

**AUSTRALIAN FORESTRY MANAGEMENT**  
**2005 PLANTATION INVESTMENT**

ARSN 113 211 313

**SEMI ANNUAL REPORT**

**31 DECEMBER 2013**

Responsible Entity:  
AgriWealth Capital Limited  
ABN 14 126 768 090  
Level 1, 20 Young Street  
NEUTRAL BAY NSW 2089

# Australian Forestry Management 2005 Plantation Investment

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## DIRECTORS' REPORT

The directors of AgriWealth Capital Limited, (“the Responsible Entity”) of the Australian Forestry Management 2005 Plantation Investment (“the Scheme”), present their report together with the financial report of the Scheme for the six month period ended 31 December 2013.

### Responsible Entity

Agriwealth Capital Limited is an unlisted public company incorporated under the Corporations Act 2001 and holds an Australian financial services licence.

### Principal activities

The Scheme is a registered managed investment scheme domiciled in Australia. The principal activity of the Scheme is to act as a vehicle through which investors, acting as growers, undertake a forestry plantation business as a common enterprise pursuant to a series of management agreements between each grower, Australian Forestry Management Pty Limited (“AFM”) (the plantation manager and subsidiary of a related entity of the Responsible Entity) and the Responsible Entity.

### Directors

The following persons held office as directors of the Responsible Entity during or since the end of the period:

- Wayne C Jones
- John A Leslie
- Hugh L Dunchue

### Review of operations

Forestry Corporation of NSW (formerly Forests NSW), as forestry contractor, reported in their Annual Report 2012-13 that the overall condition of the plantations remains good, however, there is the existence of some low stocking areas which are predominantly a legacy of the drought and pest issues. Measures continue to be taken to limit further damage.

### Results and distribution

	Period ended 31 December 2013	Period ended 31 December 2012
	\$	\$
Profit attributable to members	-	-
Distribution paid and payable	-	-
Distribution (dollars per interest)	-	-

### Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the period ended 31 December 2013.

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2005 Plantation Investment**

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**DIRECTORS' REPORT (continued)**

**Matters subsequent to the end of the financial period**

Except as disclosed previously, no other matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect:

- the operation of the Scheme in future financial periods; or
- the result of those operations in future financial periods; or
- the state of affairs of the Scheme in future financial periods;

**Likely developments and expected results of operations**

No developments are likely to take place in relation to the land owned by the Land Trust until after the timber produce from the Plantation Investment is sold.

**Indemnification and insurance of the responsible entity**

No insurance premiums are paid out of the assets of the Scheme in regards to insurance cover to either the Responsible Entity or the auditors of the Scheme. Under the Constitution of the Scheme, in addition to any indemnity under any law, the Responsible Entity is entitled to be indemnified by an Investor on a full indemnity basis, in respect of a matter, unless, in respect of that matter, the Responsible Entity has acted negligently, fraudulently or in breach of any duty, the Constitution or applicable law or the indemnity is not otherwise available under law. The Responsible Entity has not otherwise, during or since the financial period, 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 by an officer or auditor.

**Fees paid to and interests held in the scheme by the responsible entity or its associates**

No fees were paid or payable to the Responsible Entity, its directors or its associates out of Scheme property during the period except for an administration charge for arranging insurance. The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the period are disclosed in Note 4 of the financial statements.

**Interests in the scheme**

The movement in interests on issue in the Scheme during the period ended 31 December 2013 is set out below:

	31 December 2013 Interests	31 December 2012 Interests
Opening balance	2,292	2,292
Interests issued	-	-
Interests redeemed	-	-
Total interests on issue	<u>2,292</u>	<u>2,292</u>

**Options**

No options were granted to the Responsible Entity over unissued units in the Scheme.

**Australian Forestry Management  
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**DIRECTORS' REPORT (continued)**

**Carrying value of assets**

	31 December 2013	31 December 2012
	\$	\$
Carrying value of assets in the Scheme	<u>-</u>	<u>-</u>

The value of the Scheme's assets as at the end of the financial period is disclosed in the Balance Sheet as "Total Assets" and the basis of valuation is included in Note 1 to the financial statements.

**Environmental regulations**

As manager responsible for the establishment and on-going management of the plantations, Australian Forestry Management Pty Limited is subject to environmental regulation primarily through the Plantations and Reafforestation Act 1999, which supports the establishment of plantations on essentially cleared land, while safeguarding environmental values. The Act and associated Code are regulated by NSW Department of Primary Industries. The Plantation Manager also has obligations under the NSW Pesticides Act 1999 for chemical usage on plantations and bush fire management obligations under the Rural Fires Act 1977. The Plantation Manager has complied with all applicable obligations during the financial period.

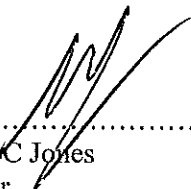
**Proceedings on behalf of the Scheme**


No person has applied for leave of court to bring proceedings on behalf of the Scheme or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Scheme for all or any part of those proceedings. The Scheme was not a party to any such proceedings during the period.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 5.

This report is made in accordance with a resolution of the Directors made pursuant to s 298(2) of the Corporations Act 2001:

  
.....  
Wayne C Jones  
Director  
Sydney

  
.....  
John A Leslie  
Director  
Sydney

14 March 2014

GRAEME GREEN FCA  
CHARTERED ACCOUNTANT

ABN 77 823 539 909

GPO Box 4566 Sydney NSW 2001

Telephone: (02) 9231 6166

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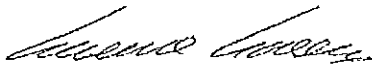
Suite 807, 109 Pitt Street, Sydney

## AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity, Agriwealth Capital Limited.

I declare that, to the best of my knowledge and belief, during the six month period ended 31 December, 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graeme Green FCA  
Register Company Auditor  
No. 15169

Dated in Sydney on *10 March*, 2014.

**Australian Forestry Management  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31 December 2013	31 December 2012
	\$	\$
<b>Total income</b>	-	-
<b>Total expenses</b>	-	-
<b>Profit attributable to members</b>	-	-
<b>Finance costs</b>		
Distribution paid and payable to members	-	-
<b>Net Profit</b>	-	-

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Retained earnings	Equity
	\$	\$
Opening balance at 1 July 2012	-	-
Profit/(loss) attributable to members	-	-
Balance at 30 June, 2013	-	-
Profit attributable to members	-	-
<b>Balance at 31 December, 2013</b>	-	-

The above Income Statement and Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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**BALANCE SHEET  
AS AT 31 DECEMBER 2013**

	31 December 2013	31 December 2012
	\$	\$
<b>Assets</b>	-	-
<b>Total Assets</b>	-	-
<b>Liabilities</b>	-	-
<b>Total Liabilities</b>	-	-
<b>Net Assets</b>	-	-

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

Under Australian Accounting Standards, growers hold contractual rights ("FRIs"). FRIs are not classified as equity, rather they are a contractual right to distributions arising under the Scheme.

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**STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31 December 2013	31 December 2012
	\$	\$
<b>Cash flows from operating activities</b>	-	-
<b>Net cash flows from investing activities</b>	-	-
<b>Net cash flows from financing activities</b>	-	-
<b>Net increase/(decrease) in cash held</b>	-	-
Cash at the beginning of the period	-	-
<b>Cash at the end of the period</b>	-	-

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



# Australian Forestry Management 2005 Plantation Investment

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Australian Forestry Management 2005 Plantation Investment (“the Scheme”) was registered as a managed investment scheme under Chapter 5C of the Corporations Act 2001 on 15 March 2005, established and domiciled in Australia. Under its Constitution, the Scheme will terminate on the earlier of:

- the 80th anniversary of the date of the Scheme’s Constitution less one day;
- a date specified by the Responsible Entity as the date the Scheme will terminate in a notice given to investors; and
- the date on which the Scheme is terminated in accordance with another provision of the Constitution or by operation of law.

Forestry investments associated with the project are the property of the individual investors and are not considered scheme property. As a result, such investments held by investors are not included in the Balance Sheet.

The financial statements were authorised for issue on 14 March 2014 by the directors of the responsible entity.

#### **Basis of preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board, the Corporations Act 2001, and the Scheme’s Constitution. The Scheme is a for profit entity for financial reporting purposes under Australian Accounting Standards.

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 to which they apply. 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. They 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.

#### **a) Comparative figures**

When required by the Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b) Critical accounting estimates and judgements**

The responsible entity evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the scheme.

**c) Adoption of new and revised accounting standards**

During the current period, the Scheme has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

**d) New accounting standards**

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates. Where early adoption is permitted, there has been no early adoption by the Scheme. In respect of the more applicable Accounting Standards and Interpretations, a discussion of those changed requirements and their impact on the Scheme is as follows;

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) New accounting standards (continued)**

- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk, in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the Scheme is expected to adopt AASB 9 and AASB 2010-7 for the semi annual reporting period ending 31 December 2015. The adoption of AASB 9 and AASB 2010-7 are not expected to significantly impact the amounts recognised in the Scheme's financial statements.

- AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The adoption of AASB 1053 is not expected to significantly impact the disclosures in the Scheme's financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) New accounting standards (continued)**

AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012-10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This standard is not expected to significantly impact the Scheme’s financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard is not expected to significantly impact the Scheme’s financial statements.

To facilitate the application of AASBs 1, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Scheme’s financial statements.

- AASB 13: *Fair Value Management* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

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2005 Plantation Investment**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) New accounting standards (continued)**

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are expected to result in more detailed fair value disclosures but are not expected to significantly impact the amounts recognised in the Scheme's financial statements.

- AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures - Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Scheme's financial statements.

- AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Scheme's financial statements.

**Australian Forestry Management  
2005 Plantation Investment**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) New accounting standards (continued)**

- AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Amending Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Scheme's financial statements.

**2. AUDITOR'S REMUNERATION**

Auditor's remuneration of \$2,900 (2012: \$2,700) for the audit of these financial statements, the annual financial statements and the Scheme's compliance plan was charged to, and is to be paid by, the Responsible Entity from its own resources and is not paid out of assets of the Scheme.

**3. SEGMENT INFORMATION**

The Scheme operates solely in the business of forestry plantation investment in Australia.

**Australian Forestry Management  
2005 Plantation Investment**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (continued)**

**4. RELATED PARTIES**

**Responsible entity**

The Responsible Entity is a subsidiary of Aspiring MIS Limited.

**Key management personnel (“KMP”)**

The Scheme does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Scheme. The key management personnel are directors of the Responsible Entity. During the half-year ended 31 December 2013, key management personnel were paid by a related party of the Responsible Entity.

No compensation is paid directly by the Scheme to any of the key management personnel of the Responsible Entity. No payments made by the Scheme are directly attributable to the compensation of key management personnel.

**5. RELATED PARTIES**

The following persons held office as directors of the Responsible Entity during or since the end of the period:

- Wayne C Jones
- John A Leslie
- Hugh L Dunchue

The following table outlines the interests of those unitholders who were also directors of the Responsible Entity in the FRI’s during the period:

	Number of interests held as at 31 December 2013	Percentage interest held as at 31 December 2013	Number of interests held as at 31 December 2012	Percentage interest held as at 31 December 2012
Wayne C Jones	33	1.43%	33	1.43%

**6. RELATED PARTIES**

**Responsible entity’s transactions**

No interests in the Scheme were issued during the period ended 31 December 2013.

As reported at Note 2, the Responsible Entity arranges for, and incurs the cost of, the half yearly and annual audits of the Scheme. The Responsible Entity also arranges insurance cover of the plantations which is paid for by the growers themselves, however the Responsible Entity charges an administration fee for this insurance.

**Australian Forestry Management  
2005 Plantation Investment**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (continued)**

**6. RELATED PARTIES (continued)**

**Directors loans**

No loans have been made to the directors by the Responsible Entity. However, in connection with the Scheme, and as set out in the Product Disclosure Statement, Arrow Funding Pty Limited (being a related company of the previous responsible entity), provided finance facilities to approved investors in the Scheme. Finance facilities were provided to those directors holding interests in the Scheme for the full amount of application fees. Arrow Funding Pty Limited ceased to be a related party of the previous responsible entity on 7th July 2006.

**7. SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect:

- the operation of the Scheme in future financial periods; or
- the result of those operations in future financial periods; or
- the state of affairs of the Scheme in future financial periods.

**8. CONTINGENT LIABILITIES**

The Scheme has no contingent liabilities which, either individually or as a category of commitments or contingent liabilities, are material.

**9. FINANCIAL INSTRUMENTS**

There are no financial assets or liabilities in the scheme.

**10. ADDITIONAL INFORMATION**

AgriWealth Capital Limited, an unlisted public company incorporated and operating in Australia, is the responsible entity of the Scheme

Principal registered office:

Level 1, 20 Young Street  
Neutral Bay, NSW 2089

Principal place of business:

Level 1, 20 Young Street  
Neutral Bay, NSW 2089



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2005 Plantation Investment**

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**DIRECTORS' DECLARATION**

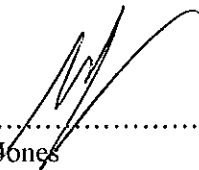
The Directors of the Responsible Entity declare that the financial statements and notes of the Scheme as set out on pages 6 to 16:

- (a) comply with the Scheme's Constitution; the Corporations Act 2001; and, Australian Accounting Standards , which, as stated in accounting policy Note 1 to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and,
- (b) give a true and fair view of the Scheme's financial position as at 31 December 2012 and of its performance, as represented by the results of its operations and its cash flows, for the period ended 31 December 2013 .

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) 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 Directors.

  
.....  
Wayne C Jones

Director  
Sydney

  
.....  
John A Leslie

Director  
Sydney

14 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
AUSTRALIAN FORESTRY MANAGEMENT 2005 PLANTATION INVESTMENT**

**Report on the Half-Year Financial Report**

I have reviewed the accompanying half-year financial report of Australian Forestry Management 2005 Plantation Investment, which comprises the balance sheet as at 31 December 2013, the statement of comprehensive income, and 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.

**Directors' Responsibility for the Financial Report**

The directors of the Responsible entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2013 and its 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 Australian Forestry Management 2005 Plantation Investment, ASRE 2410 requires that I comply with ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters and applying analytical review 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

**GRAEME GREEN FCA**  
**CHARTERED ACCOUNTANT**

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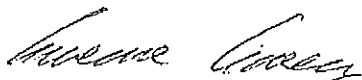
**Independence**

In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australian Forestry Management 2005 Plantation Investment on 10 March, 2014, would be in the same terms if provided to the directors as at the date of this auditor's review report

**Conclusion**

Based on my review, which is not an audit, I have not become aware of any matters that makes me believe that the half-year financial report of Australian Forestry Management 2005 Plantation Investment is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the entity's financial position as at 31 December 2013 and of its 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.



**Graeme Green**

Registered Company Auditor  
No. 15169

Dated *14 March*, 2014