



T.F.S. SANDALWOOD PROJECT 2014

A.R.S.N: 167 882 493

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

In 2017 TFS Corporation was re-named to Quintis Limited. Existing TFS Sandalwood projects up until 2016 will continue to be named 'TFS Sandalwood Project'. New Sandalwood projects from 2017 onwards will be named 'Quintis Sandalwood Album Project'.

As part of the name change to Quintis Limited, TFS Properties Ltd was re-named to Sandalwood Properties Ltd. Sandalwood Properties Ltd remains the responsible entity for all TFS Sandalwood Projects and future Quintis Sandalwood Album Projects.



**WE ARE THE WORLD'S ONLY TRUSTED GUARDIAN OF THIS
PRECIOUS SUPER-INGREDIENT, SANDALWOOD ALBUM.**



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A.R.S.N: 167 882 493

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016



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7 RESPONSIBLE ENTITY'S REPORT

The Directors of T.F.S. Properties Ltd ("Company") (ACN 093 330 977) as responsible entity for T.F.S. Sandalwood Project 2014 ("the project"), submit their report for the year ended 30 June 2016.

Directors

The names of the Directors of T.F.S. Properties Ltd during the year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Greg Gaunt (Chairman) (Appointed 16 December 2015 to the Board and as Chairman 17 December 2015)

Mr Dalton Gooding (Resigned as Chairman 17 December 2015)

Mr John Groppoli

Mr Rob Scott (Appointed 16 December 2015)

Mr Ross Kestel (Appointed 16 December 2015)

Mr Frank Wilson (Resigned 16 December 2015)

Mr Julius Matthys (Resigned 16 December 2015)

Ms Gillian Franklin (Resigned 16 December 2015)

Mr Michael Kay (Resigned 16 December 2015)

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 project represents the growers' interests in the Sandalwood lots issued under the project held by growers in the project and managed by the responsible entity as a single commercial plantation for the benefit of the growers.

Change of State of Affairs

There was no significant change in the state of affairs of the project during the year.

Results of Operations

The project made a profit for the year ended 30 June 2016 of \$2,357,624 (2015: \$2,350,069).

This is due to the gain in fair value less cost to sell of trees, attributable to a more favourable exchange rate and a fair value gain due to a shorter period to harvest.

During the current year the responsible entity completed a full inventory count and analysis of the project and has applied the results in this financial report. These included:

-) Tree survival rate is currently 86.6%. This is the actual survival rate, compared to 85% which is the rate applied to trees until the first wet season is completed in line with T.F.S.'s policy; and
-) No change in the expected heartwood yield per tree since the previous year, at a weighted average of 15.7kg per tree (at 25% moisture content).

All of the project lots were planted in the dry season of 2015.

The valuation methodology and assumptions used to value the project's biological assets are set out in detail in Note 2. The valuation methodology employed by the project is unchanged from 30 June 2015.

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.

Project Property and Scope of Transactions

The scope of transactions recognised in the project financial statements only include that of the project property and do not include the Lease and Management agreement or specific alternative funding arrangements made between the grower and the responsible entity.

At 30 June 2016 there were 1,035 units (1/12th ha) held by external investors in the project. The responsible entity or its associates held 7 units in the project.

RESPONSIBLE ENTITY'S REPORT

The interests of the responsible entity or its associates have been reflected in these financial statements to ensure all interests, whether held by external investors or the responsible entity, in the project are treated in the same manner.

The net assets of the project at 30 June 2016 were \$11,087,493 (2015: \$8,729,869). These primarily consist of the fair value of the Sandalwood trees held by investors. Sandalwood trees are measured at the responsible entity's Directors' assessment of their fair value less cost to sell at each reporting date. The fair value less cost to sell is determined as being the net present value of the expected future cash flows (discounted at a risk adjusted rate).

Expert Forester's Report

The following is an extract from a report prepared for the 30 June 2016 period by our independent expert forester, Mr Ray Fremlin:

The TFS 2014 plantation is situated in North Queensland close to the small town of Dalbeg and approximately 85km south west of the town of Ayr. It comprises 3 stands: Woods 12, 12A and 13.

Each Stand was planted over 4 days in 2015 dry season with sandalwood and the hosts are *Sesbania formosa*, *Acacia trachycarpa*, *Cassia siamea*, *Dalbergia lanceolaria* and *Cathormion umbellatum*. The Stands are now one-year-old and are drip irrigated.

All three Stands have been very well established and the sandalwood is growing very vigorously. The hosts are healthy and vigorous.

Maintenance activities during the year concentrated on controlling weeds with ten visits to either hand weed or apply herbicides. Tree guards were used to protect the host trees from the elements. The *Sesbania formosa* was pruned to prevent them overtopping the sandalwood. *Sesbania formosa* are vigorous growers in North Queensland and require frequent pruning and hedging to prevent them overtopping the sandalwood.

Infilling was carried out in August 2015 and again in October 2015. Pruning of the sandalwood trees occurred in November 2015 to encourage the formation of single stems.

Roads and breaks were kept clean and trafficable throughout the year. Irrigation water was applied at regular intervals and aimed at providing 2 megalitres/ha every three weeks.

An inventory count undertaken by an independent third party in 2016 showed a sandalwood survival rate of 86.6%. This is above the target survival rate for tree of this age.

In summary, the TFS 2014 project is well managed and all three stands are exceptionally healthy.

Environmental Management

The project's operations are subject to significant environmental regulations under the laws of the Commonwealth and State.

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 Company 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 Director of the Company. 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.

RESPONSIBLE ENTITY'S REPORT

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

Since 30 June 2016, there has not been any matter or circumstance not otherwise dealt with in the financial report that 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 2016 has been received and can be found on page 24 of the report.

For and on behalf of the Directors of T.F.S. Properties Ltd:



Greg Gaunt – Chairman

Dated at Perth this 27th day of September 2016

Independent auditor's report to the growers of TFS Sandalwood Project 2014

Report on the financial report

We have audited the accompanying financial report of TFS Sandalwood Project 2014 ("the registered scheme"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in growers' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the directors of TFS Properties Ltd, the Responsible Entity of the Registered Scheme.

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 1(a), the directors also state, in accordance with Account 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 judgment, 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 responsible 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 responsible 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 financial report of the registered scheme.

Opinion

In our opinion:

- a. the financial report of TFS Sandalwood Project 2014 is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the registered scheme's financial position as at 30 June 2016 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 1.

Ernst & Young

Ernst & Young



D S Lewsen
Partner
Perth
27 September 2016

T.F.S. SANDALWOOD PROJECT 2014
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2016

| | Note | 30 June 2016 \$ | 30 June 2015 \$ |
|---|------|--------------------|--------------------|
| Other income | | | |
| Fair value gain of biological assets | 2 | <u>2,357,624</u> | <u>2,350,069</u> |
| Expenses | | | |
| Other expenses | | <u>-</u> | <u>-</u> |
| Operating profit | | 2,357,624 | 2,350,069 |
| Income tax | | <u>-</u> | <u>-</u> |
| Net profit for the year | | <u>2,357,624</u> | <u>2,350,069</u> |
| Other comprehensive income | | | |
| Other comprehensive income for the year | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>2,357,624</u> | <u>2,350,069</u> |

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

T.F.S. SANDALWOOD PROJECT 2014
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Note | 30 June 2016 \$ | 30 June 2015 \$ |
|------------------------------|------|--------------------|--------------------|
| Current Assets | | | |
| Cash and cash equivalents | 8 | <u>828</u> | <u>854,801</u> |
| Non Current Assets | | | |
| Biological assets | 2 | <u>11,087,493</u> | <u>8,729,869</u> |
| Total Assets | | <u>11,088,321</u> | <u>9,584,670</u> |
| Current Liabilities | | | |
| Trade and Other Payables | | <u>828</u> | <u>854,801</u> |
| Total Liabilities | | <u>828</u> | <u>854,801</u> |
| Net Assets | | <u>11,087,493</u> | <u>8,729,869</u> |
| Growers' Funds | | | |
| Contributions from growers | 3 | 6,379,800 | 6,379,800 |
| Undistributed income reserve | 4 | <u>4,707,693</u> | <u>2,350,069</u> |
| Total Growers' Funds | | <u>11,087,493</u> | <u>8,729,869</u> |

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

T.F.S. SANDALWOOD PROJECT 2014
STATEMENT OF CHANGES IN GROWERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2016

| | Contributions From Growers \$ | Undistributed Income Reserve \$ | Total \$ |
|---|--|--|-------------|
| Balance at 1 July 2015 | 6,379,800 | 2,350,069 | 8,729,869 |
| Total comprehensive income for the year | - | 2,357,624 | 2,357,624 |
| Balance at 30 June 2016 | 6,379,800 | 4,707,693 | 11,087,493 |
| Balance at 1 July 2014 | 6,379,800 | - | 6,379,800 |
| Total comprehensive income for the year | - | 2,350,069 | 2,350,069 |
| Balance at 30 June 2015 | 6,379,800 | 2,350,069 | 8,729,869 |

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

T.F.S. SANDALWOOD PROJECT 2014
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

| | Note | 30 June 2016 \$ | 30 June 2015 \$ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipt from growers | | - | - |
| Payments to suppliers | | (54,160) | (1,666,481) |
| | | <u>(54,160)</u> | <u>(1,666,481)</u> |
| Cash flows from investing activities | | | |
| Payment for establishment of plantations | | (799,813) | (5,598,688) |
| | | <u>(799,813)</u> | <u>(5,598,688)</u> |
| Net movement in cash held | | (853,973) | (7,265,169) |
| Cash at the beginning of the year | | 854,801 | 8,119,970 |
| Cash at the end of the year | 8 | <u>828</u> | <u>854,801</u> |

All cash transactions during the year were processed and managed by T.F.S. Properties Ltd ("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 note

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the T.F.S. Sandalwood Project 2014 ('the project'). The project is a Managed Investment Scheme registered in Australia. The project represents the growers' interests in the Sandalwood lots in the project plantation which is 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 its associates. Accordingly, the financial statements include the interests of all 1,042 Sandalwood units.

Under the scheme, growers enter into a lease and management agreement with the responsible entity and T.F.S. Leasing Pty Ltd (a related entity of the responsible entity). Under the lease and management agreement, the grower sub-leases their Sandalwood lot(s) from T.F.S. Leasing Pty Ltd and appoints the responsible entity to plant the trees on the lot, manage the trees on the lot, harvest the trees on the lot, sell the grower's share of the harvest from the plantation (not applicable where the grower is an electing grower as defined below) in consideration of the grower agreeing to pay an establishment fee, 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 collect their share of the plantation harvest in which case they are an electing grower.

Each grower has an interest in the harvest from the plantation based on the proportion by which the number of Sandalwood lots sub-leased by the grower related to the total number of Sandalwood lots sub-leased by all growers. Electing growers have the right to collect and dispose of their share of the harvest. A non-electing grower's share of the harvest is pooled with other non-electing grower's shares and is sold for the non-electing growers by a related entity of the responsible entity and the grower is entitled to a share of the net proceeds from the sale.

The scope of transactions recognised in the project financial statements only include that of the project property and do not include the Lease and Management Agreement or specific alternative funding arrangements made between the grower and the responsible entity.

The financial report was authorised for issue on 27 September 2016 by the Board of Directors.

Basis of Preparation

This general purpose financial report for the year ended 30 June 2016 has 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, except for the project's sandalwood tree plantations (which are biological assets) which have been measured at fair value less cost to sell.

The financial statements are prepared in Australian Dollars with all values rounded to the nearest dollar except where otherwise indicated.

The project's financial statements have been prepared on the basis of accounting policies consistent with those applied in the financial statements for the year ended 30 June 2015, except for the implementation of the following amendments which were applied for the first time in 2016 with no material impact on the financial position or financial performance of the project.

| Reference | Title | Application date of standard | Application date for Project |
|-------------|--|------------------------------|------------------------------|
| AASB 2015-3 | Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards. | 1 July 2015 | 1 July 2015 |

(a) Biological assets

Sandalwood trees are measured at the responsible entity's Directors' assessment of their fair value less cost to sell at each reporting date. The fair value less cost to sell is determined as the net present value of the expected future cash flows at harvest (discounted at a risk adjusted rate).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Net increments or decrements in the fair value less cost to sell of the Sandalwood trees are recognised as income or expenses in profit or loss, determined as the difference between the total fair values less cost to sell of the trees recognised as at the beginning of the year, and the total fair values less cost to sell of the trees recognised as at the reporting date.

Key assumptions used to value the trees are set out in Note 2.

Plantations which are expected to be harvested, processed and monetised within 12 months are classified as current assets. All other biological assets are classified as non-current assets

(b) Significant accounting judgements, estimates and assumptions

The Directors of the responsible entity make estimates and judgements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the project.

Key Estimate and Judgement – Biological Asset valuation

As referred to in Note 1(a), as required under Australian Accounting Standards the Directors of the responsible entity have made an estimate as to the fair value less cost to sell of the standing Sandalwood trees held by the project from the time it is planted through to harvest. The carrying value of the Sandalwood trees at the reporting date is shown in Note 2. The fair value less cost to sell is calculated as the net present value of expected future cash flows. The biological asset valuation is sensitive to estimates used in calculating the expected future cash flows which include key assumptions on yields of heartwood, oil content, survival rates and the number of trees, as well as assumptions as to the future price of Sandalwood oil and the USD exchange rate.

Predicting the future heartwood yield requires significant judgement and estimation over the expected pattern of growth and survival rate of the sandalwood trees. T.F.S. has formulated statistical yield curves using a combination of historical data and scientific research conducted by the State Government in the Ord River region. Trees are assigned to a standard yield curve until they reach five years of age, at which time they are re-assigned to a yield curve based on a key measurement which research has shown to be highly correlated to heartwood content. Thereafter, the survival rate and growth of trees is tracked against their assigned yield curves using measurement data collected during a statistically based annual inventory sample count undertaken by independent experts. Growth and survival rates are affected by a number of factors including soil type, weather conditions, host management and irrigation. Significant judgement is required in determining adjustments to assigned yield curves as a result of the annual inventory count.

The responsible entity also includes assumptions on the expected future harvesting and processing (oil extraction) costs. All estimates are based on the best information currently available maximising the input of market observable data.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the biological asset valuation, which in turn could impact future financial results.

Key Judgement – Classification of growers' funds

The Growers' interest in the scheme is classified as equity because in accordance with the Scheme's Constitution, the distributable income of the Scheme is fully distributed on a pro rata basis to growers only at the maturity of the project plantation when the harvest of the Sandalwood lots occur and the Scheme is liquidated. Apart from the contractual obligation for the Scheme to sell the harvested trees and distribute the proceeds, the Scheme does not have any contractual obligation to deliver cash or another financial asset to the growers or to exchange financial assets or financial liabilities with the growers under conditions that are potentially unfavourable to the Scheme.

Key Judgement – Transactions arising from the Lease and Management Agreement

Under the scheme, growers enter into a lease and management agreement with the responsible entity and T.F.S. Leasing Pty Ltd (a related entity of the responsible entity). Under the lease and management agreement, the grower sub-leases their Sandalwood lot(s) from T.F.S. Leasing Pty Ltd and appoints the responsible entity to plant the trees on the lot, manage the trees on the lot, harvest the trees on the lot (not applicable where the grower is an electing grower as defined below), sell the grower's share of the harvest from 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 financial statements. The Directors do not believe the annual payments made by the growers to the responsible entity become project property. Rather they are paid to and received by the responsible entity as rent and fees in discharge of a grower's individual obligation to pay such amounts and are not pooled with other amounts receivable from the growers.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Income tax

Under current legislation, the project is not subject to income tax provided the Growers are presently entitled to the income of the project.

Unrealised gains and losses on investments which are regarded as income, are transferred to Growers' funds and are not distributable and assessable until realised. When income is realised, tax will be paid by the growers at the marginal rates of tax that exist under the relevant tax legislation at the date of realisation.

(d) Fair value measurement

A number of the project's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The responsible entity has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The responsible entity regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as valuation reports is used to measure fair values, then the responsible entity assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASB 13 Fair Value Measurement, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Directors of the responsible entity.

When measuring the fair value of an asset or a liability, the responsible entity uses market observable data as far as possible. Fair values of assets or liabilities are categorised into different levels in the fair value hierarchy based on the lowest input used in the valuation techniques as follows:

- J Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- J Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- J Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The project recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The responsible entity assessed that cash, trade receivables, other current financial assets, trade payables and other current liabilities carrying amounts approximate their fair values largely due to the short-term maturities of these instruments.

Further information about the assumptions made in measuring the fair values of biological assets is included in Note 2: Biological Assets.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash on hand.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Financial assets - Initial recognition and subsequent measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities - Initial recognition and subsequent measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate. All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

(g) Contributions from growers

Growers are equity participants and are issued grower lots which confer upon the Grower an equal interest in the Scheme and are of equal value. Grower contributions are accounted for as equity contributions. Each grower lot also entitles to Grower to one vote at meetings of Growers. The rights, obligations and restrictions attached to each grower lot are identical in all respects.

(h) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the responsible entity.

Payables to related parties are carried at amortised cost. Interest is recognised as an expense using the effective interest method. Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) New accounting standards for application in future periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the project are set out below. The project does not plan to adopt these standards early. The project is still assessing the impact of AASB 9 and AASB 15 and their impact has yet to be determined.

| Reference | Title | Summary | Application date of standard | Application date for Schemes |
|-----------|-----------------------|---|------------------------------|------------------------------|
| AASB 9 | Financial Instruments | <p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timelier basis.</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> The change attributable to changes in credit risk are presented in other comprehensive income The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was</p> | 1 January 2018 | 1 July 2018 |

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

| Reference | Title | Summary | Application date of standard | Application date for Schemes |
|-----------|---------------------------------------|---|------------------------------|------------------------------|
| | | <p>caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p> | | |
| AASB 15 | Revenue from Contracts with Customers | <p>AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ol style="list-style-type: none"> Step 1: Identify the contract(s) with a customer Step 2: Identify the performance obligations in the contract Step 3: Determine the transaction price Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15</p> | 1 January 2018 | 1 July 2018 |

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

| Reference | Title | Summary | Application date of standard | Application date for Schemes |
|-------------|--|--|------------------------------|------------------------------|
| AASB 2015-1 | Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle | <p>The subjects of the principal amendments to the Standards are set out below:</p> <p>AASB 5 Non-current Assets Held for Sale and Discontinued Operations:</p> <ul style="list-style-type: none"> Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. <p>AASB 7 Financial Instruments: Disclosures:</p> <p>Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.</p> <ul style="list-style-type: none"> Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. <p>AASB 119 Employee Benefits:</p> <p>Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.</p> <p>AASB 134 Interim Financial Reporting:</p> <p>Disclosure of information ‘elsewhere in the interim financial – report’ amends AASB 134 to clarify the meaning of disclosure of information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.</p> | 1 January 2016 | 1 July 2016 |
| AASB 2015-2 | Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 | The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB’s Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. | 1 January 2016 | 1 July 2016 |
| AASB 2016-2 | Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 | This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. | 1 January 2017 | 1 July 2017 |

2. BIOLOGICAL ASSETS

| | 30 June 2016 \$ | 30 June 2015 \$ |
|--|--------------------|--------------------|
| Biological Assets | | |
| Opening balance | 8,729,869 | - |
| Initial planting of project lots | - | 6,379,800 |
| Fair value gain | 2,357,624 | 2,350,069 |
| Closing balance | <u>11,087,493</u> | <u>8,729,869</u> |
| (a) Physical quantity of Sandalwood trees planted and owned | | |
| Number of Sandalwood trees | <u>37,968</u> | <u>37,259</u> |
| Total number of Sandalwood lots held by Growers in project (units) | <u>1,042</u> | <u>1,042</u> |

The area under lease to Growers within the project is 86.8 hectares.

(i) Fair Value Hierarchy

The fair value measurements for biological assets of \$11,087,493 (2015: \$8,729,869) have been categorised as Level in the fair value hierarchy. The fair value less costs to sell of the Indian Sandalwood trees has been determined in accordance with the responsible entity's directors' valuation

The project recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(b) Nature of asset

Investors in the T.F.S. Sandalwood Project 2014 who are referred to as growers subscribed for Sandalwood lots of one-twelfth of a hectare each upon which Sandalwood trees have been established.

The Sandalwood plantation is situated on Woods Plantation in Queensland.

The land upon which the Sandalwood plantation is located is owned or leased by an associate of the responsible entity. Growers lease the land from the responsible entity for the duration of the project. The project will continue in operation until the date on which the last of the Growers has been advised that the produce of the Sandalwood crop from each leased area which is leased by the Grower has been harvested and that the relevant Lease and Management Agreement has been terminated but in any event, not later than 30 June 2031.

The fair value less cost to sell of the Sandalwood trees has been determined by the responsible entity's Directors' valuation in accordance with the Australian Accounting Standards.

The fair value measurements for biological assets in this financial report applies a valuation method that matches that used by T.F.S. Corporation Ltd in its audited 30 June 2016 annual report.

The valuation does not take into consideration the terms of the Lease and Management Agreement growers have entered into with the responsible entity nor funding arrangements which may exist between the grower and the responsible entity.

The Sandalwood trees are subject to normal agriculture risks associated with forestry operations such as fire, pests and adverse weather conditions.

(c) Valuation technique

Discounted Cash Flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific cost estimates until harvest. The expected net cash flows are discounted using a risk-adjusted discount rate.

2. BIOLOGICAL ASSETS

Significant Observable Inputs

(i) US Dollar exchange rate used is constant through the valuation model at 1.347 AUD being the spot exchange rate at balance date (2015: 1.297 AUD).

Significant Unobservable Inputs

(i) The trees will be harvested within 14 years of being planted.

(ii) Forecast of heartwood production at weighted average of 15.7kg (2015: 15.7kg) per Sandalwood tree at a 25% moisture content.

(iii) Projected oil content from the heartwood of 3.7% (2015: 3.7%) from forecast heartwood at a moisture content of 25%.

(iv) The price of Sandalwood oil is determined with due consideration to market transactions and industry projections, arriving at an estimate of \$2,800 USD/kg (June 2015: \$2,800 USD/kg) and not inflated.

(v) The costs consist of growing, harvesting, processing and marketing and sales cost, including:

-) Harvesting and processing (oil extraction) costs, estimated at \$16,000 (2015: \$16,000) per hectare and \$207 (2015: \$207) per litre of oil;
-) Marketing and sales costs, estimated at 5% (2015: 5%) of proceeds; and
-) Harvesting and processing (oil extraction cost) are held constant in real terms with an annual inflation rate of 3.0% (2015: 3.0%).

(vi) The pre-tax average real rate at which the net cash flows have been discounted range between:

-) 14% (June 2015: 14%) for trees aged 0 to 5 years;
-) 13% (June 2015: 13%) for trees aged 6 to 10 years; and
-) 12% (June 2015: 12%) for trees aged 11 years and older.

(vii) Cash flows exclude income taxes.

The fair value measurement of biological assets is sensitive to changes in the unobservable inputs which may result in a significantly higher or lower fair value measurement.

-) An increase in heartwood production, oil content, Sandalwood oil price would result in a higher fair value measurement
-) A decrease in heartwood production, oil content, Sandalwood oil price would result in a lower fair value measurement
-) An increase in harvesting, processing, marketing or plantation maintenance costs would result in a lower fair value measurement
-) A decrease in harvesting, processing, marketing or plantation maintenance costs would result in a higher fair value measurement
-) A deferral in harvest year may result in higher heartwood production as a more mature tree is harvested, which may result in a higher fair value measurement

Sensitivity Analysis

The following sensitivity analysis has been performed on the valuation of biological assets at balance date to illustrate the impact of changes in the foreign exchange rate, the heartwood yield, sandalwood oil prices and the discount rate on profit and equity. Variations to expected future cash flows, and timing thereof, could result in significant changes to the biological asset valuation, which in turn could impact future financial results.

(i) Foreign Currency Risk Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of a change in the Australian dollar to US Dollar exchange rate, with all other variables remaining constant, would be as follows:

| | 30 June 2016 \$ | 30 June 2015 \$ |
|-----------------------------------|--------------------|--------------------|
| Change in profit and equity | | |
| - improvement in AUD to USD by 5% | (504,000) | (596,000) |
| - decline in AUD to USD by 5% | 504,000 | 596,000 |

2. BIOLOGICAL ASSETS

(ii) Heartwood Yield Risk Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the heartwood yield risk, with all other variables remaining constant would be as follows:

| | 30 June 2016 \$ | 30 June 2015 \$ |
|--------------------------------------|--------------------|--------------------|
| Change in profit and equity | | |
| - increase in heartwood yield by 10% | 952,000 | 1,124,000 |
| - decrease in heartwood yield by 10% | (952,000) | (1,124,000) |

(iii) Price Risk Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

| | 30 June 2016 \$ | 30 June 2015 \$ |
|--|--------------------|--------------------|
| Change in profit and equity | | |
| - increase in Sandalwood oil price by \$100/kg | 360,000 | 426,000 |
| - decrease in Sandalwood oil price by \$100/kg | (360,000) | (426,000) |

(iv) Discount Rate Risk Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the discount rate risk, with all other variables remaining constant would be as follows:

| | 30 June 2016 \$ | 30 June 2015 \$ |
|-----------------------------------|--------------------|--------------------|
| Change in profit and equity | | |
| - increase in discount rate by 2% | (1,773,000) | (2,177,000) |
| - decrease in discount rate by 2% | 2,280,000 | 2,857,000 |

(d) Project risk

The project is exposed to the following risks relating to its Sandalwood plantations.

(i) Climate and other risks

The project's Sandalwood plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The project has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. Insurance is not paid by the responsible entity, however each year the responsible entity sources insurance on behalf of the growers, and the grower has the option to insure their lot(s) against certain natural disasters such as fire and wind damage. The insured value of the plantation under the project's existing insurance policy is less than the fair value of these plantations, but greater than the cost of re-establishing the plantation.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

(iii) Agricultural Risk

The project is exposed to agricultural risks in relation to the establishment and maintenance of its Sandalwood plantations. These risks are managed by ensuring appropriate qualified staff (including foresters and agronomists etc.) are employed to undertake and monitor the agricultural activities. Those activities are underpinned by manuals that have been developed to mitigate many of the risks attributable to the plantations.

2. BIOLOGICAL ASSETS

(e) Encumbrances on biological assets

Trees may be encumbered depending on growers' specific funding arrangements. The trees of growers with loans through Arwon Finance (related entity) or other external third parties are encumbered as the trees act as security over un-matured loans. Trees held directly through the responsible entity or its associates are encumbered to the extent of the terms of T.F.S. Corporation Ltd's debt facilities (11% Senior Secured Note).

3. CONTRIBUTIONS FROM GROWERS

| | 30 June 2016 | 30 June 2015 |
|-----------------|--------------|--------------|
| | \$ | \$ |
| Opening balance | 6,379,800 | 6,379,800 |
| Closing balance | 6,379,800 | 6,379,800 |

4. UNDISTRIBUTED INCOME RESERVE

| | 30 June 2016 | 30 June 2015 |
|---|--------------|--------------|
| | \$ | \$ |
| Opening balance | 2,350,069 | - |
| Total comprehensive income for the period | 2,357,624 | 2,350,069 |
| Closing balance | 4,707,693 | 2,350,069 |

5. OPERATING SEGMENTS

Identification of reportable segments

The responsible entity has identified one reportable segment for the project, being the financial investment industry, based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

6. SUBSEQUENT EVENTS

Since 30 June 2016, there has not been any matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the project.

7. FINANCIAL INSTRUMENTS

The project's financial instruments consists of cash and payables. The totals for each category of financial instruments are measured in accordance with AASB 139: Financial Instruments: Recognition and measurement.

At the balance sheet date the financial asset (cash) was exposed to Australian variable interest rates. A 1% increase or decrease in interest rate will lead to a corresponding increase or decrease of \$8 (2015: \$8,548) to profit and equity.

Financial liabilities (payable) are interest free and will mature within 1 year.

The carrying amount approximate fair values for cash and payables.

8. CASH AND CASH EQUIVALENTS

| | 30 June 2016 | 30 June 2015 |
|--|--------------|--------------|
| | \$ | \$ |
| Cash and cash equivalents ⁽ⁱ⁾ | 828 | 854,801 |

⁽ⁱ⁾ Cash is held in escrow in accordance with the Product Disclosure Statement and is due for release to the responsible entity by the end of the current financial year.

9. RELATED PARTY DISCLOSURE

(a) Responsible entity

The responsible entity of the T.F.S. Sandalwood Project 2014 is T.F.S. Properties Ltd, whose immediate and ultimate holding company is T.F.S. Corporation Ltd.

9. RELATED PARTY DISCLOSURE

(b) Directors and key management

The Directors and key management of the responsible entity during the period were:

Mr Greg Gaunt (Chairman) (Appointed 16 December 2015 to the Board and as Chairman 17 December 2015)

Mr Dalton Gooding (Resigned as Chairman 17 December 2015)

Mr John Groppoli

Mr Rob Scott (Appointed 16 December 2015)

Mr Ross Kestel (Appointed 16 December 2015)

Mr Frank Wilson (Resigned 16 December 2015)

Mr Julius Matthys (Resigned 16 December 2015)

Ms Gillian Franklin (Resigned 16 December 2015)

Mr Michael Kay (Resigned 16 December 2015)

(c) Fees paid or payable to the responsible entity

The responsible entity receives all establishment, lease and management fees which have been paid by the growers during the year. Refer to Note 1(b) for additional detail on transactions arising from the lease and management agreement.

The responsible entity provides Sandalwood plantation establishment and management services for T.F.S. Sandalwood Project 2014 and carries out the custodial and administrative functions.

Transactions between T.F.S. Sandalwood Project 2014 and T.F.S. Properties Ltd result from normal dealings with that company as the project's responsible entity and holder of a dealer's license.

(d) Holdings of Directors and Director related entities

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

A total of 7 units are held by the responsible entity or its associate on the same terms and conditions as other growers. No amounts are outstanding at year end.

(e) Key management compensation

No compensation has been paid by the project directly, or its responsible entity to key management personnel.

10. COMPLIANCE MATTERS

(a) Compliance Committee

The Compliance Committee during the period consisted of:

Julius Matthys (Chairman) – Director T.F.S. Properties Ltd

Robert Marusco – NKH Capital

John O'Brien – Optima Partners

The Compliance Officer during a portion of the year was Doug Verley of NKH Capital.

The Compliance Committee was dissolved during the year as a result of the appointment of independent Directors and an independent Chairman to the Board of the Responsible Entity. In addition, Neil Hackett was appointed as the new compliance officer.

(b) Remuneration of Compliance Committee

\$4,057 (2015: \$5,790) (GST exclusive) was paid to the external members of the Compliance Committee by the responsible entity for provision of their services during the period ended 30 June 2016.

11. AUDITOR'S REMUNERATION

Ernst & Young are the auditors of the project and the project's compliance plan. During the year the auditors received remuneration in relation to the project of \$7,623 (2015: \$6,663).

12. CONTINGENT LIABILITIES

There are no contingent liabilities during the year ended 30 June 2016.

13. PROJECT DETAILS

The registered office of the project and principal place of business is:

169 Broadway
Nedlands WA 6009

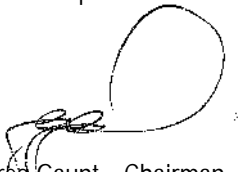
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of T.F.S. Properties Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of T.F.S. Sandalwood Project 2014 for the financial year ended 30 June 2016 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the registered scheme's financial position as at 30 June 2016 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulation 2001;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and.
- (c) There are reasonable grounds to believe that the registered scheme will be able to pay its debts as and when they become due and payable.

On behalf of the Board
T.F.S. Properties Ltd



Greg Gaunt – Chairman
Dated at Perth this 27th day of September 2016

Auditor's Independence Declaration to the Directors of TFS Properties Ltd, as the Responsible Entity for TFS Sandalwood Project 2014

As lead auditor for the audit of TFS Sandalwood Project 2014 for the financial year ended 30 June 2016, 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; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



D S Lewsen
Partner
27 September 2016