

**COOL CLIMATE APRICOT PROJECT**

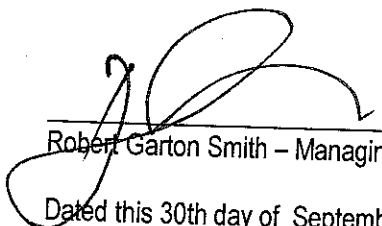
**ARSN 118 011 626**

**FINANCIAL REPORT**

**For the year ended 30 June 2009**

**Responsible entity: Primary Securities Ltd  
ABN 96 089 812 635  
AFSL 224107**

This is Annexure A of 17 pages  
referred to in Form 388:  
Copy of financial statements and reports



Robert Garton Smith – Managing Director

Dated this 30th day of September 2009

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**CONTENTS**

Directors' Report	1
Independent Audit Report	4
Directors' Declaration	6
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11
Auditor's Independence Declaration	16

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**DIRECTORS' REPORT**

The Directors of the Responsible Entity, Primary Securities Limited, present their report for the year ended 30 June 2009.

**Directors' Particulars**

The names of persons holding the position of Director of the Responsible Entity, during for the financial period covered by this report and up to the date of this report, are:-

Anne Thome, B.Tec - MBA  
Robert Garton Smith, LLB, B.Com, GDipFinPlanning (Sec Inst); F Fin  
Brian Millmore, B.Ec. GDipAppFin (Sec Inst), F Fin PNA  
Anthony Treadgold B Com CPA (from 7<sup>th</sup> July 2008)

**Directors' Interests**

At the date of this report the Directors did not have any direct interest in the Scheme or any interest in any contracts of the Scheme nor did they hold any right or options in the Scheme's assets unless otherwise stated.

**Principal Activities**

The principal activity of the Scheme, since commencement, was the development and management of an orchard in Tasmania for the purpose of apricot farming.

**Operating Result**

The operating profit of the Cool Climate Apricot Project for the financial year was \$Nil. As the Responsible Entity will distribute all of this income to the Growers in the Scheme there will be no income tax liability.

**Distribution of Income**

Distribution of income for the year ended 30 June 2009 is \$Nil

**Review of Operations**

As at 30 June 2009, the total number of Apricot lots allotted under the Scheme was 616

**Environmental Regulation**

The operations of the Scheme are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

**Significant Changes in State of Affairs**

No significant changes in the Scheme's state of affairs occurred during the year.

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**DIRECTORS' REPORT (Cont.)**

**After Balance Date Events**

Arrangements are being made to sever the relationship with Qew Orchards, the sub manager of the scheme. Cool Climate Investments Pty Ltd, the manager of the scheme, will resume responsibility for all orchard maintenance and a reallocation of apricot lots will be undertaken in order that all apricot lots of the scheme form part of the orchard under the control of the manager.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in subsequent financial years

**Future Developments**

Marketing opportunities for the apricots are continually under review

**Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Scheme.

**Proceeding on Behalf of the Scheme**

No person has applied for leave of court to bring proceedings on behalf of the Scheme or intervene in any proceedings to which the Scheme is a party for the purpose of taking responsibility on behalf of the Scheme for all or any part of those proceedings.

The Scheme has not been a party to any such proceedings during the year.

**Scheme Information**

No fees were paid to the Responsible Entity and its associates during the financial year other than management fees.

No interests in the Scheme were held by the Responsible Entity or its associates at the end of the year.

There were no withdrawals from the Scheme during the year.

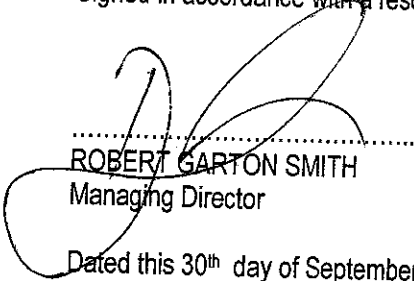
The value of the Scheme assets at the end of the year was \$Nil.

The number of interests in the Scheme at the end of the financial year was 616.

**Auditors Independence Declaration**

Our auditor, RSM Bird Cameron Partners, 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 30<sup>th</sup> day of September 2009

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL CLIMATE APRICOT PROJECT

We have audited the accompanying financial report of Cool Climate Apricot Project ("the scheme"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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

The directors of Primary Securities Limited, the Responsible Entity of the scheme, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 to the Financial Statements, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

*Independence*


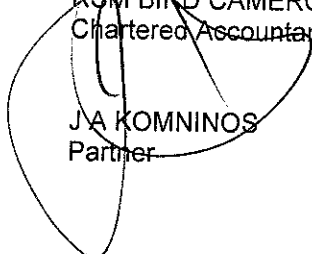
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's Opinion*

In our opinion:

- (a) the financial report of Cool Climate Apricot Project is 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 2009 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; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 to the financial statements.

Perth, WA  
Dated: 30 September 2009

  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants  
  
  
JA KOMNINOS  
Partner

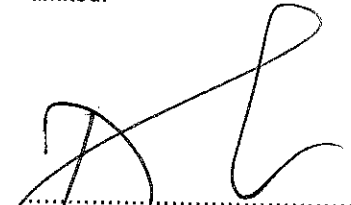
**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**DIRECTORS' DECLARATION**

The Directors of the Responsible Entity declare that:

1. The financial statements and notes to the financial statements as set out on pages 6 to 14:
  - (a) comply with Accounting Standards and the Corporations Act 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and performance for the year ended 30 June 2009 of the Scheme;
2. In the Directors' opinion there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of Primary Securities Limited.



.....  
ROBERT GARTON SMITH  
Managing Director

Dated this 30<sup>th</sup> day of September 2009

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**INCOME STATEMENT  
For the year ended 30 June 2009**

	2009 \$	2008 \$
<b>Revenue from Ordinary Activities</b>		
Interest	-	-
Less: Bank charges	-	-
<b>Profit from Ordinary Activities</b>	-	-
Distributed to Growers	-	-
<b>Total changes in Scheme Property</b>	-	-

The accompanying notes form part of these financial statements

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**BALANCE SHEET  
As at 30 June 2009**

	2009 \$	2008 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	-	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	-	-
	<hr/>	<hr/>
<b>CURRENT LIABILITES</b>		
Trade and other payables	-	-
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITES</b>	-	-
	<hr/>	<hr/>
<b>NON CURRENT LIABILITES</b>		
Trade and other payables	-	-
	<hr/>	<hr/>
<b>TOTAL NON CURRENT LIABILITES</b>	-	-
	<hr/>	<hr/>
<b>TOTAL LIABILITES</b>	-	-
	<hr/>	<hr/>
<b>NET VALUE OF SCHEME PROPERTY</b>	-	-
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2009**

	<b>Value of scheme property \$</b>
Balance at 1 February 2006	-
Total changes in scheme property	<u>-</u>
Balance at 30 June 2007	-
Balance at 1 July 2007	-
Total changes in scheme property	<u>-</u>
Balance at 30 June 2008	<u>-</u>
Balance at 1 July 2008	-
Total changes in scheme property	<u>-</u>
Balance at 30 June 2009	-

The accompanying notes form part of these financial statements

**COOL CLIMATE APRICOT PROJECT**  
**ARSN 118 011 626**

**CASH FLOW STATEMENT**  
**For the year ended 30 June 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Funds received from Manager	-	-
Net cash provided (used) by Operating Activities	-	-
Net increase/ (decrease) in cash held	-	-
Cash at beginning of year	-	-
<b>CASH AT END OF YEAR</b>	-	-

The accompanying notes form part of these financial statements

**COOL CLIMATE APRICOT PROJECT**  
**ARSN 118 011 626**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2009**

**1 THE SCHEME**

Cool Climate Apricot Project was established pursuant to the terms of a Constitution made on 20th January 2006 and registered by ASIC on 1st February 2006. By variations to the Constitution there are now three classes of Growers under the Scheme. A 2006 Grower is one whose Application was accepted on or before 15 November 2006; a 2007 Grower is one whose Application was accepted during the period 7 December 2006 to 31 May 2007 and a 2008 Grower is one whose application was accepted during the period 28 April 2008 to 15 June 2008.

The Combined Scheme has been established to provide Growers with the opportunity to carry on the business of commercially growing cool climate apricots in southern Tasmania to supply both Australian and overseas fresh fruit markets. The Constitution sets out the arrangements with respect to (amongst other things):

- (1) appointment of Primary Securities Ltd as the Responsible Entity of the Scheme;
- (2) entry into the Tree Right with respect to Apricot Lots on which the Apricot Trees are farmed; and
- (3) entry into the management agreement.

Each Apricot Lot comprises a specified area of land, being approximately 0.1 hectare, described as an Apricot Lot and identified individually by a number, upon which the Grower has the right to approximately 3 Trees on the Qew Property and 135 Trees on the New Property under the provisions of the Tree Right.

Peter Henry James Dunn owns the New Property and pursuant to the Head-Lease has leased the New Property to the Cool Climate Investments Pty Ltd ACN 113 995 038 (the Manager). Tian-an Pty Ltd ABN 50 080 338 209 owns the Qew Property and pursuant to the Facilitating Lease have leased the Qew Property to Heather and Christopher Chong. Heather and Christopher Chong have subleased the Qew Property to the Manager and the Manager has sub-leased both properties to the Responsible Entity pursuant to the Sub-Lease to RE.

The Responsible Entity has granted to the Grower certain exclusive and non-exclusive rights in relation to the Trees on one or more separate Apricot Lots on the Land as Allotted to the Grower by the Responsible Entity pursuant to the Constitution for the purpose of growing Apricot Trees, and harvesting, processing and selling the Apricots from those Apricot Trees on the basis that the Grower will pay a Tree Right Fee and upon the further terms and conditions set out in the Tree Right.

Contemporaneously with the Tree Right, the Responsible Entity has engaged the Manager under the Sub-Management Agreement and the Manager has engaged the Tian-an Pty Ltd under the Orchard Management Agreement to supervise, carry out, manage and administer the performance of Apricot Farming and the harvesting, processing and sale of the Apricots from the Apricot Trees on the Grower's Apricot Lots for the Grower.

Subject to the provisions of the Constitution for early termination of the Scheme, the Scheme will terminate upon the later of the termination of the Tree Right or the final distribution of Receipts following the sale of all Apricots from the final Harvest. The Tree Right is for a Term of approximately 18 years commencing on the date of the allotment of the Apricot Lot to the Grower and expiring on 30 May 2024 (2006 Growers), 30 May 2025 (2007 growers) and 30 May 2026 (2008 growers).

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2009

**2 STATEMENT OF ACCOUNTING POLICIES**

**Basis of Preparation**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is for the entity Cool Climate Apricot Project as an individual entity. Cool Climate Apricot Project is a Managed Investment Scheme domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

**Accounting Policies**

**(a) Income Tax**

Provision for income tax is not required as no taxable income was derived during the financial year.

**(b) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(c) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash at call, deposits with banks and investments in money market instruments maturing within less than two months, net of bank overdrafts.

**(d) Goods and Services Tax (GST)**

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

**COOL CLIMATE APRICOT PROJECT  
ARSN 118 011 626**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2009**

**3 RESPONSIBLE ENTITY**

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

**4 MANAGEMENT FEES**

This financial report records the assets, liabilities, revenues and expenses of the Scheme. Rent and management fees were received during the period. As rent and management fees are immediately payable to the Landowner or to the Manager, this money does not at any stage become property of the Scheme. Any management fees received by the Responsible Entity are then immediately payable to the Manager (less money owing by the Manager to the Responsible Entity. Accordingly, this money is not recorded in the Scheme's financial report).

Such fees due to the Responsible Entity not recorded in the Scheme's financial statements are set out below.

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
Management fees	8,848	396,541
Trade and other receivables		
Amounts receivable from Growers	55,828	63,086
<b>TOTAL CURRENT ASSETS</b>	<u>64,676</u>	<u>459,627</u>
<b>TOTAL ASSETS</b>	<u>64,676</u>	<u>459,627</u>
<b>CURRENT LIABILITES</b>		
Trade and other payables		
Amount payable to Manager and Landowner	8,848	396,541
<b>TOTAL CURRENT LIABILITES</b>	<u>8,848</u>	<u>396,541</u>
<b>NON CURRENT LIABILITES</b>		
Trade and other payables		
Amount payable to Manager and Landowner	-	-
<b>TOTAL NON CURRENT LIABILITES</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITES</b>	<u>8,848</u>	<u>396,541</u>
<b>NET ASSETS</b>	<u>55,828</u>	<u>63,086</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2009**

**5 FINANCIAL INSTRUMENTS**

a) Interest Rate Risk Exposure

The Scheme is not exposed to interest rate risk as there are no Scheme assets. The investors' monies are held on deposit at commercial fixed term interest and subject and subject to changes of interest rates by RBA.

b) Net Fair Values

The aggregate net fair value of financial assets and financial liabilities approximate the carrying amount of the financial assets and liabilities as indicated in the Statement of Financial Position.

c) Credit Risk Exposures

The Scheme's exposure to credit risk at 30 June 2009 in relation to each class of recognised asset is the carrying amount of those assets indicated in the Statement of Financial Position.

**6 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the financial year.

**7 SEGMENT INFORMATION AND INDUSTRY INVESTMENT EXPOSURES**

The Scheme operates in one business segment, being investment management. The Scheme also operates from one geographic location being Australia, from where its investing activities are managed.

**8 REMUNERATION AND RETIREMENT BENEFITS TO DIRECTORS**

a) Remuneration of Directors

The Directors of the Responsible Entity did not receive any remuneration directly from the Scheme during the year ended 30 June 2009.

b) Retirement Benefits

The Directors of the Responsible Entity did not receive any retirement benefits directly from the Scheme during the year ended 30 June 2009.

**COOL CLIMATE APRICOT PROJECT**  
**ARSN 118 011 626**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2009**

**9 EVENTS SUBSEQUENT TO REPORTING DATE**

Arrangements have been made to sever the relationship with Qew Orchards, the sub manager of the scheme. Cool Climate Investments Pty Ltd, the manager of the scheme, will assume responsibility for all orchard maintenance and a reallocation of apricot lots will be undertaken in order that all apricot lots of the scheme form part of the orchard under the control of the manager.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in subsequent financial years.

**10 CONTINGENT LIABILITY**

There were no known contingent liabilities at the reporting date.

**11 SCHEME DETAILS**

The registered office and principal place of business of the Scheme is:

13 Nairn Street  
FREMANTLE WA 6160

# RSM Bird Cameron Partners

Chartered Accountants

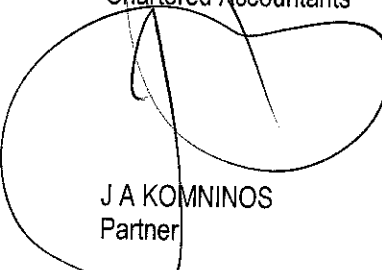
8 St Georges Terrace Perth WA 6000  
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## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF PRIMARY SECURITIES AS RESPONSIBLE ENTITY FOR THE COOL CLIMATE APRICOT PROJECT

As lead audit partner for the audit of the financial report of the Cool Climate Apricot Project for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Perth, WA  
Dated: 30 September 2009

*RSM Bird Cameron Partners*  
RSM BIRD CAMERON PARTNERS  
Chartered Accountants  
  
J A KOMNINIOS  
Partner