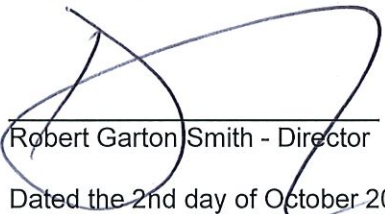


**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2019**

This is Annexure A of 19 pages  
Referred to in Form 388:  
Annual Reports



Robert Garton Smith - Director

Dated the 2nd day of October 2019

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

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# **WILLMOTT FORESTS 1995-1999 PROJECT**

## **ARSN 089 598 612**

### **DIRECTORS' REPORT**

The board of directors of Primary Securities Ltd (Primary) the Responsible Entity of Willmott Forests 1995-1999 Project (the Project) presents its report for the year ended 30 June 2019.

#### **Directors**

The names of the Directors of the Responsible Entity in office during the financial year end and up to the date of the report are:

David Butterfield  
Robert Garton Smith  
Natasha Olsen (appointed 16 October 2018)  
Ian Murchison (resigned 8 March 2019)

#### **Principal Activities**

The principal activity of the Project was the growing and harvesting of radiata pine trees on plantations located in South East New South Wales.

Other than discussed in the review of results and operations below there has been no significant changes in the nature of those activities during this period.

#### **Review of Results and Operations**

For the year ended 30 June 2019 \$6,324,635 (2018: \$7,614,594) gross harvest proceeds were generated from thinning and harvest.

Glengarry cleared plantation land was sold for \$575,000, settlement occurred on 20 December 2018.

Net profit / (loss) attributable to Growers for the year ended 30 June 2019 was \$542,698 (2018: \$6,060,311).

The Responsible Entity has slowed the thinning program which will extend the period to clearfall for the remaining plantations. This will give the trees more opportunity to grow and mature in order to produce larger high quality sawlogs which will maximise returns to Growers.

Operations carried out were harvest management and supervision, road construction and maintenance, fire maintenance and standby, including clearing internal tracks and firebreaks, control of noxious weeds and pests, general maintenance and negotiating timber sale contracts.

#### **Distributions**

Distributions of \$808,202 equal to \$250 per Entitlement (2018: \$2,359,949, \$730 per Entitlement) were paid or payable to growers during the year.

No TFN withholding tax of \$40,191 was paid to the Australian Tax Office for tax withheld on Trust taxable income for the year ending 30 June 2018 from those growers who did not provide TFNs.

Unpaid distributions at 30 June 2019 were \$187,100 (2018: \$844,135) due to unresolved issues with growers who have loans with Willmott Finance Ltd.

# **WILLMOTT FORESTS 1995-1999 PROJECT**

## **ARSN 089 598 612**

### **DIRECTORS' REPORT**

#### **Environmental Regulation**

The operations of the Project are subject to the Plantations and Reafforestation Act 1999 and (Code) Regulation 2001 (NSW). All operations are carried out in accordance with the applicable Acts and Regulations and there have been no significant breaches of the legislation.

#### **Significant Changes in State of Affairs**

Other than as reported in Review of Results and Operations there have been no significant changes in the state of affairs.

#### **Matters Subsequent to End of Financial Year**

Thinning harvest is continuing.

The Project has taken out basic fire insurance for the coming year. Growers have been offered additional top up cover if they wish to insure for the full value of the trees.

#### **Indemnifying of Directors and Officers**

During the period ended 30 June 2019, the Responsible Entity paid a premium in respect of a contract insuring the directors, the secretary and executive officers of the Responsible Entity against a liability incurred to the extent permitted by the Corporations Act 2001. The disclosure of premium paid is not permitted under the contract.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

#### **Project Information**

No interests in the Project were held by the current Responsible Entity or associates at the end of the period.

No interests (entitlements) were issued by the Project during the year.

There were nil withdrawals of interests (entitlements) from the Project during the year.

The number of interests (entitlements) in the Project at the end of the financial period was 3,232.81 (2018: 3,232.81)

The number of gross Hectares in the Project at the end of the financial period was 3,954 (2018: 3,954). Net planted hectares at 30 June were 2,129 (2018: 2,129)

The value of the Project's net assets at the end of the period was \$nil.

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**DIRECTORS' REPORT**

**Non forestry costs paid to the Responsible Entity**

Total non forestry costs paid or payable to Primary for the financial year ended 30 June 2019 were \$172,439 (2018: \$333,427) as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Annual Responsible Entity Fees	87,791	86,202
Accounting & Registry	44,044	58,704
General Management	28,059	43,019
Property / Land Purchase	6,867	10,646
Sale of Land & Plantations	5,678	134,856
	<u><b>172,439</b></u>	<u><b>333,427</b></u>

**Auditors Independence Declaration**

The auditor of the Project has provided the Directors of the Responsible Entity with an independence declaration in accordance with section 307C of the Corporations Act 2001. The independence declaration is included within the financial statements.

Signed in accordance with a resolution of the Board of Directors of Primary Securities Ltd.

.....  
ROBERT GARTON SMITH  
Managing Director

Dated this 2nd October 2019

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the Willmott Forests 1995-1999 Project for the year ended 30 June 2019, 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.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 2 October 2019

**WILLMOTT FORESTS 1995-1999 PROJECT**  
**ARSN 089 598 612**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Primary Securities Ltd, the Responsible Entity of Willmott Forests 1995-1999 Project:

- (i) The financial statements and notes set out on page 6 to 15 are in accordance with the Corporations Act 2001, including:
  - (a) Complying with Accounting Standards and the Corporations Regulations 2001; and
  - (b) Giving a true and fair view of the financial position of the Project as at 30 June 2019 and of its performance for the year ended on that date;
- (ii) There are reasonable grounds to believe that the Project will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Primary Securities Ltd.



.....

Robert Garton Smith  
Managing Director

Dated this 2nd October 2019

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Revenue from ordinary activities</b>		
Harvest proceeds	6,324,635	7,614,954
Settlement proceeds (net) sale of land and trees	135,110	5,699,176
Grower fees	-	(50,929)
Licence and rental income	55,662	39,009
Interest income	5,070	4,343
	<u>6,520,477</u>	<u>13,306,553</u>
<b>Expenses</b>		
Harvest and haulage	4,690,839	5,433,699
Plantation management	345,930	335,782
Road construction costs	446,213	287,267
Custodian fees	16,868	14,745
Responsible entity fees	87,791	86,202
Management expenses	113,576	143,687
Insurances	198,192	178,092
Rates and taxes	33,816	48,782
Depreciation	7,018	8,905
Land purchase	-	10,646
Legal fees – termination and disclaimer	-	68,585
Legal fees – WGG High Court Costs	-	372,780
Legal fees – general	1,088	91,277
Sale of land and plantations	7,048	134,856
Other expenses	29,400	30,937
	<u>5,977,779</u>	<u>7,246,242</u>
<b>Total comprehensive income / (loss) attributable to growers</b>	<u><b>542,698</b></u>	<u><b>6,060,311</b></u>

*The accompanying notes form part of these financial statements*



**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**STATEMENT OF FINANCIAL POSITION  
As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	126,713	1,110,875
Trade and other receivables	5	1,079,320	842,393
Prepayments		53,244	64,886
Pipes for Rooding		5,164	11,175
<b>Total Current Assets</b>		<b>1,264,441</b>	<b>2,029,329</b>
<b>Non Current Assets</b>			
Fixed assets		31,446	38,173
Land <sup>1</sup>		2,340,905	2,607,000
Other assets		201,161	188,557
<b>Total Non Current Assets</b>		<b>2,573,512</b>	<b>2,833,730</b>
<b>TOTAL ASSETS</b>		<b>3,837,953</b>	<b>4,863,059</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	665,560	1,384,969
Grower's profits		3,172,393	3,478,090
<b>Total Current Liabilities</b>		<b>3,837,953</b>	<b>4,863,059</b>
<b>TOTAL LIABILITIES</b>		<b>3,837,953</b>	<b>4,863,059</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

The statement of financial position does not include the value of the trees on the Growers' Woodlots.

In *Capelli v Shepard [2009] VSCA 2 at para 151* the Victorian Court of Appeal declared that scheme property includes not ownership of the trees, but rather *the rights over and interests* in all trees which were acquired with the proceeds of investors' contributions to a particular registered forestry scheme, being trees standing on allotments leased by investors in that scheme, were part of the scheme property of that particular scheme.

The directors of the responsible entity are currently seeking to insure the trees on the Woodlots leased by Growers in the Project for \$11,225,153. Such an amount is not intended to represent the value of the trees or the amount that may be available to Growers on harvest after paying for harvest and transport costs. As the pine trees standing on Growers' woodlots were acquired with proceeds of Growers' contributions to the Willmott Forests 1995-1999 Project ARSN 089 598 612, the responsible entity considers that the rights over and interests in those trees form part of the scheme property of the Project.

*The accompanying notes form part of these financial statements.*

<sup>1</sup> While the land is held in trust for Growers, no separate trust accounts have been prepared and the land has been treated as an asset of the Project for the purposes of these financial statements.

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance brought forward	-	-
Comprehensive income / (loss) for the year	542,698	6,060,311
Distribution to growers	(542,698)	(6,060,311)
	<hr/>	<hr/>
Balance carried forward	-	-

*The accompanying notes form part of these financial statements.*

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**STATEMENT OF CASH FLOWS  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Harvest proceeds	6,063,856	8,072,900
Settlement proceeds	530,110	5,699,176
Grower fees		153,027
Licence, rental and other income	43,322	53,647
Interest received	5,070	4,343
Payments to suppliers	(5,994,629)	(8,709,355)
<b>Net cash flow from operating activities</b>	<b>647,729</b>	<b>5,273,738</b>
<b>Cash flows used in investing activities</b>		
Purchase of fixed assets	(291)	(47,078)
Purchase of land	-	(2,567,000)
Stamp Duty (land purchase)	(128,905)	-
Distributions paid	(1,505,428)	(1,506,421)
Transfer of hectares and other assets	2,733	(160,656)
<b>Net cash flow used in investing activities</b>	<b>(1,631,891)</b>	<b>(4,281,155)</b>
Net increase/(decrease) in cash held	(984,162)	992,583
Cash at beginning of year	1,110,875	118,292
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>126,713</b>	<b>1,110,875</b>

**Reconciliation of net profit attributable to growers to net cash flow from operating activities:**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net profit / (loss) attributable to growers	542,698	6,060,311
<b>Change in operating assets and liabilities</b>		
Movement in receivables	(182,766)	608,289
Movement in other payables	(114,221)	(1,403,767)
Non-cash depreciation	7,018	8,905
Non-cash cost of land sold	395,000	-
<b>Net cash flow from operating activities</b>	<b>647,729</b>	<b>5,273,738</b>

*The accompanying notes form part of these financial statements.*

# WILLMOTT FORESTS 1995-1999 PROJECT

## ARSN 089 598 612

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Project is a registered Managed Investment Scheme under the Corporations Act 2001.

Primary Securities Ltd, the current Responsible Entity of the Project, is incorporated and domiciled in Australia.

The registered office of the current Responsible Entity is located at 3 Shuffrey Street, Fremantle, Western Australia, 6160.

##### a. Basis of Accounting Preparation

This general purpose financial report has been prepared in accordance with the Constitution and with Australian equivalents to the International Financial Reporting Standards Board and the Corporations Act 2001.

Willmott Forests 1995-1999 Project is a for-profit entity for the purpose of preparing financial statements.

The preparation of financial statements under AIFRS required the use of certain critical accounting estimates and requires that management exercise its judgement in the process of applying the Project's accounting policies. Due to the nature of the Project's activities there are no major areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Costs are based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars which is the Project's functional and presentation currency.

##### ***New, revised and amended Accounting Standards and Interpretations not adopted by the Project***

The Responsible Entity has reviewed the new accounting standards and interpretations which have been published but are not mandatory for 30 June 2019 reporting periods.

The Responsible Entity's assessment is that the new pronouncements will have no impact on the amounts recognised in the financial statements but may affect the format of their disclosure in future years.

##### ***New, revised and amended Accounting Standards and Interpretations adopted by the Project***

The Responsible Entity has reviewed the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

The new accounting standards are as follows:

##### ***AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)***

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139.

# WILLMOTT FORESTS 1995-1999 PROJECT

## ARSN 089 598 612

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As the Project did not hold any financial assets or liabilities designated as fair value through profit and loss during the year ended 30 June 2019 the adoption of AASB 9 did not impact or result in a material change to the financial statements in the current or prior period.

#### ***AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018)***

This Standard replaced the previous accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

Based on the Responsible Entity's assessment, the adoption of AASB 15 did not result in material change to the recognition and measurement of revenue compared to prior period revenue recognition policy. No adjustments to retained earnings and restatement to comparatives were made from the adoption of the standard.

The following is a summary of the material accounting policies adopted by the project in the preparation of the financial report. These accounting policies have been consistently applied, unless otherwise stated.

#### **b. Revenue recognition**

Revenue from the sale of agricultural produce is recognised when the produce has been delivered to the customer, the customer has accepted the produce and it is probable that the related receivable will be collected.

Proceeds from insurance claims for damages to the trees in the plantation, caused by events for which the Responsible Entity has taken out plantation insurance, are recognised as revenue when received.

#### **c. Cash and Cash Equivalents**

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

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2019**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**d. Biological Assets**

As the trees are the assets of the growers they are not recorded in the Project accounts.

**e. Trade and Other Receivables**

Receivables are recognised and carried at original amount, less a provision for any uncollected debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified.

**f. Trade and Other Payables**

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

Payables include distributions payable.

**g. Goods and Services Tax (GST)**

Amounts recognised as receivable and payables at balance date include the amount of GST receivable and payable.

**h. Land**

Land is recognised and carried at original cost.

**2 INCOME TAX**

All Project assets and any income of the Project are held on behalf of either the growers or the Responsible Entity. The Project does not derive any income on its own account and accordingly is not subject to income tax.

**3 REMUNERATION OF AUDITORS**

The Responsible Entity bears the cost of the audit of both the Project and its Compliance Plan.

**4 CASH AND CASH EQUIVALENTS**

Reconciliation of cash and cash equivalents:

For the purposes of the Statement of Financial Position and the Cash Flow Statement, cash and cash equivalents comprise:

	<b>30 June 2019</b>	<b>30 June 2018</b>
Cash at bank and in hand	\$ 126,713	\$ 1,110,875

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2019**

**5 TRADE AND OTHER RECEIVABLES**

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Harvest proceeds receivable	1,039,636	778,859
Other receivables	39,684	128,420
	<u>1,079,320</u>	<u>907,279</u>

**6 TRADE AND OTHER PAYABLES**

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	389,746	497,515
Distribution	187,101	844,136
Other payables	88,713	43,318
	<u>665,560</u>	<u>1,384,969</u>

**7 KEY MANAGEMENT PERSONNEL**

**a. Responsible Entity**

Primary Securities Ltd is the Responsible Entity for the Project and represents the interests of Growers.

**b. Details of Key Management Personnel**

The Directors of Primary Securities Ltd are considered to be key management personnel of the Project. The Directors in office on appointment as Responsible Entity of the Project and at the date of this report are:

David Butterfield  
Robert Garton Smith  
Natasha Olsen (Appointed 16 October 2018)  
Ian Murchison (Resigned 8 March 2019)

**8 COMMITMENTS**

The Directors are not aware of any commitments that would have a material impact upon the financial statements.

**9 MATTERS SUBSEQUENT TO END OF FINANCIAL YEAR**

Thinning and harvest continue.

The Project has taken out fire insurance for the coming year.

The financial report was approved on 2nd October 2019.

**WILLMOTT FORESTS 1995-1999 PROJECT  
ARSN 089 598 612**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2019**

**10 RELATED PARTY TRANSACTIONS**

All transactions with related parties are conducted on commercial terms and conditions.

**11 REMUNERATION AND RETIREMENT BENEFITS TO DIRECTORS**

No amount was paid by the Project directly to the Directors of the responsible entity. Consequently, no compensation, as defined in AASB 124 "Related Party Disclosures" has been paid by the Project to the Directors as Key Management Personnel.

**12 FEES PAID TO THE RESPONSIBLE ENTITY**

This financial report records the assets, liabilities, revenues and expenses of the Project. Reconstruction Fees and Management Fees are paid to the Responsible Entity.

Any Reconstruction and Management fees received by the Responsible Entity are then used by the Responsible Entity as Manager for the purposes as allowed in the Constitution.

Reconstruction and Management fees billed by Primary Securities Ltd to growers during the reporting period were \$nil (2018: \$ nil).

Total non forestry costs paid or payable to Primary Securities Ltd for the financial year ended 30 June 2019 were \$172,439 (2018: \$333,427).

**13 INTERESTS IN THE PROJECT HELD BY THE RESPONSIBLE ENTITY AND ASSOCIATES**

As at 30 June 2019 no interests were held by the Responsible Entity, Primary Securities Ltd or its associates.

**14 CONTINGENT LIABILITIES**

There are no known contingent liabilities as at the reporting date.



# **WILLMOTT FORESTS 1995-1999 PROJECT**

## **ARSN 089 598 612**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2019**

#### **15 CAPITAL AND FINANCIAL RISK MANAGEMENT**

Due to its nature the Project does not have a capital structure and the Board of the Responsible Entity has determined that the Project does not require a capital management strategy.

The Project's activities may expose it to a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. The Responsible Entity closely monitors the Project's activities to minimise potential adverse effects on the financial performance and financial position of the Project.

##### **Accounting policies, terms and conditions**

Cash is recognised at face value and is held in trust accounts in the name of the Responsible Entity.

Receivables are carried at their invoiced value less any provisions for doubtful debts. Receivables are non interest bearing assets.

Project funds payable to the Responsible Entity are carried at the principal amount and are paid pursuant to the Constitution.

Payables are carried at the principal amount and are paid pursuant to the Constitution.

##### **Credit Risk**

The Project does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

##### **Market Risk**

The Project operates exclusively within Australia and hence there is no exposure to foreign exchange risk.

The Project does not hold any financial assets or financial liabilities at fair value and hence there is no exposure to price risk.

##### **Interest Rate Risk**

None of the Project's liabilities are interest bearing and hence there is minimal exposure to interest rate risk.

##### **Liquidity Risk**

The Project's financial liabilities include trade and other payables which are typically settled within 30 days.

##### **Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

##### **Grower Profits**

Grower profits from harvesting are distributed when there is available cashflow. Undistributed profits from land sales are held in the form of the remaining land of the Scheme and are expected to be distributed to Growers when the remaining land is sold on the winding up of the Project.

## INDEPENDENT AUDITOR'S REPORT TO THE GROWERS OF WILLMOTT FORESTS 1995-1999 PROJECT

### Opinion

We have audited the financial report of Willmott Forests 1995-1999 Project ("the Scheme") which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors.

In our opinion, the accompanying financial report of the Willmott Forests 1995-1999 Project is prepared, in all material respects, in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Scheme's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

### Other Information

The directors of the Responsible Entity, Primary Securities Ltd are responsible for the other information. The other information comprises the information in the Scheme's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Directors' Responsibilities for the Financial Report**

The directors of the Responsible Entity, are responsible for the preparation of the financial report that gives a true and fair view in accordance with the 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 Scheme's ability 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 Scheme or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 2 October 2019