Agricultural Land Trust

# 2011 ANNUAL REPORT

30 June 2011

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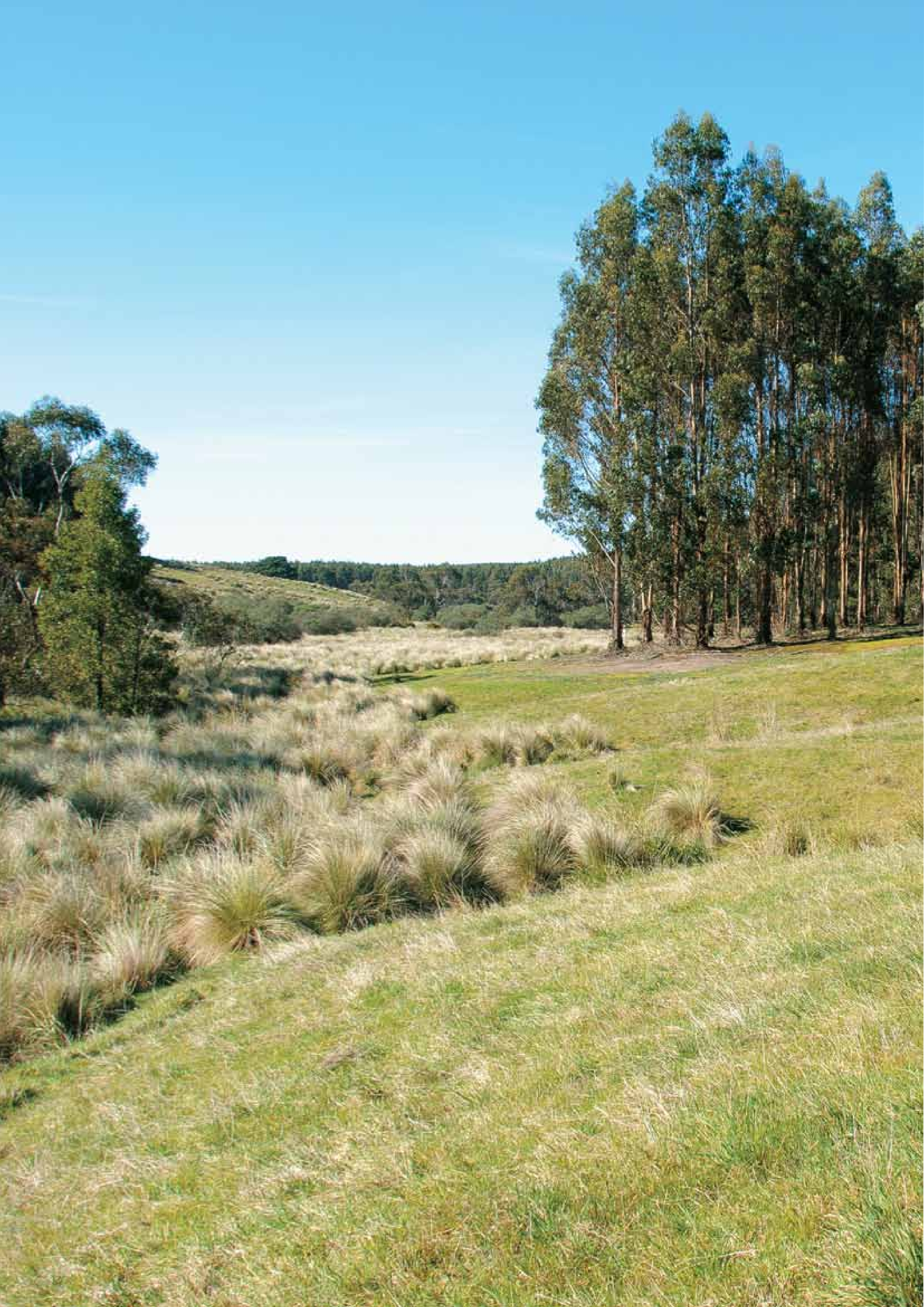

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## TERMS AND ABBREVIATIONS

This report uses terms and abbreviations relevant to the Trust's activities and financial accounts. The terms "Agricultural Land Trust", "Trust" and "Group", unless indicated otherwise, refer to the consolidated entity comprising the parent entity (being the Agricultural Land Trust) and its subsidiaries. In some instances the term "Agricultural Land Trust" refers to the parent entity and not the consolidated entity however, where applicable, this has been disclosed in the report.

The terms "Agricultural Land Management Limited" and "Responsible Entity" are used in this report to refer to Agricultural Land Management Limited.

The terms "the year" and "2011" refer to the twelve months ended 30 June 2011 unless otherwise stated. Similarly references to 2010 refer to the twelve months to 30 June of that year.

# CORPORATE DIRECTORY

| | |
|---|---|
| **Responsible Entity** | Agricultural Land Management Limited<br>ABN 16 072 899 060<br><br>Level 3, 27 Currie Street<br>Adelaide SA 5000<br>Phone: (08) 8425 5100<br>Facsimile: (08) 8425 6088<br><br>Australian Financial Services Licence Number: 225064 |
| **Postal Address** | GPO Box 2716<br>Adelaide SA 5001 |
| **Registered Address** | Level 3, 27 Currie Street<br>Adelaide SA 5000 |
| **Directors and Senior Management** | Peter Zachert B.Bus M.Comm M.Geoscience FCA FAIM (Chairman)<br>Max Ormsby FFSIA FAICD ANZIIF (senior assoc.) (Director)<br>Robert Michael Walter (Director)<br>Ian Wigg B.Ec CA SAFin (General Manager and Joint Secretary)<br>Sarah Graves BA LLB ACIS (Joint Secretary) |
| **Compliance Committee** | Ross Kestel CA MAICD<br>Neil MacKenzie BA (Hons) FCA<br>Ian Wigg B.Ec CA SAFin |
| **Registry** | Computershare Investor Services Pty Limited<br>Level 5, 115 Grenfell Street<br>Adelaide SA 5000<br>Phone: 1300 727 620<br>Facsimile: 1300 534 987 |
| **Auditor** | Ernst & Young<br>Ernst & Young Building<br>121 King William Street<br>Adelaide SA 5000 |
| **Bankers** | Westpac Banking Corporation<br>National Australia Bank<br>Australia and New Zealand Banking Group Limited |
| **ASX code** | AGJ |
| **Website** | www.agriculturallandtrust.com.au |

# CHAIRMAN'S REPORT

2011 was a strong year for the Agricultural Land Trust, with record results being achieved from the Trust's Agricultural Property Portfolio. These results were achieved through realising the benefits of the Trust's unique rental mechanism. These strong results will allow the Trust to pay total distributions for the year of 2.45 cents per unit, making the Trust one of the highest yielding investments on the ASX.

In 2011 net profit attributable to unit holders from continuing operations was $2.5m up 17% on 2010. Similarly cash flow from operations was $2.1m up 14% on 2010. This allowed the Trust to pay its highest distribution yet on the Agricultural Property Portfolio. Existing investors again saw the value of their Trust investment, reinvesting $834,000 through the distribution reinvestment plan. This reinvestment is some 49% of the distributions paid during the year, making the Trust's distribution reinvestment plan one of the most successful plans in Australia highlighting the value potential that existing investors can see in the Trust.

In some ways, 2011 was a turbulent year in Forestry with assets coming onto the market as a result of failures in the forestry MIS industry. The Trust weathered this storm particularly well with asset values being essentially unaffected. Valuations were supported through full and desktop valuations conducted by Colliers International, a major Valuer of agricultural assets. These values were based on the leased investment value of the properties. Given the Trust's unique rental calculation mechanism, which benefits from the long duration of leases and the ability to pass on full funding costs, lease values were relatively unaffected.

In 2011 Management also extended the Trust's syndicated loan facility for approximately 2 years, through to July 2012 and the Trust continued to meet banking facility covenants. Over the coming year Management will commence the renegotiation of this facility with a view to ensuring that funding remains non-current.

The global economy continues to be uncertain with implications for the Forestry industry. Therefore there could be further pressure on forestry land and agricultural land generally. In this environment your Board will continue to operate in a conservative manner and is continuing to re-evaluate its target gearing ratios and capital management plans.

In June 2011 the Trust accepted an unsolicited offer to acquire a North Queensland property for $11 million. These sale proceeds have been ear-marked to reduce debt.

An operation is only as good as its Management. Although the Trust's operating team is small, they are a capable and competent team and the Board wishes to acknowledge their significant contributions.

Finally the Board thanks unit holders for their continued support and looks forward to generating even greater value in the future, while continuing to oversee the Trust's valuable Portfolio of high quality Agricultural Assets in a conservative manner.

**Peter Zachert**
**Chairman**
Agricultural Land Management Limited
Adelaide, 18 August 2011

# GENERAL MANAGER'S REPORT

## Financial Results

The net profit attributable to unitholders of the Trust for the year was $2.5 million (2010: $2.0 million).

The improvement in net profit was driven predominately by an increase in rental income which resulted from an increase in the Trust's banking syndicate finance margin from 1.22% to 4% following the refinance of the syndicated facilities effective 30 September 2010. The Trust's unique rental mechanism (as described in previous ASX releases and on the Trust's website: www.agriculturallandtrust.com.au) enabled the Trust to adjust rent rates for all investment properties by the movement in its banking syndicate finance margin and BBSY. The resultant increase in rental income during the year exceeded the increased interest expense resulting from the refinance, thereby improving the Trust's profitability. Other factors that have impacted the Trust's results compared to the prior corresponding period include continued increases in CPI (which increase the land values upon which rent is charged) and the cessation of the responsible entity fee holiday effective 30 June 2010.

The net profit attributable to unitholders of the Trust from continuing operations was $2.5 million (2010: $2.2m). Net cash flow from operations was $2.1 m for the year (2010: $1.9 million).

The total assets of the Trust as at 30 June 2011 were $109.9 million (2010: $108.7 million) and the net assets of the Trust as at 30 June 2011 were $34.4 million (2010: $33.4 million).

## Distributions to Unitholders

A final distribution of 1.49 cents per unit has been declared and will be made on 27 September 2011. This brings the total distribution for the year to 2.45 cents per unit (2010: 2.02 cents per unit). The distributions represent distributions of taxable income and do not contain any tax free or tax deferred components.

## Market Performance

During the year, units in the Trust traded within a range of 13 cents per unit to 19.5 cents per unit. Based on the closing price of 13.5 cents per unit as at 30 June 2011 the Trust has a market capitalisation of $12.8 million (2010: $11.6 million).

Based on the closing price of 13.5 cents per unit, the distribution yield for the Trust for the year was 18.44%.

## Rural Property Assets

The book value of the Trust's investment properties has been adjusted to $105.3 million (2010: $105.6 million). A summary of the rural properties owned by the Trust is contained in the table below.

| Acquisition Date | Region | Number of Properties | Total Hectares | Plantable Hectares | Book Value * ($'000) |
|---|---|---|---|---|---|
| June 2008 | Albany WA | 4 | 3,462 | 2,745 | 13,140 |
| June 2008 | Central Qld | 2 | 5,098 | 1,680 | 7,628 |
| June 2008 | Esperance WA | 1 | 8,948 | 7,497 | 35,266 |
| June 2008 | Far North Qld | 2 | 1,529 | 1,048 | 14,733 |
| June 2008 | Green Triangle | 8 | 3,048 | 2,440 | 18,312 |
| Sept 2008 | Far North Qld | 1 | 1,302 | 986 | 11,000 |
| Feb 2009 | Albany WA | 1 | 255 | 186 | 2,195 |
| March 2009 | Albany WA | 1 | 411 | 289 | 1,750 |
| March 2009 | Green Triangle | 1 | 172 | 149 | 1,306 |
| **Total** | | **21** | **24,225** | **17,020** | **105,330** |

* refer accounting policy note 2 (g) and note 6.

# GENERAL MANAGER'S REPORT

The Trust has entered into lease agreements with either Elders Forestry Management Limited or Elders Forestry Pty Ltd in relation to all of the above mentioned properties. All leases are guaranteed by Elders Limited. Elders Limited is the parent entity of Elders Forestry Management Limited, Elders Forestry Pty Ltd and Agricultural Land Management Limited.

The rent rate payable in relation to the properties acquired up to and including September 2008 equals BBSY (subject to a floor of 4%) plus the Trust's banking syndicate finance margin (currently 4%) above BBSY plus an additional 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 cannot decrease). The rent rate payable in relation to the properties acquired subsequent to 12 September 2008 is the same as detailed above with the exception that the BBSY floor has been increased from 4% to 6%.

On 3 February 2011 cyclone Yasi crossed the coastline of far north Queensland. As indicated in the table above, The Trust owns three properties in far north Queensland. On 21 February 2011 Elders Ltd announced that initial aerial assessments of its far north Queensland forestry estate in the Ingham to Babinda region indicated that its Red Mahogany estate had been extensively damaged by Cyclone Yasi and its viability was questionable. Determination of the extent of the damage and its economic implications for Elders Ltd is subject to more detailed in-field assessment. Recently Elders Forestry also advised the Trust that its plantations located on the Trust's two central Queensland properties had effectively failed. As indicated in the table above, the Trust owns two properties in central Queensland. It should be noted that the Trust's leases contain no force Majeure provisions and the obligations of the parties pursuant to the Trust's far north and central Queensland leases are unaffected by the above mentioned developments with rent continuing to be paid.

On 30 June 2011, following receipt of an unsolicited offer, the Trust entered into contracts for the sale of a property located in far north Queensland that had been acquired in September 2008. The consideration payable pursuant to the contracts totals $11 million and will be used to reduce debt. The contracts remain subject to conditions with completion scheduled to occur on 30 August 2011.

## Revaluations

The Trust obtained full valuations from Colliers International for 13 properties representing approximately 26% of the value of its property portfolio in June 2011. The Trust also obtained desktop reviews from Colliers International for the balance of its portfolio in June 2011. With these year end valuations the Trust has obtained updated full valuations for its entire property portfolio during the 3 year period to 30 June 2011.

The directors have considered the June 2011 valuations and desktop reviews prepared by Colliers International as the basis for their determination of fair value. The valuations and reviews (which were also prepared for mortgage security purposes) assess the leased investment value of the Trust's portfolio to be $101.3m. The directors have adopted a fair value for the Trust's property portfolio of $105.3m (2010: $105.6 million) on the basis of their assessment of the value of the properties and after taking into consideration accepted valuation convention that a margin for accuracy for single point valuations is +/- 5%.

For further information refer to accounting policy note 2(g) and note (6).

## Funding

During the year the Trust obtained an extension to its syndicated loan facility agreement effective from 30 September 2010. The extended facility expires on 31 July 2012 with funding costs of 4% above BBSY. As at 30 June 2011 the facility had been fully drawn to $60.1 million (2010: $60.9 million). During the year the Trust made repayments of $834,000 (2010: $1 million) to the banking syndicate.

Key covenants within the syndicated loan facility agreement comprise compliance with Interest Cover and Loan to Value ratios. The applicable Loan to Value covenant ratios reduce at a rate of 1% per annum. The Trust is required to perform valuations on a rolling 3 year basis for the purposes of determining compliance with Loan to Value ratio covenants with the applicable values being the lower of greenfields or leased investment values.

The Trust's auditors have confirmed compliance with Interest Cover and Loan to Value ratio covenants as at 30 June 2011.

The Trust's funding also includes a $13 million unsecured and subordinated loan facility with Elders Finance Pty Limited, an entity wholly owned by Elders Limited. In October 2010 the Trust obtained an extension of the facility until 31 August 2012. Interest expense pursuant to the subordinated facility equals the weighted average rent rate payable under the property leases. As at 30 June 2011 the facility had been drawn to $11.8 million leaving an undrawn facility balance of $1.2 million.

The value of distributions reinvested during the year pursuant to the Trust's Distribution Reinvestment Plan was $834,000 (2010: 402,000) which resulted in the issue of 5,477,259 units (2010: 2,516,014).

# GENERAL MANAGER'S REPORT

## Responsible Entity Fees

The Responsible Entity fees for the year were $615,174 (2010: $nil due to Responsible Entity fee holiday which expired on 30 June 2010).

For further information refer to note 15(a).

## Gearing

As at 30 June 2011 the Trust's gearing ratio (debt to total assets) was 65% (2010: 67%). Excluding the subordinated and unsecured loan from related Elders Finance Pty Limited the Trust's gearing ratio as at 30 June 2011 was 54% (2010: 57%).

Following completion of $11 million property sale referred to above, the Trust's gearing ratio would reduce to 61%, or 52% excluding the subordinated and unsecured loan from related Elders Finance Pty Limited.

In light of the well documented Global Economic Crisis and the challenges facing the forestry sector, the Responsible Entity is continuing to re-evaluate its target gearing ratios and capital management plans.

## Outlook

The Trust's performance in 2012 compared to 2011 is likely to be influenced by numerous factors including variations in the components of the Trust's rental mechanism (i.e. BBSY, changes in financier margin on refinance, CPI) and changes in the underlying value of its property assets. The Trust's future performance will also be influenced by any capital management initiatives that are implemented.

**Ian Wigg**
**General Manager**
Agricultural Land Management Limited
Adelaide, 18 August 2011

# DIRECTORS AND SENIOR MANAGEMENT

The directors and senior management of Agricultural Land Management Limited comprise the following:

## Peter Zachert

**B.Bus M.Com M.Geoscience FCA FAIM (age 57)**
**(Chairman, Non Executive Director / Non Independent)**

Mr Zachert is a Chartered Accountant and Company Director. He is currently a director of Terramin Australia Limited and a number of private companies. His executive background is primarily in Resources and Diversified Industrials in Australia and overseas. Mr Zachert is currently the CFO of Alpha Australia LLC and previous positions held include CFO of Elders Limited (ceasing June 2009), director and CFO of Cyprus Australia Coal Company, CFO of Delta Gold Limited and senior roles in Prodeco SA and Exxon Coal and Mineral Company Limited. Peter is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Management. He was appointed an executive director of Agricultural Land Management Limited on 2 July 2007 however has assumed a non executive and non independent role since 1 July 2009.

## Max Ormsby

**FFSIA FAICD ANZIIF (senior assoc.) (age 61)**
**(Director, Non Executive / Independent)**

Mr Ormsby is a Company Director and experienced executive with a background in the corporate sector and major trading banks. He is a former director of Rural Bank Limited and Elders Financial Services Group Pty Limited and is currently a director of NM Superannuation Pty Limited and Seed Technology & Marketing Pty Limited. His executive background includes roles of director finance and director risk management at Elders Limited (ceasing July 2006). Max is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Directors and a senior associate of the Australian Institute of Exports. He was appointed a director of Agricultural Land Management Limited on 22 January 2009.

## Robert Michael Walter

**(age 62)**
**(Director, Non Executive / Independent)**

Mr Walter is an experienced executive with a background in the agribusiness sector and rural banking. He is currently Director of National Business Development for Elementree Limited. His executive background includes roles of General Manager at Elders Banking, General Manager Rural Lending at Rabobank and General Manager Lending at Primary Industry Bank of Australia (PIBA). Mr Walter has extensive experience in and knowledge of the agricultural industry in Australia and New Zealand as a result of 43 years commercial exposure with diversified experience across all rural inputs, banking and finance sectors involved in farm production and finance performance analysis. Mr Walter was appointed a Director of Agricultural Land Management Limited on 28 May 2010.

## Ian Wigg

**B.Ec CA SAFin**
**(General Manager, Joint Company Secretary, Compliance Committee Member)**

Mr Wigg was appointed Chief Operating Officer of Agricultural Land Management Limited in October 2007 and General Manager effective July 2009. His experience prior to that was predominately obtained in the field of corporate recovery in both Australia and the UK having previously been a director at PPB, Adelaide.
Ian is a Chartered Accountant and a Senior Associate of the Financial Services Institute of Australia.

## Sarah Graves

**BA LLB ACIS**
**(Joint Company Secretary)**

Ms Graves is a qualified lawyer, member of the Law Society of South Australia and an affiliate member of the Chartered Secretaries of Australia. Ms Graves completed a Graduate Diploma in Applied Corporate Governance through Chartered Secretaries Australia during the year. She was appointed Joint Company Secretary of Agricultural Land Management Limited on 28 May 2010.

## Ross Kestel

**B.Bus CA MAICD**
**(Compliance Committee Chairman, Independent)**

Mr Kestel is a Chartered Accountant and was a director of the accounting practice Nissen Kestel Harford from July 1980 until April 2010. Mr Kestel has acted as a director and company secretary of a number of public companies involved in mineral exploration, mining, mine services, property development, manufacturing and technology industries. He is a member of the Australian Institute of Company Directors. Mr Kestel was appointed to the Compliance Committee in December 2002.

## Neil MacKenzie

**BA (Hons) FCA**
**(Compliance Committee Member, Independent)**

Mr Mackenzie is an experienced executive and Fellow of the Institute of Chartered Accountants. He is a former CEO of Simeon Wines and the current Chairman of Blaxland Vineyards Limited. Mr Mackenzie was appointed to the Compliance Committee in January 2008.

# CORPORATE GOVERNANCE

The Agricultural Land Trust is a registered managed investment scheme under the Corporations Act 2001 ("Corporations Act"). Agricultural Land Management Limited is the Responsible Entity for the Trust and establishes the corporate governance policies of the Trust. The Responsible Entity holds an Australian Financial Services Licence authorising it to operate the Trust and has a duty to act in the best interests of unitholders of the Trust. As a registered managed investment scheme under the Corporations Act, the Trust has a compliance plan that has been lodged with the Australian Securities and Investments Commission ("ASIC"). A copy of the compliance plan can be obtained from ASIC.

The Australian Securities Exchange Limited ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles"), in conjunction with the ASX listing rules, require the Trust to disclose in its annual report the extent to which its corporate governance practices follow the ASX Principles and to give reasons why any recommendations have not been followed. The Responsible Entity complies with a majority of the ASX Principles. Where it does not, it is largely in respect of matters where the nature of the regulation of the Trust or of the Trust's business is such that the board of the Responsible Entity considers that compliance is not appropriate or required and that there is no detriment to unitholders of the Trust from non-compliance.

## Relationship between the Responsible Entity and Elders Limited

The Responsible Entity is a wholly owned subsidiary of Elders Limited. Currently all rental income of the Trust is derived from wholly owned subsidiaries of Elders Limited. Elders Limited is also a substantial unitholder in the Trust (49.83% as at 30 June 2011). Further information regarding the relationship and transactions with Elders Limited is detailed in Note 15 in the notes to the financial statements.

## Compliance with ASX Corporate Governance Principles and Recommendations

### Principle 1
### Lay solid foundations for management and oversight

*Recommendation 1.1– Establish and disclose the functions reserved to the board of the Responsible Entity and those delegated to management.*

The relationship between the board and management is a partnership that is crucial to the long-term success of both the Responsible Entity and the Trust. The separation of responsibilities between the board and management is clearly understood. The respective roles of the board and management of the Responsible Entity are set out in the Trust's compliance plan. The Trust's compliance plan sets out the key processes, systems and measures the Responsible Entity will apply to ensure compliance with the Corporations Act and the constitution of the Trust. In addition, the board of the Responsible Entity has adopted a board charter and a delegation of authority designed to emphasise the responsibilities of the board in managing the Trust in a manner which protects and builds wealth for the unitholders, taking into account other stakeholders such as employees, customers, suppliers, lenders and the wider community. The board has delegated responsibility for the day to day operation and administration of the Trust to the General Manager. Various responsibilities, including those detailed below, cannot be delegated to management and accordingly remain the responsibility of the board;

- Responsibility for overall corporate governance of the Trust
- Strategic decisions
- Adoption of budgets
- Acquisition and disposal of rural property assets
- Selection of Auditors
- Equity raisings
- Entering into new borrowing arrangements
- Provision of security
- Entering into contracts with external service providers with a cost of greater than $50,000
- Trust distributions

*Recommendation 1.2 – Disclose the process for evaluating the performance of senior executives.*

No amounts are paid by the Trust directly to senior executives of the Trust. These amounts are paid directly from the ultimate holding company of the Responsible Entity, Elders Limited. Consequently performance of key executives of the Responsible Entity is reviewed in accordance with Elders Limited's group policy. Pursuant to the Responsible Entity's Board Charter, the board has a responsibility to assess the performance of the General Manager and executive team. An assessment of the performance of the General Manager and executive team has been conducted by the board in relation to the 2011 year.

## Principle 2
## Structure the board of the Responsible Entity to add value

*Recommendation 2.1 – A majority of the board of the Responsible Entity should be independent directors.*

The board of the Responsible Entity currently comprises two independent non executive directors and one non independent non executive director. Details of the directors are set out on page 6 of this Report.

The two independent directors are former executives of Elders Limited however due to the period of time that has elapsed since their employment with Elders and or the nature of their employment, the board considers them to be free of any business or other relationship that could materially interfere with the independent exercise of their judgement.

Given that the majority of the board is independent, the Trust is not required to have a Compliance Committee. Notwithstanding this, the board has retained the Trust's Compliance Committee to further enhance corporate governance. The role of the Compliance Committee is to monitor the Responsible Entity's compliance with the Trust's constitution, compliance plan and the Corporations Act, to ensure that the Responsible Entity acts in the best interests of unitholders.

The Compliance Committee comprises three members, two of whom are external and independent of the Responsible Entity and satisfy both the external member tests in the Corporations Act and the independence tests set out in the ASX Principles. The Compliance Committee meets quarterly and may report to the board or the Australian Securities and Investment Commission on any matters of compliance in relation to the Trust.

The board considers that the additional oversight of the Trust's activities by the Compliance Committee and the procedures set out in the compliance plan relating to the operation of the Trust provide sufficient independent oversight and transparency in the management of the Trust.

For the reasons noted above and due to the relative size and nature of the Trust's activities the board does not consider it necessary to adopt Recommendations 2.2 (the Chairman should be an independent director), 2.3 (the roles of the Chairman and Chief Executive Officer, or equivalent, should not be exercised by the same individual), 2.4 (the board should establish a nomination committee) and 2.5 (companies should disclose the process for evaluating the performance of the board, its committees and individual directors).

## Principle 3
## Promote ethical and responsible decision making

*Recommendation 3.1 – Establish a code of conduct and disclose the code or a summary of the code as to:*

*3.1.1 the practices necessary to maintain confidence in the Trust's integrity*

*3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*

*3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

The Trust has established a Code of Conduct that sets out the conduct and ethical standards that are expected of directors, management and employees. By articulating these standards directors, management and employees are held accountable for their actions should they fall short of these standards.

The Trust's compliance plan also sets out the arrangements the Responsible Entity has to ensure that breaches of the Corporations Act, constitution of the Trust, Australian Financial Services Licence conditions, or internal standards are identified, reported and rectified if necessary. The Trust's compliance with its compliance plan is audited annually.

Recommendations 3.2 (establish a policy concerning diversity), 3.3 (disclose the measurable objectives for achieving gender diversity) and 3.4 (disclose the proportion of women employees, senior executives and board members) were recently introduced by the ASX Corporate Governance Council and reporting against these recommendations is not required by the Trust in relation to the current year.

## Principle 4
## Safeguard integrity in financial reporting

*Recommendation 4.1 – The board should establish an audit committee*

The ASX listing rules do not require the Trust to establish an audit committee. The relative size of the board and expertise of each director allows the full board to also perform an audit committee function. Accordingly, the board does not consider it necessary to establish a separate committee for this purpose.

The board monitors the independence of the external auditor who is required to confirm such independence on a semi-annual basis. The board monitors the performance and terms of the audit engagement on an annual basis. The auditor and the audit firm are prohibited from providing any non-audit services that may affect their independence. The board has established a non audit services policy to assist with the maintenance of auditor independence.

The Compliance Plan prescribes that it is expected that the General Manager provides a written declaration to the board that, to the best of his or her knowledge and belief, the Trust's financial report presents a true and fair view in all material respects of the Trust's financial condition and operating results and is in accordance with applicable accounting standards.

For the reasons noted above and due to the relative size and nature of the Trust's activities the board does not consider it necessary to adopt Recommendations 4.2 (structure of audit committee) and 4.3 (audit committee should have a formal charter).

## Principle 5
## Make timely and balanced disclosure

*Recommendation 5.1 – Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose a summary of those policies.*

The Responsible Entity is committed to complying with the continuous disclosure obligations of the Corporations Act and the ASX listing rules and has systems in place to ensure timely disclosure of price sensitive information to the market.

The Responsible Entity has established a continuous disclosure and communications policy designed to ensure timely and full disclosure to unitholders and the market in general, and to ensure that all stakeholders have an equal opportunity to receive and obtain information issued by the Trust.

The guiding principle contained within the continuous disclosure and communications policy is that the Responsible Entity will immediately notify the market via an announcement to the ASX of any information concerning the Trust that a reasonable person would expect to have a "material" effect on the price or value of the Trust's securities.

## Principle 6
## Respect the rights of unitholders

*Recommendation 6.1 – Design and disclose a communications strategy to promote effective communication with unitholders and encourage effective participation at general meetings*

The Responsible Entity has established a continuous disclosure and communications policy designed to ensure timely and full disclosure to unitholders and the market in general, and to ensure that all stakeholders have an equal opportunity to receive and obtain information issued by the Trust. All important announcements are available on the ASX announcement platform on the ASX website.

The Trust is not required to hold an Annual General Meeting, however from time to time the board considers whether investor meetings should be held. The auditor and the compliance plan auditor are expected to attend any meeting of unitholders of the Trust and be heard on any item of business that concerns them.

## Principle 7
## Recognise and manage risk

*Recommendation 7.1 – The Trust should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*

The Responsible Entity has established a risk management policy based on the standards set out in Australian Risk Management Standard AS/NZS 4360.

The risk management policy addresses both compliance risks and business risks. The Trust's risk management framework is summarised in the compliance plan.

The risk management policy, in conjunction with the compliance plan, ensures that risks are identified and assessed, and that measures to monitor and manage each material risk are implemented. Operation of the Trust in accordance with the risk management policy and compliance plan is intended to protect the rights and interests of unitholders.

*Recommendation 7.2 – The board should require management to design and implement the risk management and internal control system to manage the Trust's material business risks and to report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.*

The Responsible Entity's risk management policy was designed by management. In accordance with the risk management policy the Compliance Officer is required to provide a quarterly risk report to both the board and the Compliance Committee.

A statement as to the effectiveness of the Trust's management of its material business risks is incorporated in the declaration by the General Manager referred to under Recommendation 4.1 which has been received by the board for the financial year.

*Recommendation 7.3 – The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control that the system is operating effectively in all material respects in relation to financial reporting risks.*

A statement that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control that is operating effectively is incorporated in the declaration by the General Manager referred to under Recommendation 4.1 which has been received by the board for the financial year.

## Principle 8
## Remunerate fairly and responsibly

Remuneration expenses of the Responsible Entity are not borne by the Trust. As directors and management of the Responsible Entity are not remunerated by the Trust, unitholders have no direct exposure to those remuneration expenses.

In accordance with the Corporations Act, the right of the Responsible Entity to be remunerated and indemnified by the Trust is set out in the constitution of the Trust. The Responsible Entity's fee is prescribed in the constitution of the Trust and any change to that fee would require the approval of unitholders. The constitution is available from the Responsible Entity and is also available from ASIC.

There are no equity incentive schemes in relation to the Trust.

For the reasons noted above and due to the relative size and nature of the Trust's activities the board does not consider it necessary to adopt Recommendations 8.1 (the board should establish a remuneration committee), 8.2 (remuneration committee structure to consist of a majority of independent directors, independent chair and at least three members), and 8.3 (Companies should clearly distinguish the structure of non executive directors' remuneration from that of executive directors and senior executives).

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Rural Property Income | | **9,726** | 6,311 |
| Other Income | | **174** | 87 |
| Interest Income | | **88** | 83 |
| **Revenue** | | **9,988** | 6,481 |
| Finance costs | 3 | **(6,263)** | (4,032) |
| Responsible entity fees | | **(615)** | - |
| Other expenses | | **(328)** | (290) |
| **Net profit/(loss) from continuing operations before asset revaluations** | | **2,782** | 2,159 |
| Net decrement in carrying value of investment properties | 6 | **(263)** | - |
| **Net profit/(loss) from continuing operations** | | **2,519** | 2,159 |
| **Discontinued operations** | | | |
| Revenue | | **76** | 89 |
| Net fair value decrement of other financial assets | | **-** | (187) |
| Other expenses | | **(123)** | (56) |
| Net (profit)/loss attributable to minority interests | | **-** | (36) |
| **Net profit/(loss) from discontinued operations** | | **(47)** | (190) |
| **Net profit attributable to unitholders of the Trust** | | **2,472** | 1,969 |
| **Basic and diluted profit/(loss) per unit (cents)** | | **2.68** | 2.25 |
| **Basic and diluted profit/(loss) per unit (cents) from continuing operations** | | **2.73** | 2.47 |
| **Basic and diluted profit/(loss) per unit (cents) from discontinued operations** | | **(0.05)** | (0.22) |

The accompanying notes form part of the financial statements

# STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 4 | **1,612** | 1,199 |
| Trade and other receivables | 5 | **2,963** | 1,907 |
| **Total Current Assets** | | **4,575** | 3,106 |
| **Non Current Assets** | | | |
| Investment properties | 6 | **105,330** | 105,592 |
| **Total Non Current Assets** | | **105,330** | 105,592 |
| **Total Assets** | | **109,905** | 108,698 |
| **Current Liabilities** | | | |
| Trade and other payables | 7 | **3,812** | 2,585 |
| Interest bearing loans and borrowings | 8 | **-** | 72,719 |
| **Total Current Liabilities** | | **3,812** | 75,304 |
| **Non Current Liabilities** | | | |
| Interest bearing loans and borrowings | 8 | **71,688** | - |
| **Total Non Current Liabilities** | | **71,688** | |
| **Total Liabilities** | | **75,500** | 75,304 |
| **Net Assets Attributable to Unitholders** | | **34,405** | 33,394 |
| **Represented By** | | | |
| Units | | **57,462** | 56,628 |
| Retained losses | | **(23,057)** | (23,234) |
| **Total Unitholders Interests** | | **34,405** | 33,394 |

The accompanying notes form part of the financial statements

# STATEMENT OF CHANGES IN NET ASSETS
## ATTRIBUTABLE TO UNIT HOLDERS FOR THE YEAR ENDED 30 JUNE 2011

| | Profit / (loss) | Units on issue | Non controlling interests | Net Assets Attributable to Unit Holders |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Consolidated** | | | | |
| **At 1 July 2009** | (23,429) | 56,226 | 78 | 32,875 |
| Net profit/(loss) attributable to unitholders before distributions to unitholders | 1,969 | - | 36 | 2,005 |
| Units issued in Trust during period | - | 402 | - | 402 |
| Non controlling interest portion of distribution from subsidiary | - | - | (114) | (114) |
| Distributions | (1,774) | - | - | (1,774) |
| **At 30 June 2010** | (23,234) | 56,628 | - | 33,394 |
| **Consolidated** | | | | |
| **At 1 July 2010** | **(23,234)** | **56,628** | **-** | **33,394** |
| Net profit/(loss) attributable to unitholders before distributions to unitholders | **2,472** | **-** | **-** | **2,472** |
| Units issued in Trust during period | **-** | **834** | **-** | **834** |
| Distributions | **(2,295)** | **-** | **-** | **(2,295)** |
| **At 30 June 2011** | **(23,057)** | **57,462** | **-** | **34,405** |

The accompanying notes form part of the financial statements

# STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Rent received | | **9,509** | 6,755 |
| Interest & other income received | | **113** | 220 |
| Borrowing costs paid | | **(5,904)** | (4,165) |
| Net GST payments | | **(792)** | (579) |
| Fees and other expenses paid | | **(808)** | (376) |
| **Net Cash Flows from / (used in) Operating Activities** | 10(a) | **2,118** | 1,855 |
| **Cash Flows from Investing Activities** | | | |
| Payments for investment properties | | **-** | - |
| **Net Cash Flows from / (used in) Investing Activities** | | **-** | - |
| **Cash Flows From Financing Activities** | | | |
| Distributions paid to unit holders | | **(1,705)** | (1,844) |
| Distributions reinvested by unit holders | | **834** | 402 |
| Distributions to non controlling interests | | **-** | (114) |
| Repayment of loans and borrowings | | **(834)** | (1,000) |
| **Net Cash Flows from / (used in) Financing Activities** | | **(1,705)** | (2,556) |
| **Net Increase / (Decrease) In Cash and Cash Equivalents** | | **413** | (701) |
| Cash and cash equivalents at beginning of period | | **1,199** | 1,900 |
| **Cash and Cash Equivalents at End of Period** | 10(b) | **1,612** | 1,199 |

The accompanying notes form part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

## 1. Trust Information

Agricultural Land Trust is an Australian registered scheme. Agricultural Land Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia.

The financial report of Agricultural Land Trust for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity as at the date of signing the Directors' Declaration.

The registered office and principal place of business of the Responsible Entity is located at Level 3, 27 Currie Street, Adelaide SA 5000. The nature of the operations and principal activities of the Trust are described in the Directors' Report.

## 2. Summary of Significant Accounting Policies

### a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the Constitution of the Agricultural Land Trust and the Corporations Act 2001, including applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on a historical cost convention except for investment properties 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 (refer accounting policy note 2(g) and note 6).

The financial report is presented in Australian dollars and all values have been rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Trust in accordance with ASIC Class Order 98/0100.

### b) Statement of compliance

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Group for the annual reporting period ending 30 June 2011. These are outlined in the table below.

| Reference | Title | Summary | Application date of standard | Impact on financial report | Application date for Group |
|---|---|---|---|---|---|
| AASB 2009-11 | Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] | The revised Standard introduces a number of changes to the accounting for financial assets. | 1 January 2013 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2013 |
| AASB 124 (Revised) | Related Party Disclosures (December 2009) | The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. | 1 January 2011 | Application of these amendments is not expected to have any material impact on the Trust's financial report | 1 July 2011 |

## 2. Summary of Significant Accounting Policies (cont)

| Reference | Title | Summary | Application date of standard | Impact on financial report | Application date for Group |
|---|---|---|---|---|---|
| AASB 1054 | Australian Additional Disclosures | This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.<br>This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:<br>(a) Compliance with Australian Accounting Standards<br>(b) The statutory basis or reporting framework for financial statements<br>(c) Whether the financial statements are general purpose or special purpose<br>(d) Audit fees<br>(e) Imputation credits | 1 July 2011 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2011 |
| AASB 2009-12 | Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] | This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. | 1 January 2011 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2011 |
| AASB 2009-14 | Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement | These amendments arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). | 1 January 2011 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2011 |
| AASB 2010-4 | Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13] | Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.<br>Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. | 1 January 2011 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2011 |
| AASB 2010-7 | Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127] | The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:<br>• The change attributable to changes in credit risk are presented in other comprehensive income (OCI)<br>The remaining change is presented in profit or loss. | 1 January 2013 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2013 |

## 2. Summary of Significant Accounting Policies (cont)

| Reference | Title | Summary | Application date of standard | Impact on financial report | Application date for Group |
|---|---|---|---|---|---|
| AASB 2010-8 | Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] | These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112. | 1 January 2012 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2012 |
| AASB 2011-1 | Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project | This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054. | 1 July 2011 | The application of these amendments is not expected to have any material impact on the Trust's financial report. | 1 July 2011 |
| AASB 9 | Financial Instruments | AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. | 1 January 2013 | The application of these amendments is not expected to have any material impact on the Trust's financial report | 1 July 2013 |
| IFRS 10 | Consolidated Financial Statements | IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity. This is likely to lead to more entities being consolidated into the group. | 1 January 2013 | The application of these amendments is not expected to have any material impact on the Trust's financial report | 1 July 2013 |
| IFRS 13 | Fair Value Measurement | IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. | 1 January 2013 | The Trust has not yet determined the extent of the impact of any amendments, if any. | 1 July 2013 |

## 2. Summary of Significant Accounting Policies (cont)

| Reference | Title | Summary | Application date of standard | Impact on financial report | Application date for Group |
|---|---|---|---|---|---|
| AASB 2011-4 | Amendments to Australian Accounting Standards to remove individual key management personnel disclosure requirements. | These amendments arise from a decision of the AASB to remove the individual key management personnel disclosures from AASB 124. | 1 July 2013 | This change will result in reduced disclosures for key management personnel in line with the amended AASB 124. | 1 July 2013 |
| IFRS 12 | Disclosure of Interest with Other Entities | IFRS 12 contains all the disclosure requirements associated with other entities (subsidiaries, associates and joint ventures) which were previously located in IAS 27, 28 and 31and SIC 12. The disclosures have been enhanced to ensure that a reporting entity discloses all the information that helps users of financial statements to understand:<br>• the composition of the group and the significant judgments' and assumptions made by the reporting entity in determining whether it controls (or does not control) another entity<br>• the interest that the non-controlling interests have in the group's activities<br>• the effect of restrictions on the reporting entity's ability to access and use assets or settle liabilities of consolidated entities<br>• The nature of, and changes in, the risks associated with the reporting entity's interests in other entities (both consolidated and unconsolidated). | 1 January 2013 | The Trust has not yet determined the extent of the impact of any amendments, if any. | 1 January 2013 |

**c) Basis of consolidation**

The consolidated financial statements of the Group comprise the financial statements of parent entity Agricultural Land Trust and its subsidiaries as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as parent entity Agricultural Land Trust using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which parent entity Agricultural Land Trust has control.

## 2. Summary of Significant Accounting Policies (cont.)

### d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on the various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies from which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

*(i) Investment Properties – Operating Leases*

All investment properties owned by the Trust are leased to a related party of the Responsible Entity. The Trust has determined that it retains all the significant risks and rewards of ownership of the properties and has thus classified the leases as operating leases.

*(ii) Investment Properties - Valuations*

Investment properties have been measured at fair value based on 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 (see notes 2(g) and 6).

### e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. They are stated at their nominal values.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

### f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

### g) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties have been measured at fair value based on 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. Gains or losses arising from changes in fair values of investment properties are recognised in profit and loss in the year in which they arise.

For up to three years following acquisition, the carrying value of investment properties may also include transaction costs. In the event that investment properties are revalued down, acquisition costs are reduced on a proportionate basis.

Where assets have been revalued, the potential effect of the capital gains tax (CGT) on disposal has not been taken into account in determination of the revalued carrying amount. The Trust does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised gains would be distributed to unitholders.

## 2. Summary of Significant Accounting Policies (cont.)

### h) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction. For an asset or disposal group to be classified as held for sale it must be available for immediate sale in its present condition and its sale must be highly probable within one year.

A discontinued operation is a component of the Group that has been discontinued, disposed of or is classified as held for sale and that represents a separate major line of business or is part of a single coordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately on the face of the income statement.

### i) Investments and other financial assets

Financial assets in the scope of AASB 139 "Financial Instruments: Recognition and Measurement" are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value. The Trust determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

The Trust's direct investments in its subsidiaries are carried at cost less any provision for impairment. Balances and transactions between the Trust and the subsidiaries have been eliminated in preparing the consolidated financial report.

### j) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are included in the Statement of Comprehensive Income.

### k) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are recognised and carried at the nominal amount due. These amounts are interest free and are generally payable on 30 day terms.

### l) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of issue costs associated with the borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method including any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### m) Borrowing costs

Borrowing costs are initially set off against loan balances and then expensed over the term of the applicable loan.

### n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

*Operating Leases*

The minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are included in the determination of the net profit in equal instalments over the lease term.

## 2. Summary of Significant Accounting Policies (cont.)

### o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. Revenue brought to account but not received at balance date is recognised as a receivable. The following specific recognition criteria must also be met before revenue is recognised:

*Rental income*

Rental and other property income is recognised as income when receivable under the terms of the rental agreement. Contingent rentals are recognised as revenue in the period in which they are earned.

*Interest*

Revenue is recognised as the interest accrues using the effective interest method.

### p) Provision for distribution

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unitholders. Distributable income includes capital gains, where applicable, arising from the disposal of investments.

### q) Taxation

Under current Australian income tax legislation, the Trust is not liable for income tax provided that its taxable income (including taxable capital gains, if any) is fully distributed to unitholders each year.

*Goods and services tax (GST)*

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

(i). where 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

(ii). receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### r) Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Trust. A unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

(i). receive income distributions;

(ii). attend and vote at meetings of unitholders; and

(iii). participate in the termination and winding up of the Trust.

The rights, obligations and restrictions attached to each unitholder are identical in all respects.

### s) Earnings per unit (EPU)

Basic EPU is calculated as net profit / (loss) attributable to unitholders of the Trust divided by the weighted average number of ordinary units. Diluted EPU is calculated as net profit / (loss) attributable to unitholders of the Trust divided by the weighted average number of ordinary units adjusted for the effects of all dilutive potential ordinary units.

### t) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|

## 3. Finance Costs

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| Finance costs expensed | | | |
| > interest expense continuing operations | | **6,018** | 3,783 |
| > other finance costs continuing operations | | **245** | 249 |
| | | **6,263** | 4,032 |

## 4. Cash and Cash Equivalents

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| Cash at bank | | **1,093** | 387 |
| Short term deposits | | **519** | 812 |
| | 10 (b) | **1,612** | 1,199 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits as at 30 June 2011 represent deposits held on a 3 month term at a fixed interest rate of 6.02%. Cash and cash equivalents are recorded at fair value being $1,612,187 (2010: $1,199,206).

## 5. Trade and Other Receivables

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| Rent receivable | | **2,928** | 1,846 |
| Other receivables | | **35** | 61 |
| | | **2,963** | 1,907 |

**Terms and conditions relating to the above financial instruments:**

Rent receivable is non interest bearing and generally payable quarterly in arrears within 2 business days of the end of each quarter. Sundry debtors are non interest bearing and generally have 30 - 90 day terms. As at balance date no receivables are considered to be impaired.

## 6. Investment Properties

| | Notes | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|
| (a) Property investments | | | |
| Investment properties at fair value | | **105,330** | 101,150 |
| Capitalised acquisition costs | | **-** | 4,442 |
| | 6 (b) | **105,330** | 105,592 |

| (b) Reconciliation of carrying amounts | Carrying amount at start of year $'000 | Increment / (decrement) from fair value adjustments $'000 | Increment / (decrement) from acquisition costs adjustments $'000 | Carrying amount at end of year $'000 |
|---|---|---|---|---|
| 2011 | | | | |
| Rural Properties | 105,592 | 4,033 | (4,295) | 105,330 |
| | 105,592 | 4,033 | (4,295) | 105,330 |

The rental income from the investment properties during the year was $9,726,378. The direct operating expenses (including repairs and maintenance) for the investment properties for the year was $nil.

The properties are pledged as security to secure interest bearing loans and borrowings (see note 8).

### 6.Investment Properties (cont.)

| | Carrying amount at start of year | Increment / (decrement) from fair value adjustments | Increment / (decrement) from acquisition costs adjustments | Carrying amount at end of year |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **2010** | | | | |
| Rural Properties | 105,592 | 2,020 | (2,020) | 105,592 |
| | 105,592 | 2,020 | (2,020) | 105,592 |

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties have been measured at fair value based on 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. Gains or losses arising from changes in fair values of investment properties are recognised in profit and loss in the year in which they arise.

Approximately 26% in value of the investment properties were valued by Colliers International in June 2011. Desktop reviews were also performed by Colliers International in June 2011 in relation to the balance of the properties. For the purposes of assessing leased investment values Colliers International performed valuations utilising both reversionary yield and discounted cash flow methodology. Approximately 70% in value of the leased investment values adopted by Colliers International were calculated using the discounted cash flow methodology with the balance of values (generally for properties with short remaining lease terms) being calculated using the reversionary yield approach.

Key assumptions used by Colliers International in their discounted cash flow methodology included:

> Lease term as per minimum lease term in lease agreements

> Terminal value of investment property calculated by escalating current greenfields values by forecasted inflation (based on 10 year Access Economics projections) until expiration of respective leases and then deducting a provision for disposal costs of 2.15 to 2.65%

> Rental income and expenses in accordance with the lease terms and assuming BBSY as per Australian Financial Markets Association (as at 13 May 2011) and a landlord funding cost of 350 basis points (reflecting valuer's assessment of average margins available to a purchaser of the properties at the date of valuation)

> Discount rates ranging between 10.25% and 12.5% depending principally on length of lease term (with a weighted average discount rate of 11.57%)

> The discounted cash flows are then further reduced by a provision for acquisition costs that a purchaser of the properties would expect to pay. The provision for acquisition costs varies by state depending on legislation relating to stamp duty but generally exceeds 5% of the leased investment values

The greenfield values referred to above have been determined on the basis of direct comparison and summation methodologies applied by Colliers International in their assessment of the underlying market value of the land and fixed improvements of the properties that were subject to full valuations in June 2011. In relation to the properties that were subject to desktop reviews, sales transactions that were able to be sourced and analysed from a desktop perspective have been taken into consideration as have discussions with agents in respective markets to ascertain the overall level of inquiry and the mindsets of market participants.

The directors have considered the June 2011 valuations and desktop reviews prepared by Colliers International as the basis for their determination of fair value. The valuations and reviews (which were also prepared for mortgage security purposes) assess the leased investment value of the Trust's portfolio to be $101.3m. The directors have adopted a fair value for the Trust's property portfolio at 30 June 2011 of $105.3m (2010: $105.6 million) on the basis of their assessment of the value of the properties and after taking into consideration accepted valuation convention that a margin for accuracy for single point valuations of +/- 5%.

## 6.Investment Properties (cont.)

The Trusts projected rental income will fluctuate over time as a result of changes to BBSY and financier margins. Given that projected rental income is a key input for the determination of leased investment value pursuant to discounted cash flow methodology, changes in projected rental income may impact on the fair value of the Trust's investment properties. The fair value of Trust's investment properties is also significantly determined by the lease arrangements entered into with Elders Forestry Management Limited, Elders Forestry Pty Ltd and Elders Limited. Accordingly the fair value of the Trust's investment properties is also dependant on these entities continuing to meet their obligations pursuant to the leases.

For up to three years following acquisition, the carrying value of investment properties may also include transaction costs. In the event that investment properties are revalued down, transaction costs will be reduced on a proportionate basis. The carrying value of investment properties as at 30 June 2011 included capitalised acquisition costs of $nil (2010: $4,442,760).

Where assets have been revalued, the potential effect of the capital gains tax (CGT) on disposal has not been taken into account in determination of the revalued carrying amount. The Trust does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised gains would be distributed to unitholders.

## 7. Trade and Other Payables

| | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|
| Trade creditors | **337** | 89 |
| Distributions payable | **1,411** | 820 |
| Amounts payable to related parties: | | |
| > associated entities | **491** | 241 |
| Other payables: | | |
| > accrued interest | **1,280** | 814 |
| > other accruals | **293** | 457 |
| > other payables | **-** | 164 |
| | **3,812** | 2,585 |

**Terms and conditions relating to the above financial instruments:**

Trade creditors are non interest bearing and generally on 30 day terms. The Trust has declared a final distribution of 1.49 cents per unit. The record date for the distribution is 30 June 2011. The distribution will be paid on 27 September 2011.

## 8. Interest Bearing Loans and Borrowings

| | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|
| **Current** | | |
| Secured: | | |
| > Term Loans - Note i) | - | 60,904 |
| Unsecured: | | |
| > Related Party Loan - Note ii) | - | 11,815 |
| | - | 72,719 |
| **Non Current** | | |
| Secured: | | |
| > Term Loans - Note i) | **59,873** | - |
| Unsecured: | | |
| > Related Party Loan - Note ii) | **11,815** | - |
| | **71,688** | - |
| **Financing facilities** | | |
| Total facilities used – Bills of Exchange | **59,873** | 60,904 |
| Total facilities unused – Bills of Exchange | - | 38,096 |
| Total facilities used – Related party loan | **11,815** | 11,815 |
| Total facilities unused – Related party loan | **1,185** | 1,185 |
| Total facilities | **72,873** | 112,000 |

(i) The Trust obtained an extension to its syndicated loan facility agreement effective 30 September 2010. The extended facility expires on 31 July 2012 with funding costs of 4% above BBSY. As at 30 June 2011 the facility was drawn to $59.9 million net of borrowing costs – refer note 2 (m). (2010: $60.9 million).

During the year repayments of $0.8 million (2010: $1 million) were paid to the banking syndicate. These repayments are not able to be redrawn pursuant to the loan facility agreement.

Key covenants within the syndicated loan facility agreement comprise compliance with Interest Cover and Loan to Value ratios. The applicable Loan to Value covenant ratios reduce at a rate of 1% per annum. The Trust is required to perform valuations on a rolling 3 year basis for the purposes of determining compliance with Loan to Value ratio covenants with the applicable values being the lower of Greenfields or leased investment values.

The Trust's auditors have confirmed compliance with Interest Cover and Loan to Value ratio covenants as at 30 June 2011.

(ii) The Trust's funding also includes a $13 million unsecured and subordinated loan facility with Elders Finance Pty Limited, an entity wholly owned by Elders Limited. In October 2010 the Trust obtained an extension of the facility until 31 August 2012. Interest expense pursuant to the subordinated facility equals the weighted average rent rate payable under the property leases. As at 30 June 2011 the facility had been drawn to $11.8 million leaving an undrawn facility balance of $1.2 million.

## 9. Units on Issue

| | Consolidated 2011 Number '000 | Consolidated 2010 Number '000 |
|---|---|---|
| Units on issue at beginning of the year | **89,115** | 86,599 |
| Units issued during the year | | |
| > distribution reinvestment plan-Note i) | **5,477** | 2,516 |
| Units on issue as at the reporting date | **94,592** | 89,115 |

Rights and restrictions over Ordinary units:

> Each unit ranks equally with all other ordinary units for purpose of distributions and on termination of the Trust.

> Ordinary units entitle the holder to one vote, either in person or by proxy, at a meeting of the Trust.

When managing capital, the Responsible Entity's objective is to ensure that the Trust continues as a going concern and maintains optimal returns to unitholders and optimal benefits for other stakeholders. The Responsible Entity monitors its gearing ratio (debt / total assets) when assessing capital management requirements. The Trust is not subject to any externally imposed capital requirements however it is required to meet certain Loan to Value financial covenants pursuant to the loan agreement with its syndicated financiers.

(i) The Trust has in place a Distribution Reinvestment Plan ("DRP") which assists the Responsible Entity with the management of its capital requirements. The DRP allows unitholders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange 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. The value of distributions reinvested relating to the year to 30 June 2011 was $834,380 (2010: $402,017) which resulted in the issue of 5,477,259 units (2010: 2,516,014 units). The latest date for receipt of an election notice for participation in the DRP is the record date for each distribution.

## 10. Statement of Cash Flows

| | | Note | Consolidated 2011 $'000 | Consolidated 2010 $'000 |
|---|---|---|---|---|
| (a) | Reconciliation of net profit/(loss) | | | |
| | Net profit / (loss) | | **2,472** | 2,006 |
| | Net decrement / (increment) in fair value | | **263** | 187 |
| | Decrease / (Increase) in receivables | | **(1,057)** | (201) |
| | (Decrease) / Increase in payables | | **440** | (137) |
| | Net operating cash flow | | **2,118** | 1,855 |
| (b) | Reconciliation of cash | | | |
| | Cash at bank and in hand | | **1,093** | 387 |
| | Short term deposits | | **519** | 812 |
| | | 4 | **1,612** | 1,199 |

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

## 11. Auditor's Remuneration

| | Consolidated 2011 $ | Consolidated 2010 $ |
|---|---|---|
| Amounts received or due and receivable by Ernst & Young for: | | |
| > an audit or review of the financial report of the entity and any other entity in the consolidated entity | **50,754** | 66,278 |
| > other services in relation to the entity and any other entity in the consolidated entity: | | |
| > compliance plan audit | **8,400** | 7,700 |
| | **59,154** | 73,978 |

## 12. Distributions to Unitholders

| | Distributions $'000 | Number of units $'000 | Distributions cents per unit |
|---|---|---|---|
| **2011** | | | |
| Interim Distribution – paid March | **885** | **92,202** | **0.96** |
| Final Distribution – paid September | **1,410** | **94,592** | **1.49** |
| | **2,295** | | **2.45** |

| | Distributions $'000 | Number of units $'000 | Distributions cents per unit |
|---|---|---|---|
| **2010** | | | |
| Interim Distribution – paid March | 961 | 87,364 | 1.10 |
| Final Distribution – paid September | 813 | 89,115 | 0.92 |
| | 1,774 | | 2.02 |

## 13. Earnings Per Unit

| | Consolidated 2011 | Consolidated 2010 |
|---|---|---|
| Earnings per unit from continuing operations attributable to ordinary unitholders | | |
| Basic profit / (loss) per unit (cents) | **2.73** | 2.47 |
| Diluted profit / (loss) per unit (cents) | **2.73** | 2.47 |
| Earnings per unit from discontinued operations attributable to ordinary unitholders | | |
| Basic profit / (loss) per unit (cents) | **(0.05)** | (0.22) |
| Diluted profit / (loss) per unit (cents) | **(0.05)** | (0.22) |
| Earnings per unit attributable to ordinary unitholders | | |
| Basic profit / (loss) per unit (cents) | **2.68** | 2.25 |
| Diluted profit / (loss) per unit (cents) | **2.68** | 2.25 |

Earnings per unit and diluted earnings per unit is calculated by dividing the net profit attributable to members of the Trust by the weighted average number of ordinary units on issue during the year. The weighted number of units in the calculation of earnings per unit is 92,064,667 (2010: 87,642,611).

## 14. Net Asset Backing Per Unit

| | Consolidated 2011 | Consolidated 2010 |
|---|---|---|
| Basic net asset backing per unit ($) | **0.36** | 0.37 |

Basic net asset backing per unit is calculated by dividing the unitholder interests by the number of units on issue at the year end.

## 15. Related Party Disclosures

**(a) Responsible Entity**

The Responsible Entity of Agricultural Land Trust is Agricultural Land Management Limited, whose immediate parent entity is Prestige Property Holdings Pty Limited and its ultimate parent entity is Elders Limited.

The Responsible Entity fees for the year were $615,174 (2010: $nil due to Responsible Entity fee holiday which expired on 30 June 2010).

The Responsible Entity's entitlement to fees is contained in the Constitution of the Trust. The Responsible Entity is entitled to be paid annual fees calculated on the following basis:

(a) 0.25% of the gross value of assets of the Trust calculated at the end of each month and payable quarterly in arrears.

(b) 3.5% of the Net Income of the Trust calculated after adding back the following items:

- depreciation, building allowances and other non cash expenses;
- interest, finance and other borrowing expenses;
- leasing, legal and professional fees;
- administration expenses, including auditing, accounting, Custodians' fees, outgoings and expenses and management fees;
- costs of issuing any Disclosure Documents; and
- marketing and promotional expenses.

The fee is payable quarterly in arrears.

(c) 3.5% of the increase in the market value of each asset owned by the Trust calculated from the start of a Financial year, or the date of acquisition, to the end of the Financial Year. This fee is payable annually. No fees were charged during the year in relation to this item.

The Responsible Entity is also entitled to be paid a fee of up to 5% of the purchase price of any authorised investment acquired for the Trust. This fee is payable on the day of the acquisition of the relevant investment and is in consideration for the co-ordination of the acquisition. The Responsible Entity is also entitled to a fee of up to 5% of the application money raised under a Disclosure Document where the purpose for raising the application money is not to acquire an authorised investment. This fee is payable within 7 days of the issue of Units for which the application money is received. This fee is for the co-ordination of the relevant capital raising. No fees were charged during the year in relation to these items.

At 30 June 2011 a balance of $202,856 was payable to the Responsible Entity (2010: $63,492).

## 15. Related Party Disclosures (cont.)

### (b) Related party transactions

The consolidated financial statements include the financial statements of parent entity Agricultural Land Trust and the subsidiaries listed in the following table:

| | Equity interest held by consolidated entity | |
|---|---|---|
| | 2011 | 2010 |
| Name | % | % |
| Dunsborough Hotel Property Syndicate | 51.15 | 51.15 |
| Kalgoorlie Apartment Hotel Syndicate | 100.00 | 100.00 |
| WPT Finance Pty Limited (Deregistered) | 0.00 | 100.00 |
| Murray Street Mall Property Trust | 100.00 | 100.00 |
| ALT No 1 Trust | 100.00 | 100.00 |

The above subsidiaries are all domiciled in Australia and have balance dates of 30 June, consistent with the Trust. WPT Finance Pty Ltd was deregistered during the year.

All related party transactions are conducted on normal commercial terms and conditions. Related party receivables and payables, unless otherwise stated, are unsecured, receivable or payable within 30 days and do not bear interest.

**Rental income**

During the year controlled entities of the parent entity Agricultural Land Trust were entitled to rental income and reimbursement of outgoings of $10,143,254 (2010: $6,709,294) which was received or receivable from Elders Forestry Management Limited or Elders Forestry Pty Ltd in relation to rural properties leased to those entities. Elders Forestry Management Limited and Elders Forestry Pty Ltd were controlled by Elders Limited at the relevant times.

**Acquisition of Investment - Controlled entity**

The parent entity, Agricultural Land Trust, increased its investment in ALT No 1 Trust by $800,000 during the year but did not increase its investment in any other wholly owned trust. ALT No 1 Trust owns all of the Trust's rural property.

**Acquisition of Properties**

The Trust did not acquire any properties during the year. Details of the properties acquired to date are summarised in the Manager's Report. The Trust has entered into lease agreements with either Elders Forestry Management Limited or Elders Forestry Pty Ltd in relation to all of the properties. All leases are guaranteed by Elders Limited. Elders Limited is the parent entity of Elders Forestry Management Limited and Elders Forestry Pty Ltd. All properties were independently valued by Colliers International prior to acquisition. The rent rate payable in relation to the properties acquired up to and including September 2008 equals 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 September 2008 is the same as detailed above with the exception that the BBSY floor has been increased from 4% to 6%.

**Disposal of Properties**

On 30 June 2011, following receipt of an unsolicited offer, the Trust entered into contracts for the sale of a property located in far north Queensland that it acquired in September 2008. The consideration payable pursuant to the contracts totals $11 million and will be used to reduce debt. Pursuant to the contracts $2.5 million of the consideration is payable by Elders Forestry Management Limited which will be applied to reduction to the unsecured and subordinated loan from Elders Finance Pty Limited. The contracts remain subject to conditions with completion scheduled to occur on 30 August 2011.

**Eligible Undertaking**

Elders Limited has provided the Responsible Entity of the Trust with an Eligible Undertaking to ensure compliance with the base level financial requirements of the Responsible Entity's Australian Financial Services Licence no 225064. As a result of the Eligible Undertaking, the Trust's assets are not required to be registered in the name of a Custodian.

## 15. Related Party Disclosures (cont.)

**Subordinated Loan**

The Trust has entered into a $13m unsecured and subordinated loan agreement with Elders Finance Pty Limited an entity wholly owned by Elders Limited. The facility expires on 30 August 2012 and interest expense equals the weighted average rent rate payable under the property leases. As at 30 June 2011 the facility had been drawn to $11.8m. As at 30 June 2011 accrued interest in relation to the facility payable in July 2011 totalled $272,008.

**(c) Details of Key Management Personnel**

**Directors**

The names of the Directors of the Responsible Entity in office during the financial period and until the date of this report are:

Peter Zachert
Max Ormsby
Robert Michael Walter

**(d) Compensation of Key Management Personnel**

No amounts are paid by the Trust directly to directors and key management personnel of the Trust. The Independent Compliance Committee members are paid directly by the Trust. Directors of the Responsible Entity receive remuneration in their capacity as directors of the Responsible Entity. Certain directors are paid directly from the ultimate holding company of the Responsible Entity, Elders Limited. Amounts paid to other senior management are also paid directly from Elders Limited. Consequently, no compensation as defined in AASB 124: Related Party Disclosures is paid by the Trust to its key management personnel. Agricultural Land Management Limited, as Responsible Entity of the Trust, is deemed for disclosure purposes to be a key management personnel of the Trust. Compensation is payable to the Responsible Entity in the form of fees disclosed in Note 15 which are not paid in reference to costs incurred by the Responsible Entity.

**(e) Units in the Trust held by Key Management Personnel**

Key management personnel do not directly hold any units in the Trust at year end, nor have they held any units in the Trust during the reporting period. As at 30 June 2011 Peter Zachert held an indirect interest in 127,777 units in the Trust.

## 16. Financial Risk Management Objectives And Policies

The Trust's principal financial instruments comprise secured term loans (bills of exchange) and unsecured subordinated related party loans. The main purpose of the loans is to raise finance to acquire investment properties. The Trust has various other financial instruments such as cash and cash equivalents, trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the year, the Trust's policy that no trading in financial instruments shall be undertaken. The main risks from the Trust's financial instruments are interest rate risk, credit risk, and liquidity risk. The Board's policies for managing each of these risks are summarised below. Management's expectations are that the carrying amounts of financial assets and financial liabilities approximate their fair values due to their short term maturity.

*Interest rate risk*

The Trust's exposure to market risk for changes in interest rates relates primarily to the Trust's long term debt obligations. The Trust reviews its banking facilities on a regular basis to ensure an efficient and effective mix of fixed and variable debt. The Trust has minimised its exposure to interest rate risk by linking rental income to interest rates as described in note 17. At balance date the Trust has a mix of financial assets and liabilities exposed to Australian variable interest rate risk. The mix of financial assets and liabilities is summarised in notes 4 & 8.

The analysis below considers the impact on net profit of BBSY being 1% higher and 1% lower than the applicable BBSY as at 30 June 2011 of approximately 5%.

| Consolidated | 2011<br>BBSY higher 1%<br>$'000 | 2011<br>BBSY lower 1%<br>$'000 |
|---|---|---|
| Rental Income | 1,117 | (1,117) |
| Net Interest | (701) | 701 |
| **Net impact on profit** | **416** | **(416)** |

## 16. Financial Risk Management Objectives and Policies (cont.)

Given that the Trust has no fixed rate borrowings and has not entered into any hedging arrangements, changes in interest rates are not likely to have an effect on the carrying values of financial assets. Accordingly the impact on net equity resulting from changes in interest rates is likely to be limited to the impact on profit summarised above. Changes in rental income may also impact on values of investment properties. These potential impacts have not been taken into consideration in the above analysis.

*Credit risk*

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Trust's receivables from its customers. The Trust has a concentration of credit risk as a result of it having entered into lease agreements with Elders Forestry Management Limited or Elders Forestry Pty Ltd in relation to all of its investment properties. The Trust has sought to minimise this concentration of credit risk by ensuring that all lease obligations are guaranteed by Elders Limited as described in note 17. With respect to credit risk arising from the other financial assets of the Trust, which comprise cash and cash equivalents, the Trust's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

*Liquidity risk*

The Trust's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Trust updates and reviews its cash flow forecasts to assist in managing its liquidity. The remaining contractual maturities of the Group's financial assets and liabilities are summarised in the tables below.

**The remaining contractual maturities of the Group's financial assets and liabilities are**

| | < 12 months 2011 $'000 | 1 – 5 years 2011 $'000 | > 5 years 2011 $'000 | Total 2011 $'000 |
|---|---|---|---|---|
| Consolidated Financial Assets | | | | |
| Cash and cash equivalents | 1,612 | - | - | 1,612 |
| Trade and other receivables | 2,963 | - | - | 2,963 |
| | **4,575** | **-** | **-** | **4,575** |
| Consolidated Financial Liabilities | | | | |
| Trade and other payables | 3,812 | - | - | 3,812 |
| Interest bearing loans and borrowings | - | 78,833 | - | 78,833 |
| | **3,812** | **78,833** | **-** | **82,645** |
| **Net maturity** | **763** | **(78,833)** | **-** | **(78,070)** |

Management's expectations are that the above contractual maturity profile approximates the likely actual maturity profile of the Group's financial assets and liabilities.

## 16. Financial Risk Management Objectives and Policies (cont.)

**The remaining contractual maturities of the Group's financial assets and liabilities for the 2010 year were**

| | < 12 months 2010 $'000 | 1 – 5 years 2010 $'000 | > 5 years 2010 $'000 | Total 2010 $'000 |
|---|---|---|---|---|
| Consolidated Financial Assets | | | | |
| Cash and cash equivalents | 1,199 | - | - | 1,199 |
| Trade and other receivables | 1,907 | - | - | 1,907 |
| | **3,106** | **-** | **-** | **3,106** |
| Consolidated Financial Liabilities | | | | |
| Trade and other payables | 2,585 | - | - | 2,585 |
| Interest bearing loans and borrowings | 77,424 | - | - | 77,424 |
| | **80,009** | **-** | **-** | **80,009** |
| **Net maturity** | **(76,903)** | **-** | **-** | **(76,903)** |

## 17. Leases

The Trust has entered into lease agreements with Elders Forestry Management Limited and Elders Forestry Pty Ltd in relation to all of its properties. All leases are guaranteed by Elders Limited. Elders Limited is the parent entity of Elders Forestry Management Limited, Elders Forestry Pty Ltd and Agricultural Land Management Limited.

The rent rate payable in relation to the properties acquired up to and including September 2008 equals 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 September 2008 is the same as detailed above with the exception that the BBSY floor has been increased from 4% to 6%.

The future minimum non-cancellable rental revenues for not later than one year are estimated to be $9,638,250 for later than one year but not later than five years are $27,978,353 and for later than five years are $32,635,554. These estimates have been based on various assumptions including that BBSY is always below the 4% floor, CPI does not increase, the Trust's banking syndicate finance margin above BBSY does not change from 4% and no asset sales are completed.

There were no contingent rentals recognised as revenues in the financial year.

The tenant is responsible for payment of all outgoings, which include rates and taxes and utilities.

## 18. Capital Commitments

There is $nil (2010: $nil) estimated capital expenditure contracted for at 30 June 2011 but not provided for.

## 19. Segment Reporting

**Segment products and locations**

The Trust's operations involve investment in real property for the purpose of deriving income from rentals and capital appreciation.

The Trust previously operated in two business segments, being commercial / retail investment property and tourism investment property activities.

The Trust has divested all commercial / retail and tourism investment properties and now operates solely in the rural investment property segment. The Trust did however receive some residual income and incur some residual expenses in relation to the discontinued commercial / retail and tourism investment property operations during the year.

Geographically, the Trust operates in one segment, being Australia.

## 19. Segment Reporting (cont.)

For the purposes of the segment reporting analysis below, continuing operations include the following:

(i). Rural property investment

(ii). Ongoing trust / corporate costs including listing fees, audit and taxation fees, responsible entity fees and Compliance fees

Included in rural property investment revenue is rental revenue derived under lease agreements with a related parties Elders Forestry Management Limited or Elders Forestry Pty Ltd (refer note 15).

For the purposes of the segment reporting analysis below, discontinued operations include the following:

(i). Commercial / retail property investment, and

(ii). Tourism property investment.

| | Continuing Operations $'000 | Discounted Operations $'000 | Consolidated $'000 |
|---|---|---|---|
| **2011** | | | |
| Revenue | **9,988** | **76** | **10,064** |
| EBIT before fair value adjustments | **9,045** | **(47)** | **8,998** |
| Fair value increment / (decrement) of investment property | **(263)** | **-** | **(263)** |
| Segment EBIT | **8,782** | **(47)** | **8,735** |
| Net interest expense | **(6,263)** | **-** | **(6,263)** |
| Net profit attributable to unitholders of the Trust | **2,519** | **(47)** | **2,472** |
| Segment assets | **109,839** | **66** | **109,905** |
| Segment liabilities | **(75,268)** | **(232)** | **(75,500)** |
| **2010** | | | |
| Revenue | 6,481 | 89 | 6,570 |
| EBIT before fair value adjustments | 5,942 | 33 | 5,975 |
| Fair value increment / (decrement) of investment property | - | (187) | (187) |
| Segment EBIT | 5,942 | (154) | 5,788 |
| Net interest expense | (3,783) | - | (3,783) |
| Net loss attributable to minority interests | - | (36) | (36) |
| Net profit attributable to unitholders of the Trust | 2,159 | (190) | 1,969 |
| Segment assets | 108,667 | 31 | 108,698 |
| Segment liabilities | (75,273) | (31) | (75,304) |

### Cash flows from discontinuing operations

| Consolidated | 2011 $'000 | 2010 $'000 |
|---|---|---|
| Cash (outflow) / inflow from operating activities | **17** | (365) |
| Cash inflow from investing activities | - | - |
| Cash outflow from operating activities | **(41)** | (220) |
| **Net cash inflow / (outflow)** | **(24)** | (585) |

## 20. Subsequent Events

On 30 June 2011, following receipt of an unsolicited offer, the Trust entered into contracts for the sale of a property located in far north Queensland that had been acquired in September 2008. The consideration payable pursuant to the contracts totals $11 million and will be used to reduce debt. The contracts were subject to certain conditions including the completion of due diligence within 30 business days from 30 June 2011. Since the end of the financial period due diligence has been completed however the contracts remain subject to other conditions which are scheduled to be completed by 30 August 2011.

Since 30 June 2011 there has been considerable global financial market volatility and as a result interest rate and BBSY projections have fallen. Due to the Trust's unique rental mechanism, should these conditions persist, the Trust's future rental income could be affected.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report or in the consolidated financial statements, 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 the subsequent financial period.

## 21. Contingent Assets and Liabilities

The Trust is pursuing a legal claim in relation to losses reported by the Trust associated with its 2002 investment in the Kalgoorlie Apartment Hotel Syndicate. These losses are detailed in the Trust's 2005 – 2007 Annual Reports. The claim is being defended on a number of grounds, all of which are being considered. Mediation of the claim has been rescheduled to occur in September 2011.

## 22. Parent Entity Information

The financial information in relation to the Trust's parent entity, Agricultural Land Trust, is summarised in the table below.

| | 2011<br>$'000 | 2010<br>$'000 |
|---|---|---|
| Current assets | **3,011** | 2,043 |
| Total assets | **48,475** | 46,647 |
| Current liabilities | **8,668** | 7,976 |
| Total Liabilities | **8,668** | 7,976 |
| **Net Assets Attributable to Unitholders and Minority Interests** | **39,807** | 38,671 |
| **Represented By:** | | |
| Issued Capital | **57,462** | 56,628 |
| Retained earnings | **(17,655)** | (17,957) |
| **Total Unitholders' equity** | **39,807** | 38,671 |
| Profit of the parent entity | **2,597** | 1,070 |
| **Total comprehensive income of the parent entity** | **2,597** | 1,070 |
| Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries | **None** | None |
| Details of any contingent liabilities of the parent entity | **None** | None |
| Details on any contractual commitments by the parent entity for the acquisition of property, plant or equipment | **None** | None |

# DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Agricultural Land Management Limited, I state that:

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 Trust's financial position as at 30 June 2011 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;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

On behalf of the Board of Agricultural Land Management Limited.

**Peter Zachert**
**Chairman**
Agricultural Land Management Limited
Adelaide, 18 August 2011

# DIRECTORS' REPORT

The directors of Agricultural Land Management Limited (ABN 16 072 899 060), the Responsible Entity of the Agricultural Land Trust ("the Trust"), submit their report, for the Agricultural Land Trust and its controlled entities for the year ended 30 June 2011.

## Directors

The names of the directors of the Responsible Entity in office during the financial year and until the date of this report are:

Peter Zachert
Max Ormsby
Robert Michael Walter

The directors were in office from the beginning of the year until the date of this report, unless otherwise stated. Director qualifications and experience is found under the heading "Directors and Senior Management", page 6.

## Meetings of Directors

The number of meetings of the Responsible Entity's directors held during the year ended 30 June 2011, and the number of meetings attended by each director, are:

| | |
|---|---|
| **Number of meetings held:** | 10 |
| **Number of meetings attended:** | |
| Peter Zachert | 10 |
| Max Ormsby | 9 |
| Robert Michael Walter | 10 |

## Directors' Units

No director has any direct interest in units of the Trust, nor do they have any rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

As at the date of this report Peter Zachert has an indirect interest in 127,777 units in the Trust.

## Principal Activities

The principal activity of the Trust is to operate as an agricultural land trust for the purpose of deriving profits through the collection of rental income and capital appreciation.

## Trust Information

The Trust was registered as a Managed Investment Scheme on 7 May 2001.

Agricultural Land Management Limited, the Responsible Entity, is incorporated and domiciled in Australia.
At balance date the Trust had no employees.

The registered office of the Responsible Entity is
Level 3, 27 Currie Street, Adelaide South Australia, 5000.

## Review of Results and Operations

The consolidated net profit attributable to unitholders of the Trust is presented in the Statement of Comprehensive Income and totalled $2,472,000 (2010: $1,969,000). Further details in relation to the Trusts results and operations are contained in the Chairman's Report and the General Manager's Report.

## Distributions

A final distribution of 1.49 cents per unit has been declared and will be made on 27 September 2011. This brings the total distribution for the year to 2.45 cents per unit (2010: 2.02 cents per unit).

## Units on Issue

At 30 June 2011 94,592,348 units of the Trust were on issue (2010: 89,115,089 units). During the year 5,477,259 units (2010: 2,516,014 units) were issued pursuant to the Distribution Reinvestment Plan.

## Trust Assets

At 30 June 2011, the Trust held assets with a total value of $109,905,109 (2010: $108,698,000). The basis for valuation of the assets is disclosed in Note 2 to the financial report.

## Responsible Entity and Associates

The Responsible Entity fees for the year were $615,174 (2010: $nil due to Responsible Entity fee holiday which expired on 30 June 2010). Details of fees paid or payable to the Responsible Entity and its associates out of scheme property are included in Note 15 of the financial report.

The Responsible Entity and its associates hold 47,137,231 unit interests in the Trust as at 30 June 2011 (2010: 44,492,797).

## Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Trust during the year.

## Significant Events after Balance Date

No matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report or in the consolidated financial statements, 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.

## Likely Developments and Expected Results

The Trust's performance in 2012 compared to 2011 is likely to be influenced by numerous factors including variations in the components of the Trust's rental mechanism (i.e. BBSY, changes in financier margin on refinance, CPI) and changes in the underlying value of its property assets. The Trust's future performance will also be influenced by any capital management initiatives that are implemented.

The Responsible Entity is dedicated to consolidating the Trust's position as an agricultural land trust and growing the Trust in a sustainable and financially responsible manner through the acquisition of additional rural properties should suitable opportunities arise.

## Environmental Regulation and Performance

The operations of the consolidated entity are not subject to any particular or 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 Trust.

## Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Agricultural Land Management Limited support and comply with the majority of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The Responsible Entity's corporate governance statement is contained within pages 7 to 10 of this annual report.

# DIRECTORS' REPORT

## Board Committees

The Responsible Entity does not have an audit committee as the board fulfils this function. For full details, refer to the Corporate Governance Statement.

## Insurance of Directors and Officers

During, or since the end of the financial year, the Responsible Entity has paid, or agreed to pay, a premium in respect of a contract insuring all the directors and officers against a liability incurred in their role as directors and officers of the entity, except where the liability arises from fraudulent or dishonest conduct. The total amount of insurance contract premiums paid has not been disclosed due to a confidentiality clause in the insurance contract.

## Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Trust under ASIC Class Order 98/0100.

## Auditor's Independence Declaration

Our auditor, Ernst & Young, has provided the board of directors of the Responsible Entity with an independence declaration in accordance with section 307C of the Corporations Act 2001. The independence declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the directors of the Responsible Entity.

Peter Zachert
Chairman
Agricultural Land Management Limited
Adelaide, 18 August 2011

# INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF AGRICULTURAL LAND TRUST

ERNST & YOUNG

Ernst & Young Building
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

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## Independent audit report to the unitholders of Agricultural Land Trust

We have audited the accompanying financial report of Agricultural Land Trust ("the Trust"), which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes net assets attributable to unitholders and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls 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 controls. 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*. We have given to the directors of the responsible entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

# INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF AGRICULTURAL LAND TRUST

ERNST & YOUNG

## Opinion

In our opinion:

a. the financial report of Agricultural Land Trust is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Ernst & Young

Alan Herald
Partner
Adelaide
18 August 2011

# AUDITOR'S INDEPENDENCE DECLARATION

ERNST & YOUNG

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

In relation to our audit of the financial report of Agricultural Land Trust for the financial year ended 30 June 2011, 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.

Ernst & Young

Alan Herald
Partner
Adelaide
18 August 2011

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 31 July 2011.

**(a) Substantial Unitholders**

The names of substantial unitholders who have notified the Trust in accordance with section 671B of the Corporations Act 2001 are:

| | Units | % |
|---|---|---|
| Elders Finance Pty Ltd | 34,189,574 | |
| Agricultural Land Management Limited | 7,922,113 | 49.83 |
| Prestige Property Holdings Pty Limited | 4,169,881 | |
| Futuris Administration Pty Ltd | 855,663 | |
| Westralia Property Holdings Pty Limited | 19,369,464 | 20.48 |
| Emerald Securities Pty Limited | 5,603,364 | 5.92 |

**(b) Distribution of Unitholders**

The numbers of unitholders by size of holding are:

| Range of Holdings | Holders | Units | % |
|---|---|---|---|
| 1 – 1,000 | 26 | 5,625 | 0.01 |
| 1,001 – 5,000 | 80 | 269,606 | 0.29 |
| 5,001 – 10,000 | 113 | 777,762 | 0.82 |
| 10,001 – 100,000 | 168 | 4,983,628 | 5.27 |
| 100,001 – over | 48 | 88,555,727 | 93.61 |
| Total | 435 | 94,592,348 | 100.00 |
| Unitholders holding less than a marketable parcel | 62 | 83,291 | 0.09 |

**(c) Voting Rights**

Each fully paid unit carries voting rights of one vote per unit. All units issued are fully paid.

**(d) Twenty Largest Shareholders**

The names of the 20 largest unitholders of quoted units are:

| Name | Units | % |
|---|---|---|
| Elders Finance Pty Ltd | 34,189,574 | 36.14 |
| Westralia Property Holdings Pty Ltd | 19,369,464 | 20.48 |
| Agricultural Land Management Ltd | 7,922,113 | 8.38 |
| Emerald Securities Pty Ltd (Emerald Investment A/C) | 5,603,364 | 5.92 |
| Prestige Property Holdings Pty Ltd | 4,169,881 | 4.41 |
| Jawp Pty Ltd (The Jawp A/C) | 2,892,906 | 3.06 |
| HSBC Custody Nominees (Australia) Limited (A/C 3) | 2,237,958 | 2.37 |
| Gucce Holdings Pty Ltd | 1,334,191 | 1.41 |
| CS Forth Nominees Ltd | 1,059,471 | 1.12 |
| Indian Ocean Capital (WA) Pty Ltd (Indian Ocean Superfund A/C) | 865,571 | 0.92 |
| Futuris Administration Pty Ltd | 855,663 | 0.90 |
| Mrs Thanikeswari Sivananthan | 660,405 | 0.70 |
| Westrade Resources Pty Ltd (Sheppard Super Fund A/C) | 490,000 | 0.52 |
| Jojaman Pty Ltd (Super Fund A/C) | 431,550 | 0.46 |
| Mr Johannes Henricus Kuyper | 385,306 | 0.41 |
| Mr Clifford Dawson & Mrs Margaret Dawson (C & M Dawson S/F A/C) | 351,202 | 0.37 |
| Bob Gattie & Associates Pty Ltd | 329,735 | 0.35 |
| Mr Brian Oswald Telfer Steggall | 328,570 | 0.35 |
| G T Getley Pty Ltd (Superannuation A/C | 322,584 | 0.34 |
| Ms Maxine Lorraine Getley | 260,619 | 0.28 |
| **Total** | **84,060,127** | **88.87** |

Agricultural Land Trust


AGRICULTURAL LAND TRUST

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Responsible Entity: Agricultural Land Management Ltd
ABN 16 072 899 060
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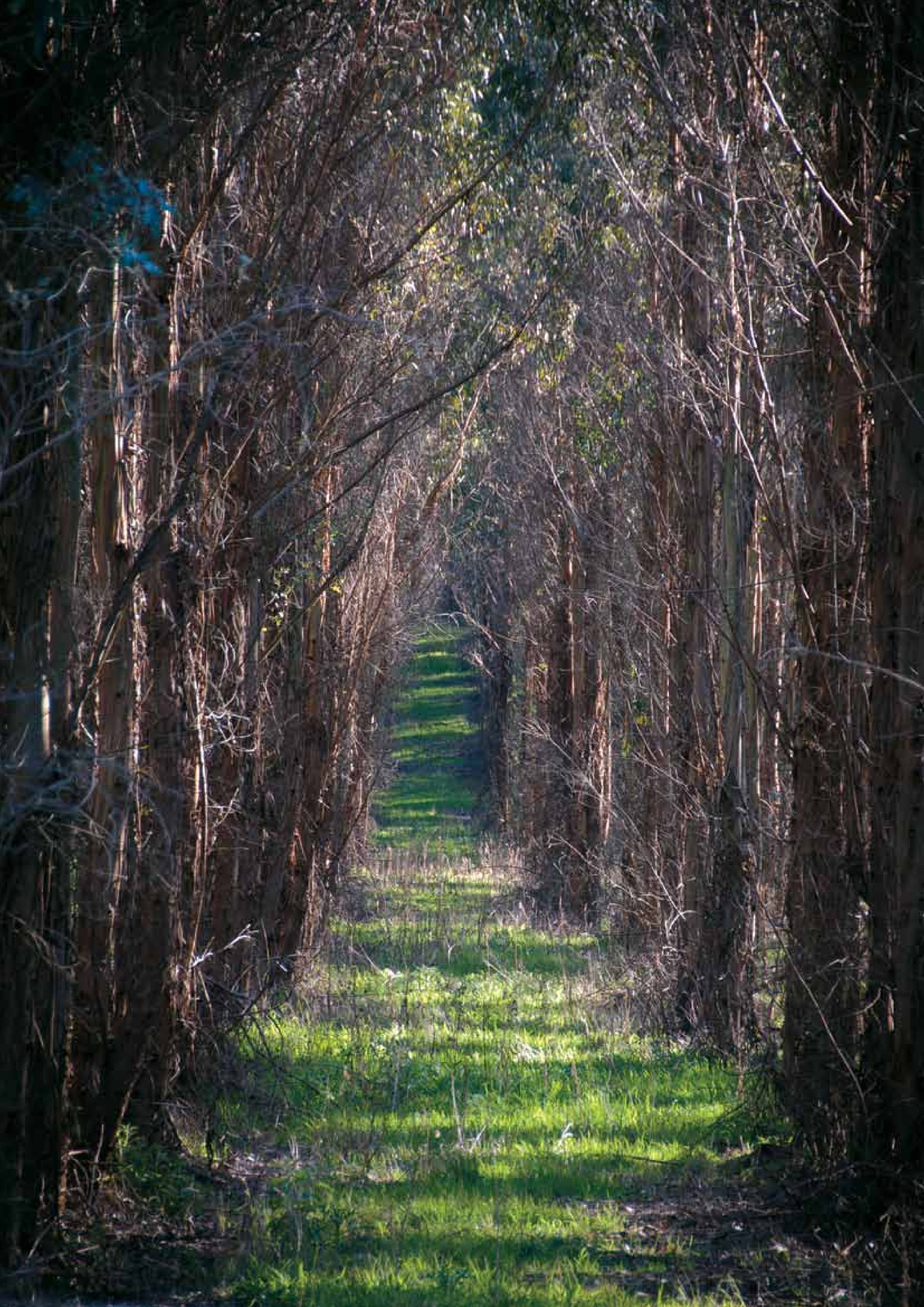

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