

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

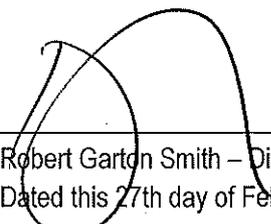
FINANCIAL REPORT

For the half year ended 31 December 2019

**Responsible Entity: Primary Securities Ltd
ACN 089 812 635**

Holder of Australian Financial Licence No 224107

This is Annexure A of 14 pages
Referred to in Form 7051:
Notification of half yearly reports



Robert Gordon Smith – Director
Dated this 27th day of February 2020

WILLMOTT FORESTS 1995-1999 PROJECT
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**WILLMOTT FORESTS 1995-1999 PROJECT
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DIRECTORS' REPORT

The Board of Directors of the Responsible Entity of Willmott Forests 1995-1999 Project (the Project) presents its report for half year ended 31 December 2019.

Directors

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

David Butterfield
Robert Garton Smith
Natasha Olsen

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 were no significant changes in the nature of those activities during this period.

Review of Results and Operations

For the six months ended 31 December 2019 \$2,686,410 gross harvest proceeds were generated from thinning and harvest.

Net profit attributable to Growers for the six months ended 31 December 2019 was \$794,865.

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 \$187,082 equal to \$57.77 per entitlement were paid or payable to growers during the half year.

Unpaid distributions at 31 December 2019 were \$56,671 (June 2019 \$187,100) due to unresolved issues with growers who have loans with Willmott Finance Ltd.

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.

DIRECTORS' REPORT

Events Subsequent to Reporting Date

Thinning and harvest continue.

In January 2020 a distribution of \$125 per entitlement was paid or payable to growers.

There have been no other matters or circumstances, other than those referred to in this financial report, that have subsequently affected, or may significantly affect the financial position of the Project after this reporting period.

Indemnifying of Directors and Officers

The Responsible Entity has 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 period, 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 period.

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

The number of gross Hectares in the Project at 31 December 2019 was 3,954 (June 2019: 3,954).
Net planted hectares at 31 December 2019 were 2,129 (June 2019 2,129).

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

DIRECTORS' REPORT

Auditor's Independence Declaration

Our auditor, Butler Settineri (Audit) Pty Ltd, 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 on page 4 of 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 27th day of February 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Willmott Forests 1995-1999 Project for the half year ended 31 December 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 review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 27 February 2020

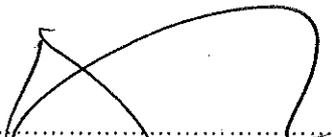
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DIRECTORS' DECLARATION

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

1. The financial statements and notes set out on pages 6 to 10, 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 31 December 2019 and of its performance for the half year ended on that date;
2. 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 27th day of February 2020

WILLMOTT FORESTS 1995-1999 PROJECT
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STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2019

	31 December	31 December
	2019	2018
	\$	\$
Revenue from ordinary activities		
Harvest proceeds	2,686,410	3,028,445
Settlement proceeds (net) sale of land	-	135,110
Licence and rental income	26,289	21,536
Interest income	380	2,986
	<u>2,713,079</u>	<u>3,188,077</u>
Expenses		
Harvest and haulage	1,490,913	2,445,364
Plantation management	144,391	196,043
Road construction and maintenance	51,312	283,949
Custodian fees	8,558	8,444
Responsible entity fee	44,309	43,483
Insurances	95,805	102,907
Rates and Taxes	13,520	14,499
Depreciation	2,732	3,682
Administration expenses	41,983	71,187
Legal fees	7,977	1,265
Sale of land and plantations	-	6,940
Other expenses	16,714	22,901
	<u>1,918,214</u>	<u>3,200,664</u>
Comprehensive Income / (Loss) Attributable to Growers	<u>794,865</u>	<u>(12,587)</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 31 December 2019

	31 December 2019 \$	30 June 2019 \$
ASSETS		
Current Assets		
Cash and cash equivalents	503,839	126,713
Trade and other receivables	935,615	1,079,320
Prepayments	149,756	53,244
Pipes for roading	1,885	5,164
Total Current Assets	<u>1,591,095</u>	<u>1,264,441</u>
Non Current Assets		
Fixed assets	28,714	31,446
Land ¹	2,340,905	2,340,905
Other assets	201,161	201,161
Total Non Current Assets	<u>2,570,780</u>	<u>2,573,512</u>
TOTAL ASSETS	<u>4,161,875</u>	<u>3,837,953</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	381,696	665,560
Grower's profits	3,780,179	3,172,393
Total Current Liabilities	<u>4,161,875</u>	<u>3,837,953</u>
TOTAL LIABILITIES	<u>4,161,875</u>	<u>3,837,953</u>
NET ASSETS	<u>-</u>	<u>-</u>

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 have insured the trees on the Woodlots owned by 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 Willmott Forests 1995-1999 Project ARSN 089 598 612.

The accompanying notes form part of these financial statements.

¹ 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 half year ended 31 December 2019**

	31 December 2019 \$	31 December 2018 \$
Balance at 1 July	-	-
Comprehensive income/(loss) for the period	794,865	(12,587)
(Distributions payable)/reduction in distribution to growers	(794,865)	12,587
	<hr/>	<hr/>
Balance at 31 December	-	-

The accompanying notes form part of these financial statements

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

**STATEMENT OF CASH FLOWS
For the half year ended 31 December 2019**

	31 December 2019 \$	31 December 2018 \$
Cash Flows from Operating Activities		
Harvest proceeds	2,814,957	3,361,319
Settlement proceeds	-	530,110
Interest received	380	2,986
Licence fees and rent received	41,450	21,536
Grower fees	-	(2,576)
Responsible Entity Fee	(44,309)	(43,483)
Insurance premiums	(192,317)	(171,569)
Suppliers / Contractors	(1,929,481)	(3,012,811)
Net cash flows from / (used in) operating activities	690,680	685,512
Cash Flows from Investing Activities		
Purchase of fixed assets	-	(189)
Stamp Duty – Land	-	(128,905)
Purchase of hectares Opt out growers	-	(3,278)
Net cash flows from / (used in) investing activities	-	(132,372)
Cash Flows from Financing Activities		
Distribution paid	(313,554)	(632,093)
Net cash flows from / (used in) financing activities	(313,554)	(632,093)
Net increase / (decrease) in cash held	377,126	(78,953)
Cash at beginning of half year	126,713	1,110,875
CASH AT END OF HALF YEAR	503,839	1,031,922

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2018

1 THE PROJECT

Willmott Forests 1995-1999 Project is a registered managed investment scheme under the Corporations Act 2001.

Primary Securities Ltd is the Responsible Entity of the Project and is primarily responsible for all aspects of the Project and must comply with the terms of the Constitution, the Management Agreement and the Corporations Act 2001.

2 BASIS OF PREPARATION

This half year financial report is a general purpose financial report that has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The half year financial report does not include the full disclosures of the type normally included in the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by the Project during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half year financial report has been prepared on an accruals basis and is based on historical costs. The accounting policies have been consistently applied by the Project and are consistent with those adopted in the preparation of the June 2019 annual financial report.

3 EVENTS SUBSEQUENT TO REPORTING DATE

Thinning and harvest continue.

In January 2020 a distribution of \$125 per entitlement was paid or payable to growers.

There have been no other matters or circumstances, other than those referred to in this financial report, that have subsequently affected, or may significantly affect the financial position of the Project after this reporting period.

4 CONTINGENT LIABILITIES

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

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

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Willmott Forests 1995-1999 Project ("the Scheme"), which comprises the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Scheme is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the financial position of the Scheme as at 31 December 2019 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half year financial report

The directors of the Responsible Entity, Primary Securities Ltd, are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Scheme's financial position as at 31 December 2019 and its financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the Scheme, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 27 February 2020