result in the business having state of the art enabling technologies that are fit for purpose and provide the business with a platform to achieve our growth and innovation ambitions into the future. Most importantly, it will enhance customer experiences and open new opportunities for us to understand and serve our customers better than ever.

Growing our business and people

We continued to strive to strengthen our service offering through the expansion of our network in all agricultural regions. Our branch footprint has grown again in FY21 and we have welcomed many talented client facing people and technical service advisers into our business. Our acquisition activity has added several Rural Products and Real Estate businesses to the Elders family. We will continue to target strategic geographic and product gaps through organic and acquisitive initiatives in order to grow the network further.

As we grow, it is imperative that we continue to invest in developing our existing team and maintaining our One Elders culture. We have numerous personal and professional development initiatives in the business ranging from our traineeships through to our senior leaders development program, known as the Thomas Elder Academy. Notwithstanding ongoing COVID-19 restrictions, we have successfully maintained engagement with our people, as demonstrated by our high performance enablement and engagement scores.

This is a credit to the leadership group throughout the business and I thank them for their commitment to our people during these challenging times.

Closing on a positive outlook

I am proud of what we have achieved in FY21.

Through our geographic and product diversification strategy we have built our business to perform well in challenging years and outperform in better years. We have made tremendous progress on our current Eight Point Plan and will continue to work hard to improve and expand the business and deliver on our growth ambitions of 5% to 10% per annum through the cycles.

It is an exciting time to be in agriculture as our industry continues to respond to the enormous increase in global demand for quality and safe Australian agricultural produce. The outlook is extremely positive and we intend to be there to support our customers to increase their productivity sustainably and grow their enterprises.

Thank you to all our wonderful Elders people for their hard work and commitment over the last year and to our clients, shareholders and suppliers for your ongoing support.

Mark C Allison
Managing Director
and CEO

YEAR IN BRIEF

Key highlights

3

lost time injuries

#1

most trusted agribusiness brand

78%

employee engagement

53

net promoter score

$2.1m

sponsorships and donations

Financials at a glance

$2.5b
+22%
sales revenue

$167m
+38%
EBIT growth

$529m
+21%
gross margin

$363m
+15%
costs

69%
+3%
cost to earn ratio

22.5%
+3.6%
return on capital

94%
-38%
cash conversion

1.4x
-0.6x
leverage ratio

96.7c
+38%
earnings per share

42.0c
+91%
dividend per share

Picking up after cyclone Seroja

Severe tropical cyclone Seroja crossed the coast of Western Australia on 11 April, bringing destructive winds that wrecked homes, uprooted trees and left farming communities isolated and without power. As always, the wellbeing of people and communities were first priorities.

While the most severe impacts were seen in Kalbarri and Northampton, cyclone Seroja kept up its intensity for hundreds of kilometres, causing significant damage to farming communities at Yuna and Nabawa as well as further south at Mingenew, Carnamah, and Coorow.

Elders Geraldton's Branch Manager, George Panayotou, said the cyclone tracked over his place at around 9pm on Sunday evening. By early Monday morning, he was at the branch to assess the damage.

"I remember thinking it was strange that the gates were closed, but the roller doors were wide open," he said.

"Then when I came into the yard, I saw that the roller doors had blown inside on top of all our merchandise and the wind pressure had blown out the skylights."

At this point, his response priorities were people, power and products.

George was able to hire a generator, which powered the fridges and protected their stock of animal health vaccines, worth hundreds of thousands of dollars. It also powered many priceless cups of tea and coffee.

"The main thing was to get the kettle on, and everybody's spirits rose after that," he said.

After contacting all the staff from Geraldton and Northampton to check on their safety, George and the Elders team also followed through with practical and emotional support, including arranging emergency accommodation where necessary.

"Some of our people had been hit hard. Having your roof blown off while you're lying in bed at night, that's a major shock," he said.

"Everybody reacts differently in times of adversity. Some people need to be busy with a broom and others need time out, but in the aftermath, the one thing the cyclone did was bring us all together. That was probably the most positive thing to come out of it."

Support for Elders people

"The support from Elders was sensational," said George.

"The company really lived up to its promise of supporting our people and communities.

"We didn't feel as though we had to go it alone, in fact there was an army of support behind us. We knew that at any time we could pick up the phone and there was somebody there to help."

The Elders Staff Foundation fund also provided much needed monetary support to the 30 local staff and their families. Up to $2000 was paid to individuals severely affected by the cyclone, while a minimum of $150 was provided to staff to help restock their fridges after nearly a week without power.

"We were all affected in some way, so that money deposited straight into our bank accounts just kept us going when we needed it," George said.

All Elders staff are invited to be members of the Elders Staff Foundation fund for just $1.15 per fortnight, giving them the chance to help out Elders people in times of natural disaster or personal tragedy. The funds collected from staff are matched dollar for dollar by Elders.

Support for farming communities

During the ongoing clean-up in the Northampton and Geraldton branches, Elders continued to be there for its local farming community.

George said many growers were facing severe stress and were struggling to cope, so reaching out and putting them in touch with friends and neighbours was critical.

In the following weeks, they were also able to visit clients and offer disaster relief terms that would see them through to after harvest.

"That was so important in just taking the pressure off and helping growers make the most of the cracking season," he said.

George said the best way Elders was able to support local farmers was by continuing to supply fertilisers, fungicides and everything else needed to get their crops established and protected through to harvest.

"In a lot of ways, we've had to just push the cyclone impact aside and get on with the job," he said.

"The rain this year has been a blessing for growers and they are determined to make the most of it. Everyone's saying it's a one in 20 year season."

“Everybody reacts differently in times of adversity. Some people need to be busy with a broom and others need time out, but in the aftermath, the one thing the cyclone did was bring us all together."

George Panayotou
Branch Manager

OPERATING & FINANCIAL REVIEW

2021

Operating and Financial Review[1]

Elders is for farming families. For rural communities across the country. For mateship and partnerships. For advice and innovation. For a sustainable future. Elders is for Australian Agriculture.

Impacts of COVID-19

At the date of this report, COVID-19 remains a global pandemic as declared by the World Health Organisation. Elders has considered the impact of COVID-19 when preparing the consolidated financial statements and related note disclosures, and continues to monitor the impact on our employees, demand for Elders' products and services, customers, communities and supply chains.

Elders fulfilled strong demand for its products and services by engaging in extended forward orders, mitigating the international supply chain constraints for farm supply inputs. Agency Services did not experience any material supply chain impacts with Wool and Livestock markets improving due to strong export demand and favourable prices. Real Estate Services benefited from increased residential and farmland turnover with low market supply and high demand for properties.

Elders has continued to support government and community efforts to limit the impact of the COVID-19 pandemic and ensure the health and safety of our team and customers, whilst also minimising business interruption. Elders has implemented travel restrictions, social distancing measures and deployed protective equipment where needed. Whilst a number of our operations have been impacted throughout the year, Elders has largely been able to continue operations safely through the adaption and resilience of our people.

Impacts of COVID-19 (cont.)

Elders has also focused on mental health and well-being initiatives, with increased resourcing and new initiatives implemented during the course of the year, particularly in response to the impacts of COVID-19 restrictions. Whilst Elders has successfully adapted to new ways of working, it has been crucial to ensure that our team continue to feel connected and supported during periods of disruption, isolation and uncertainty.

Pandemic risk remains on Elders' risk register and controls implemented in the business to mitigate COVID-19 impacts are operating effectively. Elders' COVID-19 Response Committee held regular meetings to monitor, track and report business and financial reporting matters relating to COVID-19.

With Elders' critical role in agriculture and rural and regional Australia, Elders maintained the decision to not stand down or reduce employment due to COVID-19. Elders did not access any government support such as JobKeeper during the year ended 30 September 2021.

Operations

Elders is focused on creating value for all its people, customers, community and shareholders in Australia and internationally. We achieve this with the expertise and commitment of approximately 2,300 employees.

In Australia, Elders works closely with primary producers to provide products, marketing options and specialist technical advice across rural, wholesale, agency and financial product and service categories.

Elders is also a leading Australian rural and residential property agency and management network. This network includes both company owned and franchise offices operating throughout Australia in both major population centres and regional areas. Our feed and processing business operates a top-tier beef cattle feedlot in New South Wales and a small premium meat distribution model in China.

Strategy

Elders' strategic framework is governed by our three-year Eight Point Plan.

Our ambitions to 2023 include:

- achieving compelling shareholder returns (5-10% EBIT and EPS growth and minimum 15% ROC), of which we attained 38% for EBIT and EPS respectively, while improving ROC to 22.5% in FY21
- industry leading sustainability outcomes, with targets set to reduce our Scope 1 and 2 greenhouse gas emissions to zero by 2050
- being the most trusted agribusiness brand in rural and regional Australia, which we have been proudly awarded for the last two years

Elders continued to make strong progress on our strategic priorities and enablers:

1. **Win market share** across all products, services and geographies through client focus, effective sales and marketing and strategic acquisitions
2. **Capture more gross margin** in Rural Products through optimised pricing, backward integration and supply chain efficiency
3. **Strengthen and expand our service offerings**, including Livestock and Wool Agency, Real Estate, Financial and Technical Services
4. **Optimise our Feed and Processing Services** businesses in Killara Feedlot and Elders Fine Foods
5. Develop a **sustainability** program that is authentic and industry leading
6. Invest in **Systems Modernisation** program - best of breed solutions to improve customer experience, drive process and administration efficiency and better accommodate change
7. Attract, retain and develop the **best people** and provide a **safe and inclusive working environment**
8. Maintain unflinching financial discipline and commitment to **cost and capital efficiency**

[1] *The Operating and Financial Review is presented in Australian dollars and is rounded in millions, unless otherwise stated. Rounding differences may be present due to individual amounts rounded to the nearest thousand dollars in the Financial Report.*

Profit and Loss

Profit: Reported and Underlying

$million	FY21	FY20	Change	Change %
Sales	2,548.9	2,092.6	456.3	22%
Underlying earnings before interest and tax				
Branch Network	205.6	150.4	55.2	37%
Wholesale Products	31.4	22.0	9.4	43%
Feed and Processing Services	4.0	7.7	(3.7)	(48%)
Corporate Services and Other Costs	(74.5)	(59.5)	(15.0)	25%
Underlying EBIT	**166.5**	**120.6**	**45.9**	**38%**
Finance Costs	(8.8)	(9.3)	0.5	(5%)
Underlying profit before tax	**157.7**	**111.3**	**46.4**	**42%**
Tax	(2.6)	(1.3)	(1.3)	100%
Non-Controlling Interests	(4.0)	(2.3)	(1.7)	74%
Underlying profit to shareholders	**151.1**	**107.7**	**43.4**	**40%**
Items excluded from underlying profit	**(1.3)**	**15.3**	**(16.6)**	**(108%)**
Reported profit after tax to shareholders	**149.8**	**122.9**	**26.9**	**22%**
Underlying EBITDA	207.4	162.4	45.0	28%
Underlying earnings per share (cents)	96.7	69.9	26.8	38%

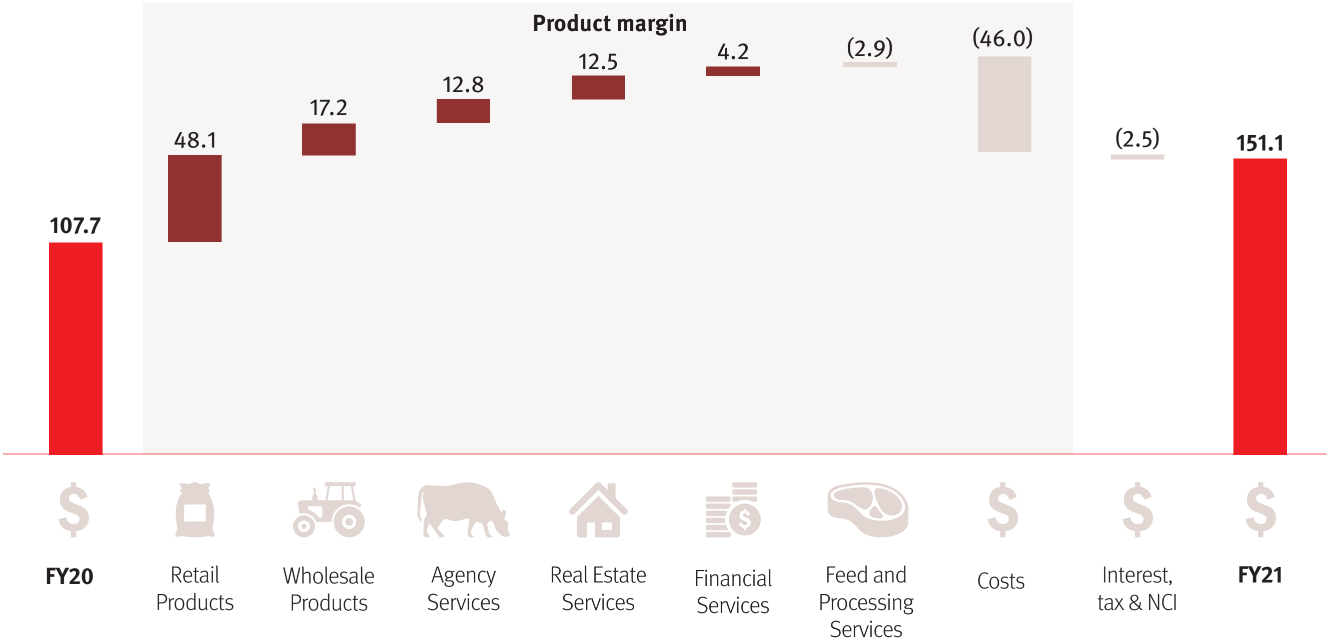
Items Excluded from Underlying Profit

The statutory result included items that are unrelated to operating financial results. Measurement and analysis of financial results excluding these items is considered to give a meaningful representation of like-for-like performance from ongoing operations ("underlying profit"). Underlying profit is a non-IFRS measure and is not audited or reviewed.

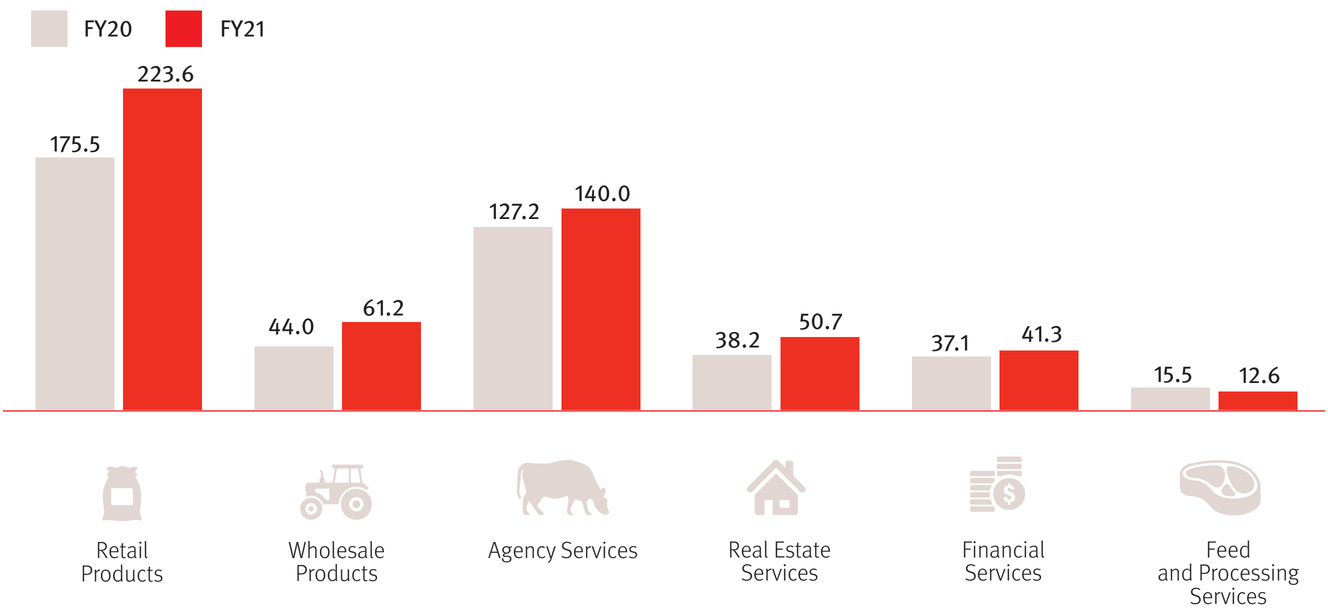
$million	FY21	FY20	Commentary
Tax adjustments	(1.3)	22.5	Recognition of all unbooked tax losses
Acquisition /divestment costs	-	(3.3)	Primarily relates to costs associated with acquisition of AIRR
Fair value adjustment on foreign exchange hedges	-	(2.1)	Non-cash losses recognised on thee revaluation of FX hedges
One-off asset costs	-	(1.1)	Costs associated with the Killara Feedlot silo collapse for which proceeds were recognised in FY19
Other adjustments to equity investments	-	(0.8)	Adjustment of equity accounted investment in relation to FY19 adoption of AASB 15
	(1.3)	**15.3**	

Underlying Profit by Product

Change in product margin ($million)[1]



Product margin by year ($million)[1]



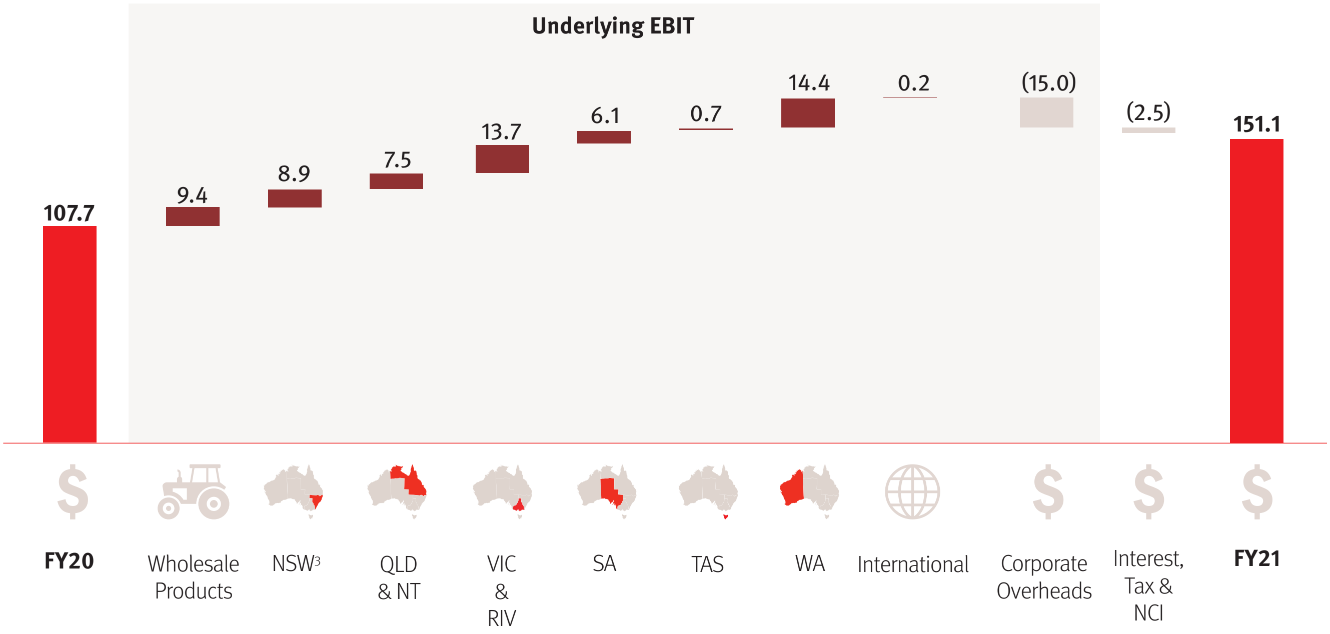
Key movements in profit by product:

- Retail Products margin uplift largely driven by increased demand for chemical and fertiliser products in line with improved summer and winter cropping, supported by backward integration strategy
- Wholesale Products margin benefited from a full year of the AIRR acquisition and sales growth in line with seasonal conditions and further uptake from the Elders network
- Agency Services margin growth mostly in Livestock, primarily due to high prices for cattle and sheep despite reduced volumes, corresponding to improved seasonal conditions and limited domestic supply
- Real Estate Services margin improvement reflecting ongoing network expansion and high demand for both residential and farmland assets
- Financial Services margin increased on last year, with growth and improved market conditions supporting our Insurance business, as well a full year of interest income earned on our new livestock funding product
- Feed and Processing Services downside mostly at Killara Feedlot, which was impacted by feeder cattle price pressures on margin and lower cattle volumes sold
- Costs increased on last year due to investment in additional people, acquisitions and strategic initiatives including the Systems Modernisation project

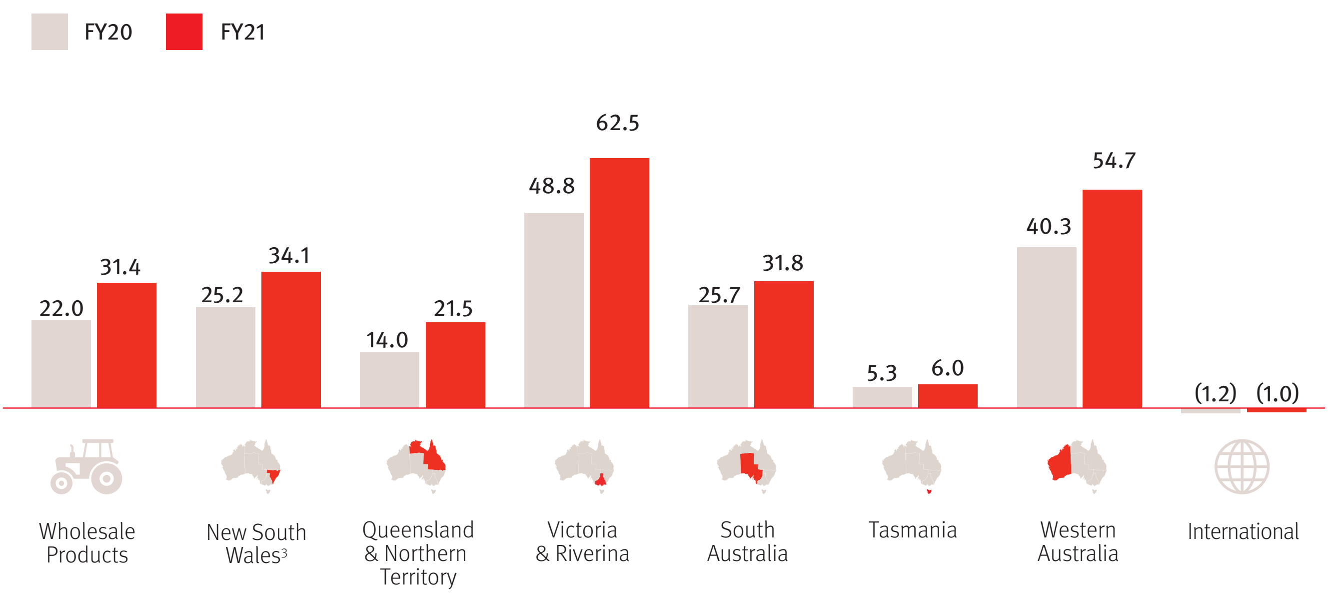
[1] *Branch Incentive, which was separately disclosed in FY20 has been reallocated to Retail Products and Agency Services in FY21 (50-50% split).*

Underlying Profit by Geography

Change in underlying profit by geography ($million)



Underlying profit by geography ($million)



Key movements in profit by geography:

- Wholesale Products benefited from a full year of the AIRR acquisition and sales growth in line with seasonal conditions and further uptake from the Elders network
- New South Wales[2] increase largely driven by strong demand for fertiliser and chemical products, partially offset by Killara Feedlot with feeder cattle price pressures and lower cattle volumes sold
- Queensland and Northern Territory uplift benefited from improved fertiliser and chemical sales and margin improvement, as well as high cattle prices and strong demand for residential and farmland assets
- Victoria and Riverina upside primarily due to improved sales particularly for fertiliser and chemical products, as well as strong cattle prices
- South Australia profiting from increased demand driving higher sales for fertiliser and chemical products, supported by backward integration strategy and YP Ag acquisition
- Tasmania favourable result mostly due to improved chemical products sales and margin improvement via backward integration strategy
- Western Australia favourable cropping conditions meant strong demand for fertiliser and chemical products as well as strengthened update of backward integration strategy
- Corporate Overheads increased due to investment in people (including incentives) and strategic initiatives including the Systems Modernisation project

[2] *New South Wales includes Killara Feedlot.*

Balance Sheet

$million	FY21	FY20	Change	Change %
Inventories	321.7	255.9	65.8	26%
Livestock	56.2	44.7	11.5	26%
Trade and other receivables	734.8	601.8	133.0	22%
Trade and other payables	(667.5)	(524.3)	(143.2)	27%
Working capital	**445.2**	**378.2**	**67.0**	**18%**
Property, plant and equipment	36.0	32.3	3.7	11%
Right-of-use assets	105.7	100.8	4.9	5%
Other financial assets	59.2	57.7	1.5	3%
Intangibles	332.6	306.2	26.4	9%
Provisions	(85.0)	(68.2)	(16.8)	25%
Capital (net operating assets)	**893.8**	**807.0**	**86.8**	**11%**
Borrowings: working capital and other facilities	(154.3)	(183.7)	29.4	(16%)
Lease liabilities	(110.7)	(104.5)	(6.2)	6%
Cash and cash equivalents	48.1	50.7	(2.6)	(5%)
Net debt	**(216.9)**	**(237.5)**	**20.6**	**(9%)**
Tax assets	**101.7**	**102.7**	**(1.0)**	**(1%)**
Shareholders' equity	**778.6**	**672.3**	**106.3**	**16%**
Underlying return on capital	22.5%	18.9%	3.6%	N/A
Rolling 12 month average capital (excluding brand name)	739.2	637.4	101.8	16%

Working Capital[1]

$million	FY21	FY20	Change	Change %
Retail Products	246.1	196.0	50.1	26%
Wholesale Products	83.8	58.9	24.9	42%
Agency Services	53.8	73.6	(19.8)	(27%)
Real Estate Services	4.1	1.0	3.1	310%
Financial Services	32.3	27.6	4.7	17%
Feed and Processing Services	59.7	51.4	8.3	16%
Other	(34.6)	(30.3)	(4.3)	14%
Working capital (balance date)	**445.2**	**378.2**	**67.0**	**18%**
Working capital (average)	487.7	402.7	85.0	21%

Key movements in working capital:
Working capital as at September 2021 is $445.2 million, which is $67.0 million higher than last year. Similarly, 12 month average working capital increased by $85.0 million to $487.7 million for the year. Movements relate to:

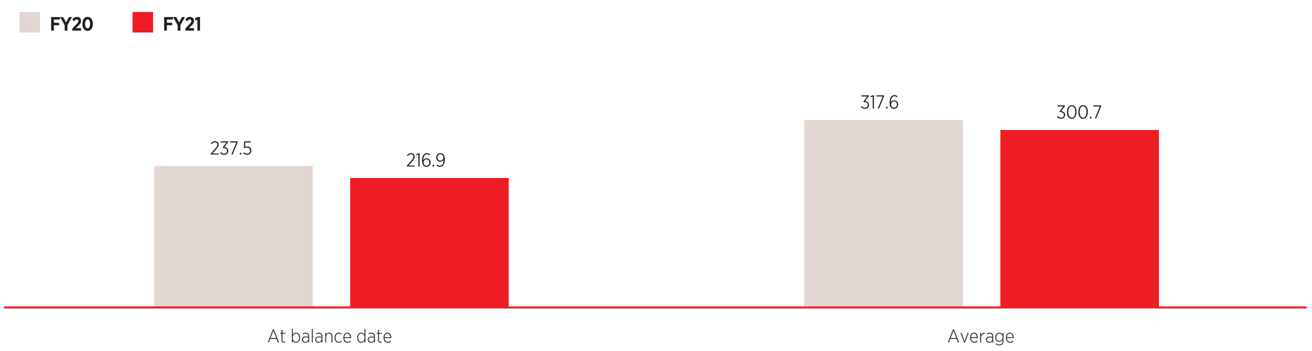
- Retail Products working capital increased at balance date and on average ($50.1 million and $42.3 million respectively), mostly attributable to higher debtors in line with increased sales activity, while maintaining stable debtor days, recoverability and ageing profile
- Wholesale Products working capital uplift of $24.9 million and $30.1 million at balance date and on average due to growth in debtors, corresponding to improved seasonal conditions and higher demand
- Agency Services working capital fell $19.8 million at balance date with an increase in payables more than offsetting the increase in receivables, in part due to favourable timing of year end, while average working capital increased $3.8 million due to higher livestock prices
- Feed and Processing Services unfavourable movement of $8.3 million at balance date and $8.6 million on average, which relates to increased inventory due to higher cattle prices

[1] *Prior year working capital has been restated between Rural Products and Agency Services representing a methodology change in debtor allocation effective 1 October 2020 to ensure consistent comparison year on year.*

External Borrowings

Key ratios - rolling 12 months	FY21	FY20	Change	Change %
Leverage (average net debt to EBITDA)	1.4	2.0	(0.6)	(30%)
Interest cover (EBITDA to net interest)	23.6	17.5	6.1	35%
Gearing (average net debt to closing equity)	38.6%	47.2%	(8.6%)	N/A

Net debt



Key movements in net debt:
Net debt at balance date declined $20.6 million to $216.9 million. Similarly, 12 month average net debt declined $16.9 million to $300.7 million. Net debt movement is favourable due to strong operating cash flows and lower net investing and financing cash flows, with the cash flows for the AIRR acquisition in the prior year exceeding that of the nine businesses acquired this year.

All financial net debt ratios have improved on last year in line with lower debt balances and earnings outperformance. There is also significant headroom in our banking covenants[2], which excludes AASB 16 Leases impact and debtor securitisation facility:

- leverage is (0.2) times (covenant ‹ 2.5 times)
- interest cover is 35.0 times (covenant › 3.5 times)
- net worth is $782.0 million (covenant › $250 million)

Undrawn facilities at 30 September 2021 were $293 million out of total committed facilities of $450 million.

Intangibles

Intangibles increased by $26.4 million to $332.6 million on last year, mainly due to goodwill on acquisitions in FY21.

Provisions

Provisions increased by $16.8 million on last year due to higher employee entitlements, particularly short-term performance incentives in line with EBIT outperformance, as well as increased leave provisions with less leave taken over the last 18 months due to COVID-19 restrictions.

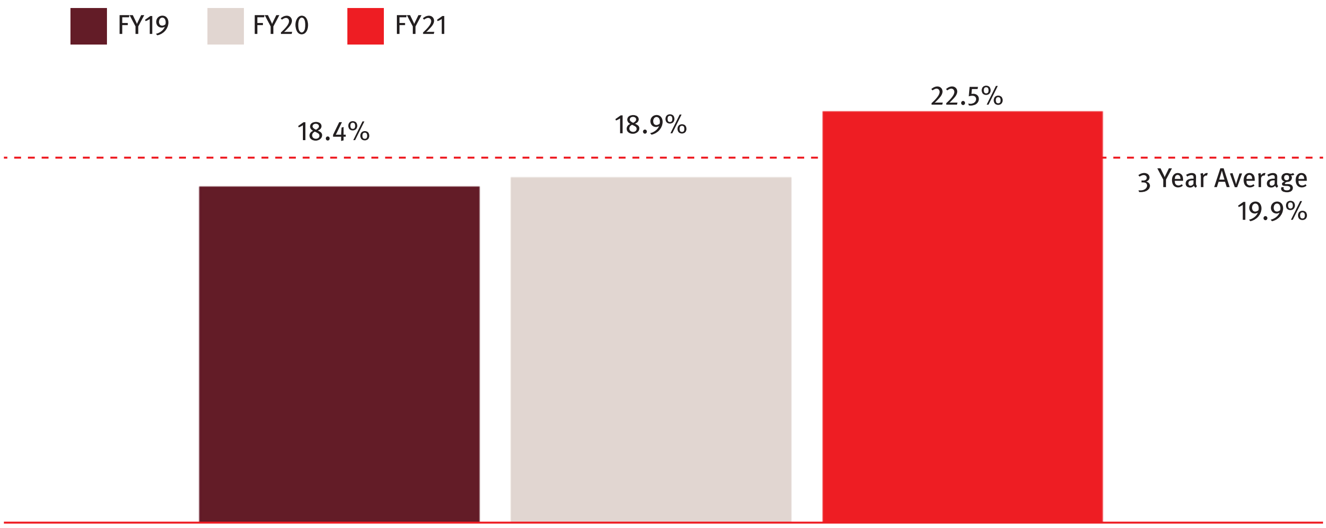
Shareholders' equity

Shareholders' equity increased by $106.3 million to $778.6 million at September, mostly representing FY21 reported net profit of $149.8 million partially offset by $49.1 million dividend distribution to shareholders, including tax.

[2] *Calculated pursuant to definitions in group syndicated facilities, with AASB 16 Leases and debtor securitisation facility as material exclusions.*

Return on Capital

Underlying return on capital



Key movements in return on capital:

Elders' underlying ROC was 22.5% at September 2021, up 3.6% from last year. Movements are attributable to:

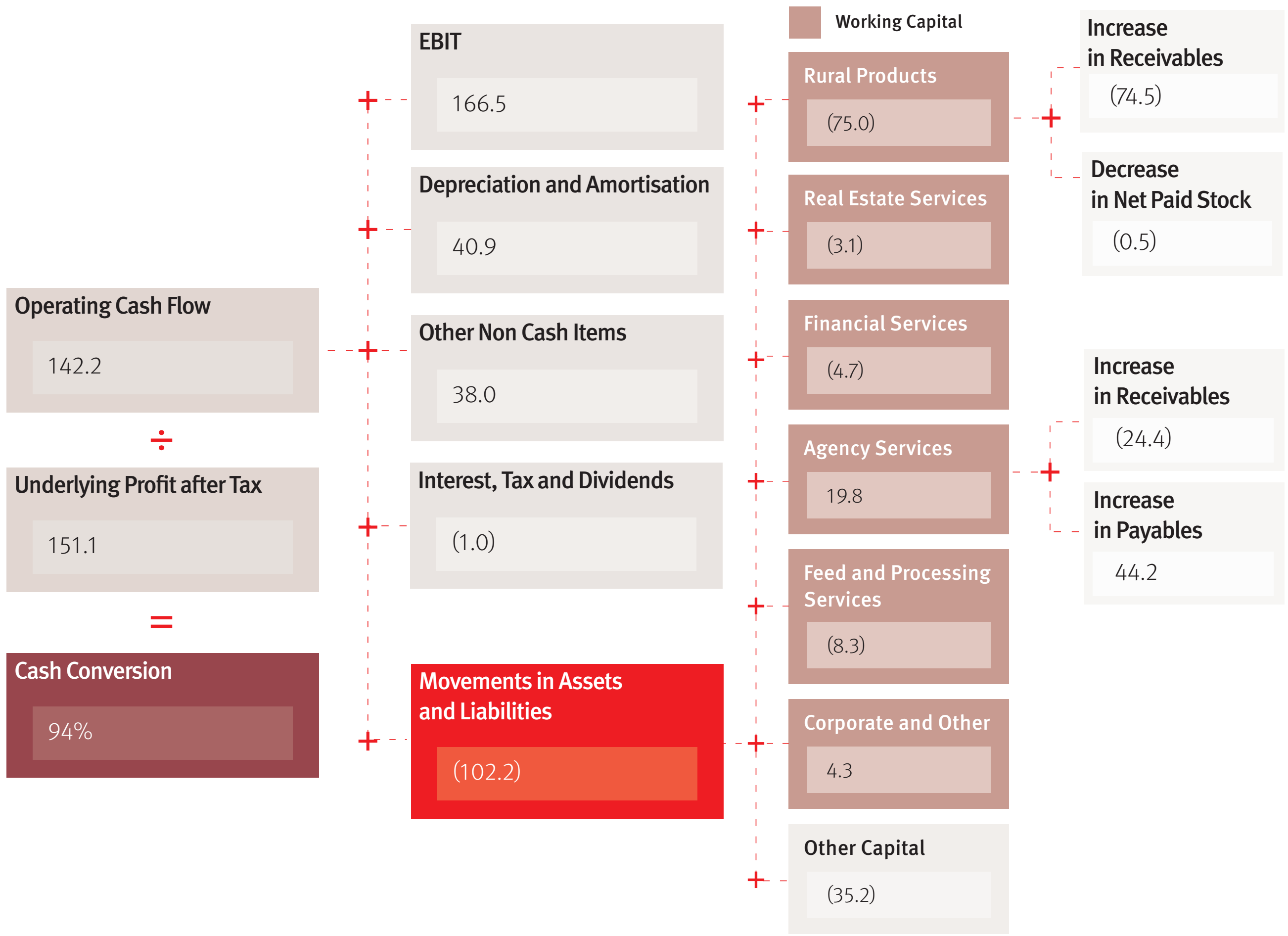
- higher Rural Products earnings, benefiting from increased sales activity consistent with continued demand for all product offerings, particularly chemical products
- improved earnings in Real Estate Services on similar capital, due to increased demand for residential and farmland properties
- lower Feed and Processing Services margin on higher capital, largely impacted by strong cattle prices

We achieved a 3-year average ROC of 19.9%, which is above our 15.0% target for the completion of the third Eight Point Plan period.

Cash Flow

$million	FY21	FY20	Change	Change %
Underlying EBITDA adjusted for non cash items	244.4	187.7	56.7	30%
Movements in assets and liabilities	(102.2)	(45.4)	(56.8)	125%
Net operating cash flows	**142.2**	**142.3**	**(0.1)**	**(0%)**
Net investing cash flows	(35.5)	(123.1)	87.6	(71%)
Net financing cash flows	(109.3)	24.2	(133.5)	(552%)
Net cash flow	**(2.7)**	**43.4**	**(46.1)**	**(106%)**

Cash conversion



Key movements in cash flow:

Operating cash flow is largely comprised of an underlying EBITDA adjusted for non cash items of $244.4 million. This is partially offset by movements in assets and liabilities of $102.2 million:

- increase in Rural Products (Retail and Wholesale Products) working capital at balance date of $75.0 million, mostly attributable to higher debtors in line with increased sales activity, while maintaining stable debtor days, recoverability and ageing profile
- Agency Services working capital fell $19.8 million at balance date with an increase in payables more than offsetting the increase in receivables, in part due to favourable timing of year end
- Feed and Processing Services unfavourable movement of $8.3 million at balance date, which relates to increased inventory due to higher cattle prices
- Other Capital increased $35.2 million mostly due to higher intangibles cash movement of $32.1 million for goodwill on acquisitions made in FY21

Investing cash flow for the year was an outflow of $35.5 million, which is $87.6 million lower than last year. Investing cash flows in the prior year includes the purchase of the AIRR acquisition, which exceeds the cash flows for the nine businesses acquired this year.

Financing cash flow was an outflow of $109.3 million, compared to an inflow of $24.2 million last year. This is due to repayment of debt of $29.4 million, compared to $83.5 million proceeds in the prior year, which largely related to funding for the AIRR acquisition. Other financing cash flow movements relate to dividends paid, which increased $23.3 million to $48.5 million.

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Material Business Risks

Achievement of our business objectives could be affected by a number of risks that might, individually or collectively, have an impact.

Following is an overview of key risks Elders faces in seeking to achieve its objectives. The risks noted are not exhaustive and are in no particular order. Elders seeks to identify, analyse, evaluate, treat and monitor all risks, to maximize opportunities and prevent or reduce losses.

Elders' risk appetite is set by the Board and recorded in the Elders Resilience Policy and Framework. The Executive Committee maintains a keen focus on those risks that have a higher rating than the desired appetite and continually assesses our operational and strategic environment for new and emerging risks.

Risks are comprehensively reviewed and reported four times a year (or escalated immediately if certain triggers are met) to the Board Audit, Risk and Compliance Committee to ensure the Board is adequately informed of the evolving risk environment.

Additionally, during 2021, Elders conducted a comprehensive strategic risk review. This process considered risks to Elders strategic success from a blank canvas. The outcomes were critically reviewed and approved by the Elders Board. Also, Elders continued to refine its use of CAMMS as the safety and risk management platform for the organisation. This system facilitates a live and integrated approach to risk monitoring, updates and reporting. It also enhances the linkages between safety and environmental incidents and risk management.

More detail on Elders' approach to managing risk is contained in the Corporate Governance Statement on Elders' website at elders.com.au/corporate governance.

Elders has categorised our material business risks as follows:

Economic
The ability to continue operating at a particular level of economic production over the long-term.

Environmental
The ability to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long-term.

Social
The ability to continue operating in a manner that meets accepted social norms and needs over the long-term.

Material Business Risk	Our strategy
Health and safety	
Safety risk is inherent in Elders' business activities. The safety of our people, clients and the general community with whom we interact is our number one priority. Key safety risks include livestock handling, remote driving, manual handling and chemical handling.	The safety of our people and an effective safety culture within Elders is a critical and non-negotiable corporate objective. Through the implementation of a safety management system based on continuous improvement, we reduce risks which might impact our operations. We recognise and reward safety initiatives and safe behaviours via our monthly One Elders Awards program. This initiative values and promotes safety and ensures our positive safety culture is embedded throughout our operations.
Animal welfare	
The safety and welfare of livestock is of paramount importance to Elders and the company has controls in place to ensure the wellbeing and proper treatment of all animals within our control. Failure to protect the welfare of livestock in our control might result in stakeholder activity, business disruption and reputational damage.	Elders has "zero tolerance" for poor treatment of livestock. Our people are trained in safe livestock handling protocols and methods and we comply with and strive to exceed all government requirements. In addition, we actively engage with the industry and stakeholders to improve animal welfare practices where possible.
Pandemic	
As is the case for many businesses, pandemic conditions have the potential to impact Elders' ability to conduct its business. The safety of our people, clients, the general community and business continuity are at risk during such events.	Throughout COVID-19, Elders has enacted and operated its business continuity processes, establishing a COVID-19 Committee which meets frequently and is comprised of executive level business unit representitives and functional experts and is chaired by the Company Secretary and General Counsel. To date, the pandemic has not triggered the activation of the crisis management team for Elders.
Commodity pricing	
Elders has exposure to commodity price fluctuations in its Agency, Retail and Feed and Processing operations where movements in commodity prices, exchange rates and/or a change in the volume of Australian rural production could affect margins in the future.	Exposures are managed through diversification of income streams by product and geography, controlled inventory levels and flexible remuneration models for the Agency business which allow for cost base adjustments in response to fluctuations.
Severe weather events	
Severe weather events and other natural events may reduce the output of relevant agricultural products and affect the operation of Elders' business. Natural events, caused or affected by weather, such as frost, drought, flood and fire can have an impact. Such conditions can influence the supply of and demand for rural products and services provided by Elders, resulting in varied revenue levels.	To limit the impact of natural weather events, Elders maintains both a geographical spread of operations and a diverse product and service range. Maintain robust incident response and business continuity systems.
Climate change	
Climate change has the potential to impact on Elders' business. Impacts such as increased temperatures and varied rainfall patterns may have significant implications for the environment and conditions in which Elders conducts business.	In 2021 Elders has continued to develop: • our strategy in relation to measuring ESG risks and investigating opportunities; and • our reporting framework for climate change impacts and opportunities with the dedicated sustainability resourcing within the group Further enhancements include the development of emission reduction targets and strategies to reduce greenhouse gas emissions. Detailed Climate change risk assessments were conducted during 2021 and further information is available in the Elders 2021 Sustainability Report.
Human Resource risk	
Elders people are critical to the performance and success of the organisation. Failure to attract and retain the right people might adversely impact organisational performance.	Elders has well established processes aligned to our objective to be an employer of choice and attract outstanding people with the right values. Additional processes are designed to ensure Elders utilises their individual talents to achieve sustainable success.

Material Business Risk	Our strategy
Biosecurity threats	
Biosecurity threats to agricultural products and livestock may affect Elders' business. An outbreak of a systemic animal or plant disease can lead to quarantine conditions in rural Australia and reduce producers' need for goods and services or affect their ability to operate.	To manage the impact, Elders has in place employee training and disease management protocols. In addition, Elders also has a business continuity framework in place to respond to and recover from the risk of disruption.
Food safety	
Elders handles livestock and red meat in its Feed and Processing operations which are destined for human consumption. The risk of contamination to these food products exists.	This risk is managed through HACCP accreditation in meat processing plants and strict animal health controls in the feedlot. During 2021, Elders has developed a business continuity framework specifically for the Killara feedlot.
Fraud and corruption	
Elders is exposed to fraud, bribery and corruption risks, including in foreign markets in which it operates.	Elders has several controls to counter these risks, including appropriate segregation of duties, the terms of its Code of Conduct, compliance policies, anti-fraud policy, anti-bribery and corruption policy, training throughout the business, financial reconciliation processes, whistle-blower policy and reporting hot-line, leave management protocols and an Internal Audit program which is complemented by periodic reviews conducted by the external auditor.
Counterparty risk	
Elders deals with numerous counterparties of different types. We provide credit to approved counterparties, both domestically and internationally, and may be exposed to losses associated with a client's inability to repay debt as well as exposure to supplier and partner counterparty risks.	This risk is managed by individual counterparty credit risk assessments, maintaining credit policies and procedures, oversight by the Credit Committee, debtors monitoring and reporting, trade credit insurance (major livestock processors debtor) and high level reviews of significant credit issues by the CEO and CFO, and if sufficiently material, the Board. To address counterparty risk through its foreign operations, Elders performs counterparty risk assessments, undertakes due diligence processes and seeks to establish long-term strategic relationships with key customers.
Geopolitical risk	
Elders operates in domestic and foreign jurisdictions where the business may be affected by changes implemented by governments. In addition, subsidies given to foreign rural producers may adversely affect the competitive position of Australian rural outputs.	Elders controls consequential exposure to this risk through contractual means wherever practicable and seeks to cultivate a diverse range of international markets to reduce concentration risk. The Board maintains control and oversight over ventures in new jurisdictions.
Cyber risk	
Elders' operations rely on information technology solutions which expose us to the threat of cyber disruption and loss of data.	Elders maintains a strong focus on its information technology capabilities and we continue to implement and embed stronger security for our IT infrastructure on a continuous improvement basis. During 2021 this has included NIST and Essential 8 Cyber Audits and dedicated vulnerability management.
Supply chain risk	
Due to the nature of our operations, we operate with complex supply chain challenges and work with numerous logistics suppliers in a dynamic operational and regulatory environment.	This operational risk continues to be a strong focus in 2021 and work with government regulators and other parties will continue to improve our processes across our supply chain as well as educate and inform the logistics providers we operate with. Elders has conducted a comprehensive review of its retail supply chain risks and is establishing a dedicated supply chain team to reduce supply chain vulnerability.
Global and Domestic economic shocks	
Elders is exposed to rapid changes in economic conditions that impact prices, sales volumes, growth and or overhead costs.	Exposures are managed through diversification of income streams by product and geography, controlled inventory levels and flexible remuneration models for the Agency business and appropriate debt facility management.
Social Licence risk	
Elders operates in jurisdictions where the business may be affected by changes to stakeholder expectations which and require the business to modify its activities. This includes expectations relating to human rights, animal welfare, the environment and product and services mix.	Elders controls consequential exposure to this risk through continuous monitoring of social trends that have the potential to impact the business. Various resources, including our sustainability team, are responsible for identifying, analysing and responding to social shifts. The Board maintains control and oversight over activities in all jurisdictions.

REVIEW OF OPERATIONS

2021

OPERATING HIGHLIGHTS

Digital & Technical Services

183

agronomists

0.7m

users of eldersrural.com.au

69k

followers across social media platforms

7.6m

Elders Weather users

78%

increase in AuctionsPlus website audience

Key Statistics by Product

$1.7b
Retail Products sales

$0.3b
Wholesale Products sales

1.6m
head of cattle

9.4m
head of sheep

$1.6b
farmland sales

$1.5b
residential sales

$0.9b
gross written premiums

$17m
livestock funding product

60k
Killara head of cattle

$18m
Elders Fine Foods sales

Rural Products

Elders is one of Australia's leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise.

Our Retail Products division supplies these rural products to primary producers and corporate farm customers through 223 Elders owned retail stores. Additionally, we also provide professional production and cropping advice with over 183 agronomists nationwide, including additional specialists operating through Elders Technical Services.

Elders also operates a Wholesale Products business supplying independently owned member stores, utilising the AIRR branding. AIRR also provides retail services through corporate owned stores and the Tuckers Pet and Produce brand to independently owned member stores.

Our backward integration strategy is facilitated through various brands.

Performance

Rural Products margin increased $65.3 million (30%) to $284.8 million, of which $48.1 million is attributable to Retail Products. This uplift in Retail Products is largely driven by sales activity (up 22%), boosted by strengthened cropping demand. Retail Products also produced a 0.6% improvement on gross margin percentage, which has been supported by our backward integration strategy, preferred supplier ranging and enhanced pricing and margin management. Titan AG also contributed a further $13.7 million of manufacturing margin year on year, supported by a 34% increase in sales through the Elders network.

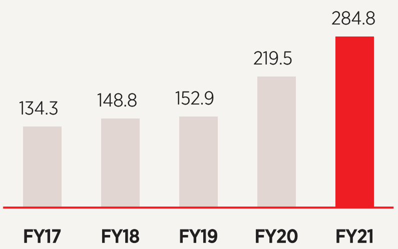
Wholesale Products margin is up $17.2 million (39%) to $61.2 million, benefiting from a full year of results from the AIRR acquisition, coupled with sales growth of 34% due to favourable seasonal conditions and increased support from the Elders network.

Strategy

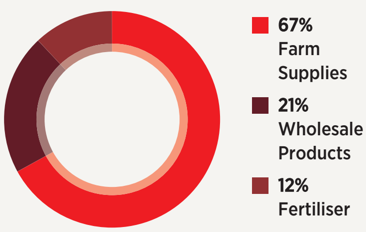
To deliver capital light and profitable growth by executing our backward integration strategy, capturing more gross margin from optimised pricing and supply chain efficiency, and winning market share through customer centricity, sales force effectiveness and strategic acquisitions.

Strategy	Achievement	Plan
Expand own brand product segment	• Increased own brand share of sales • Launch of new products and brands via Titan AG, Pastoral Ag and Hunter River, and new Optifert speciality fertiliser product range	• Continue to expand own brand product portfolio through new product launches and marketing investment • Re-launch own brand "EPG Seed" offering and expand into wholesale channels
Margin management and efficiency improvements	• Increased average Rural Products margins through enhanced price and margin management and commitment to preferred suppliers	• Continued improvement in pricing and margin management sophistication • Establish a new national supply chain function to deliver supply chain efficiencies and support risk management
Customer focus and expanded store footprint	• Invested in frontline sales staff and initiated a national sales training program through the Thomas Elder Academy • Added 14 new retail locations, 10 through acquisitions and four greenfield developments across the country • Successful execution of marketing campaigns across catalogue, print, online and in-store	• Deliver sales training to a further 200+ frontline employees • Continue to fill geographic gaps with strategic acquisitions and greenfield developments • Continued promotional campaigns with an increased focus on content based marketing
Growth of Wholesale Products	• Significant growth with key strategic suppliers • Improved loyalty with spend per member increasing on prior year • Successfully delivered Year 2 synergies in line with expectations • Grew private label brands into wholesale and retail networks	• Grow member base and deliver initiatives to enhance member loyalty and increase spend • Increase the warehouse footprint in key strategic areas, including Tasmania and Central Queensland • Build on the private label brand position • Expand retail footprint through strategic acquisitions

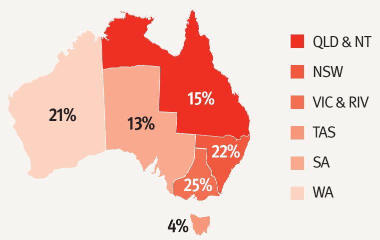
Rural Products margin ($million)



Margin by product



Margin split by geography



Agency Services

Elders provides a range of marketing options for livestock, wool, and grain. The Elders livestock network comprises livestock agents and employees operating across Australia conducting on-farm sales to third parties, regular physical and online public livestock auctions and direct sales into Elders-owned and third-party feedlots and livestock exporters.

Elders is one of the largest wool agents for the sale of Australian greasy wool and operates a brokering service for wool growers. Our team of dedicated wool specialists assists clients with wool marketing, in-shed wool preparation, ram selection and sheep classing.

Elders also has a 50% interest in AuctionsPlus, an online livestock auction platform, and a 30% interest in Clear Grain Exchange (CGX), which is an online grain trading platform.

Performance

Agency Services margin improved $12.8 million (10%) to $140.0 million, which is mostly attributable to Livestock (up $7.6 million). This is due to strong livestock prices for both cattle and sheep (up 31% and 9% respectively), due to limited domestic supply. This is however partially offset by improved seasonal conditions driving herd and flock rebuild, which has seen volumes reduce by 9% and 2% head for cattle and sheep.

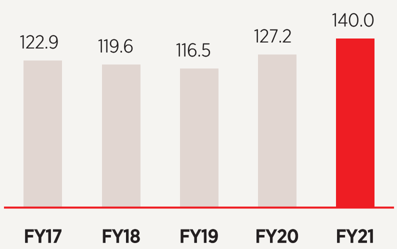
Wool margin is favourable $4.9 million (45%) to last year, due to recoveries in the wool market. This was mainly contributed by the Eastern Market Indicator (EMI) increasing approximately 34%, coupled with improved demand from China. Despite the lower number of sheep shorn nationally, favourable conditions supported fleece weight production, which enabled a further 41% increase in bales sold, with many of the bales previously held in store also traded throughout the year.

Strategy

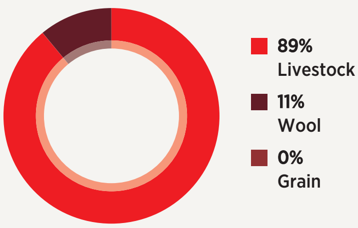
To deliver profitable growth of the Agency Services portfolio through business improvement, recruitment and acquisition for our Livestock and Wool businesses and through focused growth of our investments in AuctionsPlus and CGX.

Strategy	Achievement	Plan
Operating model	• Business efficiency and growth through implementation of initiatives, including digitisation of processes • Further growth in AuctionsPlus channel in livestock and machinery transactions • Record year for CGX for volumes sold through the platform	• Continued investment in Livestock, Wool and Grain product development to improve and expand offering • Further footprint expansion through targeted agency acquisitions • Continue to grow listings through AuctionsPlus • Leverage 30% shareholding in CGX to improve grain value proposition and grow revenue
People	• Relaunched livestock trainee program • Implemented national livestock training program	• Selective recruitment of Livestock and Wool personnel • Geographical expansion through recruitment of high performing people

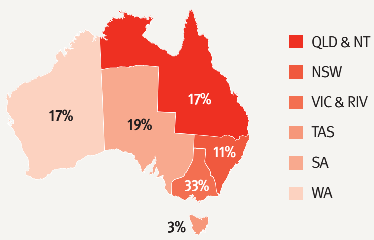
Agency Services margin ($ million) [1]



Margin by product



Margin split by geography



1 *Includes equity earnings from investments.*

Real Estate Services

Elders' Real Estate Services include company owned rural agency services primarily involved in the marketing of farms, stations and lifestyle estates. It also includes a network of residential real estate agencies providing agency and property management services in major population centres and regional areas through company owned and franchise offices. Other services include water and home loan broking.

Performance

Real Estate Services margin increased by $12.5 million (33%) to $50.7 million compared to last year, with sales turnover up across most service offerings. Margin from residential and farmland agency has contributed most of the uplift (up 68% and 26% respectively) due to high demand and is favourable across most geographies. This was supported by ongoing network expansion, acquisitive growth and favourable market conditions.

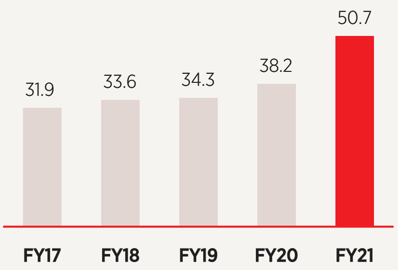
Property management has also outperformed last year as a result of ongoing rent roll growth. Key agent retention and net growth in agent numbers has been maintained at strong levels through delivery of a compelling attraction and retention proposition.

Strategy

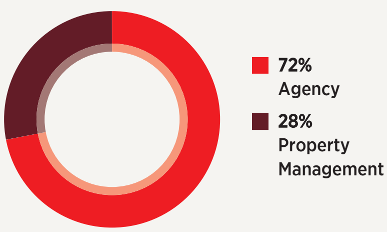
To deliver profitable growth of the Real Estate Services portfolio through driving business improvement, recruitment and acquisition for all real estate services.

Strategy	Achievement	Plan
Operating model	• Implementation of numerous business improvement initiatives, primarily focused at brand enhancement, digital strategy and people development • Grown a significant rent roll asset through organic and acquisitive growth • Positioned the business as a transaction adviser of choice in corporate agriculture and facilitated numerous on and off-market investment scale farmland transactions • Implemented Console Cloud property management platform to drive efficiency improvement in rent roll operations	• Continue to grow company owned farmland agency, residential agency and property management presence in major regional centres • Continue to grow market share in water broking • Enhance productivity and efficiency initiatives in our property management business • Adoption of state-of-the-art CRM systems for agency operations • Continued enhancement of digital marketing and lead generation activity
People	• Positioned key personnel as leading transaction advisers for corporate scale transactions • Maintained a strong attraction and retention proposition • Retained all high performing sales agents • Significant increase in participation levels in a modern learning and development program	• Ongoing recruitment of high performing real estate sales representatives and water brokers • Recruitment of real estate franchisees • Increased productivity through technology initiatives and training • Ongoing investment in capability in the farmland investment space to provide a whole of investment lifecycle service offering

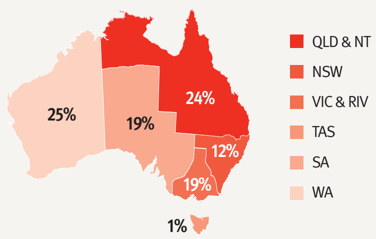
Real Estate Services margin ($ million)



Margin by product



Margin split by geography



Financial Services

Elders distributes a wide range of banking and insurance products and services through its Australian network. We work together with a number of partners to deliver these offerings; Rural Bank and StockCo for banking and livestock funding products and Elders Insurance (a QBE subsidiary) for general insurance. Collectively, these relationships enable us to offer a broad spectrum of products designed that help our customers grow their business and manage cash flow and risk.

Performance

Financial Services margin improved $4.2 million (11%) to $41.3 million on last year. This uplift is largely contributed by our Insurance business (up $3.0 million), driven by increased gross written premiums as supported by favourable market conditions.

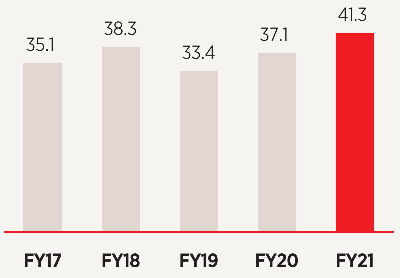
Growth in our Livestock in Transit (LIT) delivery warranty and new livestock funding products has also contributed to the overall uplift ($0.9 million and $1.5 million respectively).

Strategy

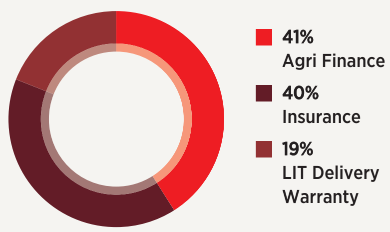
To deliver profitable growth of the Financial Services portfolio through business improvement, product development and upstream investment in our services business.

Strategy	Achievement	Plan
Deeper, more productive partnerships	• Launched engagement program with Rural Bank to further enhance local relationships and drive growth • Worked with StockCo on multiple growth projects across specific geographies	• Building on existing and new relationships with Rural Bank staff located in Elders branches to bring finance solutions to Elders' clients • Engage with StockCo to expand product offerings • Joint strategic marketing and referral campaigns with Elders Insurance to grow gross written premiums
Expand Elders issued product offerings	• Further growth in Livestock and Wool in Transit delivery warranty associated with Elders' Agency Services business • Further enhancement of livestock funding product for <$100,000 facilities • Elders' StockCo balances exceeded $100 million for first time	• Further development of new and existing on-balance sheet finance products to improve efficiency and client experience • Grow Livestock and Wool in Transit delivery warrant revenue through increased uptake and further digitisation • Expand Elders' finance footprint and capability through recruitment and training

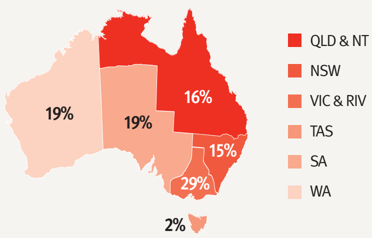
Financial Services margin ($ million)[1]



Margin by product



Margin split by geography



1 *Includes equity earnings from investments.*

Feed and Processing Services

In Australia, Elders operates Killara Feedlot, a beef cattle feedlot near Tamworth in New South Wales. Elders also imports, processes and distributes premium Australian meat in China.

Performance

Killara feedlot margin is unfavourable to last year $3.3 million falling 22% to $11.9 million. Feeder cattle price pressures on margin and lower cattle volumes sold adversely impacted our principal trading business. Despite difficult trading conditions, Killara was able to maintain steady throughput to major domestic and export customers, with growth in our backgrounding operations via early purchasing of young stock to support the supply chain. Further investment in Killara's farming operations and capital expenditure has also seen improved efficiencies and sustainability across the business.

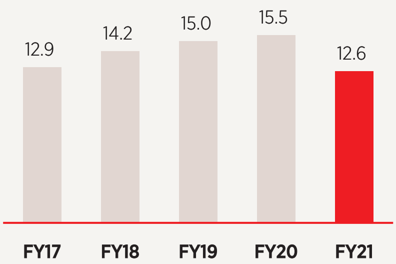
We are seeing improvements in our China business post major COVID-19 disruptions, with margin improving $0.4 million to $0.7 million (133%) on last year. This is driven largely by increased sales in line with recovering market conditions, partially offset by higher cost of inputs.

Strategy

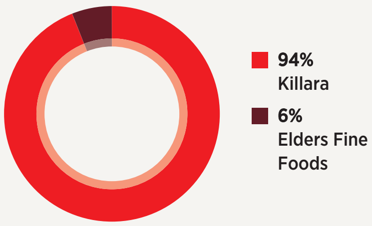
To deliver continuous improvement in EBIT and ROC for all businesses with active portfolio composition management.

Strategy	Achievement	Plan
Grow Killara Feedlot	• Continued investment in capital improvements to drive high utilisation and efficiencies • Steady cattle supply chain management via backgrounding and external facilities • Enhanced irrigated farming operations to better utilise farming country and available effluent and licensed bore water • Diversified customer portfolio with major market wins with Kilcoy, Coles and further gains with Woolworths • Continued improvements in animal health outcomes through pre vaccination and backgrounding strategy • World first feedlot trial work in the early detection of bovine respiratory disease	• Extensive capital investment in new feeding technologies • Staged roll out of centre pivot irrigation systems for the production of corn silage to be used as part of cattle feeding at the feedlot and backgrounding operations
Grow Elders Fine Foods	• Captured market opportunity to promote processed meat business • New restaurant chains recruited with stable sales	• Drive further growth and margin improvement through execution of business improvement initiatives • Partnership with Australian suppliers to improve volume, price and quality • Increase production capacity through automation

Feed and Processing Services margin ($ million)



Margin by product



Outlook

Following ongoing favourable rainfall events, Elders is expected to benefit from continued high livestock prices and a positive cropping outlook.

Elders will continue to invest in initiatives to deliver outcomes for its people, customers, community and shareholders.

COVID-19

- COVID-19 remains a disruptor to global and domestic markets, however the business and broader industry continues to be adaptable

Rural Products

- Positive summer crop outlook, with area planted forecast to rise 24% to 1.3 million hectares[1], expected to drive strong demand in the first half for cropping inputs, particularly agricultural chemicals, fertiliser and seed
- Current 2021-22 winter crop expected to produce 54.8 million tonnes[1], which supports continued optimism for the following winter crop season next year
- Constrained global supply chains will continue to drive higher cost of goods sold for fertiliser, agricultural chemicals and steel products and present security of supply challenges. Active management is underway and at this point we do not anticipate material business impacts - orders have been brought forward to secure supply, risk diversified across suppliers and pricing adjusted to protect margins
- Completion of Sunfam acquisition to grow presence in the Bundaberg region, as well as expanding our operations around irrigation design and fabrication

Agency Services

- Prices for beef and lamb in 2021-22 are anticipated to remain high in the medium term (up year on year 3% to 703c/kg and 1% to 791c/kg respectively[2]) driven by limited supply and strong domestic re-stocker demand
- Continued wool market recovery expected in 2021-22, with a 16% increase year on year in EMI to 1,390c/kg[2], driven by increased demand in China and Europe, which is supported by favourable conditions for production

Real Estate Services

- High levels of demand for farmland is expected to continue, fuelled by favourable commodity price outlook, low interest rates and good seasonal conditions[3]
- Strong demand for residential and rental properties likely to continue, with potential for increased activity due to the cessation of COVID-19 lockdowns[3]

Financial Services

- Second year of earnings and continued uptake of our livestock funding product forecasted to provide margin upsides
- Significant room for continued growth in our Livestock in Transit product, promoted by further customer opt ins to the add-on product
- Favourable market conditions to support demand for our Insurance and other Agri Finance offerings

Feed and Processing Services

- Positive start and strong demand from customers with increases in margins for both domestic and export supply chains despite ongoing high feeder cattle prices
- Backgrounding and irrigated farming operations are expected to support the Killara supply chain to ensure high utilisation and throughput at the feedlot
- Investment in environmentally sustainable and growth initiatives to drive efficiencies at Killara

Costs and Capital

- Costs are expected to increase in line with sales growth while maintaining a stable cost to earn ratio
- Footprint and acquisition growth, continued investment in our Eight Point Plan and the first phases of our System Modernisation program
- Continued low interest rate environment

1 *Department of Agriculture, Water and the Environment, ABARES Australian Crop Report: September edition.*
2 *Department of Agriculture, Water and the Environment, ABARES Australian Agricultural Outlook: September quarter 2021.*
3 *CoreLogic Residential Real Estate Property Data: September 2021.*

Harnessing technology for greater productivity

Elders is working alongside a new generation of farmers in their quest for greater efficiency and higher productivity.

Clint Neville and his younger brother, Scott, are farming in partnership with their parents, Barry and Kaye Neville at 'Romani', near Forbes in central New South Wales.

Their 1,800-hectare enterprise is built on growing canola, wheat, barley and oats and they also run first cross ewes for the lamb market.

Like many farmers around the country, the Nevilles have been following best practice guidelines to manage their worst winter weed problem, annual ryegrass.

Their solution has been forged in collaboration and research.

This season, Clint and Scott hosted a large-scale trial featuring the latest pre-emergent herbicides on their farm, to compare how they performed under local conditions and share their findings with other young farmers in the district.

Elders agronomists led by Lauren Marchant* set up the trial site on 120 hectares of Flanker wheat sown in May 2021, taking plant counts and monitoring the trials throughout the growing season in partnership with the brothers.

The trials featured six herbicides from a range of suppliers, including Overwatch® from FMC and Mateno® Complete, a new product from Bayer CropScience which is awaiting registration for use in Australia.

"Annual ryegrass is by far our worst weed, but broadleaved weeds such as capeweed are also common," says Clint.

"With plenty of follow-up rain since sowing, the herbicides have all worked well, but the downside is that the two farm walks we planned during the season were both rained out. We are now looking into hosting a virtual tour of the site online."

Despite the wet conditions, Clint is sure that the large-scale trial was a valuable way to assess the latest chemistry for managing weeds, share the opportunity with other local farmers, and guide their decision making in the seasons ahead.

"Scott is actively involved in the local branch of NSW Young Farmers, so we like to host field days and take part in other farm walks and infrastructure days to learn about the newest developments with other young farmers," Clint said.

"Having two Elders agronomists on the ground has been really helpful with the trials and our merchandise representative, Jasen Bennett, has also been on the ball securing products for us." he said.

Next up, the brothers are looking into variable rate technology to improve fertiliser use efficiency, address soil acidity and grow more uniform, higher yielding crops.

Clint and Scott utilise soil sampling and tissue testing to guide their crop nutrition programs as a matter of routine, but they are also turning to satellite imagery known as NDVI (Normalized Difference Vegetation Index) imagery to identify variability and problem areas in their paddocks.

"With the increasing costs of inputs such as fertilisers, lime and gypsum, we want to take a more targeted approach instead of using a blanket rate across each paddock," Clint said.

"For example, some areas are quite acidic, so rather than applying 2.5 t/ha of lime over whole paddocks, we only want to treat those areas that require it to increase soil pH levels above 5."

With so many developments in new technology and plenty of new products and services to assess, Clint turns to Elders for guidance.

"When it comes to putting together all the pieces of the puzzle, that's where Elders advisors are invaluable." he said.

*(*Lauren Marchant has since taken up a more senior role at Elders as State Rural Products Manager, NSW).*

“When it comes to putting together all the pieces of the puzzle, that’s where Elders advisors are invaluable”

Clint Neville,
Grower, 'Romani' Central NSW

SUSTAINABILITY

In FY21

CLIMATE TARGETS

to reduce greenhouse gas emissions[1]

2025

100% renewable electricity in all Australian sites by 2025

2030

50% reduction in Scope 1 and 2 emissions intensity (tCO2e/$m revenue) by 2030, against a baseline year of 2021[2]

2050

Net Zero Scope 1 and 2 emissions by 2050

[1] Targets are based on Elders' financial year ending 30 September.

[2] Subject to commercially viable technology being available to address feedlot cattle emissions.

Key Highlights

$2.1m
In donations and sponsorships

840
Local community sports teams and events sponsored

#1
Most trusted agribusiness brand among regional Australians for the second year running

535
New hires

41,000+
Agricultural chemical containers diverted from landfill

50%
Board positions held by women

TCFD
Progressed alignment of climate-related disclosures with TCFD Recommendations

RFDS
Renewed partnership with the Royal Flying Doctor Service

78%
Employee engagement score, a record high for Elders

1ST
Annual Modern Slavery Statement published

Sustainability at Elders

Our key sustainability principles

			
We provide our customers and clients with the goods and services they need	We support our people and the industries and communities in which we operate	We do our part to look after the environment and the animals in our care	We operate ethically and to the highest standard

Our Material Topics

Our sustainability program includes the following topics, which are regularly reviewed to ensure we continue to address the issues our stakeholders consider to be material to our business.

Topic	Focus
Community impact and investment	Supporting local communities and managing community expectations and relations
Health and safety	Maintaining our commitment to providing a safe work environment
Employee attraction and retention	Investing in the present and the next generation of our workforce and ensuring that our people are enabled to support service delivery and create meaningful work outcomes
Climate change	Addressing the risks and opportunities presented by climate change mitigation and adaptation
Water availability	Addressing the issue of water availability to the communities in which Elders operates and its impact on the operation and performance of Elders' business
Animal welfare	Ensuring the well-being and proper treatment of livestock
Severe weather events	Addressing the issue of severe weather events and their impact on the operation and performance of Elders' business
Energy	Managing our energy consumption and greenhouse gas emissions through the responsible use and reliable sourcing of energy
Waste management	Responsibly managing waste in our own operations and our role in managing agricultural waste from our customers' operations
Corporate governance	Delivering on our commitment to high quality governance, transparency and ethical business practices
Innovation and technology	Demonstrating our investment in innovation and technology in the agriculture industry

Our ambition is to develop and then deliver an authentic and industry leading sustainability program which acknowledges and builds on the initiatives in which Elders participates and leads throughout rural and regional Australia, for and on behalf of the entire agriculture industry.

This is highlighted in our current Eight Point Plan, which sets out Elders' key strategic priorities from 1 October 2020 through to 30 September 2023. Our Eight Point Plan was developed by our Board and Executive through a series of workshops and strategy sessions over the course of 2020. Following the success of our last two plans which focused on survival and growth, our latest plan represents the next level of sophistication for our business.

Full details of our sustainability program and actions during FY21 can be found in our Sustainability Report, available at our **Sustainability Centre.**

Community Impact and Investment

Through assisting generations of Australian farmers over the course of more than 180 years in business, we recognise that our long-term sustainability is dependent on us maintaining strong relationships with the communities in which we operate and connected to their economic prosperity and resilience.

Our rural communities continue to face a number of challenges presented by changing agribusiness models, increasing automation and corporatisation of farms, the environmental impacts of drought and more broadly, climate change.

As a key member of the agriculture industry and our rural communities, we recognise our role in providing support. We primarily do this through:

- investments in local events and organisations, and by participating in local community programs
- supporting local businesses and employing local workers
- maintaining a physical presence in the communities we serve, through good times and bad
- adapting and providing the goods and services our local customers and clients need at any given time

Sponsorships and Donations ***(numbers rounded)***	**$2.1m**
To local communities - including rural schools, clubs and more than 840 local community sports teams and events.	$0.9m
To industry and innovation - including Australian Research Council, national growers associations, industry bodies and several grass roots organisations.	$0.7m
To health and well-being - including RFDS and Beyond Blue, local emergency services and events raising awareness and funding for a variety of health issues.	$0.2m
To sporting teams and events - including North Queensland Cowboys, North Melbourne Football Club and New South Wales Country Eagles.	$0.2m

Climate change

Australia's changing climate presents systemic challenges to the agricultural sector, as well as to our clients and farming activities. Hotter and drier conditions, prolonged droughts and more extreme weather events have profound effects on farmers, associated businesses, the communities in which we operate and Australia's economy more broadly.

As a valued partner of the agriculture sector, we have an important role to play in contributing to the sector's resilience and helping develop technologies to assist with emissions mitigation and climate change adaptation. We also acknowledge our responsibility to address climate change and manage and reduce our own emissions.

To increase transparency with our stakeholders and investors, and to bring a spotlight on Elders' actions, the Board has set a target of fully aligning our disclosure of climate-related risks with the TCFD Recommendations by 30 September 2023, in alignment with the completion of our third Eight Point Plan. Our actions to date are set out below.

This year, we completed our assessment of climate change risks and opportunities. We also commissioned an independent review of our energy use and scope 1 and 2 emissions and ahead of our 2022 ambitions, accelerated the development of targets and strategies to reduce the greenhouse gas emissions across our organisation.

Elders' staged action plan for full alignment with the TCFD Recommendations by 30 September 2023

	Governance		Risk Management		Strategy		Metrics & Targets	
FY20	Comprehensive disclosure of our climate-risk management process, roles and responsibilities.	✓	Initiated internal and independent review of climate-related risks and opportunities.	✓	Detailed the role risk plays in our decision making.	✓	Reported our Scope 1 and 2 emissions from energy use and feedlot cattle.	✓
FY21			Detailed our climate-risk assessment methodology and disclosed our climate-related risks and current mitigation actions.	✓	Identified climate-related opportunities.	✓	Reported our Scope 1 and 2 emissions, including emissions from feedlot waste and fertiliser management.	✓
FY22					Qualitatively assess future climate-related risks and impacts using appropriate climate scenarios.		Develop our Scope 3 emissions profile.	
							Set climate related targets and metrics.	✓
FY23					Disclose impacts of, and business resilience to, climate-related risks and opportunities including commentary on financial implications under each scenario.		Report on performance against targets.	

Our targets

- 100% renewable electricity in all Australian sites by 2025
- 50% reduction in Scope 1 and 2 emissions intensity (tCO_2e/$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)
- Net zero Scope 1 and 2 emissions by 2050

Our targets apply to the sites over which Elders has operational control and are based on our financial year ending 30 September. Full details on our emissions profile, targets and strategy to reduce emissions are set out in our Sustainability Report.

Our strategy to achieve our emissions reduction targets involves investment in renewable energy, technology and innovation to improve energy efficiency and reduce greenhouse gas emissions. We are particularly reliant on innovation to support a greater uptake of electric and hybrid vehicles in our fleet, and a reduction in enteric emissions from our feedlot cattle. In the coming years, we aim to partner with industry on the development and implementation of technology to tackle the carbon footprint of our cattle. We also recognise that carbon offsets may have a role to play. We will further develop our strategy and position on carbon offsets in the coming years and communicate this in future annual and sustainability reports. We will aim to reduce and eliminate our emissions where possible and commercially sensible, without the use of carbon offsets in the first instance.

Our emissions profile[4]

Scope 1 emissions - Source	tCO_2e		Scope 2 emissions - Source	tCO_2e	
Killara Feedlot cattle	37,462	62%	Electricity - Australian sites	4,982	8%
Fleet transport fuel - diesel	15,364	25%	Electricity - Elders Fine Foods, China	427	1%
Killara Feedlot equipment fuel - diesel	2,062	3%			
Other (including fleet transport fuel (LPG), forklift fuel and natural gas)	531	1%			

Total: 60,828 tCO_2e

[4] *Between 1 July 2020 and 30 June 2021.*

A rewarding career serving farming communities

From her first job in merchandise sales at Lake Grace to managing Elders branches at Albany and Mount Barker in southern Western Australia today, Karel Walker has always been impressed by Elders' commitment to servicing farmers and rural communities.

Through the ups and downs, Karel says that Elders has always recognised its role as a vital supply chain link to farmers who rely on its services to get the job done.

“The people we service are our highest priority," says Karel.

Karel has never forgotten how tough it was when she took on her first merchandise sales job at Elders in Lake Grace back in 2005.

“Back then, local farmers grew cereals and ran sheep, but seasonal conditions were tough, grain and wool prices were low, and livestock weren't bringing in the prices they are today,” she said.

“However, I was a young mother from a farming background with experience in banking, so I saw Elders as a good career opportunity and quickly learned how important the company was to the local community.

Eighteen months later I took on the very challenging role of branch manager, adding livestock agency, insurance, real estate, and banking in those days, to the merchandise function, plus a much bigger area to look after.

I was also responsible for eight staff at Lake Grace and two more employees at a satellite branch at Newdegate.

And despite all the change at Elders in those days, the training was excellent and I had a lot of opportunities to develop my career.”

In 2012, Karel took up a new challenge as merchandise manager at Mount Barker, at the request of Matt Ericsson, Elders area manager for WA's south-west.

The business there is a joint venture between Elders and the Mount Barker Cooperative, one of Australia's oldest cooperatives at more than a century old.

It is a dedicated merchandise operation supplying agricultural chemicals, animal health products, cropping and pasture seeds, fertilisers, as well as shearing gear and plants, field bins and silos.

“Mount Barker is a diverse region supporting cattle, sheep and cropping; and as farmers have expanded their operations, so too has our team and our services.” Karel said.

The Elders team there now includes an agronomist and a salesperson on the road, to provide advice and arrange supplies for farmer clients.

Once again, Karel's role grew in June 2020 to take on the management of both the Mount Barker and Albany branches, including 12 staff.

It's meant spending time in both locations and looking at ways to do things better for farmers.

“A lot of our growth comes from employing people who are very good at what they do and are willing to go the extra mile to assist our clients,” Karel said.

“The COVID-19 era has seen our people go above and beyond to ensure our farmers have the merchandise needed to keep their operations running, anywhere from Cranbrook further north to Albany, 100 kilometres south.

We are also servicing farmers in more remote areas like Bremer Bay, 180 kilometres north-east of Albany, through an agency at Boxwood Hill.

By stocking this depot and offering on-farm deliveries, farmers are saving valuable time because they don't need to drive 140 kilometres coming into town when they are busy seeding or spraying.”

Beyond its service to farmer clients, Elders is continuing to support local communities.

It is a major sponsor of the Boxwood Hill Football Club and Elders people regularly take part in information days for students at the WA College of Agriculture, Denmark.

The Company is also a major sponsor of Stirlings to Coast Farmers, a farmer-led research and extension group helping South Coast farmers to adapt research findings to local conditions and run more productive and more profitable farm businesses.

“Whether it's helping out with trials and agronomy support or guiding the career choices of the next generation, we are actively involved in our community.” Karel said.

Karel has no doubt that Elders has been the right choice for her career.

“No matter how tough it is, our clients are always our first priority,” she said.

“People like me who are the face of Elders in the country are highly valued by our leadership team and there are plenty of opportunities for training and development and meeting new people.

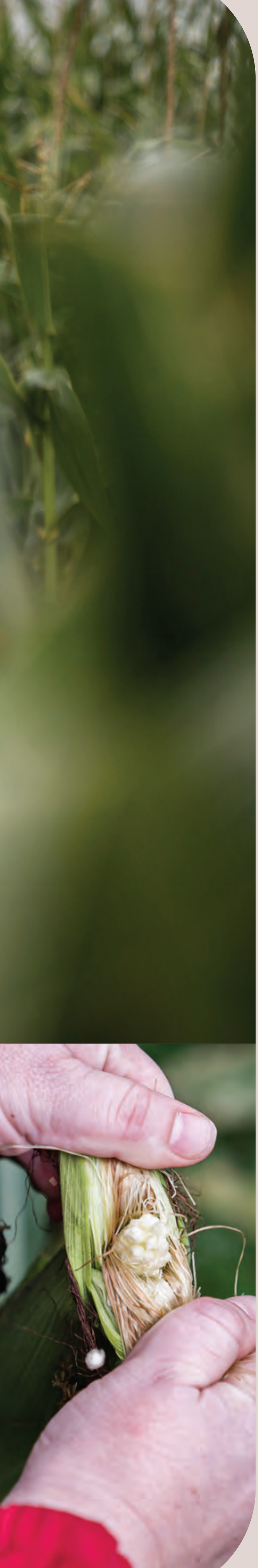
“Elders is an innovative company that is growing and there's no better company to work for in agriculture.”

"Whether it's helping out with trials and agronomy support or guiding the career choices of the next generation, we are actively involved in our community"

Karel Walker
Branch Manager


Elders


Elders



DIRECTORS' REPORT

2021

Directors' Report

Mr Ian Wilton

MSc, FCCA, FCPA, FAICD, CA

Appointed Chair on 11 September 2019 and Non-Executive Director since April 2014, Mr Wilton is also Chair (appointed 11 September 2019) of the Work Health and Safety Committee and the Nomination and Prudential Committee and a member of the Audit, Risk and Compliance Committee (former Chair) and the Remuneration and Human Resources Committee.

Mr Wilton is an experienced Non-Executive Director and former senior executive with extensive knowledge of the agricultural sector. He has held Chief Financial Officer positions with Ridley Corporation Limited, CSR Sugar and GrainCorp Limited and was President and Chief Executive Officer of GrainCorp Malt.

Mr Wilton is a Non-Executive Director of Namoi Cotton Limited (since 17 June 2020) and Chair of the advisory board of MacKay's Banana Marketing.

Mr Wilton was previously a Non-Executive Director and Chair of the Sheep CRC Ltd (18 November 2015 – 3 September 2020).

Mr Wilton is a resident of New South Wales.

Mr Mark Charles Allison

BAgrSc, BEcon, GDM, AMP (HBS), FAICD

Mr Allison joined Elders Limited as a Non-Executive Director in December 2009, served as Chairman and Executive Chairman, before being appointed Managing Director and Chief Executive Officer in May 2014.

Mark's 40-year agribusiness career spans technical, manufacturing, supply and distribution roles and businesses. Previous roles include Managing Director/CEO of GrainGrowers Limited, Jeminex Limited, Farmoz Pty Ltd, Wesfarmers Landmark Limited, Wesfarmers CSBP Limited, CropCare Australasia Pty Ltd and General Manager of Incitec Fertilisers.

Mark is currently Chair of Agribusiness Australia, AuctionsPlus, the Agriculture and Natural Resources End-User Advisory Board of the SmartSat CRC, the Agrifood and Wine Advisory Board of Adelaide University, a Non-Executive Director of GrainGrowers Limited and a member of the Rabobank Food and Agriculture Advisory Board.

Mark oversaw the development and implementation of Elders' Eight Point Plan in 2014 which returned the company to pure play agribusiness and resulted in the first shareholder distribution in nearly a decade. Since 2014 Elders has grown from a market capitalisation of $50 million to $1.9 billion.

Ms Robyn Clubb

BEc, CA, F Fin, MAICD

Non-Executive Director since September 2015, Ms Clubb is Chair of the Audit, Risk and Compliance Committee (appointed on 11 September 2019) and a member of the Remuneration and Human Resources Committee (former Chair), the Work Health and Safety Committee and the Nomination and Prudential Committee.

Ms Clubb is a Chartered Accountant and Fellow of the Finance & Securities Institute of Australia, with senior executive experience of over twenty years in the financial services industry, working for organisations including AMP Limited and Citibank Limited.

Ms Clubb is currently a Director of Craig Mostyn Holdings Pty Limited (since 1 February 2017), Essential Energy (since 15 March 2018), Chair of the Australian Wool Exchange Limited (a director since 24 August 2016), Chair of ProTen Limited (a director since 30 April 2019) and Chair of FCFA Leasing Limited (a director since 3 August 2021).

Ms Clubb was formerly Chair of V&V Walsh Limited, Chair and Member of the Rice Marketing Board for the State of NSW, Non-Executive Director of Rural Bank Ltd (19 September 2007 – 3 February 2011), Beef CRC Limited (23 November 2007 – 11 June 2014), UrbanGrowth (a NSW state-owned corporation responsible for urban land development) and Murray Irrigation Limited (20 October 2011 – 19 November 2015).

Ms Clubb is a resident of New South Wales.

Ms Diana Eilert

BSc (Syd), MCom (UNSW), GAICD, Member of Chief Executive Women

Non-Executive Director since November 2017, Ms Eilert was appointed Chair of the Remuneration and Human Resources Committee on 11 September 2019. She is also a member of the Audit, Risk and Compliance Committee, the Work Health and Safety Committee and the Nomination and Prudential Committee.

With an executive career of more than 25 years, Ms Eilert brings four main skills to the Elders board – CEO level operational leadership, strategy, technology and digital disruption and customer experience/marketing.

Ms Eilert's career includes roles as Group Executive for Suncorp's entire insurance business and subsequently Group Executive for Technology, People and Marketing.

In her 10 years with Citibank, Diana's roles included Head of Credit Risk Policy, running the Mortgage business, and Lending Operations for Australia and New Zealand. She was also a Partner with IBM. In her final executive role as Head of Strategy and Corporate Development for News Limited, Diana developed a deep understanding of digital trends, disruption and alternate strategies for a large traditional business.

Ms Eilert is currently a Non-Executive Director of listed company Domain Holdings Australia Limited (since 16 November 2017) and Non-Executive Director and Chair of Keypath Education International Inc (since 11 May 2021). Ms Eilert is also a member of Genpact Advisory Council and the Australian Competition Tribunal. Ms Eilert was previously a director of Super Retail Group Limited (21 October 2015 – 31 January 2021), Navitas Limited (28 July 2014 – 5 July 2019), realestate.com.au (REA Group) (30 June 2010 – 17 February 2012), Veda (data and analytics) (4 October 2013 – 25 Feb 2016).

Mr Matthew Quinn

BSc, ACA

Non-Executive Director since February 2020, Mr Quinn is a member of the Audit, Risk and Compliance Committee, Remuneration and Human Resources Committee, Work Health and Safety Committee and Nomination and Prudential Committee.

Mr Quinn holds a BSc in Chemistry and Management Science and is a Chartered Accountant. He also has senior executive experience having been the Managing Director of Stockland for thirteen years.

Mr Quinn has extensive Non-Executive Director experience in the Australian listed company environment. His current Non-Executive Director positions are at CSR Limited (since 20 August 2013) and Class Limited (Chairman, Director since 1 July 2015). He is also Chairman of unlisted TSA Management Holdings Limited (since 11 June 2018). Mr Quinn was previously a Non-Executive Director of Regis Healthcare Limited (1 March 2018 - 26 October 2021).

Mr Quinn is a resident of New South Wales.

Ms Raelene Murphy

BBus, FCA, GAICD

The Board appointed Ms Murphy in January 2021. She is a member of the Audit, Risk and Compliance Committee, Remuneration and Human Resources Committee, Work Health and Safety Committee and Nomination and Prudential Committee.

Raelene holds a Bachelor of Business (Accounting), is a Fellow of the Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors. She also has many years' experience as a senior executive, having previously been the CEO of The Delta Group and Managing Director of 333 Management.

Raelene has strong Non-Executive Director experience in the Australian listed company environment, across a range of industry sectors.

Her current ASX Non-Executive Director roles are at Bega Cheese Limited (since 1 June 2015), Integral Diagnostics Limited (since 1 October 2017) and Altium Limited (since 21 September 2016). She was also previously a Non-Executive Director of Clean Seas Seafood Limited (1 July 2018 – 19 October 2020), and Service Stream Limited (18 November 2015 – 23 October 2019).

Raelene is a resident of Victoria.

Directors and Secretaries

Elders' Directors in office during the financial year and until the date of this report were:

Non-Executive Directors

- Ian Wilton, Chair
- Robyn Clubb
- Diana Eilert
- Matthew Quinn
- Raelene Murphy (appointed 28 January 2021)

Executive Director

- Mark Charles Allison, Managing Director and Chief Executive Officer

Company Secretaries

- **Peter Gordon Hastings**, *BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD* Mr Hastings was appointed Company Secretary in February 2010. He held the position of Group Solicitor with the Elders Group between 1995 and 1999 and again between 2003 and 2010. He has also held the position of General Counsel since February 2010. Peter is also Chair of Walford Anglican School for Girls.

- **Shannon Hope Doecke**, *BAcc, Grad Dip Applied Corporate Governance, MAICD, AGIA* Ms Doecke was appointed as a Company Secretary in July 2020. Ms Doecke has served as the Assistant Company Secretary since April 2019. Ms Doecke previously worked for AustCham Shanghai, between 2014 and 2019, as Governance Manager, then Company Secretary.

Principal Activities

The principal activities of Elders during the year were:

- the provision of retail products and associated services to the rural sector
- the provision of wholesale products to independent rural and regional farm supplies retailers
- the provision of livestock and wool agency services
- the provision of real estate sales agency services (both company-owned and franchised) and property management services
- arrangements for the provision of financial services to rural and regional customers, including a 20% investment in Elders Insurance (Underwriting Agency) Pty Ltd
- the provision of digital and technical services, agricultural market information and investments in the AuctionsPlus and Clear Grain online trading platforms
- feedlotting of cattle

Results and Review of Operations

The consolidated entity recorded a profit for the year, after tax and non-controlling interests, of $149.8 million (2020: profit of $122.9 million). A review of the operations and results of the consolidated entity and its principal businesses during the year is contained in pages 24 to 33.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity that are not otherwise disclosed elsewhere in this annual report.

Impacts of COVID-19

As in FY20, Elders' response to COVID-19 has been a "safety first" programme aimed at keeping our employees, customers, contractors and other stakeholders as protected from COVID-19 infection in the workplace as possible. This approach has also focused on the mental health consequences of the pandemic and responses to it on our employees.

We have introduced a range of measures that have helped us manage the risk of COVID-19 infection in our workplaces, and the mental health issues that can be a consequence of COVID-19 and societal restrictions introduced to combat it. These measures have kept our people safe in the workplace but unfortunately several of our employees have contracted COVID-19 in the community. Whilst these employees have largely recovered from their infections, short term closures of some branch locations in New South Wales, and deep cleaning before reopening, was required as a result of these infections.

While COVID-19 has introduced significant uncertainty, both globally and domestically, Elders fulfilled strong demand for its products and services by engaging in extended forward orders, mitigating the international supply chain constraints for farm supply inputs. Agency Services did not experience any material supply chain impacts with Wool and Livestock markets improving due to strong export demand and favourable prices. Real Estate Services benefited from increased residential and farmland turnover with low market supply and high demand for properties.

Given the uncertainty caused by COVID-19, Elders chose in May 2020 to secure an additional 2 year $50 million working capital facility. Elders has since terminated the COVID-19 facility, effective 19 November 2020.

Elders did not access any government support such as JobKeeper during the year ended 30 September 2021.

Further disclosures relating to the impacts of COVID-19 are included on page 12 of this report.

Events Subsequent to Balance Date

There was no matter or circumstance that has arisen since 30 September 2021 which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may affect the operations of Elders, the results of those operations or the state of affairs of Elders and its controlled entities in subsequent financial periods.

Likely Developments and Future Results

Discussion of other likely developments in the operations of the consolidated entity and the expected results for those operations in future financial years is included on page 33 of this report.

Remuneration of Directors and Senior Executives

Details of the remuneration arrangements in place for Elders' Key Management Personnel are set out in the Remuneration Report commencing on page 50. In compiling this report Elders has met the disclosure requirements prescribed in the Accounting Standards and Corporations Act 2001.

Attendance at Meetings by Directors

Director attendance at scheduled meetings in the 12 months to 30 September 2021 is set out below.

Committee attendance is only recorded where a director is a member of the relevant committee. Although Mr Allison is recorded as a non-member for some committees, he attended all meetings held for each of those committees.

	Board of Directors		Work Health and Safety Committee		Audit, Risk and Compliance Committee		Remuneration and Human Resources Committee		Nomination and Prudential Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
I Wilton	15	15	2	2	5	5	4	4	3	3
M C Allison	15	15	-	-	-	-	-	-	3	3
R Clubb	15	15	2	2	5	5	4	4	3	3
D Eilert	15	15	2	2	5	5	4	4	3	3
M Quinn	15	15	2	2	5	5	4	4	3	3
R Murphy	10	10	1	2	4	4	2	3	2	2

Share and Other Equity Issues During the Year

Relevant Date	No. of ordinary shares issued	Reason for issue
16 November 2020	465,000	Shares issued upon vesting of performance rights in accordance with Elders' FY18 Long-Term Incentive Plan
17 November 2020	25,732	Shares issued pursuant to Elders' FY18 Long-Term Incentive Plan for dividends not received
18 December 2020	109,195	Shares issued in accordance with Elders' Dividend Reinvestment Plan for the dividend paid on 18 December 2020
18 June 2021	122,922	Shares issued in accordance with the Elders' Dividend Reinvestment Plan for dividend paid 18 June 2021

The total number of ordinary shares on issue at the date of this report is 156,476,574.

Restricted Securities and Voluntary Escrow

As at the date of this report, Elders has no restricted securities on offer. A total of 3,163,430 securities were held in voluntary escrow by certain vendors of shares in AIRR Holdings Limited, pursuant to the scheme implementation deed between Elders and AIRR Holdings Limited released to ASX on 15 July 2019. The voluntary escrow period ended on 13 November 2021, meaning that no shares are held in voluntary escrow as at the date of this report.

Dividends and Other Equity Distributions

On 12 November 2021, the Directors determined to pay a final dividend of $0.22 per ordinary share, franked at 20%, bringing dividends for FY21 to $0.42 per share. In accordance with a determination made by the Directors, Elders' Dividend Reinvestment Plan remains in operation.

Dividends paid during the year were

Dividend	Date Determined	Date Paid	Dividend per Share	Franking Rate	Total Dividend
Final Dividend for Half Year Ended 30 September 2020	13 November 2020	18 December 2020	$0.13	100%	$20,336,660.96
Interim Dividend for Half Year Ended 31 March 2021	14 May 2021	18 June 2021	$0.20	20%	$31,308,293.80

Directors' Interests

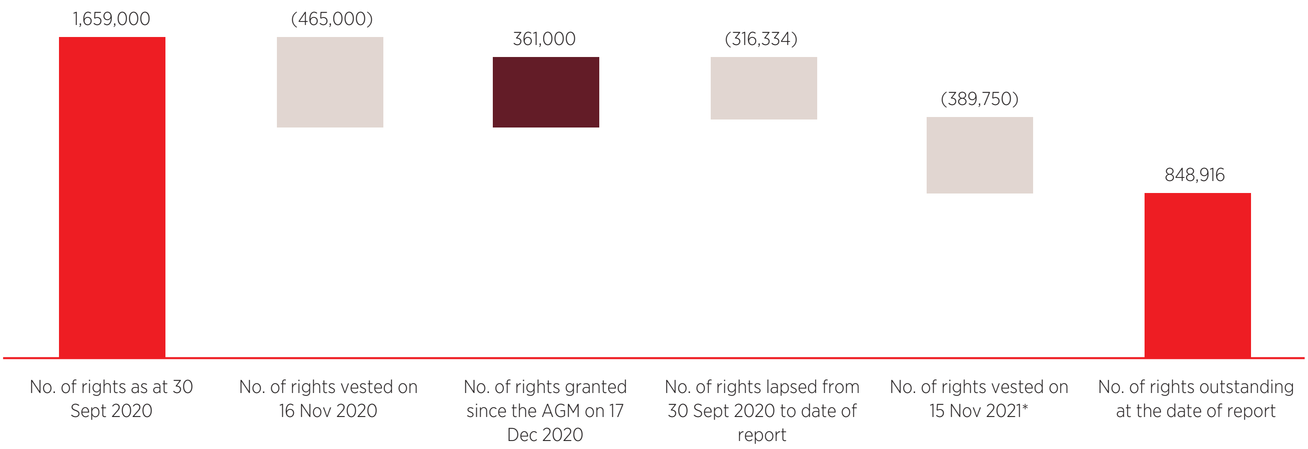
The relevant interests of the Directors in shares and other equity securities of Elders, as at the date of this report, are detailed on page 68 of the Remuneration Report.

Share Options and Performance Rights

Share options and rights may be granted to company executives under the Long-Term Incentive Plan that is part of Elders' remuneration structure. Information about the Long-Term Incentive Plan can be found in the Remuneration Report on pages 62 to 63 of this Annual Report.

The number of performance rights on issue at 30 September 2021, which were held by 20 Long-Term Incentive Plan participants, is disclosed in note 26 to the Financial Statements. If each of these rights vested, this would represent 0.79% of the Company's current issued ordinary shares.

These performance rights are Elders' only unquoted equity securities and represent the number of performance rights outstanding at the date of this report. The representation below differs from Note 26 in the financial statements which does not take into account performance rights that vested after the reporting date. The closing performance rights per Note 26 of the financial statements includes the 389,750 rights that vested on 15 November 2021.* The opening number of rights below includes 226,000 rights that lapsed in November 2020, excluded from the opening balance in Note 26 of the financial statements.



** in accordance with the accounting standards*

The performance rights granted to the five most highly remunerated officers as part of their remuneration, between 30 September 2020 and the date of this report, are shown below.

Name of Officer	Number of Rights Granted between 30 September 2020 and 15 November 2021
Mark Charles Allison	101,000
Richard Ian Davey	-
Malcolm Leonard Hunt	19,000
Peter Gordon Hastings	19,000
Thomas Benjamin Russo	19,000

Indemnification of Officers and Auditors

The consolidated entity paid an insurance premium in respect of a contract insuring each of the Directors of Elders named earlier in this report and each full time Executive Officer, Director and Secretary of Australian group entities against liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of the policy prohibit disclosure of the premiums paid.

Each Director and Officer has entered into a Deed of Access, Insurance and Indemnity which provides:

- that Elders will maintain an insurance policy insuring the Officer against any liability incurred by the Officer in the Officer's capacity as an Officer of Elders or another group entity to the maximum extent allowed by law
- for indemnity against liability as an officer, except to the extent of indemnity under the insurance policy or where prohibited by law
- for access to company documents and records, subject to undertakings as to confidentiality

Environmental Performance Regulation

A number of Elders' operations are subject to environmental legislation. Such legislation is diverse and varies between states, territories, local authorities and various regulators. Compliance with relevant legislation is managed on the ground by our branches and overseen and guided by our internal Safety, Risk and Environment Business Partners. Environmental risks and hazards are managed in accordance with our Resilience Framework. Our performance in relation to environmental management and the various applicable environmental regulations across our various businesses over the reporting period is as follows.

Killara Feedlot

Elders operates Killara Feedlot, a beef cattle feedlot, in Quirindi, New South Wales. Killara is subject to both state and local government environmental legislation, and its operation is conditional on it maintaining its environment protection and water licences.

In accordance with its environment protection licence (EP Licence), Killara is required to undertake a significant number of environmental management activities to ensure that it is managing its waste, dust and odour emissions to minimise pollution of the surrounding community and to avoid groundwater and soil contamination. Failure to manage these emissions can affect the amenity of the local community and contaminate private and public property.

Emissions are monitored internally by Killara, and externally by the New South Wales Environment Protection Authority (NSW EPA) and the National Pollutant Inventory (NPI). Killara submits reports to the NPI detailing emissions of NPI substances (including ammonia, carbon monoxide and oxides of nitrogen) and activities Killara has participated in to reduce these emissions. Killara also submits annual reports to the New South Wales EPA describing (amongst other things) any pollution complaints received in the reporting year. These reports are prepared by an external consultant. No breaches of environmental regulations or pollution complaints affecting Killara were reported during the reporting period.

Killara is also subject to licence requirements for water consumption and waste management.

No breaches of environmental regulations affecting Killara were reported during the year ended 30 September 2021 or to the date of this report.

Saleyards

Saleyards are subject to various state, territory and local government environmental requirements, particularly relating to effluent management, dust and noise. These obligations vary from place to place and generally only apply to saleyards above a prescribed size. Elders expects its saleyard operations, irrespective of their size, to abide by the applicable laws and regulations.

No breaches of environmental regulations affecting Elders' saleyards were reported during the year ended 30 September 2021 or to the date of this report.

Retail and Wholesale Operations

Elders' retail and wholesale operations are subject to state environmental regulations relating to the storage, handling, transport and sale of dangerous goods, which include some of the agricultural chemicals, fertilisers and poisons we supply. Although these regulations are based on nationally recognised standards, the regulatory environment for the transporting, handling, storage, sale and use of such dangerous goods, chemicals and scheduled poisons is complex and subject to regulations imposed by each state and territory. Elders' Safety, Risk and Environment Business Partners monitor compliance with these regulations. In addition, many of Elders' branches and personnel participate in an accreditation, training and audit program operated by AgSafe. These assurance activities continue to be progressively rolled out to our wholesale operations as COVID-19 related social distancing and travel restrictions ease.

In April 2021, the Department of Water and Environmental Regulation (DWER) in Western Australia attended a roadside fungicide chemical spill incident in Hyden. The incident was caused by a trailer that rolled over during transit, allowing fungicide to leak from an intermediate bulk container onto a gravel road. The DWER issued a Clean-up Advisory Form and Elders engaged a professional agency to complete the required clean-up work. The DWER confirmed with Elders that no further action was required, and this incident did not constitute a breach of environmental regulations.

Elders is not aware of any breaches of environmental regulations affecting Elders' retail or wholesale operations that were reported during the year ended 30 September 2021 or to the date of this report.

Rounding of Amounts

The parent entity is a Group of the kind specified in ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191 issued by the Australian Securities and Investments Commission. In accordance with that class order, amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars unless otherwise stated.

Non-Audit Services

Based on advice received from the Audit, Risk and Compliance Committee, the Directors are satisfied that the provision of non-audit and audit-related services is compatible with the general standard of independence for auditors imposed under the Corporations Act 2001 for the following reasons:

- all non-audit and audit-related services have been reviewed by the Audit, Risk and Compliance Committee to ensure they do not impact on the impartiality or objectivity of the auditor
- the nature and scope of the non-audit services provided means that auditor independence was not compromised

The amount received or due to be received for the provision of non-audit services is disclosed in note 27 of the financial report, Auditors' Remuneration.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 126.

This report, including the Remuneration Report commencing on page 50, is made in accordance with a resolution of Directors.

Ian Wilton
Chair

Mark Allison
Managing Director

15 November 2021

Elders

REMUNERATION REPORT

Remuneration Report

Following is the Remuneration Report for the consolidated entity for the year ended 30 September 2021. The remuneration report provides shareholders with an understanding of Elders' remuneration policies and the link between our remuneration approach and our performance, in particular regarding Elders' Key Management Personnel (KMP).

This year's remuneration outcomes reflect the results of the Financial Year 2021, not only the business performance, but also strong alignment with the outcomes for our shareholders and customers.

The information provided in this report has been audited, unless otherwise indicated, as required by the Corporations Act 2001 (Cth) and forms part of the Directors' Report.

Remuneration at a Glance

Our Year

Our FY21 underlying EBIT of $166.5 million, represents an increase of 38% on FY20.

Our continued growth strategy to expand in strategic gap areas plus our organic growth in each of our service offerings and products have driven the strong growth.

KMP Changes

The following changes were made to the Executive team during FY21:

- Tania Foster joined 31 May 2021 as Chief Financial Officer (CFO)
- Malcolm Hunt was appointed 8 March 2021 as Executive General Manager National & Victoria/Riverina (EGM National & VIC/RIV)
- James Cornish, General Manager Network, left Elders 31 January 2021
- Richard Davey, Chief Financial Officer, served in a special advisor capacity when T Foster commenced until he retired 30 June 2021
- Richard Norton, General Manager Rural Supplies, left Elders 31 October 2020

The only change to Non-Executive Directors was Raelene Murphy joining as Non-Executive Director 28 January 2021.

Remuneration Changes Implemented in FY21

In FY20 a review of Elders' Reward Framework was conducted and the following has been implemented in FY21:

- a **Minimum Shareholding** requirement for MD & CEO of 100% of Total Fixed Remuneration (TFR) and Senior Executives 50%. NEDs requirement increased to 100% of base fees. For Senior Executives a five-year period is allowed for acquiring the Elders shares. For current shareholdings see section 7.
- For the **Short-Term Incentive (STI)** increased the financial performance weighting to 60% (from 40%). STI awards will be 60% cash and 40% deferred into equity for two years (50% vesting after year one and 50% after year two). This supports increased share ownership and facilitates clawback during the deferral period. Further details are in section 3.1.
- **FY21 Long-Term Incentive (LTI)** changed to two performance measures of relative Total Shareholder Return (TSR) and Earnings per Share (EPS) growth. Relative TSR comparator peer group is companies in the S&P/ASX200 index excluding companies in the S&P/ASX100. Rights that vest are subject to a 12 month holding lock and participants are no longer compensated for the value of dividends not received. Further details are in section 3.1.

Remuneration Changes for FY22

- **FY22 Long-Term Incentive** relative TSR comparator peer group will comprise all companies in the S&P/ASX 200.

Overview of FY21 Remuneration Outcomes

Total Fixed Remuneration (TFR)

The MD & CEO's TFR increased 5.1% 1 January 2021. External benchmarking against comparative listed companies was undertaken by Guerdon Associates and the Board approved a 10% TFR increase effective 1 April 2021.

Senior Executives at remuneration review received an average 1.1% effective 1 January 2021.

All increases considered market movements, individual performance and benchmarking to relevant peers.

Variable Remuneration

Short-Term Incentives

Elders' Short-Term Incentive pool is aligned with company performance and shareholders interest.

The MD & CEO's FY21 STI outcome was 91.6% of maximum opportunity. The average current Senior Executives STI outcome was 95%. The STI outcomes reflects Elders' strong underlying EBIT result plus strong performance in all key performance indicators.

Further details are in section 2.1.

Long-Term Incentives vesting

The 2019 LTI grant 3 year performance period ended 30 September 2021. 100% of this grant vested based on:

- an absolute TSR outcome of 23.6% exceeded the stretch target of 14%
- an EPS CAGR outcome of 20.6% exceeded the stretch target of 10%
- a ROC outcome of 22.5% exceeded the target of 20%

Further details are in section 2.2.

Non-Executive Director Fees

The Board reviewed NED fees to the market and applied an increase of 12.5% to the Chair fee (the Chair's fee had previously been unchanged since 2014) and 4.5% increase to member Board fees effective 1 January 2021. Further details are in section 5.2.

Contents

Key Management Personnel

In this report, KMP are determined in accordance with the definition under the Accounting Standard AASB124 Related Party Disclosures as those persons with authority and responsibility for planning, directing, and controlling the activities of Elders during the financial year.

The MD & CEO and Senior Executives considered KMP are referred to collectively as “Executive KMP” in this report.

Table 1 – Key Management Personnel

Name	Position	Status	Date as KMP (if not a full year)
Non-Executive Directors			
I Wilton	*Chair*	Full year	
R Clubb	*Director*	Full year	
D Eilert	*Director*	Full year	
R Murphy	*Director*	Part year	Commenced 28 January 2021
M Quinn	*Director*	Full year	
Executive KMP			
M C Allison	*Managing Director and CEO*	Full year	
T Foster	*Chief Financial Officer*	Part year	Commenced 31 May 2021
M L Hunt	*Executive General Manager National & Victoria/Riverina*	Part year	Commenced in role 8 March 2021
Former Executive KMP			
J H Cornish	*General Manager Network*	Part year	Ceased 31 January 2021
R I Davey	*Chief Financial Officer*	Part year	Ceased 30 June 2021*
R L Norton	*General Manager Rural Supplies*	Part year	Ceased 31 October 2020

*Richard Davey served in a special advisor capacity when T Foster commenced until he retired 30 June 2021.

Section 1 – Overview of FY21 Executive Remuneration

Elders' remuneration framework is designed to attract, retain and motivate whilst driving Elders' culture and delivering our business strategy, long-term company performance and creation of shareholder value.

1.1 Remuneration Principles

To drive and support delivery of Elders' strategy and create long-term shareholder value.	**Drive outcomes and provide a balance between motivation, risk and reward.**	**Market competitive to attract and retain key talent.**	**Reward is commensurate with performance. Decisions are objective and consistent.**	**Simple and flexible – allowing for business growth.**	**Reinforces Elders' culture, vision and values.**

1.2 Remuneration Structure and Mix

Remuneration is structured so a portion of an Executive KMP's and other Senior Executive's reward depends on meeting individual, business unit and Elders' targets and objectives, including maximising returns for shareholders.

Chart 1 – Executive KMP and other Senior Executives remuneration elements, structure and delivery

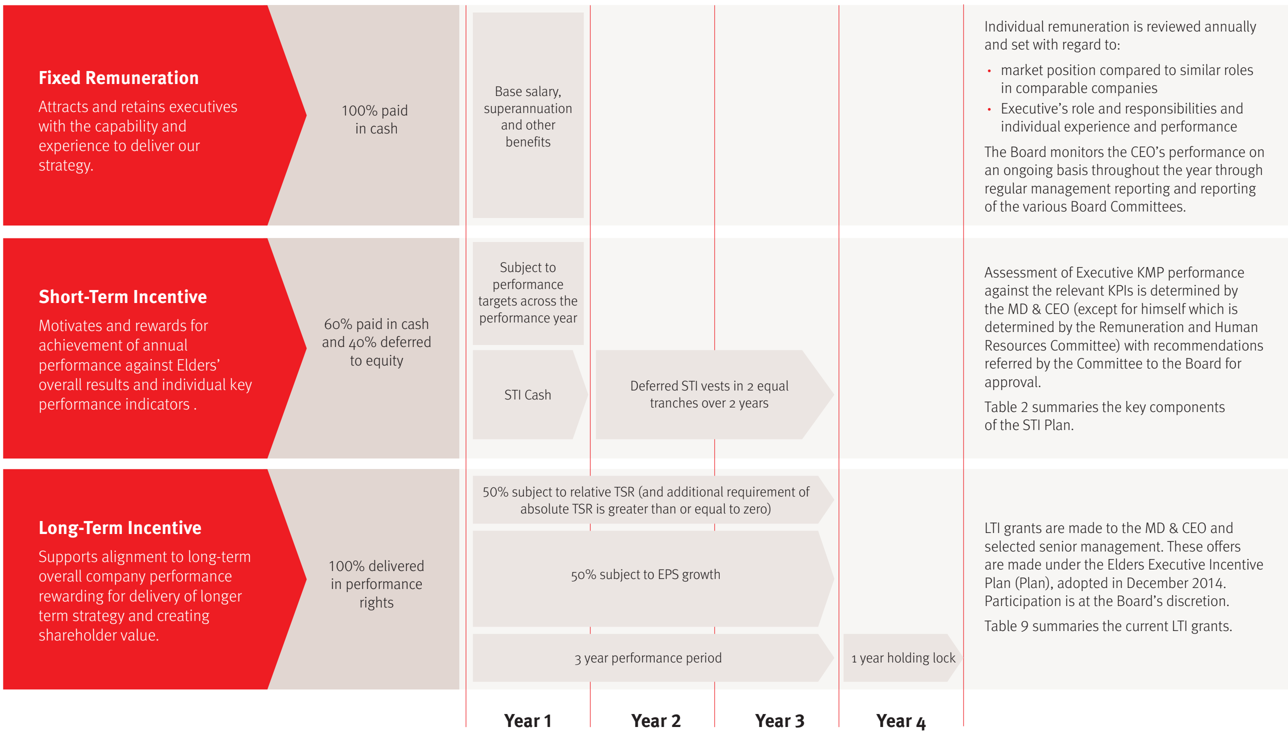
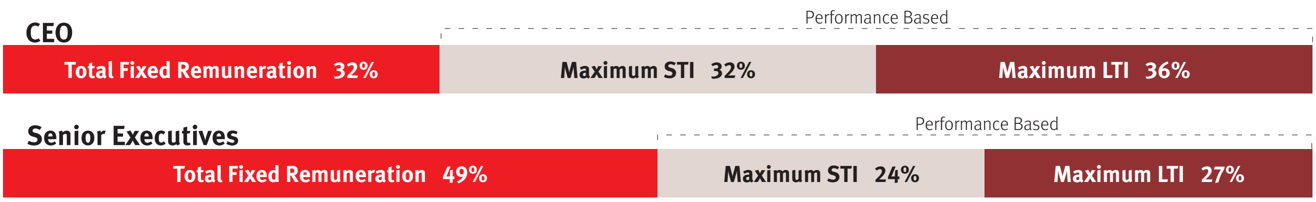


Chart 2 – Executive KMP FY21 remuneration mix at maximum



Section 2 – Link Between Elders' Financial Performance and FY21 Remuneration Outcomes

2.1 Overview of FY21 STI Outcomes

Table 2 – Executive KMP FY21 STI performance measures

Category	Performance measure	Weighting	Why was it chosen?	How is it measured?
Gateway	Achievement of threshold performance for underlying EBIT, ROC and zero fatalities	-	Ensures Executive KMP will only be awarded where threshold financial performance and safety has been achieved	Threshold is based on achievement of 90% of the Board approved underlying EBIT budget, targeted ROC and zero fatalities. Below the EBIT threshold no STI is payable to Executive KMP.
Financial measures	Financial and operational performance	60%	Key indicators of Elders' financial performance and aligned to Elders' Eight Point Plan objectives.	Achievement of Board approved budget financial outcomes, including underlying EBIT, Operating Cash Flow and ROC targets.
Strategic measures	Strategic Priorities	20%	The Board believes the strategic priorities of Elders' Eight Point Plan are fundamental key drivers of long-term value creation.	The MD & CEO is measured by the overall key milestones of the Eight Point Plan which is translated into an Annual Operating Plan. Other Executive KMP are measured on achievement of their Business Unit's key milestones in this Plan.
	People and safety	10%	Focusing on our people through diversity and employee engagement is critical to continue to attract and retain the talent needed to deliver our strategy. Safety is about driving significant progress in achieving a "zero harm" workplace.	People is measured through positive movement in the representation of women in management and employee engagement and enablement. Safety is measured through reduction in total lost time injuries and maintenance or improvement in Employee Effectiveness Survey safety questions.
	Customer	10%	Focusing on building and maintaining effective customer relationship is key to a long term sustainable business.	Measured through the Roy Morgan Trust Survey and increase in clients.

Table 3 – MD & CEO FY21 STI outcomes

Key Priority	Measures	Target	Outcome		FY21 Performance Commentary
Financial Measures (60%)	Underlying EBIT	$128.6m	$166.5m	●	FY21 Underlying EBIT was higher than FY20 and substantially exceeded budget and prevailing market expectations at the start of the year. Supported by strong Operating Cashflow and ROC result. 100% of this KPI was awarded.
	Operating Cashflow (over 12- month period)	$94.8m	$142.2m	●	
	Return on Capital	17%	22.5%	●	
Strategic Priorities (20%)	Deliver Business Improvement initiatives to improve rural product margin	+1%	+0.7%	■	Rural product margin growth fell short of target. System modernisation project a key business transformation has been approved and meeting key project milestones. Business development initiatives through acquisition growth seeking synergies through backward integration was achieved. 65% of this KPI was awarded.
	System modernisation business case approved	Board Assessed	Exceeded Target	●	
	Deliver Business Development Initiatives (acquisitions)	Board Assessed	Exceeded Target	●	
People & Safety (10%)	Lost time injuries	‹4	3	▲	Three lost time injuries, strong outcomes for employee effectiveness outcomes for safety and a continued increase in women in management. 86% of this KPI was awarded.
	Employee Effectiveness outcomes for safety	Board Assessed	Exceeded Target	▲	
	Positive trend towards Board endorsed diversity objective; 25% of women in management positions across the organisation.	17%	18%	▲	
Customer (10%)	Roy Morgan Trust Survey Results for most Trusted Brand in Regional Australia	No 1	No 1	●	Elders continues to be the most trusted brand in Regional Australia through the efforts of our employees. There was a significant increase in the number of our client base. 100% of this KPI was awarded.
	Increase client base	300	Exceeded Target	●	

● Maximum performance achieved ▲ Threshold/Minimum performance achieved ■ Threshold/Minimum performance not met

2.1 Overview of FY21 STI Outcomes continued

Table 4 – Executive KMP FY21 STI outcomes and performance against targets

KMP	Financial Measures (60%)		People and Safety (10%)		Strategic Priorities (20%)		Customer (10%)	Maximum STI Opportunity	Awarded STI as % of Maximum	Forfeited STI as % of Maximum
Name	Company	Business Unit	Company	Business Unit	Company	Business Unit		$	%	%
M C Allison, MD & CEO	●	-	▲	-	▲	-	●	1,101,178	91.6	8.4
T Foster, CFO[1]	●	●	▲	▲	-	▲	●	104,664	95	5
M Hunt, EGM National & VIC/RIV[2]	●	●	▲	▲	-	▲	●	124,624	95	5
Former KMP[3]										
R I Davey, CFO	●	●	▲	●	-	●	●	204,000	100[4]	0

1 *Maximum STI opportunity is pro-rata from commencement date with Elders.*
2 *Maximum STI opportunity is pro-rata from appointment as EGM National & VIC/RIV.*
3 *R Davey was the only Former KMP eligible for a STI in FY21 and is pro-rata to leaving date.*
4 *MD & CEO exercised discretion, approved by Board, to award 100% of STI to the former CFO. This reflects the pro-rata period that R Davey was undertaking the role of CFO,*

● Maximum performance achieved ▲ Threshold/Minimum performance achieved ■ Threshold/Minimum performance not met

2.2 Overview of FY21 LTI Outcomes

The FY19 LTI grant, with a performance period of 3 years, concluded 30 September 2021. The testing resulted in 100% vesting.

Table 5 – Finalised LTI – 2019 grant

<table>
<tr><th colspan="2">2.2 Overview of FY21 LTI Outcomes
% of total grant Performance measures</th><th>Outcome of testing</th></tr>
<tr><td colspan="3">Tranche 1 – Total Shareholder Return (TSR)</td></tr>
<tr><td>50%</td><td>Based on Elders' average annual compound TSR over the three year performance period 1 October 2018 ending on 30 September 2021. TSR rights were subject to a target goal and a stretch goal. The percentage of TSR rights that vest were determined as follows:
<table>
<tr><th>Absolute TSR over the performance period</th><th>% of Rights that vest</th></tr>
<tr><td>Less than 10%</td><td>Nil</td></tr>
<tr><td>Equals 10%</td><td>50%</td></tr>
<tr><td>Greater than 10% but less than 14%</td><td>50-100%, on a straight-line sliding scale</td></tr>
<tr><td>Equal to or greater than 14%</td><td>100%</td></tr>
</table>
Absolute TSR was measured using opening and closing share prices determined as follows:
• the opening share price value of $7.00
• the closing share price value based on the 5 trading day Volume Weighted Average Price (VWAP) up to and including the last day of the performance period
• dividends paid in the performance period</td><td>Elders' absolute TSR over the performance period was 23.6%.
Resulting in 100% vesting of this tranche.
Notes regarding calculation:
The starting price to calculate the Compound Average Growth Rate was Elders' 5 trading day VWAP up to and including 30 September 2018 of $7.00 and the closing share price of Elders' 5 trading day VWAP as at 30 September 2021 of $12.062.
Dividends paid over the performance period were $0.69 per share.
An external consultant was engaged to calculate the TSR outcome.</td></tr>
<tr><td colspan="3">Trance 2 – Earnings per Share Growth</td></tr>
</table>

2.2 Overview of FY21 LTI Outcomes

% of total grant	Performance measures		Outcome of testing
25%	EPS rights vest subject to achievement of Target or above EPS Compound Annual Growth Rate (CAGR) over the performance as follows.		Elders' EPS growth over the performance period was 20.6%. **Resulting in 100% vesting of this tranche.** As communicated in FY20, EPS for the purposes of LTI will be calculated using the weighted average shares as the denominator and underlying NPAT as numerator to determine the EPS measure. The EPS outcome for FY21 was determined as follows:

EPS CAGR over the performance period	% of Rights that vest
Less than 7%	Nil
Equals 7%	50%
Greater than 7% but less than 10%	50-100%, on a straight-line sliding scale
Equal to or greater than 10%	100%

	FY18	FY19	FY20	**FY21**
Weighted avg. no. of shares[1] (000)	115,523	121,006	154,094	156,305
Underlying NPAT ($ million)	63.7	63.6	109.0[2]	151.1
EPS (cents)	55.1	52.6	70.7[2]	96.7
CAGR				20.6%

Reconciliation of statutory profit to underlying profit used to calculate EPS for this LTI grant	**FY21**
Statutory Profit ($ million)	**149.8**
Adjustment for non-underlying profit ($ million)	1.3
Underlying profit ($ million)	**151.1**
Weighted average shares (millions of shares)	**156.3**
Basic EPS (cents) – Statutory Profit	95.8¢

For a reconciliation between underlying and reported NPAT please see the Operating and Financial Review section of the Annual Report.

The weighted average shares are displayed in note 4 of the Financial Statements.

Tranche 3 – Return on Capital (ROC)

25%	ROC rights vest in full if ROC was greater than or equal to 20% for the financial year ending 30 September 2021.	Elders' return on capital as at 30 September 2021 was 22.5%. **Resulting in 100% vesting of this tranche.** ROC = Underlying EBIT/Average Net Operating Assets Average Net Operating Assets = Working Capital, PP&E, Investments, Intangibles, Tax Balances Recognised on Acquisitions and Provisions (Excludes Elders Brand Name)

Additional Vesting Condition

In addition to the performance conditions above, the performance rights will only vest if the share price on the vesting date is greater than or equal to the 5 trading day VWAP up to and including 30 September 2018, being a day prior to the start of the performance period.	The VWAP as at 30 September 2018 was $7.00 therefore it is expected, based on the share price as at the date of this Report, that the vesting condition will be met.

1 Shares exclude dilutive performance rights which have not yet vested

2 Pre-AASB 16 Leases, the FY20 EPS outcome applying AASB 16 Leases is 69.9c.

One fully paid share in Elders will be allocated for each vested performance right. The total number of vested performance rights under the 2019 grant is 389,750. In addition, 24,804 additional shares will be allocated at time of vesting for the value of dividends not received on the vested rights during the performance period. Individual vesting outcomes are outlined in section 7.

2.3 Summary of FY21 Executive KMP Outcomes

This table presents actual remuneration paid or payable, or vested for the Executive KMP in respect of FY21. The information is voluntary, unaudited and different from and additional to that required by Accounting Standards and statutory requirements which is provided in section 6.2.

Table 6 – Executive KMP Remuneration outcomes for FY21 (unaudited and non-IFRS)

		Base salary	Total STI[1]	Values of Shares Vested[2]	Super-annuation	Other[3]	Termination benefits	Total
		$	$	$	$	$	$	$
M C Allison	*MD & CEO*	1,015,969	1,008,800	1,715,994	22,163	-	-	3,762,926
T Foster[4]	*CFO*	183,934	98,430	-	11,316	18,265	-	311,945
M Hunt[5]	*EGM National & VIC/RIV*	223,155	118,393	218,966	13,432	17,662	-	591,608
Former KMP								
J H Cornish	*GM Network*	151,577	-	386,099	7,231	412	459,006	1,004,325
R I Davey	*CFO*	390,096	204,000	514,792	22,163	-	261,588	1,392,639
R L Norton	*GM Rural Products*	41,570	-	-	14,463	2,830	249,419	308,282
Total		**2,006,301**	**1,429,623**	**2,835,851**	**90,768**	**39,169**	**970,013**	**7,371,725**

1 STI cash and deferral component that will be paid for performance in FY21.

2 Value of any performance rights (LTI) that vested in FY21 based on the 5 day VWAP as at the date of vesting (vested 16 November 2020).

3 Provision of car parking or tool of trade car (M Hunt, J Cornish, R Norton) and sign on bonus paid to T Foster.

4 T Foster's data pro-rata from commencement with Elders, 31 May 2021.

5 M Hunt's data pro-rata from commencment in role, 8 March 2021.

2.4 Historical Five Year Performance

Highlights Elders' key financial performance over the past five years and the link to the Senior Executive KMPs' STI and LTI remuneration outcomes.

Chart 3 – Elders' Performance

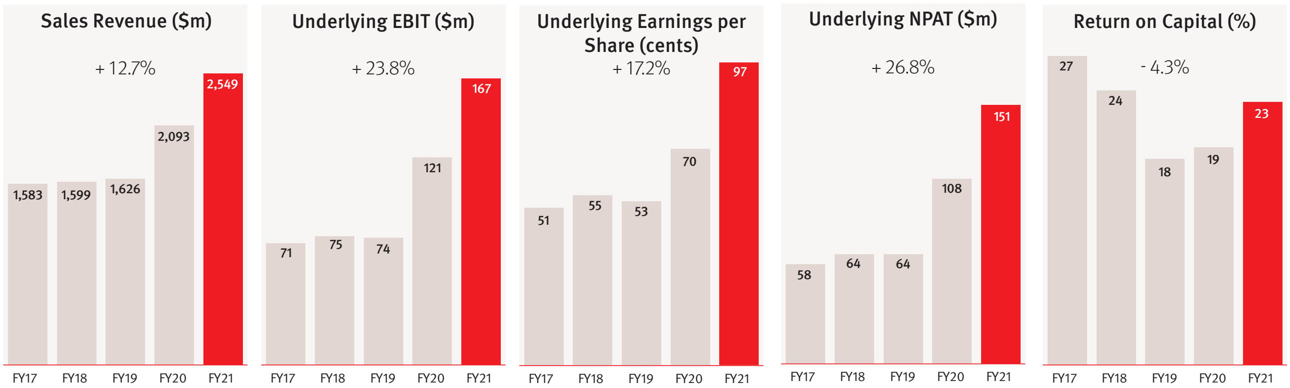


Table 7 – Elders' Remuneration Outcomes

Remuneration outcomes	2017	2018	2019	2020	2021
STI – average % received of maximum opportunity	88%	81%	0%	94%	95%
LTI – vesting %	100%	100%	75%	75%	100%

2.4 Historical Five Year Performance continued

This chart shows Elders' annual TSR performance over the last five years against the ASX/S&P 200 Accumulation Index. Elders' LTI Plans for FY17, FY18, FY19 and FY20 include an absolute TSR performance condition. Full vesting of the TSR tranche (50% of total grant) was achieved for grants vesting under the FY17, FY18 and FY19 LTI Offers.

Chart 4 – Absolute TSR %

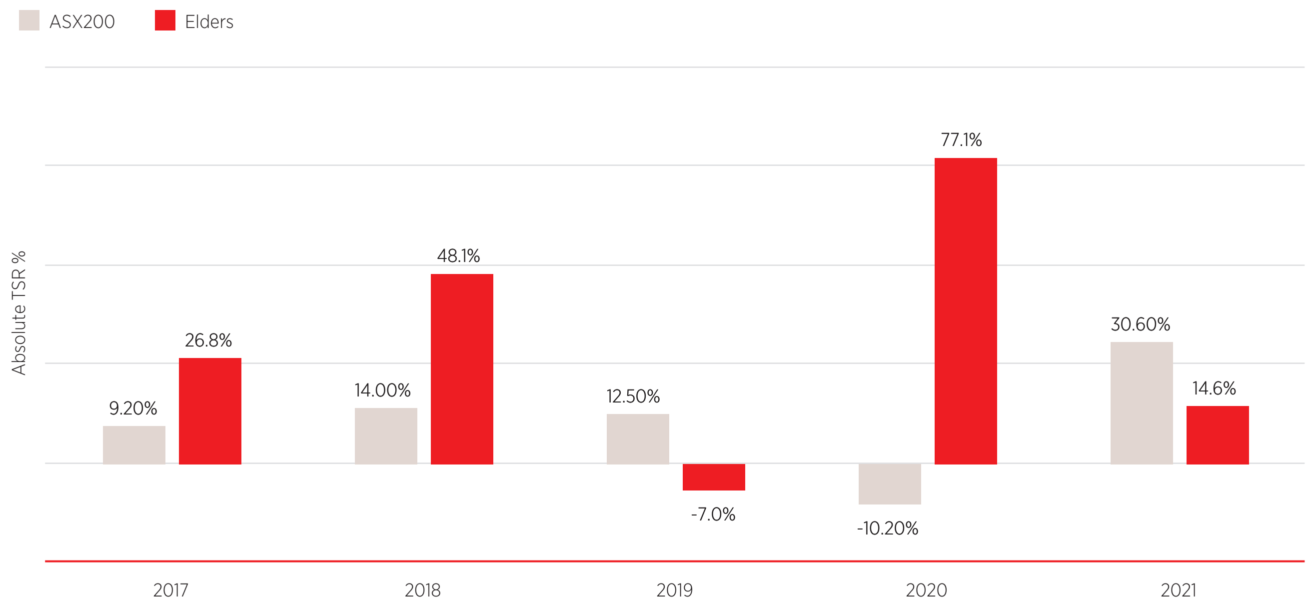
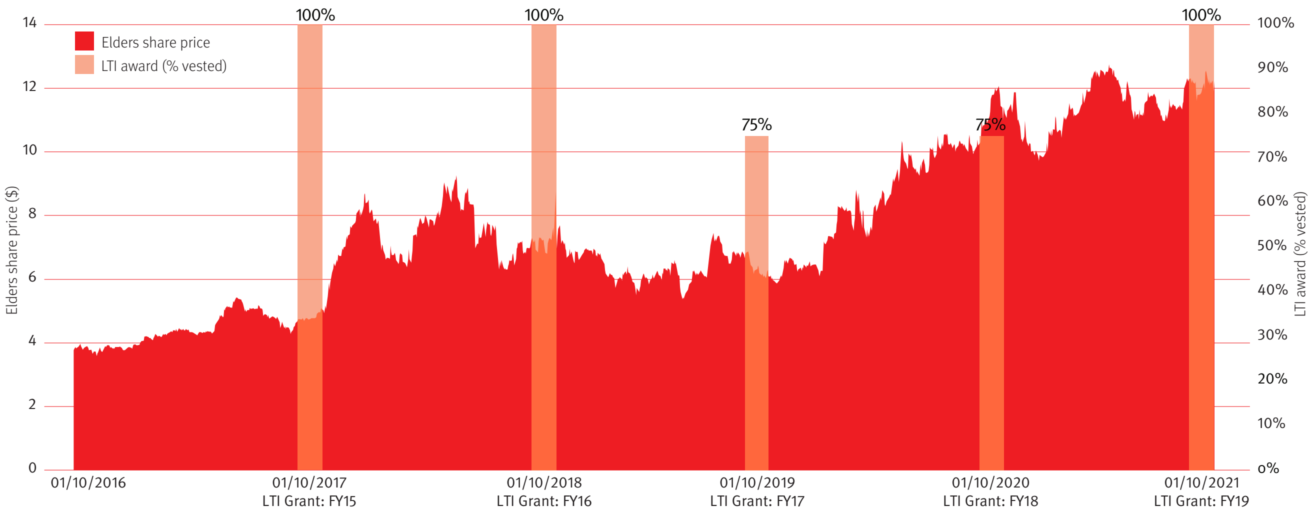


Chart 5 compares Elders' total LTI vesting results for grants in FY15-19 to Elders' share price during the same period.

Chart 5 – LTI Plan performance outcomes relative to Elders' share price



Section 3 – Details of the Executive Remuneration Framework

3.1 Current Short-Term and Long-Term Incentive Plan Structures

Table 8 – FY21 STI Plan

	MD & CEO	**Senior Executives**
Performance period	Annual aligned with financial year – 1 October 2020 to 30 September 2021	
Maximum STI opportunity as % of TFR	100% of TFR	50% of TFR
Performance measure(s)	**Gateway**: Underlying EBIT (90% of Target), ROC hurdles and zero fatalities are achieved. Once the gateway has been achieved, individual STI for the Executive KMPs are awarded based on achievement of individual KPIs which contain a balance of challenging financial and operational targets and are aligned to business strategy. Refer to section 2.1 for further details on Executive KMP FY21 STI performance measures.	
Equity Deferral	40% of any STI earned by Executive KMP is delivered in Elders shares with half released at the end of year one and the balance released at the end of year two. These shares are held in trust subject to trading restrictions and are contingent on the Executive KMP remaining employed at the end of each period. During the restriction periods, the shares are subject to forfeiture if the Executive KMP resigns or is terminated for cause, unless the Board determines otherwise. No further performance conditions apply and shares fully vest to the participant at the end of the restriction period if the continued service requirement is met. As the shares are awarded in lieu of cash and relate to an incentive that has already been earned, during the restriction period Executive KMP are entitled to all dividend and voting entitlements applying to the shares held in trust in their name.	
Exercise of discretion	The MD & CEO may recommend discretionary incentive payments to Senior Executives for approval by the Board. The Board has overriding discretion in determining an Executive KMP's individual STI outcome and may take into account factors such as any material risk events identified and the impact and accountability of the Executive in those events, any other special circumstances (e.g. acquisitions and divestments). The Board has discretion to reduce or deny individual STI outcomes in relation to any significant breach of Elders' Code of Conduct , One Elders values or significant environmental events.	
Clawback	Elders may recover amounts paid, where the STI was calculated on financial results due to: • a material non-compliance with any financial reporting requirement; or • misconduct of any employees, contractors or advisers; and as a result of which the actual metrics and outcomes used to determine the STI were incorrect, and as such a lower payment would have been made based on the restated results.	

3.1 Current Short-Term and Long-Term Incentive Plan Structures continued

Table 9 – Current LTI Plans

	FY20		FY21	
Performance period (3 years)	1 October 2019 to 30 September 2022		1 October 2020 to 30 September 2023	
Maximum LTI Opportunity % of TFR	MD & CEO – 110% Senior Executives – 55%			
Grant date	12-Dec-19	MD & CEO	17-Dec-20	MD & CEO
	21-Feb-20	other participants	12-Mar-21	other participants
As at 30 September 2021	166,000 Rights	MD & CEO	101,000 Rights	MD & CEO
No. of rights outstanding and no. of participants	321,916 Rights	15 other participants	260,000 Rights	18 other participants
Grant methodology	Performance rights allocated under this plan are determined using "face value methodology" being the 5 trading day VWAP at the day prior to the start of the performance period (i.e. 30 September).			

Performance conditions

FY20			FY21		
The performance rights are split into three tranches.			The performance rights are split into two tranches.		
Tranche 1	Absolute TSR	50% weighting	Tranche 1	Relative TSR	50% weighting
Tranche 2	EPS Growth	25% weighting	Tranche 2	EPS growth	50% weighting
Tranche 3	Return on Capital	25% weighting			

Performance measures and vesting

FY20 – Tranche 1 – Absolute TSR Performance Rights

50% of rights vest subject to an absolute TSR performance condition. The absolute TSR performance condition is tested based on Elders' average annual compound TSR over the three-year performance period.

	Absolute TSR	% of tranche that vest
Target	10%	50%
Stretch	14%	100%

- *less than Target no rights vest*
- *if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale*

Absolute TSR will be measured using opening and closing share prices (including dividends paid in the performance period) determined as follows:

- the opening share price value, being the 5 trading day VWAP up to and including 30 September the day prior to the first day of the performance period
- the closing share price value will be based on the 5 trading day VWAP up to and including the last day of the performance period

FY21 – Tranche 1 – Relative TSR against Comparator Companies Performance Rights

50% of rights vest subject to Elders' TSR performance relative to the TSR performance of the Comparator Companies over the Performance Period (subject to Elders' absolute TSR over the performance period being greater than or qual to zero).

Elders' TSR percentile rank	% of tranche that vest
50th Percentile	50%
75th Percentile or above	100%

- *less than Target no rights vest*
- *if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale*

The Comparator Companies for the purposes of this tranche comprises of the companies in the S&P/ASX 200 index excluding the companies in the S&P/ASX 100 as at the start of the Performance Period.

FY20 – Tranche 2 – EPS Growth Performance Rights

25% of rights vest in full if Earnings Per Share Compound Annual Growth Rate (EPS CAGR) is greater than or equal to Target for the performance period. The starting EPS value is EPS as at 30 September prior to the commencement of the performance period.

FY21 – Tranche 2 – EPS Growth Performance Rights

50% of rights vest in full if EPS CAGR is greater than or equal to Target for the performance period. The starting EPS value is EPS as at 30 September prior to the commencement of the performance period.

	EPS CAGR (FY20)	EPS CAGR (FY21)	% of tranche that vest
Target	7%	7.5%	50%
Stretch	10%	10%	100%

- *less than Target no rights vest*
- *if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale*

FY20 – Tranche 3 – ROC Performance Rights

FY21 – Not Applicable for FY21 Grant

	Measure	% of tranche that vest
Target	15% average ROC over the performance period	50%
Stretch	18% average ROC over the performance period	100%.

- *less than Target no rights vest*
- *if greater than Target but less than Stretch is achieved, 50-100% of rights vest on a straight line sliding scale*

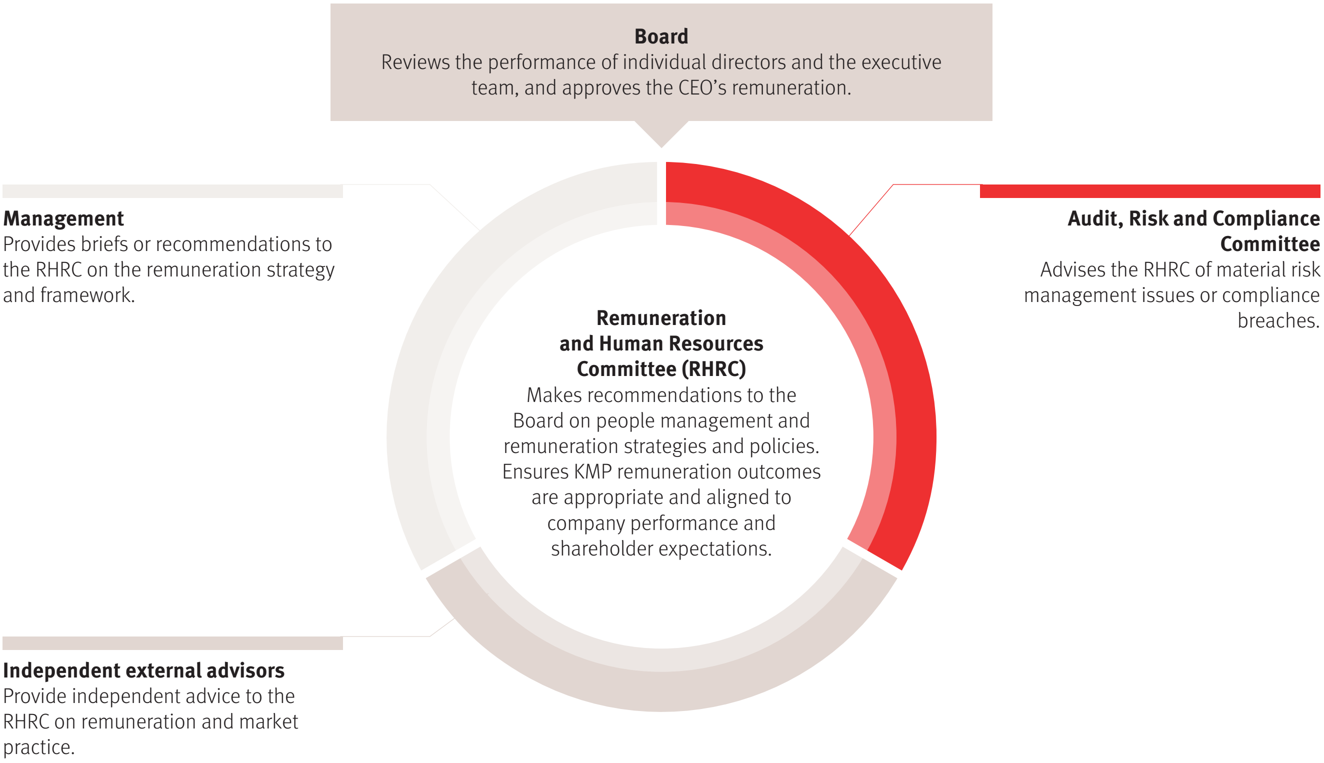
	FY20	FY21
3.1 Current Short-Term and Long-Term Incentive Plan Structures continued		
Additional vesting condition	In addition to the performance conditions above, performance rights will only vest if the share price on the vesting date is greater than or equal to the 5 trading day VWAP up to and including 30 September in the financial year prior to the start of the performance period. Upon vesting of performance rights one fully paid share in Elders will be allocated for each performance right.	Not Applicable
Holding Lock	Not Applicable	For the FY21 grant onwards, a 12 month holding lock on shares awarded under the LTI. A participant is entitled to receive dividends and other distributions and exercise full voting rights.
Performance testing	Testing of the performance conditions will occur once the results for the relevant performance period have been audited and approved by the Board. There will be no re-testing of performance.	
Other		
Clawback	The Board may determine that any unvested rights will lapse or be forfeited, and/or the participant must pay or repay as a debt, proceeds from shares allocated in certain circumstances such as, but not limited to, fraud, gross misconduct, breach of duties or obligations.	
Dividends	For each fully paid ordinary share allocated on vesting, participants will receive additional ordinary shares equivalent to the value of the dividends paid (but not received) over the performance period.	Not Applicable
Treatment of unvested rights on cessation of employment	The Board has overriding discretion over the treatment of unvested performance rights when a participant ceases employment. On cessation of employment the Board may, amongst other options, allow the participant to retain a pro-rated number of rights based on the portion of the performance period the participant has worked or to lapse all rights.	
Dealing in Securities	Participants are prohibited from taking out derivatives over performance rights. In addition, after vesting of performance rights, all dealings in shares issued to a participant are regulated by Elders' Securities Dealing Policy which requires, amongst other things, that dealings only take place during open periods specified by Elders.	
Change of Control	In the event of a transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company, the Board may, in its absolute discretion, determine that all or a specified number of a participant's unvested performance rights and/or options vest or cease to be subject to restrictions. If the Board does not make a determination, participants will retain all of their incentive securities and the incentive securities will continue to be subject to the original terms of the grant.	
Corporate actions/reconstructions	Prior to allocation of shares to a participant upon vesting of performance rights or exercise of options (as the case may be), the Board may make any adjustments it considers appropriate to the terms of a performance right and/or option granted to a participant in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction.	
Board discretion	The Board may exercise its discretion to make adjustments it considers appropriate in light of the purpose and intent of the Plan and the performance conditions. This may include making adjustments to ensure that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant. The Board uses a number of principles to assess whether to make an adjustment, including: • maintaining the desired level of stretch for targets • maintaining the integrity and intention of the reward • aligning outcomes with general market and shareholder expectations • consistent treatment across remuneration elements and performance period • preserving the success and intent of transactions or other actions that have materially benefitted the company If discretion is to be exercised, it may be a result of events such as: • acquisitions and acquisitions costs • divestments • changes to tax treatments • legislative or accounting standard changes • capital reconstructions or corporate actions • internal reorganisation of the business and/or group assets • events affecting comparator companies including, but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period • events, circumstances or significant items outside of the control of management or which are not reflective of management performance	
Future considerations	From FY22 onwards, Elders has resolved to include all items of tax expense and/or benefit in Underlying NPAT. As Elders has recognised all tax losses on balance sheet in FY21, the Underlying tax expense will no longer be offset by an income tax benefit as a result of tax losses recognition. The Board will seek to exercise its discretion on the EPS outcomes of future LTI plans by adjusting the tax expense across the performance period to ensure comparability across the performance period. The performance measures will be as intended as the Board originally set. Shareholders will be provided with a reconciliation.	

Section 4 – Remuneration Governance

The Board Remuneration and Human Resources Committee (RHRC) operates in accordance with the guidance set out in the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations.

Further information on the role and responsibilities of the Committee is set out in the Corporate Governance Statement, which along with the Committee's Charter, is published at elders.com.au.

The Committee is comprised entirely of independent Non-Executive Directors.



4.1 Independent remuneration advice

The Committee is briefed by management, however, the Committee makes all decisions free of the influence of management.

Further to the management briefings, to assist in its decision-making, the Committee may, from time to time, seek independent advice from remuneration advisors, and in so doing will directly engage with the consultant without management involvement.

In the year ending 30 September 2021, the Committee engaged EY to assist with market data and Guerdon Associates to assist with MD & CEO and NED fee remuneration benchmarking. However, no remuneration recommendations, as defined by the *Corporations Act 2001* (Cth), were made by remuneration advisors.

Section 5 – Non-Executive Director Remuneration and Statutory Remuneration

5.1 Remuneration Framework and Policy

Non-Executive Directors are remunerated by way of fees in the form of cash and superannuation. Elders' Non-Executive Director remuneration practices are in accordance with Recommendation 8.2 of the ASX Corporate Governance Council Principles and Recommendations.

NEDs do not participate in Elders' cash or equity incentive plans and do not receive retirement benefits other than superannuation contributions disclosed in this report.

NEDs fees are reviewed by the Board on an annual basis, taking into consideration the accountability and time commitment of each director, supported, where appropriate and necessary, by information from external remuneration advisors.

The Board believes Elders' NEDs should own securities in Elders to further align their interests with the interests of other shareholders. Elders' Minimum Shareholding Policy was updated effective 1 October 2020 and now requires NEDs to hold at least 100% of NED Base fees (including superannuation) within three years from appointment. Details of NEDs' shareholdings in Elders can be found in section 7.

5.2 Non-Executive Director Fees in FY21

Total fees for the financial year ended 30 September 2021 remain well within the aggregate fee limit of $1,200,000 per annum, (including superannuation guarantee), approved by the Board following Elders' 2013 Annual General Meeting.

Guerdon Associates were engaged to provide current market benchmarking for NED Board fees to ensure they remain competitive to market and aligned with the growth in Elders' business. The fees were compared to a peer group of 20 ASX -listed companies of similar size, scope and operations to Elders. The Board approved the following changes to NED fees during FY21 effective 1 January 2021:

- the Board Chair fee increased from $240,000 to $270,000 (12.5% increase), which had remained unchanged since 2014
- the base Board fee increased to $117,000 (4.5%)

Table 10 – Non-Executive Director fee

	FY21 fee excluding superannuation[1]	
	Chair	Member
	$	$
Board	270,000[2]	117,000
Audit, Risk and Compliance Committee	30,000	16,000
Work Health and Safety Committee	Nil	Nil
Remuneration and Human Resources Committee	20,000	10,000
Nomination and Prudential Committee	Nil	Nil

1 Showing fees effective 1 January 2021.

2 The Chair of the Board does not receive additional Committee fees.

Table 11 – Non-Executive Director remuneration

		Short-term payments		Post-employment	Total
		Base Board fee	Board Committee fees	Superannuation	
		$	$	$	$
I Wilton	2021	262,500	-	22,163	284,663
	2020	240,000	-	21,176	261,176
R Clubb	2021	115,750	40,000	14,992	170,742
	2020	112,000	40,000	14,440	166,440
D Eilert	2021	115,750	36,000	14,608	166,358
	2020	112,000	36,000	14,060	162,060
R Murphy[1]	2021	78,929	17,540	9,343	105,812
	2020	-	-	-	-
M Quinn[2]	2021	115,750	26,000	13,645	155,395
	2020	68,600	15,925	8,030	92,555
M Carroll[3]	2021	-	-	-	-
	2020	84,907	19,688	9,991	114,586
Total	2021	688,679	119,540	74,751	882,970
	2020	617,507	111,613	67,697	796,817

1 R Murphy commenced as Non-Executive Director on 28 January 2021.

2 M Quinn commenced as Non-Executive Director on 20 February 2020.

3 M Carroll ceased as Non-Executive Director on 2 July 2020.

Section 6 – Key Terms of Executive KMP Employment Contracts and Statutory Remuneration

6.1 Contractual Arrangements of Executive KMP

Table 12 – Contractual arrangements

Component	MD & CEO	Senior Executives
Contract Duration	Ongoing until terminated by either party	
Notice (without cause) initiated by:		
Elders	12 months	6 months
Individual	6 months	3 months
	Payment in lieu of notice may be made equivalent to the remuneration the MD & CEO and Senior Executive would have received over the notice period. Payment may be awarded under a Short-Term or Long-Term Incentive Plan in accordance with plan rules.	
Notice for Serious Misconduct	Elders may terminate immediately. No payment in lieu of notice or other termination payments are payable under the employment agreement.	
Redundancy	Not applicable	Due to genuine redundancy, as defined by the Fair Work Act 2010, the Senior Executive is entitled to a retrenchment payment in accordance with Elders' policy. This payment is also subject to the rules and limitations specified in the Corporations Act 2001 (Cth) and Corporations Regulations.
Change of Control	Not specifically referenced in contract.	In the event of a Change of Control or Disposal of Business resulting in a material diminution in the roles and responsibility of the Senior Executive, the Senior Executive may terminate their contact on three months' notice.

6.2 Executive KMP Statutory Remuneration

Table 13 – Executive KMP remuneration

		Short-term payments				Post-employment	Share-based payments		Long-term payments	Termination benefits[1]	Total	% performance related[2]
		Base salary	Cash STI	Annual Leave[3]	Other[4]	Super-annuation	Deferred STI rights	LTI Performance rights	Long service leave[5]			
		$	$	$	$	$	$	$	$	$	$	$
M C Allison	2021	1,015,969	605,280	87,795	-	22,163	403,520	756,751	71,103	-	2,945,889	60%
	2020	924,373	894,268	-	-	21,176	-	630,829	47,188	-	2,517,834	61%
T Foster[6]	2021	183,934	98,430[7]	4,455	18,265	11,316	-	-	-	-	311,945	32%
	2020	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M Hunt[8]	2021	223,155	71,036	4,434	17,662	13,432	47,357	163,693	15,836	-	568,007	50%
	2020	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former KMP												
J H Cornish	2021	151,577	-	52,685	412	7,231	-	(169,908)	198,910	459,006	699,913	-24%
	2020	453,825	201,875	-	21,950	21,176	-	152,568	67,350	-	918,744	39%
R I Davey	2021	390,096	204,000	158,365	-	22,163	-	109,472	248,509	261,588	1,394,193	22%
	2020	515,901	269,205	-	-	21,176	-	171,568	26,371	-	1,004,221	44%
R L Norton	2021	41,570	-	35,195	2,830	14,463	-	-	-	249,419	343,477	0%
	2020	499,356	249,419	-	6,306	21,176	-	(37,800)	-	-	738,457	29%
Total	2021	2,006,301	978,746	342,929	39,169	90,768	450,877	860,008	534,358	970,013	6,273,169	
	2020	2,393,455	1,614,767	-	28,256	84,704	-	917,165	140,909	-	5,179,256	

1 *Can comprise redundancy payments under Elders' redundancy policy and/or payments in lieu of notice and comply with Part 2D.2 of the Corporations Act 2001 (Cth).*

2 *Performance related remuneration consists of STI and share based payments as a percentage of total remuneration.*

3 *Annual leave movement was previously not disclosed, former KMP data is statutory leave entitlements paid on separation.*

4 *Includes car parking (M Hunt, J Cornish, R Norton), living away from home allowance (J Cornish), company leased vehicles (M Hunt, R Norton) and sign on bonus (T Foster).*

5 *Former KMP data is statutory leave entitlements paid on separation.*

6 *T Foster's data pro-rata from commencement with Elders, 31 May 2021.*

7 *For FY21 only T Foster's STI is paid 100% cash, future years will have a deferral component.*

8 *M Hunt's data pro-rata from date of commencement in EGM National & VIC/RIV role, 8 March 2021.*

Section 7 – Additional Required Disclosures

Table 14 – Details of Executive KMP current LTI grants

	Grant date[1]	Balance at start of period	Granted	Vesting date	Vested[2]		Lapsed		Balance[3]	Expensed at end of period	Fair Value at grant date[4]	Rights maximum value yet to vest[5]
		No.	No.		No.	%	No.	%	No.	$	$	$
M C Allison	13-Dec-18	146,000	-	Nov-21	146,000	100	-	-	-	264,503	793,510	-
	12-Dec-19	166,000	-	Nov-22	-	-	-	-	166,000	264,493	793,480	264,493
	17-Dec-20	-	101,000	Nov-23	-	-	-	-	101,000	227,755	683,265	455,510
		312,000	101,000		146,000		-		267,000	756,751	2,270,255	720,003
T Foster[6]		-	-		-		-		-	-	-	-
M L Hunt	15-Feb-19	29,000	-	Nov-21	29,000	100	-	-	-	36,540	109,620	-
	21-Feb-20	30,000	-	Nov-22	-	-	-	-	30,000	70,850	212,550	70,850
	12-Mar-21	-	19,000	Nov-23	-	-	-	-	19,000	56,303	168,910	112,606
		59,000	19,000		29,000	-	-	-	49,000	163,693	491,080	183,456
Former KMP[7]												
J H Cornish	15-Feb-19	29,000	-	Nov-21	-	-	29,000	100	-	(73,080)	109,620	-
	21-Feb-20	41,000	-	Nov-22	-	-	41,000	100	-	(96,828)	290,485	-
		70,000	-		-		70,000		-	(169,908)	400,105	-
R I Davey	15-Feb-19	39,000	-	Nov-21	35,750	92	3,250	8	-	36,855	147,420	-
	21-Feb-20	41,000	-	Nov-22	-	-	17,084	42	23,916	72,617	290,485	-
		80,000	-		35,750		20,334		23,916	109,472	437,905	-
R L Norton	15-Feb-19	30,000	-	Nov-21	-	-	30,000	100	-	(37,800)	113,400	-
	21-Feb-20	-	41,000	Nov-22	-	-	41,000	100	-	-	290,485	-
		30,000	41,000		-		71,000		-	(37,800)	403,885	-

1 *The grant dates are aligned to the requirements under the Accounting Standards.*

2 *For the LTI grant expected to vest November 2021, additional shares of 13,413 will be allocated to the Executive KMP at the time of vesting for the value of dividends not received during the performance period on the vested rights.*

3 *Balance is as at the date of this report and includes November 2021 vesting.*

4 *Fair value is used to calculate the value of performance rights when granted. The fair value at Grant Date is independently determined using Monte Carlo simulation techniques which take into account the exercise price, the term of the rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options.*

5 *The maximum value of the performance rights yet to vest has been determined as the fair value amount at grant date that is yet to be expensed. The minimum value of deferred shares yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met.*

6 *No LTI grants were made to T Foster in FY21 as commencement with Elders was from 1 May 2021.*

7 *LTI grants for Former KMP - Grants for R Norton all lapsed in FY20 and grants for J Cornish all lapsed in FY21. R Davey retired on 30 June 2021, as per the LTI Plan Rules a portion of R Davey's rights has continued on foot, based on the percentage of performance completed for each grant.*

Note: below shows the fair value per performance right at grant date, with the grant date under the Accounting Standards differing for the MD & CEO and Senior Executives grants, resulting in a different fair value.

	MD & CEO Grant		Senior Executive Grant	
Performance Rights	Tranche 1	$4.92	Tranche 1	$3.23
13 December 2018	Tranche 2 & 3	$5.95	Tranche 2 & 3	$4.33
Performance Rights	Tranche 1	$4.47	Tranche 1	$6.76
12 December 2019	Tranche 2 & 3	$5.09	Tranche 2 & 3	$7.41
Performance Rights	Tranche 1	$4.30	Tranche 1	$6.51
17 December 2020	Tranche 2	$9.23	Tranche 2	$11.27

Table 15 – Executive KMP shareholding

	Shares held at start of year 1 October 2020	Shares acquired during the year as part of remuneration	Shares acquired during the year through the vesting of LTI	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period[1]
M C Allison	1,274,880	-	158,302	(633,182)	800,000
T Foster	-	19[2]	-	-	19
M Hunt	56,970	-	35,618	(47,665)	44,923
Former KMP					
J H Cornish	-	-	35,618	-	35,618
R I Davey	90,000	-	47,490	(67,490)	70,000
R L Norton	-	-	-	-	-
Total	1,421,850	19	277,028	(748,337)	950,560

1 Balance of shares helds at end of financial period for former KMP is date of cessation.

2 Reflects shares acquired through the Deferred Employee Share Plan for August 2021.

Table 16 – Non-Executive Directors shareholding

	Shares held at start of year 1 October 2020	Shares acquired during the year as part of remuneration	Other shares acquired (disposed of) during the year	Balance of shares held at end of financial period
I Wilton	131,193	-	-	131,193
R Clubb	10,400	-	2,000	12,400
D.Eilert	13,769	-	-	13,769
M Quinn	15,135	-	462	15,597
R Murphy	-	-	4,000	4,000
Total	170,497	-	6,462	176,959

Note: No other changes occurred during the year. None of the shares in tables 15 and 16 are held nominally by the Non-Executive Directors or Executive KMP. Elders takes its obligations to prevent insider trading very seriously. In conformity with that approach, Directors take a conservative view of when they can deal in Elders shares (even when trading windows are open), seeking to avoid both real and perceived trading on inside information. This approach limits the opportunities for Non-Executive Directors to acquire Elders' shares.

Table 17 – Other equity schemes in which one or more KMP participate

	Description	Eligibility Criteria	Number of particpants as at		Number of outstanding shares as at	
			30 Sept 2020	30 Sept 2021	30 Sept 2020	30 Sept 2021
Deferred Employee Share Plan (DESP)[1]	This plan enables participants to salary sacrifice remuneration up to $5,000 to acquire restricted shares. Tax can be deferred up to 15 years. Elders makes no contribution to this plan other than funding the costs of administration. There are no further performance or service conditions once shares are purchased.	All permanent employees	175	241	171,282	170,881

1 No KMP participated in the DESP in 2020. T Foster participated in 2021 and holds 19 shares under this Plan accumulated in FY21.

7.1 Other transactions with KMP

There are no loans to KMP outstanding in the current or prior year.

From time to time, sales and purchases occur during the year between subsidiaries in the Group and entities that certain directors of Elders have direct or indirect control over. These transactions are conducted on the same terms and conditions as those entered into by other Elders' employees or customers on an arm's length basis and are trivial or domestic in nature.

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Executive Management

Mr Mark Charles Allison

Managing Director & Chief Executive Officer
BAgrSc, BEcon, GDM, FAICD, AMP (HBS)

Mr Allison joined Elders Limited as a Non-Executive Director in December 2009, served as Chairman and Executive Chairman, before being appointed Managing Director and Chief Executive Officer in May 2014.

Mark's 40-year agribusiness career spans technical, manufacturing, supply and distribution roles and businesses. Previous roles include Managing Director/CEO of GrainGrowers Limited, Jeminex Limited, Farmoz Pty Ltd, Wesfarmers Landmark Limited, Wesfarmers CSBP Limited, CropCare Australasia Pty Ltd and General Manager of Incitec Fertilisers.

Mark is currently Chair of Agribusiness Australia, AuctionsPlus, the Agriculture and Natural Resources End-User Advisory Board of the SmartSat CRC, the Agrifood and Wine Advisory Board of Adelaide University, a Non-Executive Director of GrainGrowers Limited and a member of the Rabobank Food and Agriculture Advisory Board.

Mark oversaw the development and implementation of Elders' three Eight Point Plans commencing in 2014, which returned the company to a pure play agribusiness and resulted in the growth of Elders market capitalisation from $50 million in 2014 to $1.9 billion in 2021.

Tania Foster

Chief Financial Officer
BComm, MBA (Melbourne), FCA, GAICD

Tania was appointed Chief Financial Officer in May 2021.

Tania has more than 30 years of experience across numerous regions and industries, including mining, manufacturing, accounting, transport, engineering, utilities, payments and banking. She holds a Masters of Business Administration, Bachelor of Commerce, is a Fellow of the Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors. Tania has spent the last 21 years working in Financial Services in a broad range of roles, including finance, product and sales management, transformation, data and operations.

Prior to joining Elders Tania spent 11 years at NAB, where she has most recently held the role of Executive, CFO for Business and Private Banking

Tania has strong ties to the agricultural sector, having grown up on a sheep and cattle property at Casterton in Western Victoria and remains actively involved in owning and managing rural properties

Tania also brings experience of running regional banking territories at ANZ. This background gives Tania insight into the needs of Elders' customers and Australian farmers more generally.

Malcolm Hunt

Executive General Manager National & Victoria, Riverina
GCM, SMDP (AGSM), Wool Classer, Licensed RE Agent VIC, NSW, TAS, ACT, MAICD

Malcolm was appointed as Executive General Manager National and Victoria, Riverina in March 2021. Prior to this appointment, Malcolm was Zone General Manager South, where he led a key business unit that has played a significant role in Elders' resurgence and has continued to expand the Elders footprint, whilst assisting producers increase the productivity and profitability of their businesses.

Malcom has close to 40 years of agricultural experience under his belt as a wool broker, stock & station agent and network manager.

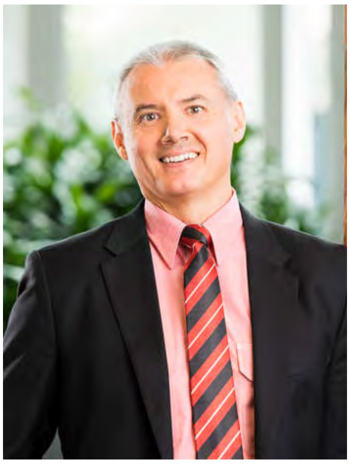
Peter Hastings

Company Secretary & General Counsel
BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD

Peter was appointed Elders' Company Secretary and General Counsel in 2010. He has responsibility for the Company's legal and compliance, company secretarial, risk and insurance functions.

Peter was an integral member of the Elders' team that worked hard to protect shareholder interests through many years of financial distress and which, subsequently, has successfully implemented stabilisation, and now growth strategies.

Peter has nearly three decades of experience gained in legal and governance roles with Elders, other in-house legal positions and in private and government legal practice.



Viv Da Ros

Chief Information Officer
MBA (Manchester), MPM, GAICD

Viv was appointed to the position of CIO in February 2021 and is responsible for leading the technology/business transformation program at Elders – a multi-year change program that will see the introduction of modern technologies to simplify and enhance interactions with our customer base through traditional and digital channels.

In addition to his CIO remit, Thomas Elder Institute (TEI) and Thomas Elder Consulting (TEC) also report into Viv.

With the emergence of the ag-tech space, there are many implications and opportunities for Elders and our customers. Moving the TEI and TEC services into the CIO portfolio allows us to take a broader view of this space and incorporate viable opportunities into our technology roadmap.

Viv's 30 years of experience includes senior leadership positions in Australia, Asia and Europe, predominantly in the retail sector with the AS Watson Group, Tesco, KPMG and Dairy Farm International. More recently Viv spent four years running the technology and digital functions for Caltex Australia, based out of Sydney.

Olivia Richardson

Executive General Manager People, Culture & Safety
BMgmt (Hons), GAICD

Olivia was appointed General Manager People and Culture in 2018, with the Safety function included in her portfolio from 1 October 2020.

Olivia's priorities include maintaining an engaged and enabled workforce, investment in learning and development programs, creating a diverse and inclusive workforce, building on the pride in the pink shirt and driving a zero harm workplace.

Having been with Elders for 13 years, she is well acquainted with Elders people, appreciating that they are loyal and committed to doing the best for their communities.

Notable achievements include refreshing the learning and development framework to ensure people are equipped with the relevant skills and technical expertise to do their job; and the refresh of our Employee Value Proposition aimed at promoting Elders as a great place to work to drive retention and attraction of high calibre staff.

Prior to Elders, Olivia has worked across Human Resources in FMCG, Financial Services and Telecommunications throughout Australia, the UK and Europe.

Tom Russo

Executive General Manager Real Estate, Brand & Communications
LLB (Hons), BA, Grad Dip LP, Dip Prop Serv (Agency Mgt)

Tom was appointed General Manager Real Estate in 2016.

Since assuming responsibility for the real estate product, Tom has focused on building the capability of the product team to deliver outstanding support to the real estate business and establish a foundation upon which to grow it.

The team has created a compelling attraction and retention proposition by vastly improving the marketing, digital strategy, training capability and transaction support. Tom has also established himself as a leading transaction adviser in the farmland investment space.

Tom previously played a pivotal role in devising and implementing the turnaround strategy for Elders, including executing a number of large and complex divestment initiatives.

Prior to Elders, Tom was the Chief Executive of a specialist international law firm and practiced as a corporate lawyer with a focus on mergers and acquisitions, corporate finance, complex contractual projects, corporate governance and intellectual property.

Liz Ryan

Executive General Manager Strategy & Retail
BCom/DipArts, MBA (Cambridge), GAICD

Liz was appointed Executive General Manager Strategy & Retail in March 2021. Liz is responsible for developing and driving the Retail business strategy, with focus on growing Elders market share and capturing gross margin efficiencies through improvements in our end-to-end supply chain model. Prior to Liz's recent appointment, Liz was General Manager Strategy, Customer & Digital, focussed on customer experience across all channels integrated with digital solutions, marketing and strategy.

Liz joined Elders in 2016, as General Manager Financial Services, and during her tenure in this role she led the Rural Bank contract renegotiation, StockCo and Elders Insurance equity acquisitions and the Livestock in Transit delivery warranty launch. Financial Services contribution to Elders earnings grew significantly during this period.

Prior to Elders, Liz worked in the management consulting sector and across strategy, business development and marketing roles at General Electric and Singapore Airlines.

David Adamson

Executive General Manager Agency & Financial Services
MBus (Acct), BAgBus, GAICD, Cert Pastoral Production – Longreach Pastoral College

David was appointed General Manager Agency in 2014, with Financial Services included in his portfolio from 2019.

He is responsible for product strategy and implementation across the livestock, wool, grain and financial services product suite.

David sits on the boards of our joint venture partners Elders Insurance and Clear Grain Exchange.
With a background in agricultural production, agri finance and operations, David is well positioned to lead product development across all parts of the agency and financial services businesses.

Kiim Lim

Executive General Manager Business Development
BCom, CPA , GAICD

Kiim was appointed to the role in 2018.

She has successfully led the completion and integration of many acquisitions underpinning the growth of Elders, including Australian Independent Rural Retailers (AIRR), Titan AG, Livestock and Wool in Transit delivery warranty and various retail, agency and real estate bolt-ons.

Her focus is to ensure long term sustainable growth through the acquisition of high quality businesses in strategic areas throughout the network and through the supply chain.

Kiim commenced with Elders in March 2006, and has held various roles within the finance team.

Prior to Elders, Kiim worked with PwC in Malaysia and Adelaide.

Nick Clark

Executive General Manager Business Improvement
BCom, CA, GAICD

Nick was appointed General Manager Business Improvement in 2019.

He is responsible for supporting the organic growth portion of Elders stated 5-10% EBIT growth through the cycles at 15% return on capital.

Nick's current priorities are capturing more gross margin in Rural Products through optimised pricing, backward integration and supply chain efficiency.

He also has responsibility for the Company's sustainability function, both building on the wide range of activities we already do, and developing an industry leading authentic sustainability program and outcomes.

Having been with Elders since 2010 in a variety of Finance roles, Nick's experience ensures that the business maintains unflinching financial discipline and a commitment to cost and capital efficiency.

Gold standard wool lifting returns for Grenwich Pastoral

Tasmanian graziers Chris and Hannah Downie are now reaping the rewards from their commitment to sustainable and responsible wool production, after achieving certification under an internationally recognised standard with help from the Elders wool team.

Developed by a number of wool clothing apparel retailers and brands from Europe, America and Japan, the The Responsible Wool Standard (RWS) certification recognises the Downies' progressive approach to managing sheep welfare and protecting the environment. It is the gold standard for wool, providing them and their consumers with confidence that they are sourcing product from reputable producers.

According to Lachie Brown, State Wool Manager for Elders across Victoria, Tasmania and the Riverina, the premium for RWS certified wool ranges from 5 to 15% and demand is across the full range of wool types.

Lachie says that the Elders wool service team is currently working with a number of progressive graziers to help them achieve RWS certification and market their wool for better returns.

"For wool growers who have stopped mulesing, being RWS certified not only certifies this, but highlights their sustainable and ethical production systems, resulting in increased recognition and rewards in the market," he said.

Chris and Hannah Downie from Greenwich Pastoral at Hamilton in southern Tasmania decided to go down the non-mulesing path several years ago, starting with their wethers.

It has now been 12 months since they stopped mulesing in all their sheep.

"While it hasn't been long, it's been successful for us so far," said Chris.

"It has meant adjusting our shearing dates slightly, and we are shearing all our hoggets and lambs three times in their first two years to keep wool length under control, but we are in a good environment for it and our sheep are bred to suit non-mulesing."

While not mulesing is an important step to achieving certification, it isn't the only requirement.

Lachie worked with Chris to complete an extensive on-farm audit, ensuring Greenwich Pastoral fulfilled all the requirements for RWS certification.

This included setting up environmental monitoring sites, meeting a range of progressive animal handling standards and complying with best practice workplace employment and health and safety standards.

Chris says it has made a big difference to their returns and estimates they are achieving a premium of 5 to 10% on all their wool thanks to the RWS certification.

"One week recently we sold 80 bales before the auction that potentially wouldn't have sold at all or would have gone for a significant discount," he said.

The Downies run a pure merino flock, shearing 15,000 sheep a year in June and averaging 18.5 to 19.5 micron, with 70-72% yield and a staple length of 100 to 105 mm.

Their farm is based around Hamilton in the Derwent Valley on 5,000 hectares, with country ranging from irrigated river flats to native pasture on steep hills at up to 400 metres above sea level.

"It's a challenging environment," Chris said. "Our winters are quite harsh and the summers are hot and dry. We only have a short growing season and a low 400 mm annual average rainfall."

Lambing is timed for late winter to coincide with the start of the spring growing season and they keep stocking rates low at approximately 5 DSE/ha, to maintain pasture cover and protect the soil from erosion.

They have a good, reliable team of local shearers and work closely with the team at Elders Bothwell, including Damien Whiteley on sheep classing and David Dare for merchandise.

"Damien plays an important role in guiding breeding decisions and continues to assist with our transition to non-mulesing," said Chris.

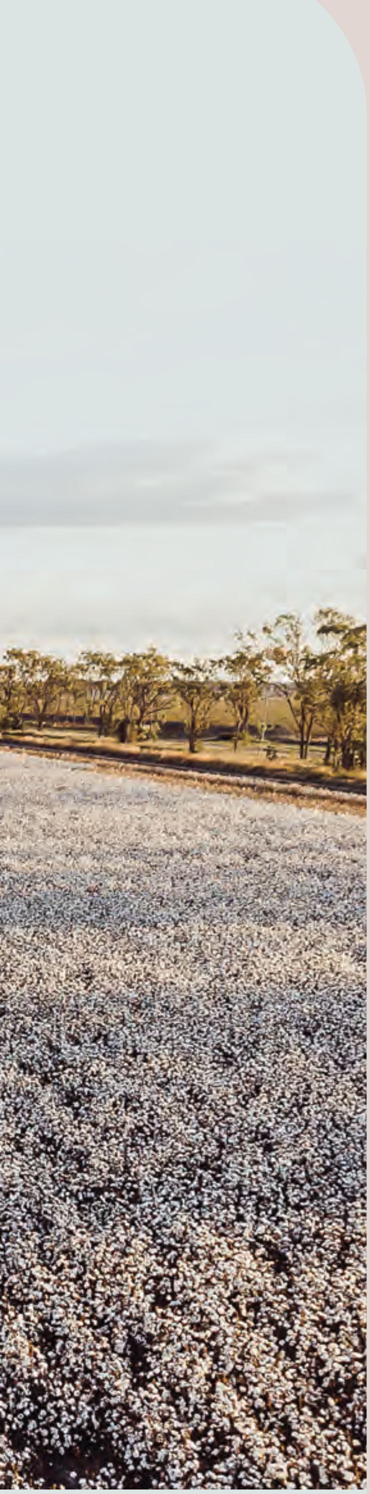
"Overall, our number one focus is passing the farm on to the next generation, as it has been passed on to me.

"I'm a sixth-generation farmer and we have two young boys, Henry and William. We're always trying to operate as sustainably as we can."

"Our number one focus is passing the farm on to the next generation, as it has been passed on to me. We're always trying to operate as sustainably as we can"

Chris Downie
Greenwich Pastoral, Tasmania


Elders



FINANCIAL REPORT
2021

Elders Limited Annual Financial Report

30 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2021

		2021	2020
	Note	$000	$000
Sales revenue	2	2,548,924	2,092,618
Cost of sales		(2,030,501)	(1,662,371)
Gross profit		518,423	430,247
Equity accounted profits	12	10,897	7,281
Distribution expenses		(287,090)	(256,554)
Administrative expenses		(75,767)	(67,584)
Finance costs	2	(8,755)	(9,325)
Profit before income tax (expense)/benefit		157,708	104,065
Income tax (expense)/benefit	3	(3,924)	21,221
Net profit for the period		153,784	125,286
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		343	(742)
Net gains on cash flow hedges		932	-
Other comprehensive profit/(loss) for the period, net of tax		1,275	(742)
Total comprehensive income for the period		155,059	124,544
Profit for the period is attributable to:			
Non-controlling interest		4,007	2,339
Owners of the parent		149,777	122,947
Net profit for the period		153,784	125,286
Total comprehensive income for the period is attributable to:			
Non-controlling interest		4,007	2,339
Owners of the parent		151,052	122,205
Total comprehensive income for the period		155,059	124,544
Reported operations			
Basic earnings per share (cents per share)	4	95.8¢	79.8¢
Diluted earnings per share (cents per share)	4	95.5¢	79.3¢

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	2021 $000	2020 $000
Current assets			
Cash and cash equivalents	14	48,063	50,741
Trade and other receivables	5	734,769	601,834
Livestock	6	56,237	44,734
Inventory	7	321,683	255,930
Total current assets		1,160,752	953,239
Non current assets			
Other financial assets		1,269	1,269
Equity accounted investments	12	57,936	56,473
Property, plant and equipment	9	36,018	32,268
Right-of-use assets	10	105,739	100,802
Intangibles	11	332,643	306,247
Deferred tax assets	3	102,673	103,767
Total non current assets		636,278	600,826
Total assets		1,797,030	1,554,065
Current liabilities			
Trade and other payables	8	648,294	517,120
Interest bearing loans and borrowings	15	154,265	158,691
Lease liabilities	10	37,972	28,500
Current tax payable	3	974	1,034
Provisions	13	81,870	65,485
Total current liabilities		923,375	770,830
Non current liabilities			
Other payables	8	19,204	7,177
Interest bearing loans and borrowings	15	-	25,000
Lease liabilities	10	72,705	76,001
Provisions	13	3,154	2,731
Total non current liabilities		95,063	110,909
Total liabilities		1,018,438	881,739
Net assets		778,592	672,326
Equity			
Contributed equity	17	1,651,006	1,645,561
Reserves	18	(26,887)	(27,670)
Retained earnings		(848,694)	(946,890)
Total parent entity equity interest		775,425	671,001
Non-controlling interests		3,167	1,325
Total equity		778,592	672,326

The accompanying notes form an integral part of this consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

	Note	2021 $000	2020 $000
Cashflows from operating activities			
Receipts from customers		10,638,812	8,566,990
Payments to suppliers and employees		(10,495,672)	(8,424,483)
Dividends received		9,584	7,097
Interest and other finance costs paid		(7,727)	(7,820)
Income tax (paid)/refunded		(2,840)	557
Net operating cash flows	14	142,157	142,341
Cash flows from investing activities			
Payments for property, plant and equipment		(6,378)	(7,378)
Payments for equity accounted investments		(150)	(3,300)
Payments for intangibles		(1,845)	(1,511)
Payments for acquisitions through business combinations, net of cash acquired	22	(28,028)	(111,883)
Proceeds from sale of property, plant and equipment		911	924
Net investing cash flows		(35,490)	(123,148)
Cash flows from financing activities			
(Repayment)/proceeds of borrowings		(29,426)	83,504
Payments of lease liabilities		(29,286)	(31,835)
Dividends paid		(48,468)	(25,194)
Partnership profit distributions/dividends paid		(2,165)	(2,240)
Net financing cash flows		(109,345)	24,235
Net (decrease)/increase in cash held		(2,678)	43,428
Cash at the beginning of the financial year		50,741	7,313
Cash at the end of the financial year	14	48,063	50,741

The accompanying notes form an integral part of this consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Issued capital	Reserves	Retained earnings	Non-controlling interest	Total equity
	$000	$000	$000	$000	$000
As at 1 October 2020	1,645,561	(27,670)	(946,890)	1,325	672,326
Profit for the period	-	-	149,777	4,007	153,784
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations	-	343	-	-	343
Cash flow hedge and fair value of derivatives, net of tax	-	932	-	-	932
Total comprehensive income/(loss) for the period	-	1,275	149,777	4,007	155,059
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(49,061)	-	(49,061)
Dividend reinvestment plan	2,520	-	(2,520)	-	-
Partnership profit distributions/dividends paid	-	-	-	(2,165)	(2,165)
Cost of share based payments	-	2,433	-	-	2,433
Reallocation of equity (note 18)	2,925	(2,925)	-	-	-
As at 30 September 2021	1,651,006	(26,887)	(848,694)	3,167	778,592
As at 1 October 2019	1,562,377	(27,230)	(1,043,490)	1,226	492,883
Profit for the period	-	-	122,947	2,339	125,286
Other comprehensive income/(loss):					
Foreign currency translation differences for foreign operations	-	(742)	-	-	(742)
Total comprehensive income/(loss) for the period	-	(742)	122,947	2,339	124,544
Transactions with owners in their capacity as owners:					
Issued capital	80,388	-	-	-	80,388
Dividends paid	-	-	(25,194)	-	(25,194)
Dividend reinvestment plan	2,796	-	(2,796)	-	-
Partnership profit distributions/dividends paid	-	-	-	(2,240)	(2,240)
Cost of share based payments	-	1,945	-	-	1,945
Reallocation of equity	-	(1,643)	1,643	-	-
As at 30 September 2020	1,645,561	(27,670)	(946,890)	1,325	672,326

The accompanying notes form an integral part of this consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

ABOUT THIS REPORT

Corporate information

The consolidated financial report of Elders Limited for the year ended 30 September 2021 was authorised for issue in accordance with a resolution of the Directors on 15 November 2021. Elders Limited (the Parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Directors' Report and note 1. References in this consolidated financial report to 'Elders' are to Elders Limited and each of its controlled entities unless the context requires otherwise.

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value, and biological assets that are measured at fair value less costs to sell.

The financial report is presented in Australian dollars and under the ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

Both the functional and presentation currency of Elders and its Australian subsidiaries is Australian Dollars (AUD). Subsidiaries incorporated in countries other than Australia (see note 1), which have a functional currency other than Australian Dollars, are translated to the presentation currency.

Transactions in foreign currencies are initially recorded by subsidiaries at their respective functional currency rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The financial report has been prepared on a going concern basis.

Comparative information which relates to prior periods is restated to be comparable with current year disclosures.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Elders Limited and its subsidiaries as at 30 September 2021. Control is achieved when Elders is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When Elders has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee.

Elders re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date Elders gains control until the date Elders ceases to control the subsidiary.

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

Significant accounting judgements, estimates and assumptions

The preparation of Elders' consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods. Judgements, estimates and assumptions which are material to the financial report are found in the following notes:

Note 3	Recovery of deferred tax assets
Note 7	Accounting for rebates
Note 9	Impairment of non-financial assets other than brand names and goodwill
Note 10	Accounting for leases
Note 11	Impairment of brand names and goodwill

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

ABOUT THIS REPORT

Impact of COVID-19

At the date of this report, COVID-19 remains a global pandemic as declared by the World Health Organisation. Elders has considered the impact of COVID-19 when preparing the consolidated financial statements and related note disclosures, and continues to monitor the impact on our employees, demand for Elders' products and services, customers, communities and supply chains.

Elders fulfilled strong demand for its products and services by engaging in extended forward orders, mitigating the international supply chain constraints for farm supply inputs. Agency Services did not experience any material supply chain impacts with Wool and Livestock markets improving due to strong export demand and favourable prices. Real Estate Services benefited from increased residential and farmland turnover with low market supply and high demand for properties.

Elders has continued to support government and community efforts to limit the impact of the COVID-19 pandemic and ensure the health and safety of our team and customers, whilst also minimising business interruption. Elders has implemented travel restrictions, social distancing measures and deployed protective equipment where needed. Whilst a number of our operations have been impacted throughout the year, Elders has largely been able to continue operations safely through the adaption and resilience of our people.

Elders has also focused on mental health and wellbeing initiatives, with increased resourcing and new initiatives implemented during the course of the year, particularly in response to the impacts of COVID-19 restrictions. Whilst Elders has successfully adapted to new ways of working, it has been crucial to ensure that our team continue to feel connected and supported during periods of disruption, isolation and uncertainty.

Pandemic risk remains on Elders' risk register and controls implemented in the business to mitigate COVID-19 impacts are operating effectively. Elders' COVID-19 Response Committee held regular meetings to monitor, track and report business and financial reporting matters relating to COVID-19.

With Elders' critical role in agriculture and rural and regional Australia, Elders maintained the decision to not stand down or reduce employment due to COVID-19. Elders did not access any government support such as JobKeeper during the year ended 30 September 2021.

While the effects of COVID-19 do not change the significant estimates, judgements and assumptions in the preparation of consolidated financial statements, it has increased the accounting estimation uncertainty and resulted in application of further judgement within those identified areas. Elders has used accounting estimates based on forecasts developed on market information available at balance date.

Elders has reviewed the following material accounting judgements, estimates and assumptions within the accounting policies that have potential to be impacted by the COVID-19 outbreak:

- Impairment of financial assets, specifically trade receivables: Elders assessed its trade receivables expected credit losses, given COVID-19 uncertainties. This assessment did not indicate a material change to trade receivables and loss allowances. Refer to note 5 for further detail.
- Valuation of inventory: Elders has performed an assessment of inventory on hand at balance date to assess whether inventories are valued at the lower of cost and net realisable value. Refer to note 7 for further detail.
- Impairment of non-financial assets, including brand names and goodwill: Elders has reviewed the conditions specific to the company and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. Refer to note 11 for further detail.
- Financial Instruments risks. Elders has reviewed its' financial instruments to consider any material impacts of COVID-19 on its liquidity risk and credit risk. Refer to note 16 for further detail.

Elders will continue to monitor and manage the impact of COVID-19 on its financial position and performance.

Changes to Accounting Policies

(i) Hedge accounting policy

From 1 October 2020, Elders applied the hedge accounting principles contained within AASB 9 Financial Instruments. As a result, the way Elders accounts for the movements in fair values for derivative financial instruments, primarily cash flow hedges, has changed. For all effective cash flow hedges entered into from 1 October 2020, Elders now recognises the movements in fair value of the derivative financial instruments in equity and only recognises the cumulative difference in the statement of comprehensive income when the hedged item is recognised. Amounts accumulated in equity are included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory. Any ineffective portion of a cashflow hedge is recognised immediately in the profit and loss. Hedge effectiveness is determined at the inception of the hedge relationship, and prospectively assessed to ensure economic relationships remain between the hedging instrument and hedged item.

Effective 1 October 2020, at inception of a hedge relationship Elders documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Elders also documents its risk management objective and strategy for undertaking its hedge transactions.

(ii) New and Revised Accounting Standards and Interpretations

A number of new amendments to standards and interpretations became operative for the financial year ended 30 September 2021. None of these have materially impacted Elders and its policies.

(iii) Accounting Standards and Interpretations issued but not yet effective

Elders has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Elders has assessed the upcoming standards, interpretations or amendments and concluded there is no material impact expected from the adoption of these new standards, interpretations or amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

ABOUT THIS REPORT

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of Elders. They include the applicable accounting policies applied and significant estimates and judgements made. Specific accounting policies are disclosed in their respective notes to the financial statements.

The notes are organised into the following sections:

Group Performance	Provides additional information regarding financial statement lines that are most relevant to explaining Elders' performance during the period.
Working Capital	Provides additional information regarding financial statement lines that are most relevant to explaining the assets used to generate Elders' trading performance during the period and liabilities incurred as a result.
Capital Employed	Provides additional information regarding financial statement lines that are most relevant to explaining the capital investment made that allows Elders to generate its operating result during the period and liabilities incurred as a result.
Net Debt	Provides additional information regarding financial statement lines that are most relevant to explaining Elders' net debt position and borrowings for the period.
Risk Management	Provides information relating to Elders' exposure to various financial risks, its impact on the financial position and performance of Elders and how these risks are managed.
Equity	Provides additional information regarding financial statement lines that are most relevant to explaining the equity position of Elders at the end of the period, including the dividends declared and/or paid during the period.
Group Structure	Summarises how the group structure affects the financial position and performance of Elders as a whole.
Other Notes	Includes other notes that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 1: SEGMENT INFORMATION

Identification of reportable segments

Elders has identified its operating segments to be Branch Network, Wholesale Products, Feed and Processing Services and Corporate Services and Other Costs. These operating segments are the basis on which internal reports are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining allocation of resources. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer on at least a monthly basis. Elders operates predominantly within Australia. All other geographical operations are not material to the financial statements.

Type of product and service

- Branch Network includes the provision of a range of products and services through a common distribution channel, including agricultural retail products, agency and real estate services and financial services.
- Wholesale Products includes the AIRR business based in Shepparton, Victoria, supported by a network of warehouses to supply independent retail stores throughout Australia.
- Feed and Processing Services includes Killara feedlot, a beef cattle feedlot near Tamworth in New South Wales. In China, Elders imports, processes and distributes premium Australian meat.
- Corporate Services and Other Costs segment includes the general investment activities not associated with the other business segments and the administrative corporate office activities, including centrally held costs not allocated to the other segments.

Accounting policies and intersegment transactions

The accounting policies used by Elders in reporting segments internally are the same as those contained in the financial statements. Segment results have been determined on a consolidated basis and represent the earnings before corporate net financing costs and income tax expense.

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
	$000	$000	$000	$000	$000
2021					
Sale of goods and biological assets	1,689,152	328,642	161,991	1,160	2,180,945
Debtor interest associated with sales	7,552	-	-	-	7,552
Interest revenue from related party advances	2,585	-	-	-	2,585
Commission revenue	357,842	-	-	-	357,842
Sales revenue	2,057,131	328,642	161,991	1,160	2,548,924
Equity accounted profits	10,897	-	-	-	10,897
Earnings before interest, tax, depreciation and amortisation	234,039	39,023	5,462	(71,136)	207,388
Depreciation and amortisation	(3,725)	(4,355)	(1,423)	(897)	(10,400)
Depreciation on right-of-use assets	(24,674)	(3,274)	(66)	(2,511)	(30,525)
Segment result	205,640	31,394	3,973	(74,544)	166,463
Interest expense					(5,355)
Unwinding discount expense in regards to liabilities					(1,028)
Interest on lease liabilities					(2,372)
Finance costs					(8,755)
Profit before income tax benefit/(expense)					157,708
Segment assets	1,157,142	302,488	87,668	249,732	1,797,030
Segment liabilities	608,714	87,687	12,291	309,746	1,018,438
Net assets	548,428	214,801	75,377	(60,014)	778,592
Carrying value of equity accounted investments	57,936	-	-	-	57,936
Acquisition of non current assets (cash outflow)	32,476	-	2,197	1,728	36,401
Non cash income/(expense) other than depreciation and amortisation	(5,075)	-	58	(45,039)	(50,056)
Profit/(loss) on sale of non current assets	423	-	-	-	423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 1: SEGMENT INFORMATION

	Branch Network	Wholesale Products	Feed and Processing Services	Corporate Services and Other Costs	Total
	$000	$000	$000	$000	$000
2020					
Sale of goods and biological assets	1,382,798	245,619	149,645	860	1,778,922
Debtor interest associated with sales	7,410	-	-	-	7,410
Interest revenue from related party advances	4,226	-	-	-	4,226
Commission revenue	302,060	-	-	-	302,060
Sales revenue	1,696,494	245,619	149,645	860	2,092,618
Equity accounted profits	7,281	-	-	-	7,281
Earnings before interest, tax, depreciation and amortisation	180,816	28,392	8,149	(62,175)	155,182
Depreciation and amortisation	(2,903)	(3,729)	(1,127)	(855)	(8,614)
Depreciation on right-of-use assets	(28,254)	(2,660)	(416)	(1,848)	(33,178)
Segment result	149,659	22,003	6,606	(64,878)	113,390
Interest expense					(5,197)
Unwinding discount expense in regards to liabilities					(1,289)
Fair value adjustments of financial instruments					(216)
Interest on lease liabilities					(2,623)
Finance costs					(9,325)
Profit before income tax benefit/(expense)					104,065
Segment assets	969,071	265,616	79,805	239,573	1,554,065
Segment liabilities	485,566	74,297	13,511	308,365	881,739
Net assets	483,505	191,319	66,294	(68,792)	672,326
Carrying value of equity accounted investments	56,473	-	-	-	56,473
Acquisition of non current assets (cash outflow)	120,147	-	2,197	1,728	124,072
Non cash income/(expense) other than depreciation and amortisation	(7,270)	-	(440)	(13,472)	(21,182)
Profit/(loss) on sale of non current assets	524	-	-	-	524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 2: REVENUE AND EXPENSES

	Note	2021 $000	2020 $000
Sales revenue			
Sale of goods and biological assets		2,180,945	1,778,922
Debtor interest associated with sales		7,552	7,410
Interest revenue from related party advances	25	2,585	4,226
Commission revenue		357,842	302,060
Total sales revenue		2,548,924	2,092,618
Finance costs			
Interest expense		5,355	5,197
Unwinding discount expense in regards to liabilities		1,028	1,289
Fair value adjustments of financial instruments		-	216
Interest on lease liabilities		2,372	2,623
Total finance costs		8,755	9,325
Specific expenses: depreciation and amortisation			
Depreciation and amortisation		10,400	8,614
Depreciation on right-of-use assets		30,525	33,178
Total depreciation and amortisation		40,925	41,792
Specific expenses: employee benefit expense			
Salaries, wages and incentives		190,702	166,538
Superannuation and other employee costs		37,928	32,231
Share based payments		2,433	1,945
Total employee benefit expense		231,063	200,714
Operating lease expenditure		1,766	1,569

Accounting Policy

Elders recognises revenue as or when each performance obligation from contracts with customers are satisfied and considers whether there are separate elements of each transaction to which a portion of the transaction price needs to be allocated. The majority of Elders' revenue is recognised at a point in time and attributable to the sale of retail products, wholesale products, provision of agency services and real estate services, with the exception being certain financial services revenue which is recognised over a period of time. There were no significant judgements in revenue recognition. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods and biological assets

Revenue from the sale of goods predominantly relates to sale of agricultural retail products and wholesale products, and is recognised at the point in time when control has been transferred to the customer, generally through the execution of a sales agreement at point of sale or when the delivery of goods has occurred.

(ii) Commission revenue

Commission revenue is derived from the rendering of agency services, real estate services and financial services and is generally recognised at the point in time when the service is provided. In some cases, Elders will enter into contracts with customers that contain multiple performance obligations and revenue will be recognised as each of these is satisfied. The transaction price is allocated to each performance obligation accordingly.

(iii) Interest revenue

Interest income predominantly relates to revenue derived from trade receivables related to the sale of agricultural retail products and is recognised as it accrues using the effective interest rate method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 3: INCOME TAX

Significant Accounting Judgements, Estimates and Assumptions

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable the future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

(a) Major components of income tax expense are:

	2021	2020
	$000	$000
Income statement		
Current income tax expense	(52,098)	(1,337)
Adjustments in respect of current income tax of previous years	360	(103)
Deferred income tax benefit	47,814	22,661
Income tax (expense)/benefit reported in the statement of comprehensive income	(3,924)	21,221

(b) Reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at Elders' effective income tax rate is as follows:

Total accounting profit before tax	**157,708**	**104,065**
Income tax expense at 30% (2020: 30%)	(47,312)	(31,220)
Adjustments in respect of current income tax of previous years	360	(103)
Share of equity accounted profits	3,269	1,957
Non-assessable losses	(419)	(944)
Recognition of previously unrecognised losses	42,461	53,324
Other	(2,283)	(1,793)
Income tax (expense)/benefit as reported in the statement of comprehensive income	(3,924)	21,221
Current tax payable	974	1,034

Tax losses not recognised as an asset

In the current year, Elders has recognised the full value of deferred tax assets relating to revenue tax losses in the statement of financial position. In the prior period, Elders held $42.7 million of tax losses for which no deferred tax asset was recognised in the statement of financial position. The tax losses are available indefinitely for offset against future taxable profits subject to continuing to meet relevant statutory tests.

Tax losses carried forward at the end of the year

Value of tax losses carried forward (net)	109,946	116,113

Tax Consolidation

Elders and its 100% owned Australian resident subsidiaries are in a tax consolidated group. Elders Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Tax Transparency Report

Elders has prepared a voluntary tax transparency report which is available to view online or to download from the Elders' website at elders.com.au. The report sets out relevant tax information for Elders and its controlled entities for the year ended 30 September 2021. The tax transparency report has not been audited and does not form part of the Financial Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 3: INCOME TAX

(c) Major components of deferred income tax:

	Statement of Financial Position		Movement	
	2021	2020	2021	2020
	$000	$000	$000	$000
Deferred income tax assets				
Losses available to offset against future taxable income	109,946	116,113	(6,167)	15,500
Provision for employee entitlements	24,431	19,189	5,242	6,123
Other provisions	4,342	3,498	844	551
Capitalised expenses	3,187	3,563	(376)	(267)
Lease liabilities	32,992	31,334	1,658	31,334
Other	1,129	636	493	(597)
Gross deferred income tax assets	176,027	174,333	1,694	52,644
Deferred income tax liabilities				
Inventory	(1,601)	(1,695)	94	(224)
Intangibles	(37,202)	(38,080)	878	(15,567)
Right-of-use assets	(32,269)	(30,254)	(2,015)	(30,254)
Other	(2,282)	(537)	(1,745)	(16)
Gross deferred income tax liabilities	(73,354)	(70,566)	(2,788)	(46,061)
Net deferred tax asset	102,673	103,767		
Movement in net deferred tax asset			(1,094)	6,583
Deferred income tax benefit recognised in the statement of comprehensive income			47,814	22,661
Utilisation of booked tax losses			(48,628)	-
Deferred income tax assets/(liabilities) recognised for acquisitions of businesses (principally related to acquired intangibles)			120	(16,078)
Deferred income tax (expense)/benefit recognised in equity			(400)	-
			(1,094)	6,583

Accounting Policy

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP PERFORMANCE – NOTE 4: EARNINGS PER SHARE

	2021	2020
Weighted average number of ordinary shares ('000) used in calculating basic EPS	156,305	154,094
Dilutive performance rights ('000)	579	975
Adjusted weighted average number of ordinary shares used in calculating dilutive EPS ('000)	156,884	155,069

The following reflects the net profit/(loss) and share data used in the calculations of earnings per share (EPS):

	2021	2020
	$000	$000
Reported operations		
Basic and dilutive		
Net profit attributable to members (after tax)	149,777	122,947
Reported operations earnings per share:		
Basic earnings per share (cents per share)	95.8¢	79.8¢
Diluted earnings per share (cents per share)	95.5¢	79.3¢

Accounting Policy

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

WORKING CAPITAL – NOTE 5: RECEIVABLES

	2021	2020
	$000	$000
Current		
Trade debtors	695,274	571,620
Loss allowance	(9,257)	(8,245)
	686,017	563,375
Amounts receivable from equity accounted investments	17,520	21,185
Livestock deferred receivables	16,276	6,523
Prepayments	3,909	2,375
Other receivables	11,047	8,376
Total current receivables	734,769	601,834

Included in trade debtors is $93.9 million (2020: $74.1 million) which is subject to credit insurance with various terms and conditions.

Trade debtors are generally on 30 to 90 day terms with the exception of Livestock debtors which are on 10 day terms. In some instances, deferred terms in excess of 90 days are offered, where Elders also receives extended creditor terms.

In line with AASB 9, trade debtors are reviewed in accordance with the simplified approach to measuring expected credit losses based on the payment profile of sales over a period of five years and the corresponding historical credit losses experienced within this period, which is reassessed annually. The historical loss rates are adjusted to reflect current and forward-looking information (including agricultural specific macroeconomic factors) affecting the ability of the customers to settle the debtors. Elders assessment of trade receivables and loss allowances, given COVID-19 uncertainties, did not indicate a material change to trade receivables and loss allowances. On that basis, the loss allowance for trade debtors was determined as follows:

	Current	1-30 days past due	31-60 days past due	61-90 days past due	+91 days past due	Total
	$000	$000	$000	$000	$000	$000
2021						
Expected loss rate	< 1%	< 1%	< 2%	< 1%	56%	
Gross carrying amount	597,142	72,683	9,345	2,918	13,186	695,274
Loss allowance	1,483	218	182	6	7,368	9,257
2020						
Expected loss rate	< 1%	< 1%	< 1%	< 1%	45%	
Gross carrying amount	472,309	65,611	8,052	8,732	16,916	571,620
Loss allowance	309	156	78	76	7,626	8,245

Reconciliation of loss allowances for trade debtors at beginning and end of period:

	2021	2020
	$000	$000
Opening loss allowance	8,245	4,641
Increase in loss allowance recognised in profit or loss	2,172	3,741
Trade debtors written off	(1,254)	(727)
Increase in loss allowance through acquisitions	94	590
Closing loss allowance	9,257	8,245

Related party receivables

For terms and conditions of related party receivables, including from equity accounted investments, refer to note 25.

Fair value and credit risk

Due to the short term nature of trade and other current receivables, their carrying value is assumed to approximate their fair value. For other receivables the carrying amount is not materially different to their fair values. The maximum exposure to credit risk is the fair value of each class of receivables. Details regarding credit risk exposure are disclosed in note 16.

Foreign exchange and interest rate risk

Details regarding the foreign exchange and interest rate risk exposure are disclosed in note 16, including those relating to derivative related balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

WORKING CAPITAL – NOTE 5: RECEIVABLES

Accounting Policy

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method, less expected credit losses. To measure the expected credit losses, trade receivables have been grouped on days past due.

The expected credit loss rates are based on payment profile over a historical period and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Livestock deferred receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method. All balances hold a maturity of less than 12 months. Interest on livestock deferred receivables is recognised as it accrues using the effective interest rate method.

WORKING CAPITAL – NOTE 6: LIVESTOCK

	2021	2020
	$000	$000
Current		
Total livestock	56,237	44,734

Reconciliation of fair value of livestock at beginning and end of period:

Opening fair value	44,734	35,310
Purchases	131,925	124,032
Cost of sales	(120,480)	(114,168)
Fair value increment/(decrement)	58	(440)
Closing fair value	56,237	44,734

At balance date 22,265 head of cattle (2020: 20,178) are included in livestock. This represents cattle held in Australia for feedlotting purposes.

Elders is exposed to a number of risks related to its livestock:

Regulatory and environmental risks

Elders is subject to laws and regulations and has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and ensure systems in place are adequate to manage those risks.

Supply and demand risk

Elders is exposed to financial risk in respect of livestock activity. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase and ultimately receiving cash from the sale to third parties. Elders is exposed to risks arising from fluctuations in price and sales volumes, and product substitution. Where possible, Elders manages these risks by aligning volumes with market supply and demand, and through the sale of livestock on forward contracts.

Other risks

Elders' livestock are exposed to the risk of damage from disease and other natural forces. Elders has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections and industry pest and disease surveys.

Accounting Policy

Elders holds biological assets in the form of livestock. Livestock is measured at fair value internally as there is no observable market for them. Where there are unobservable inputs for an asset or liability, these are classified as Level 3 Price Inputs. The value is based on the estimated exit price per kilogram and the value changes for the weight of each animal as it progresses through the feedlot program. The key factors affecting the value of each animal are price/kg, days on feed and the feed conversion ratio. The market value increments or decrements are recorded in profit and loss.

Significant changes in any of the significant unobservable valuation inputs for feedlot cattle in isolation would result in significantly higher or lower fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

WORKING CAPITAL – NOTE 7: INVENTORY

Significant Accounting Judgements, Estimates and Assumptions

Accounting for rebates

Elders receives rebates associated with the purchase of retail goods from suppliers. These vary in nature and include price and volume rebates. Rebates received, in line with the relevant contractual arrangements, are recognised as a reduction to cost of sales when the sale of the particular product occurs. Inventory on hand is recognised net of rebates.

Elders pays rebates associated with the sales of wholesale goods to suppliers. These vary in nature and include price and volume rebates. Rebates paid, in line with the relevant contractual arrangements, are recognised as a reduction to sales revenue when the sale of the particular product occurs.

	2021	2020
	$000	$000
Current		
Retail and Wholesale	315,180	245,771
Other	9,750	11,608
Provision for obsolescene	(3,247)	(1,449)
Total inventory	321,683	255,930

Inventory write-downs recognised as an expense totalled $4.2 million (2020: $3.0 million). There were no additional write-downs recognised to the carrying values of inventories from the impact of COVID-19 at 30 September 2021.

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to individual items of inventory predominately on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Supplier rebates received are recognised as a reduction in the cost of inventory and are recorded as a reduction in cost of sales when the inventory is sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

WORKING CAPITAL – NOTE 8: TRADE AND OTHER PAYABLES

	2021	2020
	$000	$000
Current		
Trade creditors	546,997	452,775
Payables associated with supplier financing arrangements	26,050	8,257
Other creditors and accruals	73,541	54,539
Payables to associated companies	1,706	1,549
	648,294	517,120
Non current		
Other creditors and accruals	19,204	7,177
Total trade and other payables	667,498	524,297

Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 16, including those relating to derivative forward contracts.

Accounting Policy

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. The carrying amount of trade and other payables are assumed to be the same as their fair values. They represent liabilities for goods and services provided to Elders prior to the end of the financial year that remain unpaid and arise when Elders becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within supplier terms.

Financial guarantees

Financial guarantee contracts issued by Elders are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation. Information regarding financial guarantees is set out in note 24.

Payables associated with supplier financing arrangements

To manage the cash flow conversion cycle on some products procured and to ensure that suppliers receive payment in a time period that suits their business model, Elders offers some suppliers the opportunity to use supplier financing arrangements. Elders evaluates supplier financing arrangements against a number of indicators to assess if the balance continues to hold the characteristics of a payable or is required to be reclassified as borrowings. These indicators include whether the payment terms exceed customary payment terms within the industry of typically less than 90 days. During the course of the year and as at 30 September 2021, none of the balances subject to supplier financing arrangements met the characteristics to be reclassified as borrowings and the balances remained in other payables. Balances associated with supplier financing arrangements are unsecured. In the statement of cash flows supplier financing is classified within cash flows from operating activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Significant Accounting Judgements, Estimates and Assumptions

Impairment of non-financial assets other than brand names and goodwill

Elders assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews of asset values, which are used as sources of information to assess for indicators of impairment. Assets have been tested for impairment in accordance with the accounting policies, including the determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

	Freehold land	Buildings	Leasehold improvements	Plant and equipment (owned)	Plant and equipment (leased)	Assets under construction	Total
	$000	$000	$000	$000	$000	$000	$000
2021							
Carrying amount at beginning of period	3,516	11,419	4,502	12,473	-	358	32,268
Additions	10	1,128	547	4,096	-	597	6,378
Additions through business combinations	-	-	92	2,787	-	-	2,879
Disposals	(42)	(29)	(7)	(410)	-	-	(488)
Depreciation expense	-	(740)	(851)	(3,438)	-	-	(5,029)
Exchange fluctuations	-	-	-	10	-	-	10
Transfers from assets under construction	-	-	113	239	-	(352)	-
Carrying amount at end of period	3,484	11,778	4,396	15,757	-	603	36,018
Cost	3,484	20,242	13,536	39,251	-	603	77,116
Accumulated depreciation and impairment	-	(8,464)	(9,140)	(23,494)	-	-	(41,098)
	3,484	11,778	4,396	15,757	-	603	36,018
2020							
Carrying amount at beginning of period	3,418	7,860	5,207	8,780	1,378	762	27,405
Transfers to right-of-use assets	-	-	-	-	(1,378)	-	(1,378)
Additions	-	3,623	161	3,352	-	242	7,378
Additions through business combinations	102	-	-	2,876	-	-	2,978
Disposals	(4)	(105)	(15)	(276)	-	-	(400)
Depreciation expense	-	(605)	(853)	(2,338)	-	-	(3,796)
Exchange fluctuations	-	-	-	81	-	-	81
Transfers from assets under construction	-	646	-	-	-	(646)	-
Other	-	-	2	(2)	-	-	-
Carrying amount at end of period	3,516	11,419	4,502	12,473	-	358	32,268
Cost	3,516	19,222	12,817	30,541	-	358	66,454
Accumulated depreciation and impairment	-	(7,803)	(8,315)	(18,068)	-	-	(34,186)
	3,516	11,419	4,502	12,473	-	358	32,268

All property, plant and equipment is pledged as security, refer to note 15 for interest bearing loans and borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, Elders recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment, excluding freehold land and assets under construction, are depreciated over the estimated useful economic life of specific assets as follows:

	Life	**Method**
Buildings	50 years	Straight line
Leasehold improvements	Lease term	Straight line
Plant and equipment – owned	3 to 10 years	Straight line
Network infrastructure	5 to 25 years	Straight line

The useful lives are consistent with those of the prior period. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 10: LEASES

Significant Accounting Judgements, Estimates and Assumptions

Accounting for leases

In determining the lease term, Elders considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Elders holds leases of operational importance (e.g. rural cornerstone property leases) which are expected to be extended for the maximum available lease term. Leases of this nature have been assessed using the extended lease term. For all other leases, the lease term excluding extension and termination options has been applied. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of Elders.

Where Elders is a lessee:

(a) Amounts recognised in the balance sheet

Reconciliation of carrying amounts of right-of-use assets at beginning and end of period:

	Properties	Motor vehicles	Other	Total
	$000	$000	$000	$000
2021				
Carrying amount at beginning of period	86,722	13,343	737	100,802
Additions	12,099	5,436	-	17,535
Depreciation expense	(19,942)	(10,380)	(203)	(30,525)
Lease reassessments	10,907	7,020	-	17,927
Carrying amount at end of period	89,786	15,419	534	105,739
2020				
Carrying amount at beginning of period	96,655	20,172	1,065	117,892
Reclassification of lease incentives on transition	(2,356)	-	-	(2,356)
Additions	-	4,819	-	4,819
Additions through business combinations	14,761	-	-	14,761
Depreciation expense	(21,262)	(11,648)	(268)	(33,178)
Lease modifications	(1,076)	-	(60)	(1,136)
Carrying amount at end of period	86,722	13,343	737	100,802

Reconciliation of carrying amounts of lease liabilities at beginning and end of period:

	2021	2020
	$000	$000
Carrying amount at beginning of period	104,501	117,892
Additions	17,535	4,819
Additions through business combinations	-	14,761
Interest expense	2,372	2,623
Lease reassessments	17,927	-
Lease modifications	-	(1,136)
Repayments of principal and interest	(31,658)	(34,458)
Carrying amount at end of period	110,677	104,501
Lease liabilities of which are:		
• Current lease liabilities	37,972	28,500
• Non current lease liabilities	72,705	76,001
	110,677	104,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 10: LEASES

Accounting Policy

Elders leases various offices, warehouses, retail stores and motor vehicles. Rental contracts are typically made for an average period of three years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option

Lease payments are discounted using Elders incremental borrowing rate, being the rate Elders would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Elders is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise of IT equipment and office equipment. Elders does not have any short term leases with a lease term of 12 months or less.

Extension and termination options

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 11: INTANGIBLES

Significant Accounting Judgements, Estimates and Assumptions

Impairment of brand names and goodwill

Elders assesses impairment of assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include product performance, technology, climate, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. It is Elders' policy to conduct bi-annual internal reviews for indicators of impairment. If indicators exist, assets are tested for impairment through determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

Elders determines whether the brand names and goodwill are impaired or whether it is appropriate to reverse any previous impairments on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the brand names or goodwill is allocated.

Reconciliation of carrying amounts at beginning and end of period:

Non current	Goodwill	Rent rolls & loan books	Brand names	Distribution rights	Customer intangibles	Other	Total
	$000	$000	$000	$000	$000	$000	$000
2021							
Carrying amount at beginning of period	146,952	8,214	79,162	23,000	44,476	4,443	306,247
Additions	305	1,540	-	-	-	415	2,260
Additions through business combinations	27,894	865	1,078	-	-	-	29,837
Amortisation	-	(1,294)	-	-	(3,497)	(580)	(5,371)
Impairment	-	-	-	-	-	(330)	(330)
Carrying amount at end of period	175,151	9,325	80,240	23,000	40,979	3,948	332,643
Cost	175,151	14,098	80,240	23,000	47,621	5,085	345,195
Accumulated amortisation and impairment	-	(4,773)	-	-	(6,642)	(1,137)	(12,552)
	175,151	9,325	80,240	23,000	40,979	3,948	332,643
2020							
Carrying amount at beginning of period	59,977	8,576	71,360	23,000	-	3,941	166,854
Additions	-	491	-	-	-	1,220	1,711
Additions through business combinations	86,975	278	7,802	-	47,621	142	142,818
Amortisation	-	(1,131)	-	-	(3,145)	(542)	(4,818)
Impairment	-	-	-	-	-	(318)	(318)
Carrying amount at end of period	146,952	8,214	79,162	23,000	44,476	4,443	306,247
Cost	146,952	11,693	79,162	23,000	47,621	5,574	314,002
Accumulated amortisation and impairment	-	(3,479)	-	-	(3,145)	(1,131)	(7,755)
	146,952	8,214	79,162	23,000	44,476	4,443	306,247

For impairment testing purposes, all intangibles except for the Elders' Brand Name have been allocated to the Branch Network and Wholesale Products cash generating units as applicable. For Branch Network, $119.4 million of goodwill, $12.0 million of brand names and $23.0 million of distribution rights were allocated for impairment testing. For Wholesale Products, $74.3 million of goodwill and $7.6 million of brand names were allocated for impairment testing. The Elders Brand Name has not been allocated to individual cash generating units but rather assessed against all cash generating units expected to benefit from it.

The recoverable amount of cash generating units has been determined based on a value in use calculation using cash flow projections approved by management that covers a period of 5 years. Future cash flows are based on budgets and forecasts taking into account current market conditions and known future business events that will impact cash flows. The discount rate applied to the cash flow projections is 10.0% pre-tax (2020: 10.0% pre- tax) which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the cash generating units identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 11: INTANGIBLES

The calculation of value in use for cash generating units was based on the following key assumptions:

Gross margin

Gross margin is expected to increase in financial year 2022 due to:

- increased earnings from geographical expansion through acquisitions and footprint growth
- higher earnings from continued organic growth focus across our product and service portfolio
- additional growth through the continued expansion of the backward integration strategy

Selling, general and administrative expenses

Ongoing emphasis on cost control will be offset by investment directly linked to margin improvement and control enhancement, including implementation of remuneration models which drive performance and growth.

Growth rate estimates

Cash flows are based on the 2022 budget. No growth rate for years 2 to 5 or perpetuity has been incorporated in the discounted cash flow.

Discount rates

Discount rates reflect management's estimate of the time value of money and the specific risk not already reflected in the cash flows.

Elders has reviewed the key assumptions in its impairment assessment to assess whether any changes to the assumptions, including in relation to the COVID-19 outbreak, would result in an impairment loss at 30 September 2021. Elders concluded that there were no reasonably possible changes to assumptions which would result in an impairment loss at 30 September 2021.

Accounting Policy

(i) Brand Names

The brand name intangibles are deemed to have an indefinite useful life and are not amortised. The brand name value represents the value attributed to brands when acquired through business combinations and is carried at cost less accumulated impairment losses. The brand names have been determined to have an indefinite useful life due to there being no foreseeable limit to the period over which they are expected to generate net cash inflows, given the strength and durability of the brands and the level of marketing support. The brands have been in the rural and regional Australian market for many years, and the nature of the industry Elders operates in is such that brand obsolescence is not common, if appropriately supported by advertising and marketing spend.

Expenditure incurred in developing, maintaining or enhancing the brand names is expensed in the year that it occurred.

(ii) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indicator of impairment.

(iii) Rent rolls and loan books

Rent rolls and loan books have been acquired and are carried at cost less accumulated amortisation and impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 10 years and tested for impairment whenever there is an indicator of impairment.

(i)v Distribution rights

Amount relates to a livestock and wool delivery guarantee distribution right. After initial recognition, distribution rights are measured at cost less any accumulated impairment losses. These intangible assets have been assigned an indefinite life and are subject to impairment testing on an annual basis or whenever there is an indicator of impairment.

(iv) Customer intangibles

Customer intangibles relates to wholesale and member relationships recognised as part of the AIRR acquisition and are carried at cost less accumulated amortisation and impairment losses. These intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 10 to 15 years and tested for impairment whenever there is an indicator present.

(vi) Other

Other intangibles mainly relate to software and development of IT infrastructure and are carried at cost less accumulated amortisation and impairment losses. Software and IT intangible assets have been determined to have finite useful lives and are amortised over their useful lives of 5 years and tested for impairment whenever there is an indicator of impairment. Other intangibles also include indefinite life assets.

The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 12: EQUITY ACCOUNTED INVESTMENTS

	Balance date	Ownership interest	
		2021	2020
		%	%
Auctions Plus Pty Ltd	30-Jun	50	50
Elders Insurance (Underwriting Agency) Pty Ltd	31-Dec	20	20
StockCo Holdings Pty Ltd	30-Jun	30	30
Clear Grain Pty Ltd	30-Jun	30	30
Agcrest Holdings Pty Ltd	30-Jun	33	-
Agcrest Land Holdings Pty Ltd	30-Jun	33	-
Elders Financial Planning Pty Ltd	30-Sep	49	49

	Consolidated entity investment		Contribution to net profit		Dividends received	
	2021	2020	2021	2020	2021	2020
	$000	$000	$000	$000	$000	$000
Auctions Plus Pty Ltd	2,637	2,176	1,954	1,699	1,491	821
Elders Insurance (Underwriting Agency) Pty Ltd	42,653	42,116	8,449	6,012	7,913	6,258
StockCo Holdings Pty Ltd	10,916	10,826	89	(1,339)	-	-
Clear Grain Pty Ltd	1,580	1,355	405	152	180	18
Agcrest Holdings Pty Ltd	100	-	-	-	-	-
Agcrest Land Holdings Pty Ltd	50	-	-	-	-	-
Equity accounted investments	57,936	56,473	10,897	6,524	9,584	7,097

All equity accounted investments are Australian resident companies.

In addition to the contribution to Elders' net profit from its investment in StockCo Holdings Pty Ltd, Elders also receives income from other revenue streams. Further details are provided in note 25.

Summary financial information for equity accounted investees is as follows:

	Profit/(loss) after income tax	Assets	Liabilities
	$000	$000	$000
2021			
Auctions Plus Pty Ltd	3,907	8,415	3,140
Elders Insurance (Underwriting Agency) Pty Ltd	42,247	97,610	88,000
StockCo Holdings Pty Ltd	298	294,274	292,838
Clear Grain Pty Ltd	1,350	5,178	3,827
Total	47,802	405,477	387,805
2020			
Auctions Plus Pty Ltd	3,399	6,835	2,484
Elders Insurance (Underwriting Agency) Pty Ltd	30,058	75,753	66,425
StockCo Holdings Pty Ltd	(4,465)	224,855	223,357
Clear Grain Pty Ltd	506	1,614	1,118
Total	29,498	309,057	293,384

Accounting Policy

Elders' equity accounted investments are accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. Equity accounted investments are entities over which Elders has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, equity accounted investments are carried in the consolidated financial statements at cost plus post acquisition changes in Elders' share of net assets of the investment. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects Elders' share of the results of operations of the equity accounted investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 13: PROVISIONS

Reconciliation of carrying amounts at beginning and end of period:

	Employee benefits	Restructuring provisions	Make good	Onerous contracts	Other	Total
	$000	$000	$000	$000	$000	$000
2021						
As at beginning of period	64,148	1,193	694	-	2,181	68,216
Arising during year	38,953	-	675	-	339	39,967
Utilised	(23,422)	(709)	(199)	-	(433)	(24,763)
Unused amounts reversed	-	-	(174)	-	(125)	(299)
Discount rate adjustment	426	-	-	-	-	426
Provisions arising from entities acquired	1,477	-	-	-	-	1,477
	81,582	484	996	-	1,962	85,024
Disclosed as:						
Current	78,428	484	996	-	1,962	81,870
Non current	3,154	-	-	-	-	3,154
Total	81,582	484	996	-	1,962	85,024
2020						
As at beginning of period	43,774	2,535	271	59	132	46,771
Arising during year	25,638	380	570	-	2,181	28,769
Utilised	(7,858)	(1,722)	(47)	(59)	(122)	(9,808)
Unused amounts reversed	-	-	(100)	-	(10)	(110)
Discount rate adjustment	405	-	-	-	-	405
Provisions arising from entities acquired	2,189	-	-	-	-	2,189
	64,148	1,193	694	-	2,181	68,216
Disclosed as:						
Current	61,417	1,193	694	-	2,181	65,485
Non current	2,731	-	-	-	-	2,731
Total	64,148	1,193	694	-	2,181	68,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

CAPITAL EMPLOYED – NOTE 13: PROVISIONS

Accounting Policy

Provisions are recognised when Elders 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 Elders expects some or all of the 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 any provision is presented in the statement of comprehensive income 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 reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The non-current portion of this liability relates to the entitlement that Elders does not expect employees to take within 12 months of the reporting date.

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 reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Incentives

Includes corporate, network and other incentives. These are accrued throughout the reporting period, according to performance based measures.

Restructuring provisions

Provisions are only recognised when general recognition criteria provisions are fulfilled. Additionally, Elders needs to follow a detailed formal plan about the business or part of the business concerned, the location and the number of employees affected, a detailed estimate of the associated costs, and appropriate time line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

Make Good (Restoration)

Where Elders has entered into leasing arrangements that require the leased asset to be returned at the end of the lease term in its original condition, an estimate is made of the costs of restoration or dismantling of any improvements and a provision is raised.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of complying with the contract. Before a provision is established, Elders recognises any impairment loss on the assets associated with that contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

NET DEBT – NOTE 14: CASH FLOW STATEMENT RECONCILIATION

(a) Reconciliation of net profit after tax to net cash flows from operations

	2021	2020
	$000	$000
Profit after income tax expense	153,784	125,286
Adjustments for non cash items:		
Depreciation and amortisation	40,925	41,792
Unwinding of discount in regards to payables	1,028	1,289
Equity accounted profits	(10,897)	(6,524)
Dividends from equity accounted investments	9,584	7,097
Other fair value adjustments	(58)	2,525
Impairments	330	318
Doubtful debts	2,172	3,741
Employee entitlements	39,379	26,043
Other provisions	715	3,021
Other write downs	4,216	2,956
Net profit on sale of non-current assets	(423)	(524)
Net tax movements	1,154	(21,229)
Other non cash items	2,433	1,945
	244,342	187,736
• (Increase)/decrease in receivables and other assets	(142,404)	(73,654)
• (Increase)/decrease in inventories	(59,087)	(61,905)
• Increase/(decrease) in payables and provisions	99,306	90,164
Net cash flows from operating activities	142,157	142,341

(b) Cash and cash equivalents

Cash at bank and in hand	48,063	50,741

(c) Net debt reconciliation

Cash and cash equivalents	48,063	50,741
Borrowings - repayment within one year	(154,265)	(158,691)
Borrowings - repayment after one year	-	(25,000)
Lease liabilities	(110,677)	(104,501)
Net debt	(216,879)	(237,451)
Cash and liquid investments	48,063	50,741
Gross debt - fixed interest rates	(110,677)	(164,501)
Gross debt - variable interest rates	(154,265)	(123,691)
Net debt	(216,879)	(237,451)

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets – note 10
- shares issued a part of purchase consideration of a business combination – note 22
- dividend distributions through the issue of shares under the dividend reinvestment plan – note 19
- shares issued to eligible executives under Elders Long-Term Incentive Plan – note 26

At balance date, Elders held $52.6 million (2020: $29.8 million) of client monies in trust which are off balance sheet. The funds are held on behalf of clients in the Real Estate business and Elders is bound by the relevant legislation in each state in relation to controls and governance over the funds.

Accounting Policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash deposits as defined above, net of outstanding bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

NET DEBT – NOTE 15: INTEREST BEARING LOANS AND BORROWINGS

	2021	2020
	$000	$000
Current		
Unsecured loans	4,265	3,467
Trade receivables and other working capital funding	150,000	155,224
	154,265	158,691
Non current		
Secured loans	-	25,000
Total current and non current	154,265	183,691

Elders has complied with all applicable bank covenants throughout the reporting period.

Elders also has an ancillary facility in relation to contingent funding, such as bank guarantees. As at 30 September 2021, $6.7 million had been issued (2020: $6.5 million).

Assets pledged as security

Secured loans are secured by various fixed and floating charges over all the assets of Elders Limited (either directly or indirectly). Trade receivables and other working capital funding is secured over the underlying debtors. This facility expires in December 2023.

Fair value

The carrying value of interest bearing liabilities approximates fair value.

Accounting Policy

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless Elders has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

RISK MANAGEMENT – NOTE 16: FINANCIAL INSTRUMENTS

Elders' principal financial instruments comprise cash, receivables, payables, interest bearing loans and borrowings, and derivatives.

Risk exposures and responses

Elders manages its exposure to key financial risks, including interest rate and currency risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of financial targets while protecting future financial security. The main risks arising from Elders' financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Elders uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

(a) Interest rate risk

Elders' exposure to market interest rates relates primarily to short-term debt obligations. The level of debt is disclosed in note 15. At 30 September 2021 there was nil value of secured loans hedged under a floating to fixed arrangement (2020: $60.0 million), meaning at balance date, Elders had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2021	2020
	$000	**$000**
Financial assets		
Cash and cash equivalents	48,063	50,741
Financial liabilities		
Interest bearing loans and liabilities	(154,265)	(123,691)
Net exposure	(106,202)	(72,950)

Elders constantly analyses its interest rate exposure so as to manage its cash flow volatility arising from interest rate changes. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At balance dates, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Post tax profit/equity		
Higher/(lower)		
+ 100 basis points	(1,062)	(730)
- 100 basis points	1,062	730

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

RISK MANAGEMENT – NOTE 16: FINANCIAL INSTRUMENTS

(b) Liquidity risk

Liquidity risk arises from Elders' financial liabilities and the subsequent ability to meet our obligations to repay financial liabilities as and when they fall due. Elders' objective is to maintain a balance between continuity of funding and flexibility through the use of committed available lines of credit. Elders manages its liquidity risk by monitoring the total cash inflows and outflows expected on a daily basis. Elders has established comprehensive risk reporting covering its business units that reflect expectations of management of the expected settlement of financial assets and liabilities. Elders has not identified or experienced additional liquidity risk as a result of COVID-19. As at 30 September 2021, Elders has $293.0 million of undrawn facilities (2020: $258.0 million).

(i) Non derivative financial liabilities

The following liquidity risk disclosures reflect all contractually fixed pay-offs, repayments and interest resulting from the recognised financial liabilities and financial guarantees as of 30 September 2021. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which Elders can be required to pay. When committed to make amounts available in instalments, each instalment is allocated to the earliest period in which Elders is required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called. The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	> 1 years
	$000	$000	$000	$000	$000
2021					
Non derivative financial assets:					
Trade and other receivables	744,026	744,026	744,026	-	-
	744,026	744,026	744,026	-	-
Non derivative financial liabilities:					
Interest bearing loans and borrowings	(154,265)	(154,265)	(154,265)	-	-
Lease liabilities	(110,677)	(116,506)	(19,178)	(19,178)	(78,150)
Trade and other payables	(667,498)	(667,498)	(640,612)	(7,682)	(19,204)
Financial guarantees	-	(6,709)	(6,709)	-	-
	(932,440)	(944,978)	(820,764)	(26,860)	(97,354)
Net inflow/(outflow)	(188,414)	(200,952)	(76,738)	(26,860)	(97,354)
2020					
Non derivative financial assets:					
Trade and other receivables	610,079	610,079	610,079	-	-
	610,079	610,079	610,079	-	-
Non derivative financial liabilities:					
Interest bearing loans and borrowings	(183,691)	(183,691)	(158,691)	-	(25,000)
Lease liabilities	(104,501)	(110,330)	(14,442)	(14,442)	(81,446)
Trade and other payables	(524,297)	(524,297)	(513,473)	(3,647)	(7,177)
Financial guarantees	-	(6,526)	(6,526)	-	-
	(812,489)	(824,844)	(693,132)	(18,089)	(113,623)
Net inflow/(outflow)	(202,410)	(214,765)	(83,053)	(18,089)	(113,623)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

RISK MANAGEMENT – NOTE 16: FINANCIAL INSTRUMENTS

(ii) Derivative financial instruments

Due to the unique characteristics and inherent risks to derivative instruments, Elders separately monitors liquidity risk arising from transacting in derivative instruments. The following table details the liquidity risk arising from derivative financial assets and liabilities held by Elders at balance date. Net settled derivatives comprise interest rate hedges, which are recognised within receivables on the statement of financial position.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-5 years
	$000	$000	$000	$000	$000
2021					
Derivative assets/(liabilities) – net settled	-	-	-	-	-
Net inflow/(outflow)	-	-	-	-	-
2020					
Derivative assets/(liabilities) – net settled	(262)	(262)	(262)	-	-
Net inflow/(outflow)	(262)	(262)	(262)	-	-

(c) Credit risk

Credit risk arises from Elders' financial assets, which comprise cash and cash equivalents, trade and other receivables, and derivative instruments. Elders' exposures to credit risk arise from potential default of the counterparty, with the maximum exposure equal to the carrying amount of the financial assets. The ageing of trade and other receivables at balance date is reported at note 5. The credit risk associated with cash and derivatives is located primarily in Australia.

Trade receivables are reviewed in accordance with the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. To measure expected losses, trade receivables have been grouped on days past due. Expected credit losses are based on the payment profile of sales over a period of 5 years and the historical default experience within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Elders assessment of additional credit risk, given COVID-19 uncertainties, did not indicate a material change to trade receivables and loss allowances.

Elders minimises concentrations of credit risk by undertaking transactions with a large number of debtors in various locations. The credit risk amounts do not take into account the value of any collateral or security. The creditworthiness of counterparties is regularly monitored and subject to defined credit policies, procedures, limits and insurance positions. The amounts disclosed do not reflect expected losses and are shown gross of provisions. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	$000	$000
Cash and cash equivalents	48,063	50,741
Trade and other receivables	744,026	610,079
	792,089	660,820
Location of credit risk		
Australia	785,604	653,672
Asia	6,210	6,956
Other	275	192
Total	792,089	660,820

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

RISK MANAGEMENT – NOTE 16: FINANCIAL INSTRUMENTS

(d) Foreign currency risk

Elders is exposed to movements in the exchange rates of a number of currencies. These are primarily generated from the following activities:

- purchase and sale contracts written in foreign currency
- receivables and payables denominated in foreign currencies
- commodity cash prices that are partially determined by movements in exchange rates

Foreign exchange risk is managed within Board approved limits using forward foreign exchange and foreign currency contracts. Where possible, exposures are netted off against each other to minimise the cost of hedging. Hedge accounting is applied effective 1 October 2020. Elders uses cash flow financial instruments to offset foreign currency exposures on purchases of AgChem products from international suppliers, denominated in US Dollars. The cash flow financial instruments are not speculative investments. As at 30 September 2021, Elders held designated cash flow hedges with a notional value of $82.9 million with a fair value asset of $3.3 million (2020: $1.2 million fair value liability). The maturity dates for designated cash flow hedges ranges from October 2021 to August 2022.

As at 30 September 2021, Elders had the following AUD exposures to foreign currencies that were not designated in cash flow financial instruments:

	2021	2020
	$000	$000
Financial assets		
Cash and cash equivalents – CNY	1,864	1,949
Cash and cash equivalents – IDR	669	815
Cash and cash equivalents – other	275	192
Receivables – CNY	3,378	3,300
Receivables – IDR	299	893
	6,485	7,149
Financial liabilities		
Payables – CNY	(941)	(1,187)
Payables – IDR	(240)	(240)
Interest bearing loans and borrowings – CNY	(4,265)	(3,467)
	(5,446)	(4,894)
Net exposure	1,039	2,255

Given the foreign currency balances included in the statement of financial position at balance date, if the Australian dollar at that date strengthened by 10% with all other variables held constant, then the impact on post tax profit/(loss) arising on the balance sheet exposure would be as follows:

Post tax profit		
Higher/(lower)		
CNY	(4)	(60)
IDR	(73)	(147)
Other	(28)	(19)

A 10% weakening of the Australian dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables are held constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

RISK MANAGEMENT – NOTE 16: FINANCIAL INSTRUMENTS

Accounting Policy

Elders uses forward currency contracts to hedge risks associated with foreign currency rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Derivative assets and liabilities are classified as non current in the statement of financial position when the remaining maturity is more than 12 months, or current when the remaining maturity is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss.

From 1 October 2020, Elders applied the hedge accounting principles contained within AASB 9 Financial Instruments. As a result, the way Elders accounts for the movements in fair values for derivative financial instruments, primarily cash flow hedges has changed. For all effective cash flow hedges entered into from 1 October 2020, Elders now recognises the movements in fair value of the derivative financial instruments in equity and only recognises the cumulative difference in the statement of comprehensive income when the hedged item is recognised. Amounts accumulated in equity are included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory. Any ineffective portion of a cashflow hedge is recognised immediately in the profit and loss. Hedge effectiveness is determined at the inception of the hedge relationship, and prospectively assessed to ensure economic relationships remain between the hedging instrument and hedged item.

Effective 1 October 2020, at inception of a hedge relationship Elders documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. Elders also documents its risk management objective and strategy for undertaking its hedge transactions.

(e) Fair value of financial assets and liabilities

Elders use various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

All forward exchange derivative contracts were measured at fair value using the level 2 method. Fair value of derivative instruments approximates the carrying value. The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit and loss.

The fair value of financial instruments as well as the method used to estimate the fair values are summarised in the table below:

	2021			2020		
	Quoted market price (Level 1)	**Valuation technique – market observable inputs (Level 2)**	**Valuation technique – non market observable inputs (Level 3)**	**Quoted market price (Level 1)**	**Valuation technique – market observable inputs (Level 2)**	**Valuation technique – non market observable inputs (Level 3)**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Financial assets and liabilities						
Interest rate derivatives	-	-	-	-	(262)	-
Foreign currency derivatives	-	3,292	-	-	(1,201)	-
	-	3,292	-	-	(1,463)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

EQUITY – NOTE 17: CONTRIBUTED EQUITY

	2021	2020
	$000	$000
Issued and paid up capital		
156,476,574 ordinary shares (September 2020: 155,753,725)	1,651,006	1,645,561

The movement in the dollar balance of share capital is a result of:

- $2.5 million of dividends where the shareholders have participated in the dividend reinvestment plan
- $2.9 million of shares issued upon vesting of performance rights in accordance with Elders' Long-Term Incentive Plan

The following ordinary shares were issued during the year:

- 490,732 shares issued upon vesting of performance rights in accordance with Elders' Long-Term Incentive Plan, including additional shares of 25,732 representing the value of dividends forgone during the performance period
- 232,117 shares issued in accordance with Elders' dividend reinvestment plan

Elders considers both capital and net debt as relevant components of funding, hence, part of its capital management. When managing capital and net debt, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Accounting Policy

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

EQUITY – NOTE 18: RESERVES

Reconciliation of carrying amounts at beginning and end of period:

	Business combination reserve	Employee equity benefits reserve	Hedge reserve	Foreign currency translation reserve	Total
	$000	$000	$000	$000	$000
2021					
Carrying amount at beginning of period	(27,495)	5,311	-	(5,486)	(27,670)
Exchange differences on translation of foreign operations	-	-	-	343	343
Fair value movement in cash flow hedge	-	-	3,292	-	3,292
Reclassified to inventory	-	-	(1,960)	-	(1,960)
Less deferred tax impact	-	-	(400)	-	(400)
Cost of share based payments	-	2,433	-	-	2,433
Transfer to issued capital	-	(2,925)	-	-	(2,925)
Carrying amount at end of period	(27,495)	4,819	932	(5,143)	(26,887)
2020					
Carrying amount at beginning of period	(27,495)	5,009	-	(4,744)	(27,230)
Exchange differences on translation of foreign operations	-	-	-	(742)	(742)
Cost of share based payments	-	1,945	-	-	1,945
Transfer to retained earnings	-	(1,643)	-	-	(1,643)
Carrying amount at end of period	(27,495)	5,311	-	(5,486)	(27,670)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

EQUITY – NOTE 18: RESERVES

Nature and purpose of reserves

(i) Business combination reserve

This reserve is used to record the differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.

Under agreements entered into with a number of non-controlling interests, the non-controlling shareholders have put options over their interests. These options are exercisable in accordance with the terms of each agreement. The potential liability for Elders under the put options is based on expectations of the exercise price and timing, discounted to present value using Elders' incremental borrowing rate. The recognition of the put options is reflected in the business combination reserve and as a financial liability within current liabilities.

(ii) Employee equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees, including key management personnel as part of their remuneration.

(iii) Hedge reserve

The hedge reserve is used to record the effective portion of gains or losses on derivative financial instruments. Amounts are subsequently included within the initial cost of the asset where the hedged item subsequently results in the recognition of a non-financial asset such as inventory or profit and loss as appropriate.

(iv) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, including exchange differences arising from loans which are deemed to be net investments in a foreign operation.

Accounting Policy

The results of subsidiaries incorporated in countries other than Australia, are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of net investments in overseas subsidiaries are taken to the foreign currency translation reserve. If such a subsidiary was disposed of, the proportionate share of exchange differences would be transferred out of equity and recognised in profit or loss.

EQUITY – NOTE 19: DIVIDENDS

On 18 December 2020, Elders paid a fully franked dividend of 13 cents per share. These distributions totalled $20.3 million (December 2019: $14.0 million). The cash outflow was $19.2 million (December 2019: $12.0 million), with the difference reinvested by shareholders under dividend reinvestment plan.

On 18 June 2021, Elders paid a partially franked (20%) interim dividend of 20 cents per share. This distribution totalled $30.7 million (June 2020: $14.0 million). The cash outflow was $29.3 million (June 2020: $13.2 million), with the difference reinvested by shareholders under dividend reinvestment plan.

	2021	2020
	$000	**$000**
Subsidiary equity dividends on ordinary shares:		
Dividends paid to non-controlling interests during the year	2,165	2,240
Franking credits available to the parent for subsequent financial years based on tax rate of 30% (2020: 30%)	10,700	12,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 20: INVESTMENTS IN CONTROLLED ENTITIES

(a) Schedule of controlled entities

	Country of Incorporation		% Held by Group	
			2021	2020
Ace Ohlsson Pty Limited	Australia	(a)	100	100
Agsure Pty Ltd	Australia	(a)	100	100
AI Asia Pacific Operations Holding Limited	Hong Kong SAR	(c)	100	100
Air International Asia Pacific Operations Pty Ltd	Australia	(d)	100	100
AIRR Apparent Pty Ltd	Australia	(a)	100	100
AIRR Belmark Pty Ltd	Australia	(a)	100	100
AIRR Holdings Limited	Australia	(a)	100	100
AIRR iO Pty Ltd	Australia	(a)	100	100
APO Administration Limited	Hong Kong SAR		100	100
APT Projects Pty Ltd	Australia	(d)	100	100
Aqa Oysters Pty Ltd	Australia	(d)	77	77
Ashwick (Vic) No 102 Pty Ltd	Australia	(d)	100	100
Australian Independent Rural Retailers Pty Ltd	Australia	(a)	100	100
B & W Rural Pty Ltd	Australia		75.5	75.5
BWK Holdings Pty Ltd	Australia	(d)	100	100
Chemseed Australia Pty Ltd	Australia	(d)	100	100
Eastern Rural Pty Ltd	Australia	(d)	100	100
Elders Automotive Group Pty Ltd	Australia	(d)	100	100
Elders Burnett Moore WA Pty Ltd	Australia	(d)	100	100
Elders China Trading Company	China		100	100
Elders Communications Pty Ltd	Australia	(d)	100	100
Elders Finance Pty Ltd	Australia	(a)	100	100
Elders Fine Foods (Shanghai) Company	China		100	100
Elders Fine Foods Vietnam Company Limited	Vietnam	(c)	100	100
Elders Forestry Finance Pty Ltd	Australia	(d)	100	100
Elders Forestry Management Pty Ltd	Australia	(d)	100	100
Elders Forestry Pty Ltd	Australia	(d)	100	100
Elders Global Wool Holdings Pty Ltd	Australia	(d)	100	100
Elders Home Loans Pty Ltd	Australia	(d)	100	100
Elders Management Services Pty Ltd	Australia	(d)	100	100
Elders PT Indonesia	Indonesia		100	100
Elders Real Estate (Tasmania) Pty Ltd	Australia	(d)	100	100
Elders Real Estate (WA) Pty Ltd	Australia	(d)	100	100
Elders Rural Services Australia Limited	Australia		100	100
Elders Rural Services Limited	Australia	(a)	100	100
Elders Telecommunications Infrastructure Pty Ltd	Australia	(d)	100	100
Family Hospitals Pty Ltd	Australia	(d)	100	100
ITC Timberlands Pty Ltd	Australia	(d)	100	100
JS Brooksbank & Co Australasia Ltd	New Zealand		100	100
JSB New Zealand Limited	New Zealand		100	100
Keratin Holdings Pty Ltd	Australia	(d)	100	100
Killara Feedlot Pty Ltd	Australia	(a)	100	100
Manor Hill Pty Ltd	Australia	(d)	100	100
New Ashwick Pty Ltd	Australia	(d)	100	100
Northern Rural Supplies Pty Ltd	Australia	(d)	100	100
Prels Pty Ltd	Australia	(d)	100	100
Prestige Property Holdings Pty Ltd	Australia	(d)	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 20: INVESTMENTS IN CONTROLLED ENTITIES

	Country of Incorporation		% Held by Group	
			2021	2020
Primac Exports Pty Ltd	Australia	(d)	100	100
Primac Pty Ltd	Australia	(d)	100	100
PT Agri Integrasi Mandiri	Indonesia	(e)	-	100
Redray Enterprises Pty Ltd	Australia	(d)	100	100
SDEA Nominees Pty Ltd	Australia	(a)	100	100
Sunfam Pty Ltd	Australia	(b) (d)	100	-
The Hunter River Company Pty Ltd	Australia	(a)	100	100
Titan Ag Pty Ltd	Australia	(a)	100	100
Ultrasound Australia Pty Ltd	Australia	(a)	100	100
Victorian Producers Co-operative Company Pty Ltd	Australia	(d)	100	100
YP Agricultural Services Pty Ltd (Formerly Elders Victorian Feedlot Pty Ltd)	Australia	(d)	100	100

- The parties that comprise the Closed Group are denoted by (a)
- Entities acquired or registered during the period are denoted by (b)
- Entities exempted from audit requirements due to overseas legislation or non-corporate status are denoted by (c)
- Entities classified by the Corporations Act as small proprietary companies relieved from audit requirements are denoted by (d)
- Entities denoted by (e) were disposed of, deregistered or liquidated during the year

Accounting Policy

The results of subsidiaries incorporated in countries other than Australia, are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 20: INVESTMENTS IN CONTROLLED ENTITIES

(b) Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 dated 29 September 2016, relief has been granted to these controlled entities of Elders Limited from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports. As a condition of the Class Order, Elders Limited, and the controlled entities subject to the Class Order, entered into a Deed of Cross Guarantee. The effect of the deed is that Elders Limited has guaranteed to pay any deficiency in the event of the winding up of any member of the Closed Group, and each member of the Closed Group has given a guarantee to pay any deficiency, in the event that Elders Limited or any other member of the Closed Group is wound up.

In the prior year, AIRR Holdings Limited became party to the deed of cross guarantee, joined the closed group and was granted relief analogous to that available under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 after obtaining approval from ASIC under s340 of the Corporations Act 2001. In the current year, AIRR Holdings Limited satisfied all conditions required under ASIC instrument 2016/785 and has obtained relief under ASIC instrument 2016/785 as a controlled entity of Elders Limited.

Certain members of the Closed Group, in addition to certain controlled entities, are guarantors in connection with the consolidated entity's borrowings facilities disclosed at note 15. A consolidated statement of comprehensive income and consolidated statement of financial position, comprising Elders Limited and the controlled entities which are a party to the deed, after elimination of all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 September 2021 is set out as follows:

	2021	2020
	$000	$000
Statement of comprehensive income of the Closed Group		
Sales revenue	848,747	837,803
Cost of sales	(725,678)	(745,167)
Gross profit	123,069	92,636
Other revenue	75,000	15,000
Distribution expenses	(48,795)	(19,498)
Administrative expenses	(11,417)	(100,484)
Other items of income/(expense)	56,775	114,036
Finance costs	(2,658)	(2,445)
Profit/(loss) before income tax benefit/(expense)	191,974	99,245
Income tax benefit/(expense)	(6,592)	15,068
Profit/(loss) after income tax benefit/(expense)	185,382	114,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 20: INVESTMENTS IN CONTROLLED ENTITIES

	2021	2020
	$000	$000
Consolidated statement of financial position of the Closed Group		
Current assets		
Cash and cash equivalents	6,867	10,786
Trade and other receivables	216,623	102,520
Livestock	55,556	44,929
Inventory	95,390	78,230
Total current assets	374,436	236,465
Non current assets		
Other financial assets	302,360	293,111
Property, plant and equipment	18,361	18,098
Right-of-use assets	13,625	13,181
Intangibles	136,584	132,936
Deferred tax assets	108,854	113,500
Total non current assets	579,784	570,826
Total assets	954,220	807,291
Current liabilities		
Trade and other payables	157,262	89,133
Lease liabilities	4,097	3,349
Current tax payable	-	790
Provisions	6,334	6,608
Total current liabilities	167,693	99,880
Non current liabilities		
Interest bearing loans and borrowings	-	25,000
Lease liabilities	7,935	10,085
Total non current liabilities	7,935	35,085
Total liabilities	175,628	134,965
Net assets	778,592	672,326
Equity		
Contributed equity	1,651,006	1,645,561
Reserves	5,751	5,312
Retained earnings	(878,165)	(978,547)
Total equity	778,592	672,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 21: PARENT ENTITY

Information relating to the parent entity of the Group, Elders Limited:

	2021	2020
	$000	$000
Results:		
Net profit for the period after income tax expense	151,963	122,305
Total comprehensive income	151,963	122,305
Financial position:		
Current assets	374	221
Non current assets	780,176	674,742
Total assets	780,550	674,963
Current liabilities	1,958	2,637
Total liabilities	1,958	2,637
Net assets	778,592	672,326
Issued capital	1,651,006	1,645,561
Retained earnings	(929,838)	(1,006,801)
Profit reserve	51,673	28,254
Hedge reserve	932	-
Employee equity reserve	4,819	5,312
Total equity	778,592	672,326

Guarantees

As disclosed in note 20, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity is a party to various guarantees and indemnities pursuant to bank facilities extended to the Group as disclosed in note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 22: BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

(a) Acquisitions

(i) Current period acquisitions

During the current period, Elders acquired a number of small to medium retail and agency businesses for a total consideration of $49.0 million, including $28.6 million of deferred consideration. These transactions resulted in the recognition of $27.9 million of goodwill.

(ii) Prior period acquisitions

Acquisition of AIRR Holdings Limited

In the prior period, Elders acquired AIRR Holdings Limited, a wholesale business based in Shepparton, Victoria, supported by a network of warehouses to supply independent retail stores throughout Australia.

Other acquisitions during the period

In the prior period, Elders acquired a number of small retail and agency businesses for a total consideration of $18.3 million, including $6.5 million of deferred consideration. These transactions resulted in the recognition of $12.6 million of goodwill.

Details of the purchase consideration, net assets acquired and goodwill are:

	2021	2020
	$000	$000
Purchase consideration		
Cash paid	20,352	86,844
Deferred consideration	28,645	6,446
Shares issued	-	80,388
	48,997	173,678
Cash advance for repayment of debt facility	-	21,689
Total purchase consideration	48,997	195,367
The total assets and liabilities recognised as a result of acquisitions are:		
Cash and cash equivalents	8,324	2,101
Trade and other receivables	3,805	64,228
Inventory	10,882	50,560
Property, plant and equipment	2,879	2,978
Rent roll	865	278
Brand name	1,078	7,802
Customer intangibles	-	47,621
Other intangibles	-	142
Trade and other payables	(5,381)	(49,051)
Provisions	(1,465)	(2,189)
Deferred tax assets/(liabilities)	116	(16,078)
Net identifiable assets acquired	21,103	108,392
Goodwill on acquisition	27,894	86,975
	48,997	195,367

Payments for acquisitions through business combinations, net of cash acquired

The cash outflow for payments for acquisitions through business combinations, net of cash acquired of $28.0 million represents cash paid, net of cash acquired in respect of businesses acquired during the period of $12.0 million and payments of deferred consideration relating to acquisitions from prior periods of $16.0 million.

At 30 September 2021, Elders has $36.8 million of deferred consideration amounts related to acquisitions which are included in current and non current other creditors and accruals in note 8.

(b) Disposals

There were no disposals during the current or prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

GROUP STRUCTURE – NOTE 22: BUSINESS COMBINATIONS – CHANGES IN THE COMPOSITION OF THE ENTITY

Accounting Policy

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Elders elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When Elders acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate AASB standard.

OTHER NOTES – NOTE 23: EXPENDITURE COMMITMENTS

Operating lease commitments – Elders as a lessee

As a result of the application of AASB 16, Elders expenditure commitments relating to leases have been recognised as lease liabilities, with an associated right-of-use asset and are presented in note 10 , except for low value leases. Elders operating lease commitments for low value leases are presented below.

	2021	2020
	$000	$000
Operating lease commitments:		
• Within one year	1,316	948
• After one year but not later than five years	1,372	865
Total minimum lease payments	2,688	1,813

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

OTHER NOTES – NOTE 24: CONTINGENT LIABILITIES

There are potential legal matters that occur in the ordinary course of business that are being considered by Elders' legal advisors. Based on the current information available, the following applies:

Unquantifiable contingent liabilities

- Elders has contingent obligations in respect of real property let or sub-let by subsidiaries of Elders.
- Elders has contingent obligations in respect of real property sub-let to the purchaser of Elders' former Sandalwood estate.
- Elders has contingent obligations in respect of an agency agreement which carries a minimum fulfillment clause. This agreement expires December 2022.
- Benefits are payable under service agreements with employees of Elders under certain circumstances such as achievement of prescribed performance hurdles, occurrence of certain events or termination of employment for reasons other than serious misconduct.
- Subsidiaries of Elders have, from time to time in the ordinary course, provided parent company guarantees in respect of certain contractual obligations of their subsidiaries. The contingent exposure under those guarantees on a consolidated basis is no greater than the exposure of the subsidiary having the principal contractual obligation.
- Subsidiaries of Elders have from time to time provided warranties and indemnities in connection with the disposal of assets. The Directors are not aware at the present time of any material exposures under the warranties of indemnities.
- Various legal claims for damages resulting from the use of products or services of Elders, and from the contracts entered into or alleged to have been entered into by Elders, are in existence for which no provision has been raised as it is not currently probable that these claims will succeed or it is not practical to estimate the potential effect of these claims. The Directors are of the view that none of these claims based on the net exposure is likely to be material.

Other guarantees

As disclosed in note 20, the parent entity has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that Elders Limited and each of these controlled entities has guaranteed to pay any deficiency of any of the companies party to the Deed in the event of any of those companies being wound up.

The parent entity and certain subsidiaries of Elders are parties to various guarantees and indemnities pursuant to bank facilities extended to Elders.

OTHER NOTES – NOTE 25: RELATED PARTY DISCLOSURES

The ultimate controlling entity of the Group is Elders Limited.

From time to time, Directors of Elders, or third parties of which a Director of Elders is also a Director, engage in transactions with Elders or entities in which Elders has an investment. These transactions are immaterial and generally in the nature of the acquisition of goods or services from Elders or an entity in which Elders has an investment or the supply of services to Elders or an entity in which Elders has an investment. Such transactions are on arm's length commercial terms and procedures are in place to manage any actual or potential conflicts of interest.

As part of sharing office space with branches within the Branch Network segment, Elders incurred costs on behalf of Elders Insurance (Underwriting Agency) Pty Ltd and recharged these at arm's length.

During the year, Elders received a net repayment of $5.0 million on its advance to StockCo Holdings Pty Ltd (2020: repayment of $9.0 million). Elders advances to StockCo Holdings Pty Ltd are made out on a 12 month term rolling basis with an effective interest rate of 15% per annum. As at balance date, Elders has a total receivable from StockCo Holdings Pty Ltd of $15.1 million (2020: $20.2 million) and recognised interest revenue of $2.6 million (2020: $4.2 million) during the period. Elders also received trail and exclusivity fees of $1.5 million (2020: $2.3 million).

During the year, Elders assumed property lease contracts and made lease payments (comprising principal and interest) totalling $2.8 million to related entities of the Managing Director of AIRR Holdings Limited (2020: $2.1 million). As at balance date, there is a right-of-use asset of $9.8 million (2020: $9.6 million) and lease liability of $7.8 million (2020: $9.6 million) associated with these property lease contracts. Such transactions are on arm's length commercial terms and procedures are in place to manage any actual or potential conflicts of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

OTHER NOTES – NOTE 26: SHARE BASED PAYMENT PLANS

Long-Term Incentive Performance Rights

Performance rights were granted to eligible executives with a three year performance period and split into tranches, each carrying a different performance condition. Upon vesting of performance rights one fully paid share in Elders will be allocated for each performance right.

Set out below are a summary of rights granted under the plans:

	Grant Date	Vesting date	Balance at start of period	Granted	Vested	Lapsed	Balance at end of period
MD & CEO Grant	14-Dec-17	Nov-20	150,000	-	150,000	-	-
Senior Executive Grant	16-Feb-18	Nov-20	315,000	-	315,000	-	-
MD & CEO Grant	13-Dec-18	Nov-21	146,000	-	-	-	146,000
Senior Executive Grant	15-Feb-19	Nov-21	276,000	-	-	32,250	243,750
MD & CEO Grant	12-Dec-19	Nov-22	166,000	-	-	-	166,000
Senior Executive Grant	21-Feb-20	Nov-22	380,000	-	-	58,084	321,916
MD & CEO Grant	17-Dec-20	Nov-23	-	101,000	-	-	101,000
Senior Executive Grant	12-Mar-21	Nov-23	-	260,000	-	-	260,000
Total			1,433,000	361,000	465,000	90,334	1,238,666

Current year vested rights and future years' Absolute TSR performance rights are considered dilutive.

During the period, long-term incentive performance rights expense of $2,432,638 (2020: $1,945,615) was recognised.

For long-term incentive performance rights vesting in November 2021, additional shares of 42,518 (November 2020: 25,732) will be allocated under the MD & CEO Grant and Senior Executive Grant at the time of vesting for the value of dividends forgone on the vested rights during the performance period.

The fair value at grant date of the long-term incentive performance rights issued during the year was:

	MD & CEO Grant	Senior Executive Grant
	$	**$**
2021		
Relative TSR against Comparator Companies Performance Rights	4.30	6.51
EPS Growth Performance Rights	9.23	11.27
2020		
Absolute TSR Performance Rights	4.47	6.76
EPS Growth Performance Rights	5.09	7.41
Return on Capital Performance Rights	5.09	7.41

Key inputs in calculating the fair value of the long-term incentive performance rights issued during the year include:

- Share price at valuation date: $9.89 for the MD & CEO Grant (2020: $6.34) and $11.89 for the Senior Executive Grant (2020: $8.14)
- Risk free rate: 0.1% for the MD & CEO Grant (2020: 0.7%) and 0.1% for the Senior Executive Grant (2020: 0.6%)
- Volatility: 39% for the MD & CEO Grant (2020: 35%) and 38% for the Senior Executive Grant (2020: 35%)
- Dividend yield: 2.5% for the MD & CEO Grant (2020: 4.1%) and 2.1% for the Senior Executive Grant (2020: 3.2%)

The weighted average remaining life of the long-term incentive performance rights outstanding at the end of the financial year was 1.1 years. (2020: 1.2 years).

Performance rights associated with the 2018 Long-Term Incentive Plan vested during the period. As a result, a total of 465,000 shares were issued to relevant participants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

OTHER NOTES – NOTE 27: AUDITOR'S REMUNERATION

	2021	2020
	$	$
Amounts received or due and receivable by the auditor PricewaterhouseCoopers for:		
• auditing or review of financial statements	699,000	774,000
• other compliance and assurance services	-	32,000
• other non-audit services	11,500	19,500
• fee paid to subcontractors of the auditor	1,668	-
Total	712,168	825,500

OTHER NOTES – NOTE 28: KEY MANAGEMENT PERSONNEL

Remuneration of Directors and other Key Management Personnel

For information on the Remuneration Policy, Structure and the relationship between remuneration payment and performance please refer to the Remuneration Report.

Short-term	4,165,618	4,765,598
Long-term	534,358	140,909
Post employment	165,519	152,401
Termination benefits	970,013	249,419
Share based payments	1,310,885	917,165
Total	7,146,394	6,225,492

OTHER NOTES – NOTE 29: SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since 30 September 2021 which are not otherwise dealt with in this report or in the consolidated financial statements, that have significantly affected or may significantly affect the operations of Elders, the results of those operations or the state of affairs of Elders in subsequent financial periods.

DIRECTORS' DECLARATION

For the year ended 30 September 2021

In accordance with a resolution of the Directors of Elders Limited, the Directors declare:

1. In the opinion of the Directors:
   - (a) the financial statements and notes of Elders Limited for the financial year ended 30 September 2021 are in accordance with the Corporations Act 2001, including:
     - (i) Giving a true and fair view of its financial position as at 30 September 2021 and of its performance for the year ended on that date; and
     - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
     - (iii) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in the basis of preparation
     - (iv) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   - (b) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 September 2021.
   - (c) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 20 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.

On behalf of the Board,

Ian Wilton
Chair

Mark C Allison
Managing Director and CEO

Adelaide
15 November 2021

Auditor's Independence Declaration

As lead auditor for the audit of Elders Limited for the year ended 30 September 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Elders Limited and the entities it controlled during the period.

M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
15 November 2021

PricewaterhouseCoopers, ABN 52 780 433 757
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Independent auditor's report

To the members of Elders Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Elders Limited (the Company) and its controlled entities (together the Group or Elders) 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 September 2021 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 September 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

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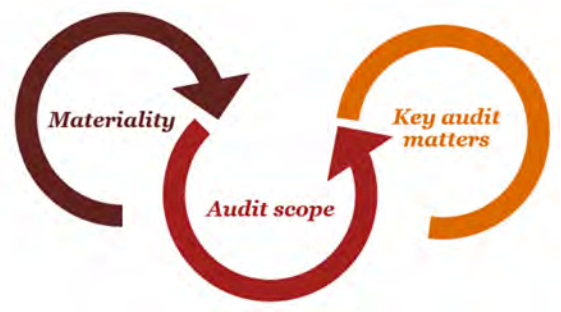
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $7.89 million, which represents approximately 5% of the Group's profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit work focused on the Australian operations' financial information given their financial significance to the Group.
- We performed further audit procedures at a Group level, including procedures over the consolidation of the Group's businesses and the preparation of the financial and remuneration reports.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets *(Refer to note 3)*	
Elders has recognised net deferred tax assets of \$102.6 million as at 30 September 2021 in the consolidated statement of financial position, of which \$109.9 million arises from tax losses carried forward. Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient future taxable profits will be generated in order for the benefits of the deferred tax assets to be realised. These benefits are realised by reducing tax payable on future taxable profits. This was a key audit matter due to: • the quantum of the accumulated losses recognised as an asset; and • the judgement involved by the Group in preparing forecasts to demonstrate the future utilisation of these losses.	We performed the following procedures: • assessed forecast profits and evaluated whether the forecasts were consistent with approved budgets. We also ensured forecasts had been appropriately adjusted for the differences between accounting and taxable profits. • consulting with PwC tax professionals, we examined the ability to carry forward the tax losses for future use and considered the appropriateness of the deductions in the forecasts. • tested the mathematical accuracy of the forecasts. • reperformed the reconciliation of tax losses recognised and utilised in the current year, as detailed in note 3. • evaluated the adequacy of disclosures in note 3 in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Accounting for supplier rebates *(Refer to note 7)* Elders receives rebates on purchases of retail goods for resale from suppliers. These rebates are varied in nature and include price and volume rebates. In accordance with Australian Accounting Standards, rebates should only be recognised as a reduction in cost of sales when the associated performance conditions have been met. This requires a detailed understanding by the Group of the various contractual arrangements. We considered rebates to be a key audit matter because: • supplier rebates recognised during the year are material to the financial statements; • supplier arrangements are complex in nature and vary between suppliers; and • judgement is involved by the Group to determine the amount of rebates that should be recognised in the cost of sales and the amount that should be deferred to inventory.	We performed the following procedures: • for a sample of rebates recognised as a reduction to cost of sales, we: o agreed terms to supplier credit notes or individual supplier agreements and recalculated the amount of the rebate; and o checked if the rebate amount was only recognised as a reduction in cost of sales when a sale of the relevant product had occurred. • for a sample of rebates receivable at balance date, we: o agreed the Group's calculation of the rebate receivable to the terms in the relevant supplier agreement; and o agreed the key components of rebates receivable, including rebate accruals and amounts received over the course of the year, to relevant underlying evidence. • to assess the accuracy of rebates being deferred in inventory as at balance date we: o obtained a listing of retail stock on hand and for a sample of items, traced the rebate percentage back to supplier agreements. We also recalculated the rebate amount deferred against inventory; and o for a sample of rebates receivable, checked that when the related inventory was still on hand at balance date, the rebate amount had been appropriately deducted from inventory.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2021 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

pwc

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 50 to 69 of the directors' report for the year ended 30 September 2021.

In our opinion, the remuneration report of Elders Limited for the year ended 30 September 2021 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
15 November 2021

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ASX Additional Information

a) Distribution of Ordinary Shares as at 1 November 2021

Holdings Ranges	Total Units	Percentage FPO	Holders
1-1,000	3,688,138	2.357%	9,777
1,001-5,000	11,130,387	7.113%	4,729
5,001-10,000	6,070,262	3.879%	837
10,001-100,000	17,862,500	11.415%	679
100,001-9,999,999,999	117,725,287	75.235%	62
Totals	**156,476,574**	**100.000%**	**16,084**
The number of holders holding less than a marketable parcel			918

Distribution of Unquoted Equity Securities at 1 November 2021

As noted on page 48 of the Directors' Report, performance rights are the only unquoted equity securities on issue as at the date of this report.

Holdings Ranges	Total Units	Percentage Unquoted Equity Securities	Holders
1-1,000	0	0.000%	0
1,001-5,000	8,000	0.646%	2
5,001-10,000	20,000	1.615%	2
10,001-100,000	797,666	64.397%	15
100,001-9,999,999,999	413,000	33.342%	1
Totals	**1,238,666**	**100.00%**	**20**

All unvested performance rights on issue were acquired under an employee incentive plan

b) Voting Rights

All ordinary shares carry one vote per share without restriction. Unvested performance rights carry no voting rights.

c) Stock Exchange Quotation

Elders has one class of quoted securities, being the ordinary shares (ELD) which is listed on the Australia Securities Exchange. The Home Exchange is Sydney.

d) Twenty Largest Shareholders as at 1 November 2021

The twenty largest holders of Elders Ordinary Shares were as follows:	No, of shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,816,943	22.890%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,445,440	16.262%
CITICORP NOMINEES PTY LIMITED	20,549,065	13.132%
NATIONAL NOMINEES LIMITED	12,576,206	8.037%
BNP PARIBAS NOMINEES PTY LTD ‹AGENCY LENDING DRP A/C›	3,296,836	2.107%
PODMONT PTY LTD	2,250,000	1.438%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED ‹NT-COMNWLTH SUPER CORP A/C›	2,112,094	1.350%
BNP PARIBAS NOMS PTY LTD ‹DRP›	1,801,366	1.151%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD ‹DRP A/C›	1,285,661	0.822%
RCW RURAL PTY LTD	803,372	0.513%
VENN MILNER SUPERANNUATION PTY LTD	800,000	0.511%
MR MARK CHARLES ALLISON	800,000	0.511%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD ‹DRP A/C›	787,156	0.503%
BNP PARIBAS NOMINEES PTY LTD ‹IB AU NOMS RETAILCLIENT DRP›	622,292	0.398%
DARTON PTY LTD ‹DARTON PTY LTD SUPER FUND AC›	526,500	0.336%
CITICORP NOMINEES PTY LIMITED ‹COLONIAL FIRST STATE INV A/C›	399,495	0.255%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	371,580	0.237%
PACIFIC AGRIFOODS INVESTMENTS PTY LTD	335,456	0.214%
MR KWOK CHING CHOW & MS PIK YUN PEGGY CHAN	314,000	0.201%
PJ & JL ROBERTS PTY LTD ‹THE PETER ROBERTS FAMILY ›	271,020	0.173%
Total Securities of Top 20 Holdings	**111,164,482**	**71.042%**

The number of shares held by substantial shareholders in the Company, as disclosed in substantial holding notices given to the Company as at 1 November 2021.

Shareholder	No. of shares	Percentage of shares held at date of notice	Date of notice
Challenger	7,837,757	5.02%	9 December 2020
Vanguard Group	7,854,196	5.02%	5 August 2021
Blackrock Group	7,865,010	5.02%	29 October 2021

e) Corporate Governance Statement

Elders' 2021 Corporate Governance Statement can be found online at investors.elderslimited.com/investor-centre/?page=annual-reports

Shareholder Information

Share Registry

	Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW, 2000
	1300 737 760
	+61 (0)2 9279 0664
	enquiries@ boardroomlimited.com.au
	boardroomlimited.com.au

Enquiries

Shareholders with enquiries about their shareholdings should contact the Company's share registry, Boardroom, on the above contact details.

Online shareholder information

Shareholders can obtain information about their holdings or view their account instructions online.

For identification and security purposes, you will need to know your Reference Number (HIN/SRN), Surname/Company Name and Post/Country Code to access. This service is accessible via the Investor Centre on the Company's website or direct via the Boardroom website at investorserve.com.au.

Tax and dividend/ interest payments

Elders is obliged to deduct tax from dividend/interest payments (which are not fully franked) to holders registered in Australia who have not quoted their Tax File Number (TFN) to the Company. Shareholders who have not already quoted their TFN can do so by contacting Boardroom.

Change of address

Issuer Sponsored Shareholders who have changed their address should advise Boardroom in writing. Written notification can be emailed or posted to Boardroom at the address shown adjacent and must include both old and new addresses and the Securityholder Reference Number (SRN) of the holding.

Alternatively, holders can amend their details on-line via Boardroom's website. Shareholders who have broker sponsored holdings should contact their broker to update these details.

Annual Report mailing list

Shareholders who wish to vary their Annual Report mailing arrangements should advise Boardroom online or in writing.

Electronic versions of the report are available to all via the Company's website. Annual Reports will be mailed to all shareholders who have elected to be placed on the mailing list for this document.

Investor information

Information about the Company is available from a number of sources:

Website:
elders.com.au

Subscribe:
Shareholders can nominate to receive company information electronically via the Investor Centre on the Company's website.

Additionally, shareholders may elect to receive official company information through InvestorServe on Boardroom's website.

Publications:
The Annual Report is the major printed source of company information. Other publications include the half-yearly report, company press releases and investor presentations.

All publications can be obtained either through the Company's website or by contacting the Company.

Company Directory

Directors	Mr Ian Wilton — *MSc, FCCA, FCPA, FAICD, CA*
	Mr Mark C Allison — *BAgrSc, BEcon, GDM, AMP (HBS), FAICD,*
	Ms Robyn Clubb — *BEc, CA, F Fin, MAICD*
	Ms Diana Eilert — *BSc (Syd), MCom (UNSW), GAICD*
	Mr Matthew Quinn — *BSc, ACA*
	Ms Raelene Murphy — *BBus, FCA, GAICD*
Secretaries	Mr Peter G Hastings — *BA, LLB, GDLP, FGIA, Grad Dip Applied Corporate Governance, GAICD*
	Ms Shannon Doecke — *BAcc, Grad Dip Applied Corporate Governance, MAICD, AGIA*
Registered Office	Level 10, 80 Grenfell Street, Adelaide, South Australia, 5000
	P (08) 8425 4000
	F (08) 7131 0118
	CompanySecretary@elders.com.au
	elders.com.au
Share Registry	Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW, 2000
	P 1300 737 760
	F +61 (0)2 9279 0664
	boardroomlimited.com.au
Auditor	PricewaterhouseCoopers
Bankers	Australia & New Zealand Banking Group
	National Australia Bank
	Coöperative Centrale Raiffeisen - Boerenleenbank (Rabobank Australia)
Stock Exchange Listing	Elders Limited ordinary shares are listed on the Australian Securities Exchange under the ticker code “ELD”.