

final Draft

TEMPLEGATE FORESTRY TRUST
JEREMY 1 SCHEME
ARSN 093 014 012

UNAUDITED ACCOUNTS 31 DECEMBER 2009

TEMPLEGATE FORESTRY TRUST - JEREMY 1

Income Statement
For the period ended 31 December 2009

	Notes	December 2009 \$	December 2008 \$
Revenue and Other Income			
Harvest Proceeds		-	20,761
Interest Revenue		573	3,604
Expenses			
Lien	7	(30)	-
Management fees	7	[TBA]	-
		[TBA]	(2,076)
Net Profit Attributable to Growers	7	<u>543</u>	<u>22,289</u>
Distributions to Growers		-	(113,940)
Change in Net Assets Attributable to Growers	7	<u>543</u>	<u>(91,651)</u>

The above Income Statement should be read in conjunction with the accompanying notes.

[On determination of the lien, management fees and distribution to growers, the change in net assets attributable to growers will be nil]

TEMPLEGATE FORESTRY TRUST - JEREMY 1

Balance Sheet As at 31 December 2009

	Notes	December 2009 \$	June 2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	<u>89,982</u>	<u>89,162</u>
Total Current Assets		<u>89,982</u>	<u>89,162</u>
Non Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>89,982</u>	<u>89,162</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	6	<u>55,329</u>	<u>55,052</u>
Total Current Liabilities		<u>55,329</u>	<u>55,052</u>
Non Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities excluding Net Assets Attributable to Growers		<u>55,329</u>	<u>55,052</u>
Net Assets Attributable to Growers		<u>34,653</u>	<u>34,110</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

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**Statement of Changes in Net Assets Attributable to Growers
For the period ended 31 December 2009**

	Notes	December 2009 \$	December 2008 \$
Balance brought forward		34,110	110,470
Movement in period		543	(91,651)
Balance carried forward		<u>34,653</u>	<u>18,819</u>

The above Statement of Changes in Net Assets Attributable to Growers should be read in conjunction with the accompanying notes.

TEMPLEGATE FORESTRY TRUST - JEREMY 1

Cash Flow Statement For the period ended 31 December 2009

	Notes	December 2009 \$	December 2008 \$
Cash flows from operating activities			
Harvest proceeds		-	21,694
Interest received		573	3,604
Bank Fees		(30)	-
Payment to Responsible Entity		-	(51,000)
Payment to growers		-	(62,940)
Cancelled Cheque		277	-
Banked in error		-	-
Net cash flows from operating activities		<u>820</u>	<u>(88,642)</u>
Net decrease in cash held		820	(88,642)
Cash at the beginning of the financial period		89,162	123,183
Cash at the end of the financial period	5	<u>89,982</u>	<u>34,541</u>

Reconciliation of the Net Profit Attributable to Growers to the net cash flows from operating activities:

Net profit attributable to growers	543	(91,651)
Change in operating assets and liabilities		
Movement in trade and other payables	<u>277</u>	<u>4,155</u>
Net cash flows from operating activities	<u>820</u>	<u>(88,642)</u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

TEMPLEGATE FORESTRY TRUST - JEREMY 1

Notes to the Accounts 31 December 2009

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) *Basis of Preparation*

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Urgent Issues Group and AASB Interpretations and the *Corporations Act 2001*. The financial report is prepared in Australian dollars.

(i) *Compliance with International Financial Reporting Standards ("IFRS")*

The financial report complies with Australian Accounting Standards as issued by the AASB and IFRS as issued by the International Accounting Standards Board.

[Note: The draft accounts do not include all disclosures required, for example disclosures under the Directors' Report, various details under Basis of Preparation, Key Management Personnel, Commitments, Contingencies, Post Balance Sheet Events and Financial Risk Management. These will need to be added in order to prepare general purpose accounts.]

(ii) *Historical Cost Convention*

These financial statements have been prepared under the historical cost convention.

(iii) *Obligations of the Responsible Entity*

[Intentionally left blank]

(iv) *Other Obligations to Members of the Scheme*

[Intentionally left blank]

(b) *Interest revenue*

Interest revenue is recognised in the income statement as it accrues, on an effective interest rate basis.

(c) *Sale of agricultural produce*

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 collectibility of the related receivable is probable.

(d) *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.

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Notes to the Accounts 31 December 2009

Note 1 Summary of Significant Accounting Policies (continued)

(e) Biological assets

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

(f) Trade and other receivables

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

Amounts are generally received within 30 days of being recorded as receivables.

(g) 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 Scheme.

Payables include distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(h) Distributions

Distributions payable to growers at 31 December 2009 were [to be determined] (2008: \$113,940). Distributions are payable from the Scheme following the harvest and sale of the timber.

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

(j) Application of Accounting Standards

[Intentionally left blank]

Note 2 Income Tax

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

Note 3 Audit Fees

The Responsible Entity bears the cost of the audit of the Scheme and of the compliance plan.

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Notes to the Accounts 31 December 2009

Note 4 Segment Information

The Scheme operates solely in the plantation industry in Australia and carries out activities only in accordance with the Scheme's constitution.

Note 5 Cash and Cash Equivalents

Reconciliation of cash and cash equivalents

For the purposes of the Balance Sheet and the Cash Flow Statement, cash and cash equivalents comprise:

	December 2009 \$	June 2009 \$
Cash at bank and in hand	89,982	89,162
	<u>89,982</u>	<u>89,162</u>

Note 6 Trade and other payables

Trade payables	-	2,542
Other payables	55,329	52,600
	<u>55,329</u>	<u>55,052</u>

Note 7 Net assets attributable to growers

It is not yet determined how funds will be distributed between Responsible Entity management fees, lien over gross proceeds or distribution to growers.

The lien over gross proceeds is yet to be finalised.

Management fees cannot be calculated until the lien is finalised.

Once the above mentioned expenses are determined, the remaining funds should be accounted for as a distribution to growers. The result being that the change in net assets attributable to growers for the period will be nil.

Note 8 Commitments & Contingencies

[Lien disclosure to be confirmed]

Note 9 Events after the balance sheet date

[Intentionally left blank]

Note 10 Financial Risk Management objectives and policies

[Intentionally left blank]

Note 11 Key Management Personnel

[Intentionally left blank]