**Macquarie Eucalypt Project 2005**

ARSN 112 774 428

Annual report - 30 June 2016

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</tbody>
</table>

This financial report covers Macquarie Eucalypt Project 2005 as an individual entity.

The directors of Macquarie Alternative Assets Management Limited ("MAAML"), a wholly owned subsidiary of Macquarie Group Limited, the Responsible Entity of Macquarie Eucalypt Project 2005, present their report together with the financial report of Macquarie Eucalypt Project 2005 (the "Scheme") for the year ended 30 June 2016.

Principal activities

The principal activity of the Scheme is to act as a vehicle through which interest holders of the Scheme undertake a forestry plantation business as a common enterprise in accordance with the Scheme Constitution.

The Scheme did not have any employees during the year.

There were no significant changes in the nature of the Scheme's activities during the year.

Directors

The following persons held office as directors of MAAML during the year or since the end of the year and up to the date of this report:

A J Abraham
B Barry (appointed 05/09/2015)
A Clubb
W D Fox
P B Lucas (resigned 05/09/2015)
G Shneier

Review and results of operations

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

Interest holders in the Scheme are establishing and participating in their own forestry plantation business.

The Scheme derived no operating profit during the financial year (2015: Nil) and made no distributions (2015: Nil).

Significant changes in state of affairs

The harvest of the forestry plantation associated with the Scheme commenced in February 2016.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Scheme that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

(i) the operations of the Scheme in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Scheme in future financial years.
Likely developments and expected results of operations

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

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Scheme. Under the Scheme Constitution, the Responsible Entity of the Scheme is entitled to be indemnified out of the assets of the Scheme for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 8 of the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the year (2015: Nil).

Interests held in the Scheme by the Responsible Entity, its directors or its associates during the year are disclosed in note 8 of the financial statements.

Interest in the Scheme

The movement in interests on issue in the Scheme during the year is disclosed in note 6 of the financial statements.

The value of the Scheme’s assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest dollar

Pursuant to ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 issued by the Australian Securities & Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report, amounts in the directors’ report and financial report have been rounded off to the nearest dollar, unless otherwise indicated.
Macquarie Eucalypt Project 2005

Directors' Report
30 June 2016

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of the directors.

Director: ...............................................................

A Clubb

Sydney

23 September 2016
Auditor’s Independence Declaration to the Directors of Macquarie Alternative Assets Management Limited

As lead auditor for the audit of Macquarie Eucalypt Project 2005 for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Darren Handley-Greaves
Partner
23 September 2016
Macquarie Eucalypt Project 2005

Statement of Comprehensive Income
For the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016 $</th>
<th>2015 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net investment income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance costs attributable to interest holders</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(decrease) in net assets attributable to interest holders</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
Macquarie Eucalypt Project 2005

Statement of Financial Position
As at 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>1,211,204</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>8</td>
<td>626</td>
</tr>
<tr>
<td>Harvest proceeds receivable</td>
<td></td>
<td>647,009</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>1,858,839</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance premium payable to insurance company on behalf of interest holders</td>
<td></td>
<td>198,995</td>
</tr>
<tr>
<td>Responsible Entity fees payable</td>
<td>8</td>
<td>53,216</td>
</tr>
<tr>
<td>Lease rental fees payable</td>
<td>8</td>
<td>106,432</td>
</tr>
<tr>
<td>Harvest proceeds payable to interest holders</td>
<td></td>
<td>1,500,196</td>
</tr>
<tr>
<td>Total liabilities (excluding net assets attributable to interest holders)</td>
<td></td>
<td>1,858,839</td>
</tr>
<tr>
<td>Net assets attributable to interest holders - liability</td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
Macquarie Eucalypt Project 2005

Statement of Changes in Equity
For the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity at the beginning of the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total equity at the end of the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Under Australian Accounting Standards, net assets attributable to interest holders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.
Macquarie Eucalypt Project 2005

Statement of Cash Flows
For the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>311</td>
<td>107</td>
</tr>
<tr>
<td>Harvest proceeds received</td>
<td>1,105,543</td>
<td>-</td>
</tr>
<tr>
<td>Insurance proceeds received from insurance company</td>
<td>6,018</td>
<td>-</td>
</tr>
<tr>
<td>Insurance premium received from interest holders</td>
<td>198,995</td>
<td>192,965</td>
</tr>
<tr>
<td>Insurance premium paid to insurance company on behalf of interest holders</td>
<td>(192,965)</td>
<td>-</td>
</tr>
<tr>
<td>Insurance proceeds paid to affected interest holders</td>
<td>(5,115)</td>
<td>(60,583)</td>
</tr>
<tr>
<td>Responsible Entity fees paid</td>
<td>(31,516)</td>
<td>(3,564)</td>
</tr>
<tr>
<td>Amounts paid to Responsible Entity in relation to fire insurance event</td>
<td>-</td>
<td>(18,875)</td>
</tr>
<tr>
<td>Lease rental fees paid</td>
<td>(63,032)</td>
<td>(7,127)</td>
</tr>
<tr>
<td>Other payments</td>
<td>-</td>
<td>(1,739)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>9(a)</td>
<td>1,018,239</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from financing activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>1,018,239</td>
<td>101,184</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>192,965</td>
<td>91,781</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>1,211,204</td>
<td>192,965</td>
</tr>
<tr>
<td>Non-cash financing activities</td>
<td>9(b)</td>
<td>-</td>
</tr>
</tbody>
</table>

The above statement of cash flows should be read in conjunction with the accompanying notes.
1 General information

This financial report covers Macquarie Eucalypt Project 2005 (the "Scheme") as an individual entity. The Scheme was constituted on 31 January 2005. The Scheme is expected to terminate on 31 December 2017 or at a later date, in accordance with the provisions of the Scheme Constitution. The Scheme is a registered managed investment scheme domiciled in Australia.

The Responsible Entity of the Scheme is Macquarie Alternative Assets Management Limited (the "Responsible Entity"). The Responsible Entity’s registered office is No. 50 Martin Place, Sydney, NSW 2000. The financial report is presented in Australian dollars.

The Scheme issued interests for Nil consideration on 30 June 2005 and the Responsible Entity received a plantation establishment fee of $8,300 per interest (excluding GST) to cover the establishment and maintenance costs of the forestry plantations. The Macquarie Timber Land Trust 2005 is a managed investment scheme and its Responsible Entity is Macquarie Financial Products Management Limited, a wholly owned subsidiary of Macquarie Group Limited ("MGL"). The Macquarie Timber Land Trust 2005 issued units at $2,000 per unit (GST free) in order to purchase the land on which the forestry plantations are situated.

Forestry plantations associated with the Scheme are the property of individual interest holders and are not considered Scheme property. As a result, such investments held by interest holders are not included in the statement of financial position of the Scheme.

The harvest of the forestry plantation associated with the Scheme commenced in February 2016.

In accordance with the terms of an off-take agreement, when the forestry assets owned by individual interest holders are ready for harvest, the Responsible Entity, acting as agent for the interest holders, will sell these assets to the off-taker on the interest holders’ behalf.

The financial statements were authorised for issue by the directors on 23 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for net assets attributable to interest holders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.
2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Net assets attributable to interest holders

Interests are redeemable at the end of the Scheme's finite life and are therefore classified as financial liabilities. The fair value of redeemable interest is measured at the redemption amount that would be received if interests were redeemed at the reporting date.

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are shown separately on the statement of financial position.

(d) Income tax

Under current legislation, the Scheme is not subject to income tax as interest holders are presently entitled to the income of the Scheme.

(e) Distributions

In accordance with the Scheme Constitution, the Scheme fully distributes its distributable income, and any other amounts determined by the Responsible Entity, to interest holders by cash or reinvestment. The distributions to interest holders are recognised in the statement of comprehensive income as finance costs attributable to interest holders.

(f) Movement in net assets attributable to interest holders

Income and expenses that are not included in distributable income and not distributed to interest holders are included in net assets attributable to interest holders. Movements in net assets attributable to interest holders are recognised in the statement of comprehensive income as finance costs.

(g) Functional and presentation currency

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

(h) Receivables

Receivables may include interest accrued on cash at bank and harvest proceeds receivable following the harvest of the forestry plantations.
2 Summary of significant accounting policies (continued)

(i) Payables

Payables include liabilities owing by the Scheme which are unpaid as at year end.

(j) Use of estimates

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Responsible Entity’s assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments - Part C and related amendment AASB 2010-7 and AASB 2014-1 Amendments to Accounting Standards

AASB 9 Financial Instruments applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Scheme from 1 July 2018.

AASB 9 Financial Instruments requires all financial instruments to be measured at fair value unless the criteria for amortised cost are met. The application of the standard is not expected to change the measurement basis of any of the Scheme's current financial instruments, however, AASB 9 Financial Instruments allows the Scheme to elect to present gains and losses on financial instruments held at fair value through other comprehensive income, which may impact the presentation of these gains and losses. The impact of the standard may also change if the nature of the Scheme's activities or investments changes prior to initial application.

The Scheme is continuing to assess the full impact of adopting AASB 9 Financial Instruments.

(ii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: AASB 101 Presentation of Financial Statements

These amendments clarify the materiality requirements in AASB 101. These amendments also clarify that specific line items in the statement of comprehensive income and the statement of financial position may be disaggregated and that the entities have flexibility as to the order in which they present the notes to financial statements. These amendments are not expected to impact the Scheme’s financial position or performance and become effective for annual periods beginning on or after 1 January 2016 and will therefore apply to the Scheme from 1 July 2016.

The Scheme does not intend to early adopt AASB 2015-2 as permitted by the standard. Management does not expect these amendments will have a significant effect on the financial position, performance or financial report disclosures of the Scheme.
2 Summary of significant accounting policies (continued)

(k) New accounting standards and interpretations (continued)

(iii) AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

AASB 2015-5 introduces a choice in application of the equity method by a non-investment entity investor to an investment entity investee. When a non-investment entity investor applies the equity method to an investment entity associate or joint venture, the investor may retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries, or reverse the fair value measurement to conform to the accounting policies of the investor.

AASB 2015-5 is effective for annual reporting periods beginning on or after 1 January 2016.

As the Scheme does not have any subsidiary investments, the application of this standard has no impact on the financial position nor performance of the Scheme.

Standards and interpretations that are not expected to have material impact on the Scheme have not been included.

(l) Rounding of amounts

Pursuant to ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors’ report and financial report, amounts in the directors' report and financial report have been rounded off to the nearest dollar, unless otherwise indicated.

3 Financial risk management

(a) Strategy in using financial instruments

The Scheme's activities expose it to interest rate risk, credit risk and liquidity risk.

The Responsible Entity’s overall risk management programme focuses on ensuring compliance with the Scheme’s Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed.

(b) Interest rate risk

At 30 June 2016, the Scheme is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates.
3 Financial risk management (continued)

(b) Interest rate risk (continued)

The table below demonstrates the sensitivity of the Scheme's profit/(loss) for the year to a reasonably possible change in interest rates, with all other variables held constant. The sensitivity of the profit/(loss) for the year is the effect of the assumed changes in interest rates on net interest income attributable to interest holders for the year based on the floating rate financial assets at year end and changes in fair value of investments for the year based on revaluing fixed rate financial assets at year end.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

<table>
<thead>
<tr>
<th></th>
<th>Change in basis points</th>
<th>Sensitivity of interest income attributable to interest holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in</td>
<td>Increase/ (decrease)</td>
<td>Increase/ (decrease)</td>
</tr>
<tr>
<td>basis points</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>30 June 2016</td>
<td>25/(25)</td>
<td>3,028/(3,028)</td>
</tr>
<tr>
<td>30 June 2015</td>
<td>25/(25)</td>
<td>482/(482)</td>
</tr>
</tbody>
</table>

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other receivables. None of these assets are impaired nor past due but not impaired.

The Scheme manages its exposure to credit risk by only holding bank accounts with Macquarie Bank Limited ("MBL") which is rated as A- (2015: A-) by Standard and Poor’s rating agency.

The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and other financial assets.

(d) Liquidity risk

The Scheme is subject to liquidity risk in relation to the financial liabilities it holds. All financial liabilities held by the Scheme at year end are payable within 90 days.

(e) Fair value estimation

The carrying amounts of all the Scheme's financial assets and financial liabilities at the end of each reporting period approximated their fair values.
Macquarie Eucalypt Project 2005

Notes to the Financial Statements
For the Year Ended 30 June 2016

4 Auditor’s remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Scheme:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ernst &amp; Young Australian firm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit of financial reports</td>
<td>10,277</td>
<td>9,882</td>
</tr>
<tr>
<td>Other audit work under the</td>
<td>454</td>
<td>363</td>
</tr>
<tr>
<td>Corporations Act 2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total remuneration for audit services</strong></td>
<td>10,731</td>
<td>10,245</td>
</tr>
</tbody>
</table>

Audit fees are paid out of the Responsible Entity's own resources.

5 Distribution to interest holders

No distributions were payable to interest holders during the year (2015: Nil).

6 Net assets attributable to interest holders

Forestry plantations associated with the Scheme are the property of individual interest holders and are not considered Scheme property. As a result, such investments held by interest holders are not included in the statement of financial position of the Scheme.

As stipulated within the Scheme Constitution, each interest represents the trees being grown and the forestry activities carried out on one plantation lot (approximately 1 hectare of land). There are no separate classes of interests and each interest has same rights attached to it as all other interests of the Scheme.

Movements in number of interests and net assets attributable to interest holders during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>4,904</td>
<td>4,904</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(decrease) in net assets attributable to interest holders</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>4,904</td>
<td>4,904</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* As a consequence of the insurance event that took place during the financial year ending 30 June 2013 and 30 June 2010, the Responsible Entity has terminated its management obligations in relation to 40 interests and 34 interests respectively destroyed by bushfires. The proportional interest of each investor has been adjusted to reflect the proportion of the number of hectares where the management obligation has been terminated by the Responsible Entity. Accordingly, this event has not resulted in a reduction in the total number of interests, however it has resulted in 74 interests of the 4,904 interests on issue no longer being entitled to any further revenues or expenses.
6 Net assets attributable to interest holders (continued)

Capital risk management

The Scheme considers its net assets attributable to interest holders as capital, notwithstanding net assets attributable to interest holders are classified as a liability.

The Scheme issued interests for Nil consideration and hence there are no amounts which are managed as capital by the Scheme. As mentioned above, forestry plantations associated with the Scheme are the property of the individual interest holders and are not considered Scheme property.

7 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>1,211,204</td>
<td>192,965</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>1,211,204</td>
<td>192,965</td>
</tr>
</tbody>
</table>

8 Related party disclosures

(a) Responsible Entity

The Responsible Entity of Macquarie Eucalypt Project 2005 is Macquarie Alternative Assets Management Limited ("MAAML"), a wholly owned subsidiary of MGL.

(b) Key management personnel

The following persons held office as directors of MAAML during the year or since the end of the year and up to the date of this report:

A J Abraham
B Barry (appointed 05/09/2015)
A Clubb
W D Fox
P B Lucas (resigned 05/09/2015)
G Shneier

No amount is paid by the Scheme directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 Related Party Disclosures is paid by the Scheme to the directors as key management personnel.

(c) Key management personnel interest holdings

No key management personnel held interests in the Scheme at any time during the year (2015: Nil).

(d) Key management personnel loan disclosures

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (2015: Nil).
8 Related party disclosures (continued)

(e) Responsible Entity fees and other transactions

The Responsible Entity did not charge any fees from the Scheme during the year ended 30 June 2016 (2015: Nil). Management fees charged by the Responsible Entity to the interest holders in the Scheme, but paid or payable directly by the Scheme, are set out in the table below.

All expenses in connection with the preparation of accounting records and the maintenance of the interest register have been fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Scheme, Macquarie Timber Land Trust 2005 and the Responsible Entity were as follows:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fees charged by the Responsible Entity to the Scheme on behalf of interest holders</td>
<td>(84,732)</td>
<td>(3,564)</td>
</tr>
<tr>
<td>Lease rental fees charged by Macquarie Timber Land Trust 2005 to the Scheme on behalf of interest holders</td>
<td>(169,464)</td>
<td>(7,127)</td>
</tr>
<tr>
<td>Management fees payable by the Scheme on behalf of interest holders to the Responsible Entity</td>
<td>53,216</td>
<td>-</td>
</tr>
<tr>
<td>Lease rental fees payable by the Scheme on behalf of interest holders to Macquarie Timber Land Trust 2005</td>
<td>106,432</td>
<td>-</td>
</tr>
</tbody>
</table>

(f) Related party interest holdings

Parties related to the Scheme (including MAAML, its affiliates and other schemes managed by MAAML) held no interests in the Scheme (2015: Nil).

(g) Other transactions within the Scheme

The Scheme holds a bank account with MBL, a wholly owned subsidiary of MGL, with the carrying amount disclosed in Note 7. During the year, interest earned on the bank account was $937 (2015: $13). At 30 June 2016, interest receivable of $626 (2015: Nil) is due from MBL.

Apart from those details disclosed in this note, no directors of the Responsible Entity have entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving directors’ interests subsisting at year end.
9 Reconciliation of profit/(loss) to net cash inflow from operating activities

(a) Reconciliation of profit/(loss) to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(decrease) in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to interest holders</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net change in receivables and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>other assets</td>
<td>(647,635)</td>
<td>94</td>
</tr>
<tr>
<td>Net change in payables and other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Net cash inflow from operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>activities</td>
<td>1,665,874</td>
<td>101,090</td>
</tr>
<tr>
<td>**Net cash inflow from operating</td>
<td>1,018,239</td>
<td>101,184</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Non-cash financing activities

The Scheme did not engage in any non-cash financing or investment activities during the financial year (2015: Nil).

10 Events occurring after the reporting date

No significant events have occurred since the reporting date which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2016 or on the results and cash flows of the Scheme for the year ended on that date.

11 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2016 and 30 June 2015.
Macquarie Eucalypt Project 2005

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes as set out on pages 5 to 17 are in accordance with the Corporations Act 2001, including:

(i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Scheme's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

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

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards (see note 2(a)).

This declaration is made in accordance with a resolution of the directors.

Director .................................................................

A Clubb

Sydney
23 September 2016
Independent auditor's report to the unitholders of Macquarie Eucalypt Project 2005

We have audited the accompanying financial report of Macquarie Eucalypt Project 2005 ("the Trust"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

Directors’ responsibility for the financial report
The directors of Macquarie Alternative Assets 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Responsible Entity’s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Responsible Entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence
In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the Responsible Entity a written Auditor’s Independence Declaration, a copy of which is included in the Directors’ Report.
Opinion

In our opinion:

a. the financial report of Macquarie Eucalypt Project 2005 is in accordance with the 
Corporations Act 2001, including:

i giving a true and fair view of the Trust’s financial position as at 30 June 2016 and of its 
performance for the year ended on that date; and

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

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

Ernst & Young

Darren Handley-Greaves
Partner
Sydney
23 September 2016