

# **RFM Poultry (RFP) Annual Report for the year ended 30 June 2014**

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**RFM Poultry ARSN 164 851 218  
Responsible Entity:  
Rural Funds Management Limited  
ACN 077 492 838 AFSL 226701**

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**Issued on: 26 September 2014**



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# Letter from the Chief Operating Officer

Dear Unitholder,

The following is a brief outline of the achievements of RFM Poultry (NSX: RFP) during the past period.

The Fund, on 19 December 2013, acquired the chicken growing business formerly operated by the RFM Chicken Income Fund (CIF). It was established to assist with the transformation to the Rural Funds Group (RFF) and to give the former CIF investors continued exposure to chicken growing activities.

The Fund listed on the National Stock Exchange on 17 March 2014 to provide Unitholders with a platform to sell their securities should they desire. Since listing, the registry has achieved a turnover of 8.2%.

During the period, the Fund carried out broiler chicken growing activities in accordance with chicken growing contracts held with Bartter Enterprises Pty Ltd, a wholly owned subsidiary of Baiada Poultry Pty Limited. These activities include the provision of labour, subcontractors, management and infrastructure. RFP lease its poultry assets from RFF.

RFP achieved an after tax result of \$489,677 or 7.21 cents for the period ended 30 June 2014, which is a period of six months and 13 days. The result is consistent with the PDS issued in October 2013 after adjusting for the different time period, which in the case of the PDS was nine months.

During the period, distributions were paid amounting to 9.93 cents. The Fund is a public trading trust and as such is subject to income tax. During this initial period no income tax instalments were paid and therefore the distributions were not franked.

The net asset value of the fund at 30 June 2014 was \$6,608,016 or \$0.97 per unit. The Fund does not hold any interest bearing liabilities.

A sale facility was offered in July 2014 to assist Unitholders to economically dispose of small parcels and to minimise RFP corporate costs. Two hundred and thirty four Unitholders with a combined balance of 87,328 units are participating.

Looking ahead to the year ending 30 June 2015, RFP is forecasting a profit after tax of \$764,484 or 11.25 cents. Again this is consistent with the PDS issued in October 2013. Forecast quarterly distributions are 2.51 cents plus franking of 1.07 cents. This represents an annual distribution of 14.32 cents franking inclusive.



**Stuart Waight**

Chief Operating Officer  
Rural Funds Management Limited

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# Corporate governance statement

## DEFINITIONS

<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange or ASX Limited
<b>Corporations Act</b>	Corporations Act 2001
<b>NSX</b>	National Stock Exchange of Australia

RFM Poultry (the Fund) is a registered managed investment scheme under the Corporations Act and listed on the NSX. Rural Funds Management Limited (the Responsible Entity) is the Responsible Entity for the Fund and has established and oversees the corporate governance of the Fund. The Responsible Entity holds an Australian Financial Services License authorising it to operate the Fund. It has a duty to act in the best interest of Unitholders of the Fund. The Fund has a compliance plan that has been lodged with ASIC. A copy of the compliance plan can be obtained from ASIC or by contacting the Responsible Entity. The Responsible Entity publishes a number of its corporate governance related policies on its website at:

<http://www.ruralfunds.com.au/info/corporate-governance/>

The Board takes its corporate governance responsibilities seriously. The Board is comprised of three directors and has a mix of the experience and skills necessary to oversee the corporate governance requirements of the Responsible Entity. This ensures the Responsible Entity operates with integrity, is accountable and acts in a professional and ethical manner. The board works together and their collective ability facilitates effective decision making to lead a viable, profitable and efficient business.

Although the Fund is not listed on the ASX, the Board has taken the view that the Fund should, to the extent possible, comply with the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Principles). To the extent that they are applicable and appropriate for the Fund, the Responsible Entity has adopted and complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition. In accordance with the ASX Listing Rule 4.10.3, set out below are the ASX Corporate Governance Council's eight principles of good corporate governance, and the extent to which there is compliance with the recommendations for each. The statement applies to the period from the Fund's admission to the official list of the NSX being 17 March 2014 to 30 June 2014 ("Statement Period").

There have been no material changes to the corporate governance policies and practices since 30 June 2014 to the time of printing this statement.

## PRINCIPLE 1

# Lay solid foundations for management and oversight

**A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.**


ASX RECOMMENDATION	FUND'S RESPONSE
<b>1.1</b>	<p>The business of the Fund is managed under the direction of the Board of the Responsible Entity comprising:</p> <ul style="list-style-type: none"><li>- Chairman: Guy Paynter (independent non-executive director)</li><li>- Managing Director: David Bryant</li><li>- Non-Executive Director: Michael Carroll (independent non-executive director)</li></ul> <p>The conduct of the Board is governed by the Constitution of the Fund and the Corporations Act. The broad functions and responsibilities of the Board are set out in sections 3.3 – 3.4 of the Corporate Governance Charter. The specific responsibilities are set out in section 3.5.</p> <p>The Board has delegated responsibility for the day to day management of the Fund to the Managing Director of the Responsible Entity. The delegations are outlined in the Corporate Governance Charter. The Managing Director, David Bryant is responsible for financial, continuous disclosure and compliance oversight, media and analyst briefings and responses to Member questions, and ensuring the Board is provided with information to make fully informed decisions.</p> <p>The Constitution of the Fund is available by contacting the Responsible Entity. The Corporate Governance Charter is available on the Responsible Entity's website.</p>
<b>1.2</b>	<p>As an externally managed scheme Recommendation 1.2 does not apply to the Fund.</p>

ASX RECOMMENDATION	FUND'S RESPONSE
1.3	<p>All Directors of the Responsible Entity receive letters of appointment setting out the key terms and conditions of their appointment.</p> <p>All executives of the Responsible Entity enter into an employment agreement setting out the key terms and conditions of their employment including a position description, duties, rights, responsibilities, remuneration and entitlements on termination.</p>
1.4	<p>The Company Secretary of the Responsible Entity is accountable to the Board, through the chair, on all matters to do with the proper functioning of the Board. As stated in the Corporate Governance Charter, the Company Secretary reports directly to the Managing Director.</p>
1.5	<p>The Responsible Entity has a diversity policy. The policy provides the framework by which the Responsible Entity actively manages and encourages diversity and inclusion. It recognises that its employees are one of its greatest assets and it has a range of employees with a depth of skills and capabilities that ensure the ongoing strength, continuity and stability of the Responsible Entity. A copy of the policy is available on the Responsible Entity's website.</p> <p>The Responsible Entity's senior executive team includes two female executives (out of a total of four executives). Of the 58 staff, 19 or 33% are female.</p>
1.6	<p>The performance of the Board, its Committees and individual directors is outlined in the Corporate Governance Charter.</p> <p>The performance of individual Board members are reviewed annually in accordance with the timelines outlined in the Responsible Entity's Performance Management Policy.</p>
1.7	<p>The performance of senior executives is reviewed annually in accordance with the timelines outlined in the Responsible Entity's Performance Management Policy. The annual process reviews each individual's past performance, their achievement of key performance indicators over the previous 12 months, sets key performance indicators for the coming 12 months, and identifies training and development opportunities. The formal process provides an opportunity for the senior executive and the Managing Director to solely focus on performance and development.</p>

## PRINCIPLE 2

# Structure the board to add value

**A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.**

ASX RECOMMENDATION	FUND'S RESPONSE												
2.1	As an externally managed scheme Recommendation 2.1 does not apply to the Fund. Additionally, due to the small size of the Responsible Entity's Board it is usual that all of the Board members are involved in the full spectrum of discussion and decisions on matters. As a result they bring the full complement of skills and experience available to address matters. If and when gaps are identified, external advice is sought from senior consultants such as specialist tax, legal or business advisers to address any skills gaps.												
2.2	As an externally managed scheme Recommendation 2.2 does not apply to the Fund.												
2.3	<p>The Responsible Entity Board comprises three members, two of whom are independent non-executive directors.</p> <table><tr><th>Director</th><th>Commencement</th><th>Independent</th></tr><tr><td>David Bryant</td><td>17 February 1997</td><td>No</td></tr><tr><td>Guy Paynter</td><td>15 April 2010</td><td>Yes</td></tr><tr><td>Michael Carroll</td><td>15 April 2010</td><td>Yes</td></tr></table> <div><p>The role of Chairman is held by independent director, <b>Guy Paynter</b>.</p><p>Guy Paynter is a former director of broking firm JB Were and brings to the Responsible Entity more than 30 years of experience in corporate finance. Guy is a former member of the ASX and a former associate of the Securities Institute of Australia (now known as the Financial Services Institute of Australasia). Today, Guy is chair of Aircruising Australia Limited.</p><p>Guy's agricultural interests include cattle breeding in the Upper Hunter region in New South Wales.</p><p>Guy holds a Bachelor of Laws from The University of Melbourne.</p></div>	Director	Commencement	Independent	David Bryant	17 February 1997	No	Guy Paynter	15 April 2010	Yes	Michael Carroll	15 April 2010	Yes
Director	Commencement	Independent											
David Bryant	17 February 1997	No											
Guy Paynter	15 April 2010	Yes											
Michael Carroll	15 April 2010	Yes											

ASX RECOMMENDATION	FUND'S RESPONSE
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**2.3**



The role of Managing Director is held by **David Bryant**. David Bryant holds 80.28% of shares on issue in the Responsible Entity.

David Bryant established the Responsible Entity in February 1997. Since then, David has led the organisation with a team that has acquired over \$300 million in agricultural assets across eight Australian agricultural regions. This has included

negotiating the acquisition of more than 25 properties and over 60,000 megalitres of water entitlements.

On a day-to-day level, David is responsible for leading the executive team, maintaining key commercial relationships and sourcing new business opportunities. David holds a Diploma of Financial Planning from the Royal Melbourne Institute of Technology (RMIT) University and a Master of Agribusiness from The University of Melbourne.



**Michael Carroll** is a non-executive director and is the Chair of the Audit Committee.

Michael Carroll serves a range of food and agricultural businesses in a board and advisory capacity. Michael is on the Boards of Queensland Sugar Limited, Tassal Group Ltd, Select Harvests Limited, Sunny Queen Pty Ltd, Rural Finance Corporation of Victoria, and the Gardiner Dairy Foundation. Former Board positions

include the Australian Farm Institute, Warrnambool Cheese & Butter and Meat & Livestock Australia.

Michael has senior executive experience in a range of companies, including establishing and leading the National Australia Bank (NAB) Agribusiness division.

Michael holds a Bachelor of Agricultural Science from La Trobe University and a Master of Business Administration (MBA) from The University of Melbourne's Melbourne Business School. Michael has completed the Advanced Management Program at Harvard Business School, Boston, and is a Fellow of the Australian Institute of Company Directors.

Further information on the composition of the Responsible Entity's Board, executive management and asset and business management profiles, and the skills, knowledge and experience of the individual members can be found on the Responsible Entity's website.

The independence of the non-executive directors has been ascertained in compliance with the Corporations Act and the ASX Listing Rules and there are no other factors which might reasonably be seen as undermining their independence. All directors must declare actual or potential conflicts of interest and excuse themselves from discussions on issues where an actual or potential conflict of interest arises. The directors' interests and any subsequent changes have been disclosed to the NSX. The Responsible Entity directors are subject to director rotation consistent with Responsible Entity's Constitution.

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<b>ASX RECOMMENDATION</b>	<b>FUND'S RESPONSE</b>
<b>2.4</b>	As an externally managed scheme Recommendation 2.4 does not apply to the Fund however as outlined in 2.3 the Responsible Entity's Board is comprised of a majority of independent directors.
<b>2.5</b>	As an externally managed scheme Recommendation 2.5 does not apply to the Fund however the role of Chairman of the Responsible Entity is held by independent non-executive director, Guy Paynter.
<b>2.6</b>	As an externally managed scheme Recommendation 2.6 does not apply to the Fund however any new directors would be provided with an induction relevant to the Responsible Entity and the Fund. Additionally, directors are provided with opportunities to develop and maintain their skills and knowledge through both formal and informal training and networking opportunities.

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## PRINCIPLE 3

# Act ethically and responsibly

**A listed entity should act ethically and responsibly.**

ASX RECOMMENDATION	FUND'S RESPONSE
<b>3.1</b>	<p>The Responsible Entity has adopted a Directors' Code of Conduct that sets out the minimum acceptable standards of behaviour. The code seeks to give the Directors guidance on how best to perform their duties, meet their obligations and understand the Company's corporate governance practices. The code focuses on the directors' obligations to comply with codes and law, their general duties, their application of business judgement, the application of independent and sound decision making, confidentiality, improper use of information, cooperation, personal interests and conflicts, conduct and complaints.</p> <p>In addition to the Directors' Code of Conduct, the Responsible Entity has a general Code of Conduct that is applicable to directors and all staff including executive managers. The Corporate Governance Charter (which includes the Directors' Code of Conduct) and the Code of Conduct is available on the Responsible Entity's website.</p> <p>Both codes are reviewed annually to ensure that they remain current and relevant.</p>

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## PRINCIPLE 4

# Safeguard integrity in corporate reporting

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**A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.**

ASX RECOMMENDATION	FUND'S RESPONSE
4.1	<p>The Board of directors of the Responsible Entity has established an Audit Committee. The purpose of the Audit Committee is to assist the Board in overseeing the integrity of financial reporting, financial controls and procedures in respect of the Fund as well as the independence of the Fund's external auditors.</p> <p>The Audit Committee comprises of two members, both of whom are non-executive independent directors. It is chaired by an independent director who is not the chair of the Board of the Responsible Entity. The relevant qualifications and experience of the members is available on the Responsible Entity's website.</p> <p>The Audit Committee will routinely invite other individuals to attend meetings including Executive Management members of the Responsible Entity and the Auditor of the Fund. The Audit Committee and invitees will review the financial reports and provide commentary to the Board as required.</p> <p>One meeting of the Audit Committee was held in relation to the accounts during the Statement Period. The Audit committee will ordinarily meet two times per year, or more regularly if required.</p> <p>The Audit Committee has a formal charter that details the roles and responsibilities of the Audit Committee and its obligations to report to the Board. The charter sets out the powers of the Audit Committee, the meeting procedure framework and the process for selection of external auditors and audit planning. The Audit Committee charter can be found in Schedule 1 of the Corporate Governance Charter on the Responsible Entity's website.</p>

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<b>ASX RECOMMENDATION</b>	<b>FUND'S RESPONSE</b>
<b>4.2</b>	The Board has received from the Managing Director and the CFO a declaration, that in their opinion, the financial records of the Fund have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
<b>4.3</b>	As an externally managed scheme Recommendation 4.3 does not apply to the Fund. The Fund has not held an Annual General Meeting during the Statement Period.

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## PRINCIPLE 5

# Make timely and balanced disclosure

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**A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**

ASX RECOMMENDATION	FUND'S RESPONSE
<b>5.1</b>	<p>The Responsible Entity has adopted a Continuous Disclosure Policy that applies to all directors and employees of the Responsible Entity. The policy is available on the Responsible Entity's website.</p> <p>The policy reflects the desire to promote a fair market in the Fund's units, honest management and full and fair disclosure. It complies with the disclosure requirements of the ASX and explains the Fund's disclosure obligations, explains the types of information that need to be disclosed, identifies who is responsible for disclosure and explains how employees of the Responsible Entity can contribute.</p> <p>The policy underlines the Board's commitment to ensuring that Unitholders are provided with accurate and timely information about the Fund's activities.</p>

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## PRINCIPLE 6

# Respect the rights of security holders

**A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.**

ASX RECOMMENDATION	FUND'S RESPONSE
6.1	<p>The Responsible Entity is a boutique fund and asset manager specialising in the rural property sector. The Responsible Entity was established in 1997 to provide retail investors with an opportunity to invest in Australian rural assets.</p> <p>The management team includes specialist fund managers, finance professionals, horticulturists, livestock managers, and agronomists. This team provides the Responsible Entity with the specialised skills and experience required to manage the agricultural assets.</p> <p>The Responsible Manager also utilises the best available consultants and supporting resources to achieve desired outcomes and has a substantial network available to ensure that, where appropriate, tasks can be outsourced.</p> <p>The Responsible Entity has the primary responsibility for managing the Fund on behalf of Unitholders.</p> <p>Information about the Responsible Entity and the Fund is available on the Responsible Entity's website.</p> <p>Information about the corporate governance practices and policies of the Responsible Entity is available on the Responsible Entity's website.</p>

ASX RECOMMENDATION	FUND'S RESPONSE
6.2	<p>The Responsible Entity's website has several pages with sources of information available to investors to facilitate two way communication.</p> <p>In addition, investors are encouraged to contact the Responsible Entity using any of the following methods:</p> <p>By email: <a href="mailto:investorservices@ruralfunds.com.au">investorservices@ruralfunds.com.au</a></p> <p>By website: <a href="http://www.ruralfunds.com.au/contact/">http://www.ruralfunds.com.au/contact/</a></p> <p>By phone: 1800 026 665</p> <p>By fax: 1800 625 518</p> <p>By visiting the Responsible Entity office: Level 2, 2 King St, Deakin ACT 2600</p> <p>From time to time, the Responsible Entity arranges tours of the assets of the Fund. Investors are invited to attend tours when these are arranged. Additionally, investors are welcome to make their own arrangements to visit the assets by contacting Investor Services by any of the methods mentioned above.</p>
6.3	<p>As an externally managed scheme Recommendation 6.3 does not apply to the Fund.</p>
6.4	<p>The Responsible Entity encourages all investors to communicate with it and with the Fund's registry (Boardroom Pty Limited) electronically, however continues to communicate with any investor via traditional methods (mail and phone) when requested.</p>

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## PRINCIPLE 7

# Recognise and manage risk

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**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

ASX RECOMMENDATION	FUND'S RESPONSE
<b>7.1</b>	<p>The Responsible Entity has not established a risk committee. Due to the size of the Board and the nature of the business, the Board has determined that risk oversight should be managed by the full Board. The Board has ultimate responsibility for overseeing the risk management framework and for approving and monitoring compliance with the framework. The Board receives monthly reports on all material business risks in relation to the Fund, including a report on all risks rated extreme or high. The ongoing management of the identified risks is undertaken by the relevant Executive and/or Asset Managers of each business area who report to the Board on the effectiveness of control measures.</p> <p>The Responsible Entity has established a Risk Management Policy based on standards set out in the Australian/New Zealand Standard ISO 31000:2009 which documents the Responsible Entity's policy for the oversight and management of material business risks. The risk management policy ensures that risks are identified and assessed, and that measures to monitor and manage each of the material risks are implemented.</p> <p>The Risk Management Policy is available on the Responsible Entity's website.</p>
<b>7.2</b>	<p>The Responsible Entity's risk management framework is reviewed annually or more often if there has been a change in the relevant legislation or in business requirements. An annual risk review was performed during the Statement Period.</p> <p>The annual risk review requires each risk owner to review each risk and assess whether the existing risk rating is appropriate. This results in all risks being re-evaluated. In some cases, the risks may be re-rated and the residual risk amended depending on changes in the likelihood of the risk occurring, the consequence if the risk did occur, and the effectiveness of control measures in place.</p>

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ASX RECOMMENDATION	FUND'S RESPONSE
<p><b>7.3</b></p>	<p>The Responsible Entity has an internal compliance committee that provides assistance to the Board in evaluating the risk management framework and material business risks on an ongoing basis. Whilst not an internal audit committee, this committee reports to the Board quarterly and may make recommendations to the Board for changes to processes and systems to ensure compliance with legal and regulatory requirements.</p> <p>The Internal Compliance Committee was comprised of:</p> <ul style="list-style-type: none"> <li>- Chief Operating Officer</li> <li>- Manager Corporate Services</li> <li>- Chief Financial Officer</li> <li>- Client Services Manager</li> <li>- Compliance Officer</li> <li>- Business Manager – Rural Funds Group, Almond Projects, Land Trust (invitee)</li> <li>- Business Manager – Livestock (invitee)</li> </ul> <p>This broad representation of roles on the committee ensures the committee is able to be fully informed of matters, and there is sufficient skills and experience among its members to make decisions as necessary.</p> <p>On 26 August 2014 the Chief Operating Officer was replaced on the committee with the Executive Manager Funds Management.</p>
<p><b>7.4</b></p>	<p>The Responsible Entity is committed to undertaking the Fund's business activities in a responsible and ethical manner and ensuring that it remains sustainable. Environmental, social and governance issues are imbedded in many of our policies and procedures and are considered when making investment decisions.</p> <p>The nature of the Fund is such that its activities are largely passive in nature, being the leasing of agricultural land and infrastructure. This means the environmental impact of the Fund is relatively low.</p>



## PRINCIPLE 8

# Remunerate fairly and responsibly

**An externally managed listed entity should clearly disclose the terms governing the remuneration of the Responsible Entity.**

ASX RECOMMENDATION	FUND'S RESPONSE
<b>8.1</b>	<p>The Responsible Manager has adopted the ASX's alternative recommendations for externally managed entities and provides the following details governing the remuneration to the Responsible Manager:</p> <ul style="list-style-type: none"><li>- Contribution Fee – up to 3% of the amount invested;</li><li>- Fund Management Fee – 2.50% p.a. of the gross asset value of the Fund;</li><li>- Performance Fee – 15% of the returns in excess of a return on equity of 15% p.a. on the amount invested;</li><li>- Acquisition Fee – 2.0% of the total purchase price of an asset; and</li><li>- Asset Management Fee – 5.0% of annual operating expenses.</li></ul> <p>The fees listed above represent what is set out in the RFP Constitution. At present the Responsible Entity is only charging an asset management fee of 5% of farm operating expenses. The contribution fee and the fund management fee are not currently being charged by the Responsible Entity.</p>
<b>8.2</b>	Refer to 8.1
<b>8.3</b>	Refer to 8.1

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## NSX additional information

Additional information required by the National Stock Exchange of Australia Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 10 September 2014.

### (a) Total interests of all directors and officers in RFM Poultry

Entity	Director/Officer and Position	RFP Units held
Bryant Family Services Pty Ltd <BFS Superannuation Fund>	David Bryant – Director	21,727
Boskenna Pty Ltd	Guy Paynter – Chairman	21,507
Rural Funds Management Limited	David Bryant – Director	148,495

### (b) Distribution of equity unitholders

Analysis of numbers of unitholders by size of holding:

Holding size	Unitholders
1 – 1,000	207
1,001 – 5,000	1,011
5,001 – 10,000	211
10,001 – 100,000	96
100,001 and over	7

RFM wrote to holders of unmarketable parcels of units on 11 July 2014 implementing a sale facility enabling Unitholders with a total holding value of \$500 or less to sell their units without incurring brokerage or handling costs. The sale facility closed on 22 August 2014 and 234 Unitholders elected to participate in the facility.

### (c) Substantial unitholders

There were no substantial unitholders in RFP at 10 September 2014.

### (d) Voting rights

The voting rights attaching to the ordinary units, set out in Section 253C of the Corporations Act 2001, are:

- (i) on a show of hands every person present who is a unitholder has one vote; and
- (ii) on a poll each unitholder present in person or by proxy has one vote for each dollar of the value of the total interests they have in the Fund.

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### (e) Ten largest unitholders at 10 September 2014

Holder Name	Number of Units	Fully Paid Percentage
Harness Capital Pty Ltd	176,159	2.588
Aust Executor Trustees Ltd <Tranzact Investment Service>	174,430	2.563
Bt Financial Group	138,577	2.036
Mr Stanley John Evans & Mrs Beverley Joy Evans <Sj & Bj Evans S/F A/C>	129,264	1.899
Netwealth Investments Limited <Wrap Services A/C>	115,641	1.699
Rural Funds Management Limited	148,495	2.182
Aust Executor Trustees Ltd <Rural Funds Group>	108,615	1.596
Mr J Dworkin & Mrs Hdworkin <Dworkin Super Fund A/C>	91,823	1.349
Taycol Nominees Pty Ltd	83,303	1.224
Ms Amy Jo Hoban & Mr Peter Matthew Johns	75,992	1.116
<b>Subtotal</b>	<b>1,242,612</b>	<b>18.252</b>
Other Investors	5,564,372	81.748
<b>Total Units</b>	<b>6,806,984</b>	<b>100</b>

### Securities exchange

The Trust is listed on the National Stock Exchange of Australia (NSX).



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# Financial statements for the period ended 30 June 2014

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**RFM Poultry**  
**ARSN 164 851 218**

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**RFM Poultry**  
ARSN 164 851 218

**Corporate Directory**

Registered Office	Level 2, 2 King Street DEAKIN ACT 2600
Responsible Entity	Rural Funds Management Limited ABN 65 077 492 838 Level 2, 2 King Street DEAKIN ACT 2600 Telephone: 02 6203 9700 Fax: 02 6281 5077
Directors	Guy Paynter David Bryant Michael Carroll
Company Secretary	Andrea Lemmon
Custodian	Australian Executor Trustees Limited ABN 84 007 869 794 Level 22, 207 Kent Street SYDNEY NSW 2000
Share Registry	Boardroom Pty Limited Level 7, 207 Kent Street SYDNEY NSW 2000
Auditors	PricewaterhouseCoopers Darling Park 201 Sussex Street SYDNEY NSW 2000
Bankers	Australia and New Zealand Banking Group Limited (ANZ) 242 Pitt Street SYDNEY NSW 2000
Stock Exchange Listing	Units in RFM Poultry are listed on the National Stock Exchange of Australia

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# RFM Poultry

ARSN 164 851 218

## Directors of the Responsible Entity's Report

For the Period Ended 30 June 2014

The Directors of Rural Funds Management Limited ("RFM"), Responsible Entity of RFM Poultry ("RFP" or the "Trust") present their report on the Trust for the financial period ended 30 June 2014.

### 1. General information

#### Directors

The names of the directors of RFM in office at any time during, or since the end of, the period are:

Name	Position
Guy Paynter	Non-Executive Chairman
David Bryant	Managing Director
Michael Carroll	Non-Executive Director

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

#### Principal activities and significant changes in nature of activities

The principal activity of RFM Poultry during the financial period was the growing of chickens in accordance with chicken growing contracts including the provision of labour, management and infrastructure.

RFP was formed on 31 July 2013 and on 19 December 2013 acquired the chicken growing business formerly operated by RFM Chicken Income Fund ("CIF"). To facilitate this acquisition, CIF issued a dividend of \$6,805,422 (10.69 cents per unit) on 19 December 2013 which was compulsorily applied by CIF unitholders to acquire units in RFP following a unitholder vote to merge CIF with RFM RiverBank and RFM Australian Wine Fund. RFP applied this capital to acquire the chicken growing business of CIF.

To conduct its business, part of the agreement with CIF included the acquisition of plant and equipment and the lease of 154 poultry sheds and infrastructure from CIF on commercial terms with lease expiries between 10 and 22 years.

RFM Poultry has long term contracts for growing chickens owned by Barter Enterprises Pty Limited which is a wholly owned subsidiary of Baiada Poultry Pty Limited. The contracts span 10 to 22 years. The Trust has no borrowings and is expected to fund its business and distributions from operating cash flow.

There were no other significant changes in the nature of RFM Poultry's principal activities during the financial period.

#### Trust information

RFM Poultry is a managed investment scheme which was registered on 31 July 2013. RFM, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The Registered office of the Responsible Entity is Level 2, 2 King Street, Deakin, ACT 2600.

### 2. Operating results and review of operations for the period

#### Operating results

The profit after income tax of the Trust amounted to \$489,677.

The chicken industry continues to experience positive conditions being a growth industry with per capita consumption continuing to increase. All poultry sheds in Griffith leased by RFP were endorsed as compliant with RSPCA guidelines during the period ended 30 June 2014, securing RFP's position as a premium chicken grower.

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# RFM Poultry

ARSN 164 851 218

## Directors of the Responsible Entity's Report

For the Period Ended 30 June 2014

### 2. Operating results and review of operations for the period (continued)

#### Distributions

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#### Distributions paid or declared during the period were as follows:

Distribution of 3.31 cents per unit declared in December 2013	224,563
Distribution of 3.31 cents per unit declared in March 2014	224,566
Distribution of 3.31 cents per unit declared in June 2014	224,885

#### Earnings per unit

Net profit after tax for the period	489,677
Weighted average number of units on issue during the period	6,788,305
Basic and diluted earnings per unit (total) (cents)	7.21

#### Indirect cost ratio

The Indirect Cost Ratio ("ICR") is the ratio of the Trust's management costs over the Trust's average net assets attributable for the period, expressed as a percentage.

Management costs include management fees and reimbursement of other expenses in relation to the Trust, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Trust.

The annualised ICR for the Trust for the period ended 30 June 2014 is 5.36%.

#### Units on issue

6,794,115 units of RFM Poultry were on issue at 30 June 2014. During the period 6,794,115 units were issued by the Trust and Nil were redeemed.

#### Trust assets

At 30 June 2014 RFM Poultry held assets to a total value of \$8,906,106.

### 3. Other items

#### Significant changes in state of affairs

RFP commenced business operations on 19 December 2013 and was listed on the National Stock Exchange of Australia on 17 March 2014. There have been no other significant changes in the state of affairs of the Trust during the period.

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## **RFM Poultry**

ARSN 164 851 218

### **Directors of the Responsible Entity's Report**

**For the Period Ended 30 June 2014**

#### **3. Other items (continued)**

##### **Events after the reporting date**

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

##### **Likely developments and expected results**

RFP intends to maintain growing standards consistent with RSPCA guidelines while conducting an efficient operation that achieves competitive chicken grow-out times and feed conversion rates.

##### **Environmental issues**

The operations of the Trust are subject to significant environmental regulations under the laws of the Commonwealth and States of Australia. The Trust is compliant with those environmental regulations.

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## RFM Poultry

ARSN 164 851 218

### Directors of the Responsible Entity's Report

For the Period Ended 30 June 2014

#### Information on Directors of the Responsible Entity

<b>Guy Paynter</b>	Non-Executive Chairman
Qualifications	Bachelor of Laws from the University of Melbourne
Experience	Guy Paynter is a former director of broking firm JB Were and brings to RFM more than 30 years of experience in corporate finance. Guy is a former member of the Australian Securities Exchange (ASX) and a former associate of the Securities Institute of Australia (now known as the Financial Services Institute of Australasia). Guy is also chairman of Aircruising Australia Limited. Guy's agricultural interests include cattle breeding in the upper hunter region in New South Wales.
Special Responsibilities	Member of Audit Committee.
Directorships held in other listed entities during the three years prior to the current year	Nil
<b>David Bryant</b>	Managing Director
Qualifications	Diploma of Financial Planning from the Royal Melbourne Institute of Technology and a Masters of Agribusiness from Melbourne University.
Experience	David Bryant established RFM in February 1997. Since then, David has led the RFM team that has acquired over \$300 million in agricultural assets across eight Australian agricultural regions. This has included negotiating the acquisition of more than 25 properties and over 60,000 megalitres of water entitlements.
Special Responsibilities	Managing Director
Directorships held in other listed entities during the three years prior to the current year	Nil
<b>Michael Carroll</b>	Non-Executive Director
Qualifications	Bachelor of Agricultural Science at La Trobe University and a Masters of Business Administration (MBA) from the University of Melbourne's Melbourne Business School. Michael has completed the Advanced Management Program at Harvard Business School, Boston, and is a Fellow of the Australian Institute of Company Directors.
Experience	Michael Carroll serves a range of food and agricultural businesses in a board and advisory capacity. Michael is on the Boards of Queensland Sugar Limited, Select Harvests Limited, Sunny Queen Pty Ltd and the Rural Finance Corporation of Victoria. Michael also has senior executive experience in a range of companies, including establishing and leading the National Australia Bank (NAB) Agribusiness division.
Special Responsibilities	Chairman of Audit Committee
Directorships held in other listed entities during the three years prior to the current year	Michael is on the Board of Select Harvests Limited, and joined the Board of Tassal Group Limited in June 2014. Michael was also on the board of Warnambool Cheese and Butter Limited from August 2009 until May 2014.

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## RFM Poultry

ARSN 164 851 218

### Directors of the Responsible Entity's Report

For the Period Ended 30 June 2014

#### Information on Directors of the Responsible Entity (continued)

#### Interests of Directors of the Responsible Entity

Units in the Trust held by Directors of RFM and entities controlled by Directors of RFM as at 30 June 2014 were:

Unit holdings	Guy Paynter Number of units	David Bryant Number of units
Balance acquired on creation of Trust	-	-
Units acquired	21,507	170,222
<b>Balance at 30 June 2014</b>	<b>21,507</b>	<b>170,222</b>

#### Company secretary of the Responsible Entity

Stuart Waight (member of the Institute of Chartered Accountants) held the position of company secretary at the end of the financial year. Stuart has been the company secretary since 2010. Prior to this role, Stuart Waight was the Chief Financial Officer of a listed company with an annual turnover of \$500 million. He is responsible for optimising the performance of the RFM funds and analysing future developments, acquisitions and investments.

On 24 July 2014 Stuart Waight resigned from the position of company secretary and Andrea Lemmon was appointed as company secretary. Andrea has worked with RFM since its formation in 1997 and currently holds the position of Executive Manager Funds Management.

#### Meetings of directors

During the financial period, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the period were as follows:

	Directors' Meetings		Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Guy Paynter	14	12	1	1
David Bryant	14	13	-	-
Michael Carroll	14	14	1	1

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## **RFM Poultry**

ARSN 164 851 218

### **Directors of the Responsible Entity's Report For the Period Ended 30 June 2014**

#### **Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 30 June 2014 has been received and can be found on page 31 of the annual report.

The Directors of the Responsible Entity's Report, is signed in accordance with a resolution of the Board of Directors.



David Bryant

Director

10 September 2014



### **Auditor's Independence Declaration**

As lead auditor for the audit of RFM Poultry for the period ended 30 June 2014, I declare that 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.



CMC Heraghty  
Partner  
PricewaterhouseCoopers

Sydney  
10 September 2014

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

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**RFM Poultry**

ARSN 164 851 218

**Statement of Comprehensive Income****For the Period Ended 30 June 2014**

	Note	31 July 2013 to 30 June 2014 \$
Revenue	4	13,698,369
Other income		23,501
Gain on disposal of assets		6,364
Property leases	5	(5,444,883)
Direct grower costs		(5,289,807)
Employee costs	5	(396,430)
Repairs and maintenance		(959,879)
Insurance expenses		(276,527)
Other indirect expenses		(393,481)
Management fees		(317,779)
Depreciation	5	(30,037)
Loss on disposal of assets	5	(3,860)
<b>Net profit before income tax</b>		<b>615,551</b>
Income tax expense	7	(125,874)
<b>Net profit after income tax</b>		<b>489,677</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Other comprehensive income		-
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>
<b>Total comprehensive income for the period, attributable to unitholders</b>		<b>489,677</b>
<b>Earnings per unit</b>		
From continuing operations:		
Basic and diluted earnings per unit (cents)		7.21

The accompanying notes form part of these financial statements.

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**RFM Poultry**

ARSN 164 851 218

**Statement of Financial Position**

As at 30 June 2014

	Note	2014 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	8	4,065,890
Trade and other receivables	9	4,198,374
Inventories	10	119,370
Other current assets	11	163,673
<b>TOTAL CURRENT ASSETS</b>		<b>8,547,307</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	13	311,962
Deferred tax assets	17(a)	46,837
<b>TOTAL NON-CURRENT ASSETS</b>		<b>358,799</b>
<b>TOTAL ASSETS</b>		<b>8,906,106</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	14	1,834,823
Short term provisions	15	276,176
Income tax payable	16	172,711
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,283,710</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term provisions	15	14,380
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,380</b>
<b>TOTAL LIABILITIES (excluding net assets attributable to unitholders)</b>		<b>2,298,090</b>
Net assets attributable to unitholders		6,608,016
<b>TOTAL LIABILITIES</b>		<b>8,906,106</b>

The accompanying notes form part of these financial statements.

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**RFM Poultry**

ARSN 164 851 218

**Statement of Changes in Net Assets Attributable to Unitholders**  
**For the Period Ended 30 June 2014**

2014

	Note	Issued Units \$	Retained Earnings \$	Total \$
<b>Balance at 31 July 2013</b>		-	-	-
Profit before tax		-	615,551	615,551
Income tax expense		-	(125,874)	(125,874)
<b>Total comprehensive income for the period</b>		-	489,677	489,677
<b>Equity transactions</b>				
Units issued during the period	21	6,792,353	-	6,792,353
<b>Total equity transactions</b>		6,792,353	-	6,792,353
Distributions to unitholders	19	(224,563)	(449,451)	(674,014)
<b>Balance at 30 June 2014</b>		6,567,790	40,226	6,608,016

The accompanying notes form part of these financial statements.

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**RFM Poultry**

ARSN 164 851 218

**Statement of Cash Flows**

For the Period Ended 30 June 2014

	Note	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from customers		15,305,471
Cash payments to suppliers and employees		(13,207,621)
Interest received		21,380
Net cash provided by/(used in) operating activities	25	2,119,230
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash acquired in business acquisition		2,462,293
Proceeds from sale of plant and equipment		6,364
Purchase of plant and equipment		(80,797)
Net cash provided by/(used in) investing activities		2,387,860
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of units		7,176
Distributions paid		(448,376)
Net cash provided by/(used in) financing activities		(441,200)
Net increase in cash and cash equivalents held		4,065,890
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	8	4,065,890

The accompanying notes form part of these financial statements.

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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

This financial report covers the financial statements and notes of RFM Poultry. RFM Poultry is a Trust established and domiciled in Australia. The financial statements were authorised for issue by the directors of the Responsible Entity on 10 September 2014.

The financial statements are presented in Australian dollars which is the Trust's functional and presentation currency.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Trust's constitution and the *Corporations Act 2001*.

RFM Poultry is a registered Australian managed investment scheme, and was constituted in July 2013. RFM, the Responsible Entity of the Trust is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 2, 2 King Street, Deakin, ACT 2600.

The nature of the operations and principal activities of the Trust are described in the Directors of the Responsible Entity's Report.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below.

Management has determined that the Trust operated in one operating segment during the period.

##### (b) Statement of compliance

The financial statements of RFM Poultry comply with Australian Accounting Standards and International Financial Reporting Standards, as issued by the International Accounting Standards Board.

##### (c) Reporting basis and conventions

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

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

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## **RFM Poultry**

ARSN 164 851 218

### **Notes to the Financial Statements**

**For the Period Ended 30 June 2014**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(e) Trade and other receivables**

Trade and other receivables include accrued income for poultry growing fees accrued to balance date but not receivable until the conclusion of the batch growing period.

Receivables are recognised and carried at original amount, less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Financial difficulties of the debtor, default payments or debts more than 180 days are considered objective evidence of impairment.

Amounts are generally received within 30 days of being recorded as receivables.

##### **(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. The Trust's inventory is constantly monitored for obsolescence.

##### **(g) Plant and equipment**

###### **(i) General Information**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

###### **(ii) Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Trust commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and equipment	3% - 20%
Office furniture, fixtures and fittings	10% - 20%
Motor vehicles	8% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

###### **(iii) Derecognition**

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

##### **(h) Impairment of non-financial assets**

At the end of each reporting period the Trust reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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## **RFM Poultry**

ARSN 164 851 218

### **Notes to the Financial Statements**

**For the Period Ended 30 June 2014**

#### **1 Summary of Significant Accounting Policies (continued)**

**(i) Common control transactions**

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control.

**(j) Financial assets and liabilities**

**(i) Recognition**

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**(iii) Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(k) Derecognition of financial instruments**

The derecognition of a financial instrument takes place when the Trust no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or the cash flows attributable to the instrument are passed through to an independent third party.

**(l) Trade and other payables**

Liabilities for creditors are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received.

Payables include outstanding settlements on distributions payable. The carrying period of payables is dictated by market conditions and is generally less than 60 days.

**(m) Provisions**

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(n) Employee benefits**

**(i) Short term obligations**

Provision is made for the employee benefits including salary and wages and annual leave arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

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## **RFM Poultry**

ARSN 164 851 218

### **Notes to the Financial Statements**

**For the Period Ended 30 June 2014**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(n) Employee benefits (continued)**

###### **(ii) Long term employee benefit obligations**

Liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows for those benefits.

##### **(o) Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Revenue for managing the growth of chicken batches is recognised upon the delivery of the service to the customer, Bartter Enterprises Pty Limited. Griffith based unbilled batches at the end of the period are accrued according to the number of days elapsed from the last date of batch pick up for each Griffith farm. This is multiplied by the expected current daily rate. Revenue for the provision of batches at Lethbridge is accrued according to the expected annual rate.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

##### **(p) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### **(q) Finance costs**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

##### **(r) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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## **RFM Poultry**

ARSN 164 851 218

### **Notes to the Financial Statements**

**For the Period Ended 30 June 2014**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(s) Income tax**

The charge for current income tax expense is based on the profit adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Trust will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

##### **(t) Earnings per unit**

Basic earnings per unit are calculated on net profit attributable to unitholders of the Trust divided by the weighted average number of issued units.

##### **(u) Unitholders' funds**

Ordinary units are classified as liabilities in accordance with AASB 132. Incremental costs directly attributable to the issue of ordinary units and unit options which vest immediately are recognised as a deduction from net assets attributable to unitholders, net of any tax effects.

##### **(v) Distributions**

In accordance with the Trust's Constitution, the Responsible Entity of the Trust has the discretion to distribute both income and capital.

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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

#### 1 Summary of Significant Accounting Policies (continued)

##### (w) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Trust has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Trust:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity is not adopting the RDR and therefore these standards are not relevant.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

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**RFM Poultry**  
ARSN 164 851 218

**Notes to the Financial Statements**  
**For the Period Ended 30 June 2014**

**2 Significant accounting judgements, estimates and assumptions**

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

Management has identified no reported amounts for which significant judgements, estimates and assumptions are made.

**3 Operating segments**

RFP operates one business segment being the growing of chickens under contract to a third party. Performance of the segment is measured on profit before tax as included in internal financial reports.

**4 Revenue**

	2014
	\$
Grower fees	13,606,436
Rental recovery	91,933
<b>Total</b>	<b>13,698,369</b>

**5 Individually significant items**

**(a) Expenses**

Property leases	5,444,883
Employee costs	396,430
Depreciation	30,037
Loss on disposal of assets	3,860

**6 Remuneration of auditors**

Remuneration of the auditor of the Trust for:	
- Auditing or reviewing the financial report	40,500
<b>Total</b>	<b>40,500</b>

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**RFM Poultry**

ARSN 164 851 218

**Notes to the Financial Statements**

For the Period Ended 30 June 2014

**7 Income tax expense**

(a) The major components of income tax expense comprise:

	<b>2014</b>
	<b>\$</b>
Current tax expense	
Income tax expense	172,711
Deferred tax	(46,837)
<b>Income tax expense</b>	<b>125,874</b>

(b) Income tax expense is attributable to:

Profit from continuing operations	125,874
<b>Aggregate income tax expense</b>	<b>125,874</b>

(c) Numerical reconciliation between aggregate tax expense recognised in the Statement of Comprehensive Income and tax expense calculated per the statutory income tax rate:

A reconciliation between tax expenses and the product of accounting profit before income tax multiplied by the Trust's applicable income tax rate is as follows:

Accounting profit before tax from continuing operations	615,551
Prima facie tax payable on profit from ordinary activities before income tax at 30%	184,665
Previously unrecognised tax benefits	(58,791)
<b>Income tax expense</b>	<b>125,874</b>

**8 Cash and cash equivalents**

Cash at bank	4,065,890
<b>Total</b>	<b>4,065,890</b>

**Reconciliation of cash**

Cash and cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:

<b>Cash and cash equivalents</b>	<b>4,065,890</b>
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**RFM Poultry**  
**ARSN 164 851 218**

**Notes to the Financial Statements**  
**For the Period Ended 30 June 2014**

**9 Trade and other receivables**

	2014 \$
<b>CURRENT</b>	
Trade receivables	2,480
Receivables from related entity	171,841
Accrued income	4,024,053
<b>Total</b>	<b>4,198,374</b>

Receivables are recognised and carried at original amount, less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Financial difficulties of the debtor, default payments or debts more than 180 days are considered objective evidence of impairment.

Trade receivables are non-interest bearing and are generally on 30 days terms. There were no impaired or past due receivables at 30 June 2014.

Accrued income includes poultry growing fees accrued to balance date but not receivable until the conclusion of the batch growing period.

**10 Inventories**

<b>CURRENT</b>	
Other consumables	119,370
<b>Total</b>	<b>119,370</b>

**11 Other assets**

<b>CURRENT</b>	
Prepayments	163,673
<b>Total</b>	<b>163,673</b>

**12 Minimum lease payments**

Minimum lease payments under non-cancellable operating leases of sheds not recognised in the financial statements, are payable as follows:

Within one year	10,348,940
More than one year but not later than 5 years	48,638,770
Later than 5 years	108,190,032
	<b>167,177,742</b>

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**RFM Poultry**

ARSN 164 851 218

**Notes to the Financial Statements**

For the Period Ended 30 June 2014

**13 Plant and equipment**

	2014 \$
<b>Plant and equipment</b>	
Cost	196,129
Accumulated depreciation	(12,112)
<b>Total plant and equipment</b>	<b>184,017</b>
<b>Office furniture, fixtures and fittings</b>	
Cost	1,974
Accumulated depreciation	(251)
<b>Total office furniture, fixtures and fittings</b>	<b>1,723</b>
<b>Motor vehicles</b>	
Cost	112,685
Accumulated depreciation	(17,674)
<b>Total motor vehicles</b>	<b>95,011</b>
<b>Work in progress</b>	
At cost	31,211
<b>Total plant and equipment</b>	<b>311,962</b>

**(a) Movement in carrying amounts of plant and equipment**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period:

	Plant and equipment \$	Office furniture, fixtures and fittings \$	Motor vehicles \$	Work in progress \$	Total \$
<b>Period ended 30 June 2014</b>					
Balance at the beginning of the period	-	-	-	-	-
Acquired in business acquisition	150,403	1,974	112,685	-	265,062
Additions	52,101	-	-	31,211	83,312
Disposals	(6,375)	-	-	-	(6,375)
Depreciation expense	(12,112)	(251)	(17,674)	-	(30,037)
<b>Balance at the end of the period</b>	<b>184,017</b>	<b>1,723</b>	<b>95,011</b>	<b>31,211</b>	<b>311,962</b>

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**RFM Poultry**

ARSN 164 851 218

**Notes to the Financial Statements**

For the Period Ended 30 June 2014

**14 Trade and other payables**

2014

\$

**CURRENT**

Trade payables	439,630
Sundry payables and accruals	1,395,193

<b>Total</b>	<b>1,834,823</b>
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**15 Provisions****CURRENT**

Employee entitlements	50,555
Provision for distribution	225,621

<b>Total</b>	<b>276,176</b>
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**NON-CURRENT**

Employee entitlements	14,380
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<b>Total</b>	<b>14,380</b>
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**16 Income tax payable****CURRENT**

Income tax payable	172,711
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<b>Total</b>	<b>172,711</b>
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**17 Deferred tax****(a) Deferred tax assets****CURRENT**

Accruals	24,930
Provision for employee entitlements	19,481
Legal costs	2,426

<b>Deferred tax assets</b>	<b>46,837</b>
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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

#### 17 Deferred tax (continued)

##### (b) Recognised deferred tax assets and liabilities

	Current income tax \$	Deferred income tax \$
Opening balance	-	-
Charged/(credited) to income	(172,711)	46,837
<b>Closing balance</b>	<b>(172,711)</b>	<b>46,837</b>
Tax expense in income statement		125,874

##### Amounts recognised in the Statement of Financial Position

Deferred tax asset	-	46,837
<b>Total</b>	<b>-</b>	<b>46,837</b>

#### 18 Financial risk management

##### (a) Financial risk management policies

Risks arising from holding financial instruments are inherent in the Trust's activities and are managed through a process of ongoing identification, measurement and monitoring. The Trust is exposed to credit risk and liquidity risk.

Financial instruments of the Trust comprise cash and cash equivalents and other financial instruments such as trade debtors and creditors, which arise directly from its operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Trust from reasonable possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

Concentrations of risk arise where a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Trust monitors its exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

**Notes to the Financial Statements**  
**For the Period Ended 30 June 2014**

**18 Financial risk management (continued)**

**(b) Liquidity risk and capital management**

The table below reflects all contractually fixed payments and repayments resulting from recognised financial assets and liabilities as of 30 June 2014.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 Months	6 months to 1 Year	1 to 5 Years	Over 5 Years	Total
	2014	2014	2014	2014	2014
	\$	\$	\$	\$	\$
Financial Assets:					
Cash and cash equivalents	4,065,890	-	-	-	4,065,890
Receivables	4,198,374	-	-	-	4,198,374
<b>Total Financial Assets</b>	<b>8,264,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,264,264</b>
Financial Liabilities:					
Trade and sundry payables	1,834,823	-	-	-	1,834,823
<b>Total Financial Liabilities</b>	<b>1,834,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,834,823</b>

The Trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

The Responsible Entity of the Trust defines capital as net assets attributable to unitholders. The Trust's objectives when managing capital are to safeguard the activities of the Trust as a going concern and to maintain an optimal capital structure in order to reduce the cost of capital.

The Trust is able to maintain or adjust its capital by divesting assets or adjusting the amount of distributions paid to unitholders.

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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

#### 18 Financial risk management (continued)

##### (c) Credit risk

The following table details the Trust's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Trust and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully paid to the Trust.

	Gross amount \$	Within initial trade terms \$	Past due but not impaired (days overdue)				Past due and impaired \$
			<30	30-60	61-90	>90	
			\$	\$	\$	\$	
<b>2014</b>							
Trade receivables	2,480	2,480	-	-	-	-	-
Other receivables	171,841	171,841	-	-	-	-	-
<b>Total</b>	<b>174,321</b>	<b>174,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Trust does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The receivables do not contain impaired assets.

Credit risk arises from the financial assets of the Trust, which comprise cash and cash equivalents and trade and other receivables. The Trust's exposure to risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets and accrued income.

Baiada Poultry Pty Limited ABN 96 002 925 944 is the sole customer of RFP's chicken growing activities. Baiada is one of Australia's largest poultry producers with farming, processing, distribution, marketing and sales operations. Baiada contracts with RFP in relation to the provision of broiler sheds and managing the growth of chicken batches.

The credit risk is managed through careful monitoring of debtor outstanding balances and through the ongoing relationship and communication with Baiada.

The maximum exposure to credit risk, excluding the value of collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, disclosed in the Statement of Financial Position and notes to the financial statements.

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## **RFM Poultry**

ARSN 164 851 218

### **Notes to the Financial Statements**

**For the Period Ended 30 June 2014**

#### **19 Distributions**

##### **Distributions paid during the period**

**2014**  
**\$**

Distributions paid or declared for payment were as follows:

Distributions of 3.31 cents per unit declared in December 2013 224,563

Distributions of 3.31 cents per unit declared in March 2014 224,566

Distributions of 3.31 cents per unit declared in June 2014 224,885

##### **Total distributions per unit**

Total distributions per unit declared and paid (cents) **9.93**

No franked distributions were declared or paid during the period.

#### **20 Earnings per unit**

Net profit after tax for the period	<b>489,677</b>
Weighted average number of units on issue during the period	<b>6,788,305</b>
Basic and diluted earnings per unit (total) (cents)	<b>7.21</b>

#### **21 Issued capital**

	<b>\$</b>
Issued capital	<b>6,567,790</b>

	<b>No. of units</b>
Units on issue at the beginning of the reporting period	-
Units issued during the financial period	<b>6,794,115</b>
<b>Units on issue at the end of the financial period</b>	<b>6,794,115</b>

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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

#### 22 Business combination

On 19 December 2013, RFP acquired the chicken growing business formerly operated by RFM Chicken Income Fund ("CIF"). To facilitate this acquisition CIF issued a dividend of \$6,805,422 (10.69 cents per unit) on 19 December 2013 which was compulsorily applied by CIF unitholders to acquire units in RFP at \$6,805,422 less withholding tax of \$20,245. RFP applied this capital to acquire the chicken growing business of CIF.

RFP recorded the results of the operations of the chicken growing business from the date of the transfer which represent the results of the business in full.

The fair value of assets, liabilities and contingent liabilities relating to the chicken operations recognised as a result of the acquisition are as follows.

	2014 \$
Cash and cash equivalents	2,462,293
Trade and other receivables	4,220,908
Inventories	84,105
Other current assets	121,199
Plant and equipment	265,062
Trade and other payables	(172,419)
Short term provisions	(186,454)
Long term provisions	(9,517)
<b>Net assets acquired</b>	<b>6,785,177</b>

No goodwill or discount on acquisition arose on the transaction.

#### 23 Key management personnel disclosures

##### (a) Directors

The Directors of RFM are considered to be Key Management Personnel of the Trust. The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Guy Paynter

David Bryant

Michael Carroll

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**RFM Poultry**  
ARSN 164 851 218

**Notes to the Financial Statements**  
**For the Period Ended 30 June 2014**

**23 Key management personnel disclosures (continued)**

**(a) Directors (continued)**

**Interests of Directors of the Responsible Entity**

Units in the Trust held by Directors of RFM or entities controlled by Directors of RFM as at 30 June 2014 were:

<b>Unit holdings</b>	<b>Guy Paynter Number of units</b>	<b>David Bryant Number of units</b>
Balance acquired on creation of Trust	-	-
Units acquired	21,507	170,222
<b>Balance at 30 June 2014</b>	<b>21,507</b>	<b>170,222</b>

**(b) Other key management personnel**

In addition to the Directors noted above, RFM, the Responsible Entity of the Trust is considered to be Key Management Personnel with the authority for the strategic direction and management of the Trust.

The constitution of RFP is a legally binding document between the unit holders of the Trust and RFM as Responsible Entity. Under the constitution, RFM is entitled to the following remuneration from RFP:

- Contribution fee – 3% of the value of each application for units in the Trust (not applicable to units issued at formation of RFP and for units issued as part of a dividend reinvestment plan).

- Asset management fee - 5% of farm operating expenses.

- Performance bonus – 15% of the amount by which return on equity in a year exceeds an amount equal to 15% per annum of the total application price of units on issue during the financial year.

- Acquisition fee - 2% of the total purchase price of an asset purchased by the Trust.

- Expenses – all expenses incurred by RFM in relation to the proper performance of its duties in respect of the Trust are payable or reimbursable out of the Trust assets to the extent that such reimbursement is not prohibited by Corporations Law.

RFM may retire as the Responsible Entity of the Trust as permitted by law. However, RFM must retire as the Responsible Entity of the Trust when required by law. When retired or removed, RFM will be released from all obligations and remuneration in relation to the trust arising after the time of retirement or being removed.

**(c) Compensation of key management personnel**

No amount is paid by the Trust directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Trust to the Directors as Key Management Personnel. Fees paid to RFM, the Responsible Entity, are disclosed in Note 24.

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## RFM Poultry

ARSN 164 851 218

### Notes to the Financial Statements

For the Period Ended 30 June 2014

#### 24 Related parties

Transactions between related parties are on commercial terms and conditions.

##### (a) Responsible Entity (Rural Funds Management Limited) and related entities

Transactions between the Trust and the Responsible Entity and any associates of the Responsible Entity:

	2014
	\$
Asset management fees paid and payable to RFM	317,779
<b>Total management fee</b>	<b>317,779</b>
Lease expense paid and payable to CIF	5,444,883
Distributions paid and payable to RFM	8,592
Distributions paid and payable to Rural Funds Group	4,629
<b>Total payment to related parties</b>	<b>5,458,104</b>
Expenses reimbursed to RFM	667,056
Expenses reimbursed to CIF	1,725,993
<b>Total</b>	<b>2,393,049</b>
Net assets acquired from CIF	6,785,177

##### (b) Entities with influence over the trust

	No. of units	%
RFM	148,495	2.19

##### (c) Prepayments

<b>CURRENT</b>	
RFM	130,043

##### (d) Trade creditors

RFM	190,422
<b>Total</b>	<b>190,422</b>

##### (e) Trade debtors

CIF	171,841
<b>Total</b>	<b>171,841</b>

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**RFM Poultry**  
ARSN 164 851 218

**Notes to the Financial Statements**  
For the Period Ended 30 June 2014

**25 Cash flow information**

(a) Reconciliation of net profit after tax for the period to cashflows from operating activities	2014
	\$
Profit for the period	489,677
Cash flows excluded from profit attributable to operating activities	
Non-cash flows in profit:	
Depreciation and amortisation	30,037
(Profit)/loss on disposal	(2,504)
Changes in assets and liabilities net of the effects of the purchase of the business:	
(Increase)/decrease in trade and other receivables	22,534
(Increase)/decrease in prepayments	(42,474)
(Increase)/decrease in inventories	(35,265)
(Increase)/decrease in GST (net)	128,696
Increase/(decrease) in trade and other payables	1,402,655
Increase/(decrease) in current tax liabilities	172,711
(Increase)/decrease in deferred tax assets	(46,837)
<b>Cash flow from operating activities</b>	<b>2,119,230</b>

**26 Economic dependence**

100% of RFP's revenue from poultry growing activities comes from growing contracts with Baiada Poultry Pty Limited (ABN 96 002 925 948). These contracts have a remaining term of between 10 and 22 years. RFP is therefore economically dependent on Baiada Poultry Pty Limited.

**27 Events occurring after the reporting date**

No matters or circumstances have arisen since the end of the financial period which 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 future financial years.

**28 Likely development and expected results**

The Trust is expected to continue poultry growing activities and to provide regular distributions to investors.

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## **RFM Poultry**

**ARSN 164 851 218**

### **Directors of the Responsible Entity's Declaration**

The Directors of the Responsible Entity declare that:

1. the financial statements and notes of RFM Poultry set out on pages 32 to 54 for the period ended 30 June 2014 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements, and the *Corporations Regulations 2001*; and
  - b. give a true and fair view of the Trust's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
2. in the Directors of the Responsible Entity's opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the persons performing the chief executive officer function and the chief financial officer function as required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors of RFM.



David Bryant

Director

10 September 2014



## **Independent auditor's report to the unitholders of RFM Poultry**

### ***Report on the financial report***

We have audited the accompanying financial report of RFM Poultry (the registered scheme), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the financial report***

The directors of Rural Funds Management Limited (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 is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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*.

**PricewaterhouseCoopers, ABN 52 780 433 757**  
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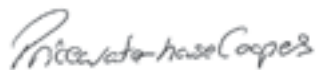
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*Auditor's opinion*

In our opinion:

- (a) the financial report of RFM Poultry 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 2014 and of its performance for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the registered scheme's financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).



By



CMC Heraghty  
Partner

Sydney  
10 September 2014

