

# Agricultural Land Trust

25 February 2010

Company Announcements Platform  
Australian Securities Exchange

**AGRICULTURAL LAND TRUST (AGJ)**  
**RESULTS FOR THE PERIOD ENDING 31 DECEMBER 2009**  
**AND**  
**CONFIRMATION OF DISTRIBUTION AND DRP PRICE**

The Directors of Agricultural Land Management Ltd, the responsible entity of the Agricultural Land Trust provide the Appendix 4D together with the Half Yearly Report for the Trust for the period ending 31 December 2009, including discussion and analysis of the Trust's results.

This information should be read in conjunction with the most recent Annual Report of the Trust for the financial year ended 30 June 2009.

The Directors also confirm the distribution for the period ending 31 December 2009 is 1.1 cents per unit as previously estimated on 17 December 2009. The distribution will be paid on Friday 26 March 2010.

For those unit holders participating in the Distribution Reinvestment Plan (DRP) the Directors advise that the DRP price is 17.06 cents per unit, calculated in accordance with the DRP rules and at a 2.5% discount as previously announced on 17 December 2009.

***For further information contact:***

Peter Zachert  
Director                      0434 046036

Ian Wigg  
Chief Operating Officer (08) 8425 5100

# Agricultural Land Trust

ARSN 096 588 046

## Half Yearly Report

### Results for Announcement to the Market

#### Appendix 4D

31 December 2009

	% change	6 months ended 31 December 2009 \$'000	6 months ended 31 December 2008 \$'000
Revenue from continuing operations	Down 33.4%	<b>3,125</b>	4,689
Profit from continuing operations	Down 22.3%	<b>1,125</b>	1,447
Profit from discontinued operations	Down 71.3%	<b>119</b>	414
Net profit attributable to unitholders	Down 34.1%	<b>1,175</b>	1,783
<b>Interim distribution to unitholders</b>			
Interim distribution payable (\$'000)		<b>961</b>	1,206
Interim distribution payable (cents per unit)		<b>1.10</b>	1.40
Basic and diluted earnings (cents per unit)		<b>1.34</b>	2.06
Record date for determining entitlement to the interim distribution			31 December 2009
Payment date for interim distribution			26 March 2010

<b>Net Tangible Assets</b>	<b>31 December 2009</b>	31 December 2008
Total net tangible assets attributable to unitholders (\$)	<b>33,261,085</b>	38,539,524
Units on issue	<b>87,363,529</b>	86,315,246
Net tangible assets attributable to unitholders per unit	<b>\$0.38</b>	\$0.45

# **Agricultural Land Trust**

**ARSN 096 588 046**



**Half Year Report  
31 December 2009**

**AGRICULTURAL LAND TRUST**  
**AND ITS CONTROLLED ENTITIES**

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**Discussion and Analysis of 31 December 2009  
Half Yearly Report**

**Financial Results**

The reported net profit attributable to unitholders of the Agricultural Land Trust for the half year ended 31 December 2009 was \$1,175,000 (2008: \$1,783,000).

The reported net profit from continuing operations for the half year ended 31 December 2009 was \$1,125,000 (2008: \$1,447,000).

The reported net profit from continuing operations (before assets revaluations) for the half year ended 31 December 2009 was 24% higher than the corresponding result for the half year ended 30 June 2009 which totalled \$907,000.

The above variation in net profit from continuing operations (before asset revaluations) has been caused by interest rate movements. As detailed in previous reports, the rent rate payable in relation to the properties acquired up to and including 12 September 2008 equals the Bank Bill Swap Bid Rate (BBSY) (subject to a floor of 4%) plus the Trust's banking syndicate finance margin above BBSY plus 0.25%. Rental income is calculated by applying the rent rate to property values (initial greenfields value plus statutory acquisition costs indexed quarterly by CPI with market reviews every 5 years but subject to ratchet provision ensuring property values can not decrease). The rent rate payable in relation to the properties acquired subsequent to 12 September 2008 is the same as detailed above except that the BBSY floor has been increased from 4% to 6%.

The improvement in net profit from continuing operations (before asset revaluations) from the preceding six month period ending 30 June 2009 resulted from BBSY falling below the BBSY floors contained in all lease agreements.

**Revenue and expenses**

Revenue and other income from continuing operations totalled \$3,125,000 (2008: \$4,689,000) and comprised predominately rental income from rural properties of \$3,075,000 (2008: \$4,553,000).

Expenses from continuing operations totalled \$2,000,000 (2008: \$3,242,000) and comprised predominately interest and bank fees on the borrowings associated with rural properties of \$1,868,000 (2008: \$3,106,000).

The Trust entered into a \$100m Loan facility agreement with a syndicate of leading Australian banks in May 2008. The facility is a 3 year facility expiring in May 2011 with average funding costs of 1.22% above BBSY.

**Balance Sheet**

The net assets of the Trust, excluding minority interests, totalled \$33,261,000 (2008: \$38,539,000) representing Net Tangible Assets per unit of \$0.38 (2008 \$0.45).

**Cash Flow**

Overall cash inflow was \$750,000 (2008: cash outflow \$4,429,000) for the half year.

Operating cash inflow for the six months to 31 December 2009 was \$1,534,000 (2008: \$878,000).

Investing activities produced a cash outflow of \$nil (2008: cash outflow \$10,626,000).

**AGRICULTURAL LAND TRUST**  
**AND ITS CONTROLLED ENTITIES**

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**Discussion and Analysis of 31 December 2009**  
**Half Yearly Report**

**Cash Flow (cont)**

Financing activities produced a net cash outflow of \$784,000 (2008: cash inflow \$5,319,000). Financing activities comprised the payment of distributions to unitholders.

**Distributions to unitholders**

The Trust paid the second and final distribution in relation to the financial year ended 30 June 2009 totalling \$889,000 to unitholders on 28 September 2009 representing 1.027c per unit (2008: first and only distribution of \$1,724,000 representing 2.05c per unit paid on 28 September 2008).

A total of \$103,000 (2008: \$535,000) was reinvested by unitholders pursuant to the Trust's Distribution Reinvestment Plan resulting in the issue of an additional 764,454 units at \$0.14c (2008: 2,198,982 units at \$0.24).

The Responsible Entity has resolved to make an interim distribution from the Trust of \$961,000 (2008: 1,206,000) in relation to the period ended 31 December 2009 payable on 26 March 2010. This interim distribution exceeds the distribution paid in relation to the period ended 30 June 2009 of \$899,000.

**Second half outlook**

The Responsible Entity will continue to focus on the acquisition of high quality rural properties should suitable opportunities arise.

The Trust's profitability for the second half will be influenced by movement in BBSY as well as any changes in asset values.

On the basis of current BBSY yield curves and the general improvement in economic conditions in Australia, it is unlikely that the record low BBSY rates will persist during the second half. It is likely that BBSY rates will exceed the BBSY floor of 4% contained in most of the Trust's leases during the second half.

The Trust will continue to enjoy the benefit of a Responsible Entity fee holiday in relation to its continuing operations during the second half. The Responsible Entity fee holiday will cease effective 30 June 2010.

25 February 2010

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**Directors Report**

The Directors of Agricultural Land Management Limited, the Responsible Entity of Agricultural Land Trust ("the Trust") report as follows:

**Directors**

The Directors of the Responsible Entity in office during the half year and at the date of this report are:

Peter Zachert  
Matthew Ellis  
Maxwell Ormsby

**Review and Results of Operations**

The reported net profit attributable to unitholders of the Trust for the half year ended 31 December 2009 was \$1,175,000 (2008: \$1,783,000).

The Trust has made a provision for distribution in relation to the half year of \$961,000 (2008: 1,206,000).

The Trust continues to operate within the financial covenants of its \$100m syndicated facility with Westpac, ANZ and NAB.

Further details on the results and operations are included in the attached Discussion and Analysis report.

**Rounding of amounts**

The entity is of the kind specified in the Australian Securities & Investments Commission class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Directors Report for the half year ending 31 December 2009.

This report has been made in accordance with a resolution of Directors.



Peter Zachert  
Director

Adelaide  
25 February 2010

## Auditor's Independence Declaration to the Directors of Agricultural Land Management Limited, as Responsible Entity for Agricultural Land Trust

In relation to our review of the financial report of Agricultural Land Trust for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Alan Herald'.

Alan Herald  
Partner  
Adelaide  
25 February 2010

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**STATEMENT OF COMPREHENSIVE INCOME**

**HALF YEAR ENDED 31 DECEMBER 2009**

**CONSOLIDATED**

	Note	31 December 2009 \$'000	31 December 2008 \$'000
<b>Continuing operations</b>			
Rental and other property income	7	<b>3,075</b>	4,553
Other income	7	<b>20</b>	39
Interest income	7	<b>30</b>	97
<b>Total revenue and other income</b>		<b>3,125</b>	4,689
Trust expenses			
- Finance costs	7	<b>(1,868)</b>	(3,106)
- Responsible Entity fees	7	-	-
- Auditor's remuneration		<b>(37)</b>	(44)
- Other expenses		<b>(95)</b>	(92)
<b>Total expenses</b>		<b>(2,000)</b>	(3,242)
<b>Net profit / (loss) from continuing operations before minority interests</b>		<b>1,125</b>	1,447
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before minority interests	7	<b>119</b>	414
<b>Net profit / (loss) before minority interests</b>		<b>1,244</b>	1,861
Net (profit) / loss attributable to minority interests		<b>(69)</b>	(78)
<b>Net profit / (loss) attributable to unitholders of the Trust</b>		<b>1,175</b>	1,783
 <b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT - CENTS</b>		<b>1.35</b>	2.06
 <b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM CONTINUING OPERATIONS - CENTS</b>		<b>1.29</b>	1.68
 <b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM DISCONTINUED OPERATIONS - CENTS</b>		<b>0.06</b>	0.39

The statement of comprehensive income should be read in conjunction with the accompanying notes.



**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2009**

		<b>CONSOLIDATED</b>	
		<b>31 December</b>	30 June
		<b>2009</b>	2009
<b>Note</b>		<b>\$'000</b>	\$'000
<b>Current Assets</b>			
	Cash and cash equivalents	5 <b>2,650</b>	1,900
	Trade and other receivables	<b>1,794</b>	1,721
	<b>Total Current Assets</b>	<b>4,444</b>	3,621
<b>Non Current Assets</b>			
	Investment properties	6 <b>105,592</b>	105,592
	Other financial assets	<b>187</b>	187
	<b>Total Non Current Assets</b>	<b>105,779</b>	105,779
	<b>Total Assets</b>	<b>110,223</b>	109,400
<b>Current Liabilities</b>			
	Trade and other payables	<b>2,282</b>	1,917
	Distributions payable	<b>961</b>	889
	<b>Total Current Liabilities</b>	<b>3,243</b>	2,806
<b>Non Current Liabilities</b>			
	Interest bearing loans and borrowings	<b>73,719</b>	73,719
	<b>Total Non Current Liabilities</b>	<b>73,719</b>	73,719
	<b>Total Liabilities</b>	<b>76,962</b>	76,525
	<b>Net Assets Attributable to Unitholders and Minority Interests</b>	<b>33,261</b>	32,875
<b>Represented by:</b>			
	Units	<b>56,329</b>	56,226
	Retained losses	<b>(23,215)</b>	(23,429)
	Minority Interest	<b>147</b>	78
	<b>Total Unitholders and Minority Interests</b>	<b>33,261</b>	32,875

The balance sheet should be read in conjunction with the accompanying notes.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**STATEMENT OF CHANGES IN NET ASSETS**

**HALF YEAR ENDED 31 DECEMBER 2009**

**CONSOLIDATED**

	<b>Profit / (loss)</b>	<b>Units</b>	<b>Minority interests</b>	<b>Net assets attributable to unitholders</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2008</b>	(18,211)	55,638	365	37,792
Net Profit attributable to unitholders	1,783	-	78	1,861
Minority interest portion of distribution from subsidiary	-	-	(346)	(346)
Distribution reinvestment plan	-	535	-	535
Distributions	(1,206)	-	-	(1,206)
<b>At 31 December 2008</b>	<b>(17,634)</b>	<b>56,173</b>	<b>97</b>	<b>38,636</b>
<b>At 1 July 2009</b>	<b>(23,429)</b>	<b>56,226</b>	<b>78</b>	<b>32,875</b>
Net Profit attributable to unitholders	<b>1,175</b>	-	<b>69</b>	<b>1,244</b>
Distribution reinvestment plan	-	<b>103</b>	-	<b>103</b>
Distributions	<b>(961)</b>	-	-	<b>(961)</b>
<b>At 31 December 2009</b>	<b>(23,215)</b>	<b>56,329</b>	<b>147</b>	<b>33,261</b>

The statement of changes in net assets should be read in conjunction with the accompanying notes.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**CASH FLOW STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2009**

	<b>CONSOLIDATED</b>	
	<b>31 December</b>	31 December
	<b>2009</b>	2008
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rent received	<b>2,983</b>	2,094
Interest received	<b>32</b>	225
Other receipts	<b>173</b>	358
Interest and borrowing costs paid	<b>(1,405)</b>	(1,723)
Other expenses paid	<b>(249)</b>	(76)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,534</b>	878
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Rural Property investment	-	(10,626)
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	(10,626)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid - distributions to unitholders and minority interests	<b>(784)</b>	(1,535)
Loans and borrowings received / (repaid)	-	6,854
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(784)</b>	5,319
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>750</b>	(4,429)
Add opening cash and cash equivalents at beginning of period	<b>1,900</b>	6,602
<b>CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,650</b>	2,173

The cash flow statement should be read in conjunction with the accompanying notes.

# AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### HALF YEAR ENDED 31 DECEMBER 2009

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Constitution of the Agricultural Land Trust, the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for investment properties and other financial assets, which have been measured at fair value based upon Directors' valuations. Independent valuations are conducted at intervals of not more than three years and are considered by the Directors of the Responsible Entity when determining fair values.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of the Trust as at 30 June 2009 together with any public announcements made by the Trust and its controlled entities during the half year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2009 has not resulted in any changes to these accounting policies.

For the purpose of preparing the financial report the half year has been treated as a discrete reporting period.

##### (b) Changes in Accounting Policy

Since 1 July 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

AASB 2008-10 and AASB 2008-12 Amendments to Australian Accounting Standards –  
Reclassification of Financial Assets

AASB 8 and AASB 2007-3 Operating Segments and consequential amendments to other  
Australian Accounting Standards.

AASB 123 (Revised) and AASB 2007-6 Borrowing Costs and consequential amendments to  
other Australian Accounting Standards.

AASB 101 (Revised), AASB 2007-8 and AASB 2007-10 Presentation of Financial Statements and  
consequential amendments to other Australian Accounting Standards.

AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments :  
Vesting Conditions and Cancellations.

AASB 3 (Revised) Business Combinations

AASB 127(Revised) Consolidated and Separate Financial Statements

AASB 2008-3 Amendments to Australian Accounting Standards arising from AABS 3 and AASB  
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AASB 2008-5 and AASB 2008-6 Amendments to Australian Accounting Standards arising from  
the Annual Improvements Project.

**AGRICULTURAL LAND TRUST  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2009**

**(b) Changes in Accounting Policy (cont)**

AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled entity or Associate.

AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items

AASB 2009-2 Amendments to Australian Accounting Standards – Improving disclosures about Financial Instruments (AASB 4, AASB 7, AASB 1023 & AASB 1038)

AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 2 and AASB 138 and AASB Interpretations 9 & 16)

AASB 2009-7 Amendments to Australian Accounting Standards (AASB 5,7,107,112,136 & 139 and Interpretation 17)

AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation (AASB 7,101,132,139 and Interpretation 2)

**2. CONTINGENT ASSETS AND LIABILITIES**

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

**3. SEGMENT REPORTING**

The Trust operates wholly within Australia and derives rental income from rural property investments.

**4. NON-CASH FINANCING ACTIVITIES**

The Trust has a distribution reinvestment plan ("DRP") which allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the ASX during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the Directors at their absolute discretion.

A distribution from the Trust of \$889,000 was effected in the period (2008: \$1,724,000).

The value of distributions reinvested in the half year to 31 December 2009 was \$103,000 (2008: \$535,000), which resulted in the issue of 764,454 units (2008: 2,198,982 units).

**5. RECONCILIATION OF CASH**

	<b>CONSOLIDATED</b>	
	<b>31 December</b>	30 June
	<b>2009</b>	2009
	<b>\$'000</b>	\$'000
Cash balance comprises:		
Cash at Bank	<b>1,450</b>	1,900
Term Deposits	<b>1,200</b>	-
	<b>2,650</b>	1,900

**6. INVESTMENT PROPERTIES**

	<b>31 December</b>	30 June
	<b>2009</b>	2009
	<b>\$'000</b>	\$'000
Investment properties held by controlled entities at fair value:		
Rural properties	<b>105,592</b>	105,592

The Rural properties were purchased by ALT No 1 Trust, a wholly owned entity of Agricultural Land Trust.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2009**

**7. DISCONTINUED OPERATIONS**

Discontinued operations include the operations of the following syndicates, which form part of the consolidated Trust: The Dunsborough Hotel Property Syndicate, The Kalgoorlie Apartment Hotel Syndicate, Murray Street Mall Property Trust, Pagoda Hotel Property Syndicate and Pagoda Fixed Term Property Syndicate.

The operations of these syndicates are considered discontinued as their property assets have been sold and the entities are in the process of being wound up. The winding up of Pagoda Hotel Property Syndicate and Pagoda Fixed Term Property Syndicate was completed during the 6 month period to 31 December 2009.

This note shows the results of the continuing businesses and the discontinued businesses for comparative purposes only.

<b>For the half year ended 31 December</b>	Continuing 2009 \$000	Discontinued 2009 \$000	Consolidated 2009 \$000	Continuing 2008 \$000	Discontinued 2008 \$000	Consolidated 2008 \$000
Rental and other property income	<b>3,075</b>	-	<b>3,075</b>	4,553	-	4,553
Interest income	<b>30</b>	<b>2</b>	<b>32</b>	97	128	225
Other income	<b>20</b>	<b>153</b>	<b>173</b>	39	406	445
Total revenue and other income	<b>3,125</b>	<b>155</b>	<b>3,280</b>	4,689	534	5,223
Finance costs	<b>(1,868)</b>	-	<b>(1,868)</b>	(3,106)	(12)	(3,118)
Responsible entity fees	-	-	-	-	(42)	(42)
Other expenses	<b>(132)</b>	<b>(36)</b>	<b>(168)</b>	(136)	(66)	(202)
<b>Net profit / (loss) before minority interests</b>	<b>1,125</b>	<b>119</b>	<b>1,244</b>	1,447	414	1,861
Net (profit) / loss attributable to minority interests	-	<b>(69)</b>	<b>(69)</b>	-	(78)	(78)
<b>Net profit / (loss) attributable to unitholders of the Trust</b>	<b>1,125</b>	<b>50</b>	<b>1,175</b>	1,447	336	1,783
Distribution to unitholders	<b>(961)</b>	-	<b>(961)</b>	(1,206)	-	(1,206)
<b>Changes in net assets attributable to unitholders of the Trust</b>	<b>164</b>	<b>50</b>	<b>214</b>	241	336	577

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2009**

**8. SIGNIFICANT EVENTS AFTER BALANCE DATE**

As detailed in the Annual Report for the year ended 30 June 2009 it is anticipated that following the winding up of various schemes that previously held the Trust's commercial and hospitality assets the Trust will have carried forward capital losses. These carried forward capital losses should, subject to any changes to taxation legislation, be able to be used to offset future capital gains on the sale of investment properties thereby enhancing the prospects of the Trust making distributions on a tax advantaged basis in the future. Based on analysis completed post balance date and confirmation of that advice by outside advisers, it is estimated that the carried forward capital losses that may become available following the winding up of the schemes that previously held the Trust's commercial and hospitality assets could total up to \$17 million.

Other than the above, no matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial periods.

**9. UNITS ON ISSUE**

	<b>31 December 2009</b>	31 December 2008
Opening balance at 30 June 2009	<b>86,599,075</b>	84,116,264
Units issued during the period, under "DRP"	<b>764,454</b>	2,198,982
Closing balance at 31 December 2009	<b><u>87,363,529</u></b>	<u>86,315,246</u>

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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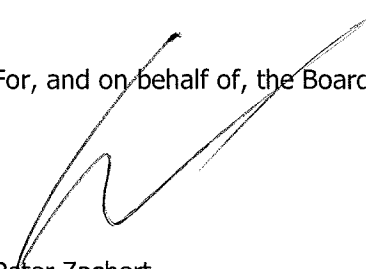
**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of the Responsible Entity, Agricultural Land Management Limited:

In the opinion of the Directors:

- (a) the financial statements and notes of the Trust are in accordance with the Corporations Act 2001, including:
  - i Giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half year ended on that date of the Trust; and
  - ii complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

For, and on behalf of, the Board



Peter Zachert  
Director

Adelaide  
25 February 2010



To the Unitholders of Agricultural Land Trust

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agricultural Land Trust, which comprises the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in net assets and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the trust and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the half-year Financial Report

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the half-year 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 controls relevant to the preparation and fair presentation of the half-year 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.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 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 Agricultural Land Trust and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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


### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Agricultural Land Trust is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Alan Herald  
Partner  
Adelaide  
25 February 2010