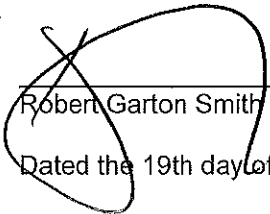


**WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022**

This is Annexure A of 21 pages
Referred to in Form 388:
Annual Reports



Robert Garton Smith - Director

Dated the 19th day of December 2022

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 2022.

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:

Toni Smith (Chairperson) – appointed 13 April 2022
Robert Garton Smith
Natasha Olsen
Roisin Boyd (Acting Chair) - appointed 15 July 2021, resigned 13 April 2022
David Butterfield (Chairman) - resigned 30 July 2021

Principal Activities

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

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

Review of Results and Operations

For the year ended 30 June 2022 \$4,692,305 (2021: \$3,904,137) gross harvest proceeds were generated from harvesting.

Net profit attributable to Growers for the year ended 30 June 2022 was \$113,752 (2021: \$151,280).

Operations carried out were harvest planning, management and supervision, road construction and maintenance, fire prevention and standby, including clearing boundaries and internal roads and firebreaks, control of noxious weeds and pest animals, general maintenance, and stakeholder liaison.

On 29 June 2022, a final dividend of \$45,130.09 was received from Willmott Forests Ltd (In Liquidation) in relation to the proof of debt submitted by the Responsible Entity on behalf of Growers for damages for having to pay for a second time certain forestry expenses already paid when Growers first invested.

On 27 June 2022, CBRE Valuation and Advisory Services presented a Valuation Report to the Responsible Entity on behalf of the Project, valuing the plantations on an encumbered basis at \$10,990,000. CBRE have applied a discount rate of 8.5% to the land and 3% discount rate for rehabilitation to ascertain the Present Values of the Reversionary Values of the Portfolio, assuming that the land only is available for sale and is encumbered by the planted forests (without rental income) until harvest.

The Responsible Entity has entered into a Log Sale and Purchase Agreement with Dongwha Australia Pty Ltd to take logs which meet agreed specifications from the financial years 2022/2023 to 2028/2029 for an estimated 280,000 green metric tonnes.

The Responsible Entity has terminated the harvest and haulage contract with Beveridge's Logging Pty Ltd and executed a new harvest and haulage contract with Bevo's Haulage Pty Ltd to financial year 2028/2029 for the harvest and haulage of pulpwood and sawlogs relevant to the Sale and Purchase Agreements with Dongwha Australia Pty Ltd and Visy Pulp & Paper Ltd.

WILLMOTT FORESTS 1995-1999 PROJECT ARSN 089 598 612

Distributions

Distributions of \$315,681 equal to \$100 per Entitlement (2021 852,335 \$280 per Entitlement) were paid or payable to growers during the year.

Unpaid distributions at 30 June 2022 were \$42,187.80 (2021: \$45,890) 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.

Significant Changes in State of Affairs

The Directors have obtained a valuation of the Project land and increased the value shown in the Project Statement of Financial Position as a result.

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

Harvesting is continuing.

The Responsible Entity has entered into a pulpwood and pulplog supply agreement with Visy Pulp and Paper Ltd for the supply of Pulpwood and Small Sawlog to financial year 2028/2029 for a minimum of 252,000 tonnes.

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

During the year ended 30 June 2022, 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.

DIRECTORS' REPORT

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 or withdrawn by the Project during the year.

WILLMOTT FORESTS 1995-1999 PROJECT

ARSN 089 598 612

The number of interests (Entitlements) in the Project at the end of the financial year was 3,156.81 (2021: 3,156.81).

The number of gross Hectares in the Project at the end of the financial year was 3,954 (2021: 3,954).
Net planted hectares at 30 June 2022 were 2,129 (2021: 2,129).

The value of the Project's net assets at the end of the period was \$nil (2021 : \$nil).

Non forestry costs paid to the Responsible Entity

Total non-forestry costs paid or payable to Primary for the financial year ended 30 June 2022 were \$131,127 (2021: \$154,509) as follows:

	2022	2021
	\$	\$
Annual Responsible Entity Fees	92,064	90,402
Accounting & Registry	19,434	29,197
General Management	19,629	34,910
	131,127	154,509

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 19th day of December 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the Willmott Forests 1995-1999 Project for the year ended 30 June 2022, 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.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 19 December 2022

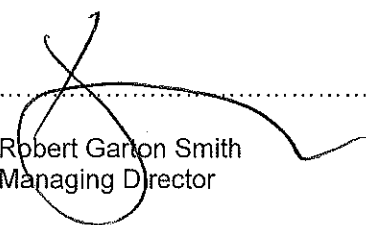
WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

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 16 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 2022 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 19 day of December 2022

WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	2022	2021
	\$	\$
Revenue from ordinary activities		
Harvest proceeds	4,692,305	3,904,137
Licence and rental income	46,090	53,239
Interest income	73	239
Other Income	45,130	-
	<u>4,783,598</u>	<u>3,957,615</u>
 Expenses		
Harvest and haulage	3,475,013	2,742,612
Plantation management and upkeep	393,128	313,230
Road construction and maintenance costs	150,007	210,207
Custodian fees	17,713	17,065
Responsible entity fees	92,064	90,402
Management expenses	78,976	87,408
Insurances	378,773	294,923
Rates and taxes	22,650	20,645
Depreciation	8,060	13,033
Other expenses	53,462	16,810
	<u>4,669,846</u>	<u>3,806,335</u>
 Total comprehensive income attributable to growers	 <u>113,752</u>	 <u>151,280</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 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	279,948	343,736
Trade and other receivables	5	521,513	385,800
Prepayments		143,704	126,850
Total Current Assets		945,165	856,386
Non-Current Assets			
Fixed assets		56,333	64,394
Land ¹	6	10,486,263	2,340,905
Other assets		347,823	347,823
Total Non-Current Assets		10,890,419	2,753,122
TOTAL ASSETS		11,835,584	3,609,508
LIABILITIES			
Current Liabilities			
Trade and other payables	7	685,721	406,450
Loans and borrowings	8	10,986	10,986
Grower's capital gains or profits ²		11,105,517	3,147,726
Total Current Liabilities		11,802,224	3,565,162
Non-Current Liabilities			
Loans and borrowings	8	33,360	44,346
Total Non-Current Liabilities		33,360	44,346
TOTAL LIABILITIES		11,835,584	3,609,508
NET ASSETS		-	-

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 does not include ownership of the trees (which belong to individual Growers), but rather *the rights over and interests* in all trees which were acquired using investors' contributions.

The current net value of anticipated sales proceeds from the Log Sale and Purchase Agreement with Dongwha Australia Pty Ltd and the pulpwood and pulplog supply agreement with Visy Pulp and Paper Ltd is estimated to be \$22,835,182 (applying a discount rate of 9% after deducting direct costs of harvest and haulage). This net value does not take into account the continuing costs of operating the Project until the completion of harvest (including fire insurance).

The accompanying notes form part of these financial statements.

¹ Land is measured under the revaluation method. A valuation report was received from CBRE Valuation & Advisory Services dated 3 June 2022.

² This is the equivalent of \$3,517.95 per Entitlement.

WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

STATEMENT OF FINANCIAL POSITION (cont'd)
As at 30 June 2022

The Constitution for the Project permits the Responsible Entity to take out fire insurance "to cover the cost of planting new trees on the Land to replace any trees as may be damaged or destroyed by fire". Another clause of the Constitution permits the Responsible Entity to "insure any Asset including public risk insurance and insurance related to forestry or Business activities being conducted on any Asset". The Responsible Entity regards this clause as giving it a wide power to insure the trees.

Due to the global forestry losses in recent years, the main forestry plantation insurer (Primacy) withdrew from the industry and most forestry companies chose not to insure or to self-insure.

The Responsible Entity through our broker sourced a base fire insurance policy cover of \$10 million which equated to an agreed value of \$3,167 per entitlement. The cover was lower than the 40% cover from the previous year but was the only offering. The cost of the cover was \$322,500.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	2022	2021
	\$	\$
Balance brought forward	-	-
Comprehensive income / (loss) for the year	113,752	151,280
Distribution to growers	(113,752)	(151,280)
Balance carried forward	<u>-</u>	<u>-</u>

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 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Harvest proceeds	4,558,150	4,595,764
Settlement Proceeds	-	-
Licence, rental and other income	44,532	57,519
Interest received	73	239
Other income	45,130	-
Payments to suppliers	(4,397,706)	(3,940,012)
Net cash flow from operating activities	250,179	713,510
Cash flows used in investing activities		
Purchase of fixed assets	(8,946)	(9,047)
Distributions paid	(305,021)	(872,355)
Transfer of hectares and other assets	-	(166,959)
Net cash flow used in investing activities	(313,967)	(1,048,361)
Net increase/(decrease) in cash held	(63,788)	(334,851)
Cash at beginning of year	343,736	678,587
CASH AT END OF FINANCIAL YEAR	279,948	343,736

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

	2022	2021
	\$	\$
Net profit / (loss) attributable to growers	113,752	151,280
Change in operating assets and liabilities		
Movement in receivables	(154,607)	729,713
Movement in other payables	282,974	(180,516)
Non-cash depreciation	8,060	13,033
Net cash flow from operating activities	250,179	713,510

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 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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 Scheme has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new standards has not had any significant impact on the financial position or performance of the Scheme.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the reporting year ended 30 June 2022.

The Responsible Entity is of the view that the new and revised standards issued but not yet effective will have a minimal impact on the financial statements.

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.

WILLMOTT FORESTS 1995-1999 PROJECT

ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. 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.

b. 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.

c. Biological Assets

The rights to the trees are the assets of the growers and hence the trees are not recorded in the Project accounts.

d. 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.

e. 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.

f. Goods and Services Tax (GST)

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

g. Land

Land was initially recognised and carried at cost but has been revalued during the 2022 year as detailed in note 6.

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.

WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

3 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by auditors Dry Kirkness (Audit) Pty Ltd (formerly Butler Settineri (Audit) Pty Ltd) :

	30 June 2022	30 June 2021
	\$	\$
Audit services – Financial Reports	9,032	8,750
Audit services – Compliance Plan	2,000	2,000
	<u>11,032</u>	<u>10,750</u>

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:

	30 June 2022	30 June 2021
	\$	\$
Cash at bank and in hand	<u>279,948</u>	<u>343,736</u>

5 TRADE AND OTHER RECEIVABLES

	30 June 2022	30 June 2021
	\$	\$
Harvest proceeds receivable	502,434	368,279
Other receivables	19,079	17,521
	<u>521,513</u>	<u>385,800</u>

6 LAND

	30 June 2022	30 June 2021
	\$	\$
Purchase Price	4,000,000	4,000,000
Stamp Duty – Purchase of Land	128,905	128,905
Land Sold (cost)	(1,788,000)	(1,788,000)
Land Revaluation	8,778,000	-
Fee to Lender (loan syndicate commission)	(632,642)	-
	<u>10,486,263</u>	<u>2,340,905</u>

Land is measured under the revaluation method. A valuation report was received from CBRE Valuation & Advisory Services dated 3 June 2022.

WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

7 TRADE AND OTHER PAYABLES

	30 June 2022	30 June 2021
	\$	\$
Trade creditors	583,355	311,366
Distribution	42,188	45,890
Other payables	60,178	49,194
	<u>685,721</u>	<u>406,450</u>

8 LOANS AND BORROWINGS

	30 June 2022	30 June 2021
	\$	\$
Purchase of Toyota Hilux		
Current	10,986	10,986
Non-current	33,360	44,346
	<u>44,346</u>	<u>55,332</u>

The loan term includes a \$24,205 balloon payment

9 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:

Toni Smith (Chairperson) – appointed 13 April 2022
 Robert Garton Smith
 Natasha Olsen
 Roisin Boyd (Acting Chair) - appointed 15 July 2021, resigned 13 April 2022
 David Butterfield (Chairman) - resigned 30 July 2021

10 COMMITMENTS

The Project entered into a two year lease commitment for office space located in Bombala NSW. The lease expired 30 January 2021 however possession has been retained and operates under the terms of the original lease which provide for rent to be increased by CPI at the end of each term. Rent has increased to \$819 per month under the current term. Part of the office is sub-leased for \$557 per month. Net cost to the Project is \$262 per month.

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

WILLMOTT FORESTS 1995-1999 PROJECT

ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

11 MATTERS SUBSEQUENT TO END OF FINANCIAL YEAR

Thinning and harvest continue.

The Responsible Entity has entered into a pulpwood and pullog supply agreement with Visy Pulp and Paper Ltd for the supply of Pulpwood and Small Sawlog to financial year 2028/2029 for a minimum of 252,000 tonnes.

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.

The financial report was approved on 19th December 2022.

12 RELATED PARTY TRANSACTIONS

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

13 REMUNERATION AND RETIREMENT BENEFITS TO DIRECTORS

The Scheme was managed by the forester Toni Smith. Toni was appointed as a director of the Responsible Entity on 13 April 2022.

	\$
Short term employee benefits	173,441
Post employment benefits	17,344
Other benefits	-
	<u>190,785</u>

14 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 (2021: \$ nil).

Total non-forestry costs paid or payable to Primary Securities Ltd for the financial year ended 30 June 2022 were \$131,027 (2021: \$154,509).

15 INTERESTS IN THE PROJECT HELD BY THE RESPONSIBLE ENTITY AND ASSOCIATES

As at 30 June 2022 no interests were held by the Responsible Entity, Primary Securities Ltd or its associates.

WILLMOTT FORESTS 1995-1999 PROJECT

ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

16 CONTINGENT LIABILITIES

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

17 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.

WILLMOTT FORESTS 1995-1999 PROJECT
ARSN 089 598 612

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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 2022, 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 2022 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 (including Independence Standards) (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 2022 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 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 based on 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 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, actions taken to eliminate threats or safeguards applied.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 19 December 2022