

TFS SANDALWOOD PROJECT 2006
ARSN: 117 134 611

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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RESPONSIBLE ENTITY'S REPORT

The Directors of Sandalwood Properties Ltd ("Responsible Entity") (ACN 093 330 977), as Responsible Entity for TFS Sandalwood Project 2006 (the "Project" or the "Scheme"), submit their report for the year ended 30 June 2023.

Directors

The names of the Directors of Sandalwood Properties Ltd (the "Directors") during the year and until the date of this report are set out below. The directors were in office for this entire period unless otherwise stated.

Mr Kent Burwash (Chairman);
Mr Stephen Dixon; and
Mr Richard Henfrey.

Principal Activities

The Project is a Managed Investment Scheme for the purposes of the *Corporations Act 2001* and is regulated by the Project's Constitution and the *Corporations Act 2001*. The Scheme participants' ("Growers") interests in the Sandalwood lots are managed by the Responsible Entity as a single commercial plantation for the benefit of the Growers.

Growers include interests held by the Responsible Entity or the subsidiaries of Quintis Holdco Pty Limited ("QHPL"). At 30 June 2023 there were 126 units (1/2 ha) held by the Responsible Entity or subsidiaries of QHPL and 616 units held by other Growers in the Project.

Change of State of Affairs

There have been no significant changes in the state of affairs of the Project during the year other than those disclosed in 'Likely Developments and Expected Results'.

Results of Operations

During the year, the Scheme continued to be managed in accordance with the investment objective and strategy set out in the Scheme's offer document and in accordance with the Scheme constitution.

Growers are establishing and participating in their own forestry plantation business.

The Scheme derived no operating profit during the financial year (2022: Nil) and made no distributions (2022: Nil).

Harvest

At the beginning of the period 50.11ha of the total project hectares had been harvested from Packsaddle Road Lot 384. During the year, a further 77.09ha was harvested at Farm Hill blocks 1 and 2; and 71.65ha from blocks 10 and 15 at the Voyager property. The Responsible Entity determined the harvest of the RSR 1-2 (15.15ha) and Farm Hill 3-4 (76.12ha) blocks to be unviable due to the low expected heartwood yield from the sandalwood trees.

Subsequent to year end the remaining 57.91ha at RSR 3-8 and 24.04ha at Voyager block 14 has been harvested.

Tenders of raw unprocessed sandalwood

The first tender for the sale of harvested, unprocessed sandalwood was run in May/June 2022. Several bids were received for the offered wood which contained 54.8t of heartwood, however these were lower than anticipated and the sale lots were carried over to the next tender.

A second tender process was undertaken in December 2022 for unprocessed wood containing 195t of heartwood. 113t heartwood equivalent was sold with the remaining wood carried forward to future tenders.

In May 2023 a third tender process completed for the 82t of heartwood equivalent brought forward plus newly harvested unprocessed sandalwood containing 63t of heartwood, however no acceptable bids were received and the wood was carried over to the fourth tender process which completed in July 2023. All 145t of heartwood equivalent unprocessed sandalwood on offer was sold in the July 2023 tender.

Upon finalisation of the marketing and selling process for the harvested wood, the Responsible Entity distributes the net proceeds to the Growers. The gross proceeds from sale of heartwood have been below expectations which has resulted in a majority of Growers facing a net deficit position for their investment. In these cases there are no net proceeds to distribute to the investor and they may be required to make a payment for the costs incurred by the Responsible Entity relating to the harvest, selling and marketing activities, deferred fees, lease fees and other cost recovery.

RESPONSIBLE ENTITY'S REPORT

Likely Developments and Expected Results

The investment strategy of the Scheme will be maintained in accordance with the Scheme constitution and investment objectives as detailed in the Product Disclosure Statement.

The harvest of the remaining planted hectares at 30 June 2023 has occurred subsequent to the balance date and the marketing process for the unprocessed wood from non-electing Growers is expected to begin in October 2023. Following a successful tender process, any net proceeds of sale will be distributed to Growers and the Project, having achieved its purpose in accordance with the Scheme Constitution, will then be wound up.

Expert Forester's Report for the period from 1 July 2022 to 30 June 2023

Plantation Name:	Voyager	Location:	Ivanhoe Plain (ORIA)
Description:	Lot 240	95.7 ha	
Planting year:	2007		
Blocks:	10, 14, 15		
Irrigation Method:	Flood		
Irrigation records:	Total volume across all Blocks was 4 ML/ha		
Silvicultural treatments during the year			
<ul style="list-style-type: none">• Only Block 14 remains; the remainder having been harvested.• This block had boundaries sprayed on one occasion with knockdown herbicide to reduce the threat from fire.• Interrows were delved on one occasion to help irrigation water move rapidly through the plantation.• Irrigation - the total volume was below target. However, trees do not reflect any moisture stress.• Roads, breaks and irrigation channels were kept in good order.			
General Comments:			
The remaining Block in this project remains relatively healthy and vigorous. This reflects a series of good seasons. Voyager Block 14 contains a trial plot with different planting arrangements, thus making the Block variable to poor compared to other Blocks in Voyager. The sandalwood stocking is below target.			

Block 3-8 at Research Station Road was harvested prior to the Expert Forester's visit in July 2023.

Environmental Management

The Project's operations are subject to significant environmental regulations under the laws of the Commonwealth and State. There have been no significant known breaches of any environmental regulations to which the Project is subject.

The Directors of the Responsible Entity have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act does not have an effect on the Project for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

Indemnification and Insurance of Directors and Officers

The constitution of the Responsible Entity requires it to indemnify all current and former officers under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

During or since the financial year, the Responsible Entity has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of

RESPONSIBLE ENTITY'S REPORT

Director of the Responsible Entity. The cover included professional indemnity as well as Directors' and officers' insurance. The contract with the insurer prohibits the disclosure of the nature of the liabilities or the amount of premium paid.

Indemnification of Auditors

To the extent permitted by law, the Responsible Entity has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Events after the Reporting Period

The harvest of the remaining planted hectares at 30 June 2023 has occurred subsequent to year end and the marketing process for the unprocessed wood from non-electing Growers is expected to begin in October 2023. Following a successful tender process, any net proceeds of sale will be distributed to Growers and the Project, having achieved its purpose in accordance with the Scheme Constitution, will then be wound up.

Other than the possible impact of the harvest as disclosed above and in 'Likely Developments and Expected Results', no other matter or circumstance, not otherwise dealt with in the financial report, has significantly affected or may significantly affect the Project.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 16 of the report.

For and on behalf of the Directors of Sandalwood Properties Ltd:



Kent Burwash - Chairman

Dated at Perth on 6 October 2023



**Building a better
working world**

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Independent auditor's report to the growers of TFS Sandalwood Project 2006

Opinion

We have audited the financial report of TFS Sandalwood Project 2006 (the Registered Scheme, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in grower's funds and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration of the directors of Sandalwood Properties Limited (the directors), the Responsible Entity of the Registered Scheme.

In our opinion, the accompanying financial report of the Registered Scheme is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Registered Scheme's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter - Basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. It is the directors' intention to wind up the Registered Scheme prior to the next year end. As a result, the financial report has been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The directors of the Responsible Entity are responsible for the other information. The other information is the Responsible Entity's report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Registered Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Registered Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

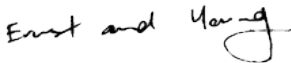
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Registered Scheme's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting. When such use is inappropriate and the directors use an alternative basis of accounting, we conclude on the appropriateness of the directors' use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



L L Chirathamjaree
Partner
Perth
6 October 2023

**TFS SANDALWOOD PROJECT 2006
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	30 June 2023	30 June 2022
Other income and expense	\$ -	\$ -
Expenses	-	-
Operating profit	-	-
Net profit for the period	-	-
Total comprehensive income for the period	-	-

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**TFS SANDALWOOD PROJECT 2006
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	30 June 2023	30 June 2022
	\$	\$
Total Assets	-	-
Total Liabilities	-	-
Net Assets	-	-
Total Growers' Funds	-	-

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**TFS SANDALWOOD PROJECT 2006
STATEMENT OF CHANGES IN GROWERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2023**

	Contributions From Growers \$	Undistributed Income Reserve \$	Total \$
Balance at 1 July 2022	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 30 June 2023	-	-	-
Balance at 1 July 2021	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 30 June 2022	-	-	-

The Statement of Changes in Growers' Funds should be read in conjunction with the accompanying notes.

**TFS SANDALWOOD PROJECT 2006
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	30 June 2023	30 June 2022
	\$	\$
Net movement in cash held	-	-
Cash at the beginning of the period	-	-
Cash at the end of the period	-	-

All cash transactions during the year were processed and managed by the Responsible Entity and no cash payments are made and received within the Project.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the TFS Sandalwood Project 2006 (the "Project" or the "Scheme") as an individual entity. The Project is a Managed Investment Scheme registered in Australia. The Scheme is expected to terminate on 30 June 2024 or at a later date, in accordance with the provisions of the Scheme Constitution.

The Responsible Entity of the Scheme is Sandalwood Properties Ltd (the "Responsible Entity").

Under the Scheme, Growers enter into a Lease and Management Agreement with the Responsible Entity and Quintis Leasing Pty Ltd ("QLPL") (a related entity of the Responsible Entity). Under the Lease and Management Agreement, the Grower sub-leases their Sandalwood lot(s) from QLPL and appoints the Responsible Entity to plant, manage and harvest the trees on the lot, as well as sell the Grower's share of the harvest of the plantation (not applicable where the Grower is an electing Grower as defined below) in consideration for the Grower agreeing to pay establishment fees, annual lease and management fees, a harvest fee and a sales and marketing fee (not applicable where the Grower is an electing Grower).

A Grower is a non-electing Grower unless they have elected to physically collect their share of the plantation harvest in which case they are an electing Grower.

The Scheme will continue to be managed in accordance with the investment objective and strategy set out in the Scheme's offer document and in accordance with the Scheme Constitution.

The financial report was authorised for issue on 6 October 2023 by the Board of Directors.

Going concern considerations

The financial report has not been prepared on a going concern basis as the Project will terminate on the date of the final payment of the final distribution to Growers in accordance with the provisions of the Project's Constitution, which is expected to occur by no later than 30 June 2024. This did not have any impact on the measurement of balances recorded in the financial statements.

Basis of Preparation

These general purpose financial statements for the year ended 30 June 2023 have been prepared in accordance with requirements of the *Corporations Act 2001*, Australian Accounting Standards applicable to "for profit entities" and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements have also been prepared on an accruals basis and is based on historical cost.

The financial statements only include Scheme property which does not include:

- the application money paid by the Grower to the Responsible Entity which covers the establishment fee, upfront annual fee and upfront rent;
- the lease and management fees paid by the Grower to the Responsible Entity under the Lease and Management Agreement;
- the trees growing on each Grower's lot;
- the harvest produce; and
- the harvest proceeds received by the Responsible Entity on sale of the harvest produce held in trust for the non-electing Growers.

The Scheme has adopted all new and amended Accounting Standards and Interpretations effective as of 1 July 2022. The adoption of these new and amended Accounting Standards and Interpretations had no material impact on the financial position or performance of the Project.

a) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the Scheme operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

b) Significant Accounting Judgements

The Directors of the Responsible Entity (the "Directors") have applied the following key judgements in preparing these financial statements.

Establishment fees paid by Growers

The Directors believe that establishment fees paid by Growers to the Responsible Entity do not represent a contribution to the Scheme and therefore do not constitute Scheme property. Rather, these fees are paid to the Responsible Entity by Growers in discharge of each Grower's individual obligation to pay for establishment services relating to their particular leased area, not the plantation as a whole. Accordingly, establishment fees are not recognised in these financial statements.

Transactions arising from the Lease and Management Agreement

Under the Lease and Management Agreement with the Responsible Entity and QLPL, the Grower sub-leases their Sandalwood lot(s) from QLPL and appoints the Responsible Entity to plant, manage and harvest the trees on the lot (not applicable where the Grower is an electing Grower), as well as sell the Grower's share of the harvest of the plantation in consideration of the Grower agreeing to pay establishment fees, annual lease and management fees, a harvest fee and a sales and marketing fee (not applicable where the grower is an electing grower).

Transactions arising from the Lease and Management Agreement and other associated charges made between the grower and the Responsible Entity have been excluded from the scope of transactions recognised in the Project's financial statements. The Directors believe the annual payments made by the growers to the Responsible Entity do not become Scheme property. Rather, they are paid to the Responsible Entity by Growers as rent and fees in discharge of a Grower's individual obligation to pay such amounts.

Sandalwood trees and harvest produce

The Sandalwood trees established from the establishment services grow on the individual Grower's leased area. A Grower has full right, title and interest in either the Grower's proportional share of harvested trees (if an electing Grower) or the Grower's proportional share of harvest proceeds from the sale of the harvested trees (if a non-electing Grower). While there is an element of pooling to arrive at the harvested trees, the Grower retains full right, title and interest in the harvested trees. The Scheme (representing the Growers as a whole) does not have legal title or a beneficial interest in the trees grown on the plantation lots. The Scheme operates in such a way that each Grower carries on their own forestry business on their leased Sandalwood lot. All economic benefits in the trees are held by the individual Grower and not by the Scheme as the reporting entity. Accordingly, the Directors also believe that the Sandalwood trees and harvest produce are the assets of the individual Grower rather than the Scheme and as such should not be recorded in the Scheme financial statements as biological assets or inventory respectively.

Additionally, as each Grower makes an annual funding decision under the Lease and Management Agreement to pay or defer their annual payment, the Directors also believe assignment of a fair value to biological assets as a whole is likely to result in a disconnect between the assigned value and the value of each individual Grower's interest in the trees, as the fair value of the biological assets would not reflect each individual Grower's funding decisions under the Lease and Management Agreement which could impact the individual Grower's returns upon harvest.

Cash and cash equivalents held in trust for the Growers

Under the Scheme and Lease and Management Agreement, the Responsible Entity is required to establish separate bank accounts which are maintained by an independent custodian for certain funds received including Application Money received from Growers and gross proceeds from the sale of harvested trees for electing Growers. These bank accounts are held in the name of the Responsible Entity and maintained by an independent custodian in trust for the Growers. The Directors do not believe the funds held by the Responsible Entity in trust for the Growers become Scheme property and therefore these bank accounts have not been recorded in the Scheme financial statements.

c) New and amended Accounting Standards and Interpretations issued but not yet effective

A number of new and amended Accounting Standards and interpretations are effective for annual periods beginning after 1 July 2023, and have not been applied in preparing these financial statements. It is not expected that these new and amended Accounting Standards and Interpretations will have a significant impact on the Scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. OPERATING SEGMENTS

Identification of reportable segments

The Responsible Entity has identified that the Scheme has one reportable segment which is consistent with the financial statements as a whole.

3. SUBSEQUENT EVENTS

The harvest of the remaining planted hectares at 30 June 2023 has occurred subsequent to year end and the marketing process for the unprocessed wood from non-electing Growers is expected to begin in October 2023. Following a successful tender process, any net proceeds of sale will be distributed to Growers and the Project, having achieved its purpose in accordance with the Scheme Constitution, will then be wound up.

Other than the possible impact of the harvest as disclosed above, no other matter or circumstance, not otherwise dealt with in the financial report, has significantly affected or may significantly affect the Project.

4. FINANCIAL INSTRUMENTS

The Scheme holds no financial instruments.

5. RELATED PARTY DISCLOSURE

a) **Responsible Entity**

The Responsible Entity of TFS Sandalwood Project 2006 is Sandalwood Properties Ltd, whose immediate parent company is Quintis (Australia) Pty Limited and ultimate holding company is Quintis Holdco Pty Limited.

b) **Fees paid or payable to the Responsible Entity**

The Responsible Entity did not charge any fees to the Scheme during the year ended 30 June 2023 (2022: nil).

The Responsible Entity provides Sandalwood plantation establishment and management services for TFS Sandalwood Project 2006 and carries out the custodial and administrative functions. There were no transactions during the year and amounts payable at 30 June 2023 between the Scheme and the Responsible Entity were nil (2022: nil).

c) **Holdings of Directors and Director Related Entities**

No lease interests (on the same terms and conditions as other growers) are held by Directors or parties related to Directors.

A total of 126 units are held by the Responsible Entity or subsidiaries of Quintis and are held on the same terms and conditions as other Growers. No amounts are outstanding at year end.

d) **Key management compensation**

No compensation has been paid by the Project directly, or its Responsible Entity to key management personnel of Quintis.

6. COMPLIANCE MATTERS

a) **Compliance Committee**

Mr David Renton was appointed as Compliance Officer on 16 June 2022.

b) **Remuneration of Directors and Compliance Committee**

In the current year, no fees were paid (2022: nil) to the Compliance Committee following the appointment of the Directors to the board of the Responsible Entity. \$10,909 was paid (2022: \$10,909) to the Directors for provision of their services during the year ended 30 June 2023.

7. AUDITOR REMUNERATION

Ernst & Young are the auditors of the Scheme and the Scheme's compliance plan. During the year the auditors received remuneration in relation to the Project of \$4,793 (2022: \$4,255).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2023 (2022: nil).

9. INCOME TAXES

Under current Australian legislation, the Scheme is not subject to income tax provided the growers are presently entitled to the income of the Scheme and the Scheme fully distributes its net taxable income.

10. PROJECT DETAILS

The registered office of the Project and principal place of business is Level 1, 87 Colin Street, West Perth WA 6005.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Sandalwood Properties Ltd, I state that:

In the opinion of the Directors:

- a) The financial statements and notes of TFS Sandalwood Project 2006 for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Scheme's financial position as at 30 June 2023 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
- b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
- c) Subject to the matters set out in Note 1, there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board
Sandalwood Properties Ltd



Kent Burwash - Chairman

Dated at Perth on 6 October 2023.



**Building a better
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Auditor's independence declaration to the directors of Sandalwood Properties Ltd, as the responsible entity for TFS Sandalwood Project 2006

As lead auditor for the audit of the financial report of TFS Sandalwood Project 2006 for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst and Young'.

Ernst & Young

A handwritten signature in black ink that reads 'L L Chirathamjaree'.

L L Chirathamjaree
Partner
6 October 2023