

# Agricultural Land Trust

**ARSN 096 588 046**



**Preliminary Final Report**

**30 June 2015**

**PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

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This report covers the consolidated entity consisting of Agricultural Land Trust and its controlled entities. The financial report is presented in Australian dollars (unless otherwise stated).

## TERMS AND ABBREVIATIONS

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

The terms "One Managed Investment Funds Limited" and "Responsible Entity" are used in this report to refer to One Managed Investment Funds Limited.

The terms "the year" and "2015" refer to the twelve months ended 30 June 2015 unless otherwise stated. Similarly, references to 2014 refer to the twelve months to 30 June of that year.

**AGRICULTURAL LAND TRUST**  
**Appendix 4E**  
**PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	% change	30 June 2015 \$'000	30 June 2014 \$'000
Total revenue	Down 99.8 %	<b>40</b>	24,664
Profit/(loss) from continuing operations before increment/(decrement) in fair value of investment properties	Down 105.4 %	<b>(1,203)</b>	22,227
Increment/(decrement) in fair value of investment properties	Up 119.2 %	<b>4,750</b>	(24,800)
Net profit/(loss) from continuing operations	Up 237.9 %	<b>3,547</b>	(2,573)
Net profit/(loss) attributable to unitholders	Up 221.1 %	<b>3,547</b>	(2,930)
<b>Distribution to unitholders paid or payable</b>			
Interim distribution paid (\$'000)		-	-
Final distribution payable (\$'000)		-	496
Interim distribution (Cents per unit)		-	-
Final distribution (Cents per unit)		-	0.528
Record date for final distribution		-	30 June 14
Payment date for final distribution		-	26 Sept 14
<b>Net Tangible Assets</b>			
Total net tangible assets attributable to unitholders (\$'000)		<b>9,700</b>	5,842
Units on Issue ('000)		<b>97,510</b>	94,034
Net tangible assets attributable to unitholders per unit		<b>\$0.10</b>	\$0.06

**AGRICULTURAL LAND TRUST**  
**Appendix 4E**  
**PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

**RESULTS COMMENTARY**

**Explanation of revenue**

Total revenue for the year ended 30 June 2015 is \$0.04 million, down 99.8% against the last corresponding period. This is the result of the absence of rental income, following the Trust's restructure in the last corresponding period.

**Explanation of net profit attributable to unitholders**

Net profit attributable to unitholders is \$3.5 million, up 221.1% over the last corresponding period. The increase in net profit attributable to unitholders was largely a result of the increment in the fair value of the Trust's investment property, Linkletters Place, as disclosed in note 7.

**Explanation of distributions**

As a result of the ongoing absence of rental income there will be no distribution for the year ended 30 June 2015.

**Audit of the financial report**

The following preliminary consolidated financial statements and associated notes are currently in the process of being audited. It is likely that the Annual Report will contain an emphasis of matter with respect to the independent audit opinion. Reference should be made to note 2 for further detail.

Dated at Sydney this 28th day of August 2015.

Signed in accordance with a resolution of the directors.



Justin Epstein  
Chairman  
One Managed Investment Funds Limited

**AGRICULTURAL LAND TRUST  
PRELIMINARY STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	Consolidated 2015 \$'000	Consolidated 2014 \$'000
<b>Continuing operations</b>			
Rent received		-	2,769
Lease compensation revenue		-	9,647
Debt forgiven		-	4,313
Other income		30	51
Interest income		9	65
Consideration for lease cancellation		-	7,870
Net increment in fair value of investment property	7	4,750	-
<b>Revenue</b>		<b>4,789</b>	24,715
Finance costs	3	(958)	(1,464)
Responsible entity fees		(46)	(183)
Other expenses		(238)	(841)
Net decrement in fair value of investment property	7	-	(24,800)
<b>Net income/(loss) from continuing operations</b>		<b>3,547</b>	(2,573)
<b>Discontinued operations</b>			
Net loss from discontinued operations	10	-	(357)
<b>Net income/(loss) for the year</b>		<b>3,547</b>	(2,930)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>3,547</b>	(2,930)
<b>Basic and diluted income/(loss) per unit (cents)</b>			
		<b>3.67</b>	(2.67)
<b>Basic and diluted income/(loss) per unit (cents) from continuing operations</b>			
		<b>3.67</b>	(2.34)
<b>Basic and diluted income/(loss) per unit (cents) from discontinued operations</b>			
		-	(0.33)

The accompanying notes form part of the financial statements

**AGRICULTURAL LAND TRUST  
PRELIMINARY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Notes	Consolidated	Consolidated
		2015 \$'000	2014 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	4	1,168	1,687
Trade and other receivables	5	7	3
Prepayments	6	899	922
<b>Total Current Assets</b>		<b>2,074</b>	<b>2,612</b>
<b>Non Current Assets</b>			
Prepayments	6	74	951
Investment property	7	17,650	12,900
<b>Total Non Current Assets</b>		<b>17,724</b>	<b>13,851</b>
<b>Total Assets</b>		<b>19,798</b>	<b>16,463</b>
<b>Current Liabilities</b>			
Trade and other payables	8	98	621
<b>Total Current Liabilities</b>		<b>98</b>	<b>621</b>
<b>Non Current Liabilities</b>			
Interest bearing loans and borrowings	9	10,000	10,000
<b>Total Non Current Liabilities</b>		<b>10,000</b>	<b>10,000</b>
<b>Total Liabilities</b>		<b>10,098</b>	<b>10,621</b>
<b>Net Assets Attributable to Unit Holders</b>		<b>9,700</b>	<b>5,842</b>
<b>Represented By</b>			
Units		55,299	54,988
Retained losses		(45,599)	(49,146)
<b>Total Unit Holders Interests</b>		<b>9,700</b>	<b>5,842</b>

The accompanying notes form part of the financial statements

**AGRICULTURAL LAND TRUST  
ANNUAL REPORT 2015  
PRELIMINARY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

	Profit / (loss)	Units	Net Assets Attributable to Unit Holders
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
<b>At 1 July 2013</b>	(45,720)	58,323	12,603
Net loss attributable to unit holders before distributions to unit holders	(2,930)		(2,930)
Units issued in Trust under DRP		2,233	2,233
Units issued in Trust under Rights issue		2,302	2,302
Units cancelled post completion		(7,870)	(7,870)
Distributions	(496)		(496)
<b>At 30 June 2014</b>	<u>(49,146)</u>	<u>54,988</u>	<u>5,842</u>
<b>At 1 July 2014</b>	<b>(49,146)</b>	<b>54,988</b>	<b>5,842</b>
Net income attributable to unit holders before distributions to unit holders	<b>3,547</b>		<b>3,547</b>
Units issued in Trust under DRP		<b>311</b>	<b>311</b>
Distributions	-		-
<b>At 30 June 2015</b>	<u><b>(45,599)</b></u>	<u><b>55,299</b></u>	<u><b>9,700</b></u>

The accompanying notes form part of the financial statements

**AGRICULTURAL LAND TRUST  
ANNUAL REPORT 2015  
PRELIMINARY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	Consolidated 2015 \$'000	Consolidated 2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rent received		-	4,532
Lease surrender compensation		-	9,647
Interest received		13	63
Other receipts		28	1
Interest and borrowing costs paid		(60)	(1,345)
GST refund/(paid) ATO		9	(288)
Other expenses paid		(324)	(1,756)
<b>Net Cash Flows from/(used in) Operating Activities</b>	4(a)	<b>(334)</b>	10,854
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of investment properties		-	5,275
<b>Net Cash Flows from/(used in) Investing Activities</b>		-	5,275
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distributions paid to unit holders		(185)	(619)
Rights issue		-	2,302
Repayment of subordinated loan		-	(5,007)
Repayment of syndicated loans		-	(10,861)
Prepaid syndicated bank loan interest		-	(1,806)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>(185)</b>	(15,991)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>(519)</b>	138
Cash and cash equivalents at beginning of period		1,687	1,549
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	4(b)	<b>1,168</b>	1,687

The accompanying notes form part of the financial statements



# **AGRICULTURAL LAND TRUST**

## **NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2015**

#### **1. TRUST INFORMATION**

Agricultural Land Trust is an Australian registered managed investment scheme. One Managed Investment Funds Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia.

The registered office and principal place of business of the Responsible Entity is located at Level 11, 20 Hunter Street, Sydney, New South Wales 2000.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of compliance**

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary financial report does not include all of the notes included with the annual financial report.

##### **Basis of preparation**

The financial report has been prepared in accordance with the Constitution of the Agricultural Land Trust and the Corporations Act 2001, including applicable Australian Accounting Standards and other mandatory professional reporting requirements. For the purposes of preparing the Financial Statements, Agricultural Land Trust is a for-profit entity.

The financial report has been prepared on a historical cost convention except for the investment property that has been measured at fair value based upon directors' valuation. Independent valuations are conducted annually, by the 31 December each year and are considered by the directors of the Responsible Entity when determining fair values.

The financial report has been prepared on the going concern basis, which contemplates the continuity of the normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in note 9, the syndicated banking facility will expire on 31 July 2016. While at the date of signing this financial report there is no arrangement in place to refinance the syndicate banking facility, the directors have no reason to believe that they will not be able to negotiate a new facility before 31 July 2016.

After taking into account all available information, the directors have concluded that there are reasonable grounds to believe:

- the Trust will be able to pay its debts as and when they become due and payable; and
- the basis of preparation of the general purpose financial report on a going concern basis is appropriate.

However, if a new banking facility is unable to be renegotiated; such an event would give rise to material uncertainty about the ability of the Trust to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern.

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 3. FINANCE COSTS

	<b>Consolidated 2015 \$ '000</b>	<b>Consolidated 2014 \$ '000</b>
Finance costs expensed		
- interest expense continuing operations	<b>770</b>	1,343
- other finance costs continuing operations	<b>188</b>	121
	<b>958</b>	1,464

#### 4. CASH AND CASH EQUIVALENTS

Cash at bank	19	278
Units in One Cash Management Fund	<b>1,149</b>	-
Short term deposits	-	1,409
	<b>1,168</b>	1,687

Units held in the One Cash Management Fund, a fund managed by a related party of OMIFL, are redeemable on a daily basis.

#### STATEMENT OF CASH FLOWS

##### (a) Reconciliation of net income/(loss )

	<b>Consolidated 2015 \$ '000</b>	<b>Consolidated 2014 \$ '000</b>
Net income/(loss)	<b>3,547</b>	(2,930)
Net (increment)/decrement in fair value adjustment	<b>(4,750)</b>	24,800
Units cancelled	-	(7,870)
Subordinated debt forgiven	-	(4,313)
(Increase)/decrease in receivables	<b>(4)</b>	1,481
Decrease/(increase) in prepayments	<b>900</b>	(17)
Decrease in payables	<b>(27)</b>	(297)
<b>Net operating cash flow</b>	<b>(334)</b>	10,854

##### (b) Reconciliation of cash

Cash at bank	19	278
One Cash Management Fund	<b>1,149</b>	-
Short term deposits	-	1,409
	<b>1,168</b>	1,687

#### 5. TRADE AND OTHER RECEIVABLES

Other receivables	<b>7</b>	3
	<b>7</b>	3

Terms and conditions relating to the above financial instruments:

'Other receivables' comprises distribution receivable from the One Cash Management Fund and eligible refunds on GST (2014: interest receivable on the term deposit that matured on 4 July 2014).

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 6. PREPAYMENTS

	Consolidated 2015 \$ '000	Consolidated 2014 \$ '000
Current Asset		
Prepaid banking syndicate interest	773	771
Other prepayments	126	151
	<u>899</u>	<u>922</u>
Non-Current Asset		
Prepaid banking syndicate interest	65	838
Other prepayments	9	113
	<u>74</u>	<u>951</u>

Prepayments mainly consists of interest on the syndicated bank loan prepaid from 28 March 2014 until 31 July 2016.

#### 7. INVESTMENT PROPERTY

##### (a) Property investment

Investment property at fair value	17,650	12,900
	<u>17,650</u>	<u>12,900</u>

##### (b) Reconciliation of level 3 investment property

	Carrying amount at start of year \$'000	Transfer from Properties classified as held for sale \$'000	Disposals \$'000	Increment/ (decrement) from fair value adjustments \$'000	Carrying amount at end of year \$'000
<b>2015</b>					
Rural Property	12,900	-	-	4,750	17,650
	<u>12,900</u>	<u>-</u>	<u>-</u>	<u>4,750</u>	<u>17,650</u>

	Carrying amount at start of year \$'000	Transfer from Properties classified as held for sale \$'000	Disposals \$'000	Increment/ (decrement) from fair value adjustments \$'000	Carrying amount at end of year \$'000
<b>2014</b>					
Rural Property	-	29,300	-	(16,400)	12,900
	<u>-</u>	<u>29,300</u>	<u>-</u>	<u>(16,400)</u>	<u>12,900</u>

Rental income from the investment property during the year was \$nil (2014: \$2,768,664). Direct operating expenses (including repairs and maintenance) for the investment property for the year was \$nil (2014: \$34,385).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties have been measured at fair value based on directors' valuations. Independent valuations are conducted at intervals of not more than three years and are considered by the directors of the Responsible Entity when determining fair values. Gains or losses arising from changes in the fair values is recognised in profit and loss in the year in which they arise.

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 7. INVESTMENT PROPERTY (CONT.)

Opteon Property Group valued Linkletters Place as at 31 December 2014 in accordance with AASB 13 and AASB 140. The directors, in consultation with Opteon, have determined that there has been no material movement in the market since and the valuation remains as the basis of the investment property's fair value. The directors have determined the fair value of the Trust's investment property to be \$17.65 million.

The Opteon Property Group valuation considers the following inputs in determining the fair value:

Level 2 inputs:

- Comparable land sales.

Level 3 inputs:

- Comparable evidence requiring adjustment; reliance was placed on transactions of other rural properties within the region to establish market parameters for land and structures; and
- Discount rates and depreciated replacement cost estimates used to calculate impairment arising from lease in place.

The most significant input is the rate per hectare of land based mostly on comparable land sales for plantation land and cleared and pastured land. Due to significant adjustments made to the rate per hectare based on the property's specific characteristics, the fair value measurement is categorised as Level 3 in the fair value hierarchy. These adjustments relate to differences in location, quality of structural improvements, soil types and productivity levels. Any change in the rate per hectare for comparable land sales would result in a movement in the fair value of the investment property.

There have been no transfers between the levels of the fair value hierarchy. The Trust has determined its policy to be to apply all transfers from the end of the reporting period.

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

The property is pledged as security to secure the syndicated bank loan (see note 9).

#### 8. TRADE AND OTHER PAYABLES

	<b>Consolidated 2015 \$ '000</b>	<b>Consolidated 2014 \$ '000</b>
Trade creditors	48	52
Distribution payable	-	496
Amounts payable to related parties:		
- associated entities	-	14
Other payables:		
- other accruals	50	59
	<b>98</b>	<b>621</b>

Terms and conditions relating to the above financial instruments:

Trade creditors are non-interest bearing and generally on 30-day terms.

**AGRICULTURAL LAND TRUST  
NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**9. INTEREST BEARING LOANS AND BORROWINGS**

	<b>Consolidated 2015 \$'000</b>	<b>Consolidated 2014 \$'000</b>
<b>NON CURRENT</b>		
Secured:		
- Term Loans*	<b>10,000</b>	10,000
	<b>10,000</b>	10,000
<b>Financing facilities</b>		
Total facilities used – Bills of Exchange	<b>10,000</b>	10,000
Total facilities unused – Bills of Exchange	-	-
Total facilities	<b>10,000</b>	10,000

\* As announced to the market on 31 March 2014, the maturity date of the syndicated banking facility was extended to 31 July 2016. As at 30 June 2015, the facility balance was \$10.0 million (2014: \$10.0 million). The fair value approximates the current value of \$10.0 million. The Linkletters property is pledged as security for the loan.

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 10. DISCONTINUED OPERATIONS

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

The operations of these syndicates are considered discontinued as their property assets have been sold and the entities are in the process of being wound up. During the year there were no transactions involving these entities.

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

<b>Year ended 30 June</b>	<b>Continuing 2015 \$'000</b>	<b>Discontinued 2015 \$'000</b>	<b>Consolidated 2015 \$'000</b>	<b>Continuing 2014 \$'000</b>	<b>Discontinued 2014 \$'000</b>	<b>Consolidated 2014 \$'000</b>
Rental income	-	-	-	2,769	-	2,769
Interest income	9	-	9	65	1	66
Unit cancellation	-	-	-	7,870	-	7,870
Lease surrender comp	-	-	-	9,647	-	9,647
Debt forgiven	-	-	-	4,313	-	4,313
Other income	30	-	30	51	-	51
Increase in investment	4,750	-	4,750	-	-	-
<b>Total revenue and other income</b>	<b>4,789</b>	-	<b>4,789</b>	24,715	1	24,716
Finance costs	(958)	-	(958)	(1,464)	-	(1,464)
Diminution in investment	-	-	-	(24,800)	-	(24,800)
Responsible entity fees	(46)	-	(46)	(183)	-	(183)
Other expenses	(238)	-	(238)	(841)	(358)	(1,199)
<b>Net income/(loss) before non controlling interests</b>	<b>3,547</b>	-	<b>3,547</b>	(2,573)	(357)	(2,930)
Net profit/(loss) attributable to non controlling interests	-	-	-	-	-	-
<b>Net loss attributable to unit holders of the Trust</b>	<b>3,547</b>	-	<b>3,547</b>	(2,573)	(357)	(2,930)
Distribution to unit holders	-	-	-	(496)	-	(496)
Rights issue	-	-	-	2,302	-	2,302
Units cancelled post completion	-	-	-	(7,870)	-	(7,870)
Distributions reinvested	311	-	311	2,233	-	2,233
<b>Changes in net assets attributable to unit holders of the Trust</b>	<b>3,858</b>	-	<b>3,858</b>	(6,404)	(357)	(6,761)

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 11. UNITS ON ISSUE

	<b>Consolidated 2015 Number '000</b>	<b>Consolidated 2014 Number '000</b>
Units on issue at beginning of the year	94,034	101,128
Units issued during the year		
- Rights issue	-	27,083
- Distribution reinvestment plan	3,476	26,360
Units cancelled during the year	-	(60,537)
<b>Units on issue as at the reporting date</b>	<b>97,510</b>	<b>94,034</b>

Rights and restrictions over ordinary units:

- Each unit ranks equally with all other ordinary units for purpose of distributions and on termination of the Trust; and
- Ordinary units entitle the holder to one vote, either in person or by proxy, at a meeting of the Trust.

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

The Trust has in place a Distribution Reinvestment Plan ("DRP") which assists the Responsible Entity with the management of its capital requirements. The DRP allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the directors at their absolute discretion. The value of distributions reinvested relating to the 2015 year was \$310,030 (2014: \$2,232,680) which resulted in the issue of 3,475,661 units (2014: 26,359,851 units).

	<b>Consolidated 2015</b>	<b>Consolidated 2014</b>
<b>12. EARNINGS PER UNIT</b>		
Earnings per unit from continuing operations attributable to ordinary unit holders		
Basic profit/(loss) per unit (cents)	3.67	(2.34)
Diluted profit/(loss) per unit (cents)	3.67	(2.34)
Earnings per unit from discontinued operations attributable to ordinary unit holders		
Basic profit/(loss) per unit (cents)	-	(0.33)
Diluted profit/(loss) per unit (cents)	-	(0.33)
Earnings per unit attributable to ordinary unit holders		
Basic profit/(loss) per unit (cents)	3.67	(2.67)
Diluted profit/(loss) per unit (cents)	3.67	(2.67)

Earnings per unit and diluted earnings per unit are calculated by dividing the net profit attributable to members of the Trust by the weighted average number of ordinary units on issue during the year. The weighted number of units in the calculation of earnings per unit is 96,672,068 (2014: 109,926,742).

# AGRICULTURAL LAND TRUST

## NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2015

#### 13. RELATED PARTY DISCLOSURES

##### (a) Responsible Entity

The Responsible Entity of Agricultural Land Trust at 30 June 2015 was One Managed Investment Funds Limited whose parent entity at 30 June 2015 was One Investment Group Pty Limited ("OIG").

Agricultural Land Management Limited retired from its position of responsible entity on 1 August 2014. The responsible entity of Agricultural Land Trust from 1 August 2014 is One Managed Investment Funds Limited.

The Responsible Entity fees for the year were \$40,997 to Agricultural Land Management Limited (2014: \$183,420) and \$4,869 to One Managed Investment Funds Limited (2014: \$nil).

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

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

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

- Depreciation, building allowances and other non-cash expenses;
- Interest, finance and other borrowing expenses;
- Leasing, legal and professional fees;
- Administration expenses, including auditing, accounting, Custodians' fees, outgoings and expenses and management fees;
- Costs of issuing any Disclosure Documents;
- Marketing and promotional expenses; and
- The fee is paid quarterly in arrears.

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

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

At 30 June 2015, an estimated balance of \$60,034 was payable to the Responsible Entity (2014: \$13,560).

##### (b) Related party transactions

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

Name	Equity interest held by consolidated entity	
	2015	2014
	%	%
Kalgoorlie Apartment Hotel Syndicate	100.00	100.00
Murray Street Mall Property Trust	100.00	100.00
ALT No 1 Trust	100.00	100.00

The above subsidiaries are domiciled in Australia and have balance dates of 30 June, consistent with the Trust.

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

##### Rental income

During the year controlled entities of the parent entity Agricultural Land Trust were entitled to rental income and reimbursement of outgoings of \$nil (2014: \$2,768,664) which was received or receivable in relation to leased properties.



# **AGRICULTURAL LAND TRUST**

## **NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2015**

#### **13. RELATED PARTY DISCLOSURES (CONT.)**

##### **(b) Related party transactions (cont.)**

###### **Contractual Arrangements**

The Trust remains in contractual arrangements for the remediation of the land with Mammoth Construction Pty Ltd, an entity associated with Mr Allen Caratti. These contractual arrangements cap the remediation fee at \$1,100,000. Mr Caratti is a substantial unitholder of the Trust holding units through his associated entities Westralia Properties Holdings Pty Ltd, Richtide Investments Pty Ltd and Indian Ocean Capital (WA) Pty Ltd.

##### **(c) Compensation of Key Management Personnel**

No amounts are paid by the Trust directly to directors and key management personnel of the Trust. Directors of the Responsible Entity receive remuneration in their capacity as directors of the Responsible Entity. Consequently, no compensation, as defined in AASB 124: Related Party Disclosures is paid by the Trust to its key management personnel. Each of One Managed Investment Funds Limited and Agricultural Land Management Limited, as responsible entity of the Trust during the period, is deemed for disclosure purposes to be a key management personnel of the Trust. Compensation is payable to the Trust's responsible entity in the form of fees disclosed in note 13.

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

Key management personnel do not directly hold any units in the Trust at year-end, nor have they held any units in the Trust during the reporting period. As at 30 June 2015, director Justin Epstein held an indirect interest of 223,891 (2014: 163,891) units in the Trust.

#### **14. CAPITAL COMMITMENTS**

As disclosed in note 13(b), there is \$1,100,000 (2014: \$nil) estimated capital expenditure contracted for at 30 June 2015 but not provided for.

#### **15. SEGMENT REPORTING**

The Trust operates wholly within Australia and will become a crop and grazing producing business after completion of remediation works on its sole investment property in Esperance, Western Australia.

#### **16. SUBSEQUENT EVENTS**

No other matter or circumstance has arisen since the end of the financial period, which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in the subsequent financial period.

#### **17. LITIGATION**

First Australian Farmland Pty Ltd has lodged claims against Agricultural Land Management Ltd as trustee for ALT No. 1 Trust for warranties made in sale agreements for properties in Western Australia and Victoria. The sale of these properties was settled on 28 March 2013.

The Trust had sought legal advice and subsequently declined the claims. It is not practical to estimate the potential effect of these claims but legal advice indicates that it is not probable that a significant liability will arise.