

Appendix 4D

Preliminary Half-Yearly Report

Results for Announcement to the Market

1. Company Details and Reporting Period

Name of Entity and ABN: **FOREST PLACE GROUP LIMITED**
ABN 75 061 421 565

Reporting Period: **31 December 2009**

Previous Corresponding Period: **31 December 2008**

2. Results for Announcement to the Market

				\$'000
Revenue from ordinary activities	Up	63%	To	8,959
Net profit / (loss) for the period attributable to members	Up	208%	To	13,517

Dividends (Distributions)	Amount Per Security	Franked Amount Per Security
Interim dividend	0.00 c	0.00 c
Previous corresponding period	0.00 c	0.00 c
Record date for determining entitlements to the dividends (if any)	N/A	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:
Refer to Directors Report.

3. Comprehensive Income Statement with Notes to the Statement

Refer to Page 4 of the Financial Report for the Half-Year Ended 31 December 2009 and Accompanying Notes.

4. Balance Sheet with Notes to the Statement

Refer to Page 5 of the Financial Report for the Half-Year Ended 31 December 2009 and Accompanying Notes.

5. Cash Flow Statement with Notes to the Statement

Refer to Page 7 of the Financial Report for the Half-Year Ended 31 December 2009 and Accompanying Notes.

6. Dividends

Nil.

7. Dividend / Distribution Reinvestment Plan (DRP)

Nil.

8. Net Tangible Assets (NTA) Per Security

	31 December 2009	31 December 2008
NTA per share	\$2.6019	\$2.4299

9. Entities Over Which Control has Been Gained or Lost During the Period

Nil.

10. Associates and Joint Venture Entities

Name of Entity	Percentage of Ownership Interest Held at End of Period		Contribution to Net Profit (Loss)	
	Current period %	Previous corresponding period %	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities				
Forest Place Cleveland Syndicate	70.00%	70.00%	266	300
Forest Place Clayfield Syndicate	54.8%	49.5%	1,027	(41)
Total			1,293	259

11. Other Significant Information

Not applicable.

12. Accounting Standards used for Foreign Entities

Not applicable.

13. Commentary on the Results for the Period

Refer to Page 1 of the Financial Report for the Half-Year Ended 31 December 2009.

14. Status of Audit / Review

The attached Financial Report for the Half-Year Ended 31 December 2009 has been reviewed.


15. Dispute or Qualifications if Not Yet Audited

Not applicable.

16. Dispute or Qualifications if Audited

Not applicable.

Sign Here:



Print Name: D C Mackenzie
Director

Date
25 February 2010



Forest Place Group Limited

ABN 75 061 421 565

and its Controlled Entities

Half-Year Financial Report 31 December 2009

Directors' Report for the Half-Year Ended 31 December 2009

The Directors present their Report together with the Consolidated Financial Statements of Forest Place Group Limited ('Company') and its Controlled Entities ('Consolidated Entity') for the half-year ended 31 December 2009 and the Independent Auditor's Review Report thereon.

DIRECTORS

The Directors of Forest Place Group Limited during the half-year and until the date of this Report are:

I L Fraser	Independent Non-Executive Chairman
D C Mackenzie	Independent Non-Executive Director
J M Laboo	Executive Director
G E Grady	Executive Director
P Parker	Non-Executive Director

All Directors shown were in office from the beginning of the half-year until the date of this Report, unless otherwise stated.

REVIEW AND RESULTS OF OPERATIONS

The consolidated profit for the half-year ended 31 December 2009 attributable to the members of Forest Place Group Limited was:

	31 December 2009 \$'000	31 December 2008 \$'000
Profit before income tax	19,310	6,181
Income tax expense	(5,793)	(1,789)
Profit Attributable to the Company	13,517	4,392

This represents an increase in profit after tax of 207.76% over the previous corresponding period.

Revenue (excluding fair value changes) was \$8.959m for the period (2008: \$5.500m). In addition, the revenue generated by the fair value increase in investment properties was \$17.519m, compared to \$4.373m in the prior comparable period. A discount rate of 12.5% (December 2008: 12.0%, June 2009: 12.5%) has been used in determining the fair value of the investment properties. In assessing the appropriate rate, the Board has taken into account pricing of transactions within the sector in the last six months, the published views of valuers and professional firms and the size, location and quality of the Consolidated Entity's villages.

During the period under review, the Consolidated Entity leased or re-leased 59 accommodation units in its owned retirement villages. There were 3 leases of new units and 56 re-lease units. This compares with leases and re-leases in the corresponding prior period of 3 and 30 respectively. The increase in re-leases has resulted in increased operating revenue.

Development

No new developments have commenced in the current period. The Albany Creek Village is currently selling down stage 7 which was completed last period.

Current Assets and Current Liabilities

The Balance Sheet of the Consolidated Entity discloses total current assets of \$24.514m and current liabilities of \$207.785m. At face value, this would appear to indicate short-term pressures on the cash flow of the Consolidated Entity. However, this arises because of the requirement under Australian Accounting Standards to classify resident loans, in full, as a current liability, whereas the asset to which this relates, investment properties, is required to be classified as a non-current asset. In practice, the rate at which the Consolidated Entity's retirements' residents vacate their units and hence the rate at which the resident loans will fall due for repayment, can be estimated on the basis of statistical tables.

The Consolidated Entity's best estimate is that of the total resident loans of \$178.954m, only \$17.436m is expected to be paid within the next twelve months. Further, if this amount was repayable, it is estimated that incoming contributions of more than \$32.312m would be received from new residents. The Consolidated Entity has no legal liability to pay outgoing residents prior to receiving funds from incoming residents other than within the specific operation of the guaranteed transfer provisions.

Included in current liabilities is \$11.686m of interest bearing debt maturing on 15 March 2010. The Directors believe that the Consolidated Entity will continue to pay its debts as and when they become due and payable. This assessment has taken account of the impact of current financial market conditions on liquidity and the ability to refinance debt, as well as compliance with lending covenants and all other matters that should be assessed in arriving at the conclusion that the financial statements can be prepared on a going concern basis. The Directors have also considered the following matters:

- The Consolidated Entity had net assets of \$215.115m at 31 December 2009;
- The Consolidated Entity's forecast profitability and cash flows;
- The Consolidated Entity complied at all times during 2009 with its debt covenant obligations and expects to continue to do so in 2010.

Bank Loans

The Bank loan expired on 15 December 2009. This loan has been extended until 15 March 2010 and has been disclosed as current interest bearing loans and borrowings in the Balance Sheet as at 31 December 2009. Negotiations are currently underway to secure financing for this facility.

Directors' Report for the Half-Year Ended 31 December 2009

Outlook

Forest Place has an excellent base of leased accommodation units. In the current period the number of leases and re-leases has increased as a result of improvements in the economic climate, deferred management fees achieved remain strong. Subject to finance being available, significant development opportunities remain at Albany Creek, Durack South and the syndicated villages at Cleveland and Clayfield. Feasibility studies are currently in progress for these developments.

DIVIDENDS

There were no dividends paid or declared by the Company.

ROUNDING

The amounts contained in this Report and in the Half-Year Financial Report are presented in Australian dollars and all values have been rounded off to the nearest one thousand dollars in accordance with ASIC Class Order 98/100, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained an Independence Declaration from our Auditor which is set out on Page 3.

Signed in accordance with a resolution of the Directors:



D C Mackenzie
Director

Dated at Brisbane this 25th day of February 2010.

Auditor's Independence Declaration

As lead auditor for the review of Forest Place Group Limited for the half-year ended 31 December 2009, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Forest Place Group Limited and the entities it controlled during the half year.



PKF



K L Colyer
Partner

Dated at Brisbane this 25th day of February 2010

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Consolidated Statement of Comprehensive Income for the Half-Year Ended 31 December 2009

	Consolidated Entity	
	31 December 2009 \$'000	31 December 2008 \$'000
Rendering of services	1,550	1,506
Deferred management fee	6,385	3,317
Syndicate fees	789	551
Change in fair value of investment properties	17,519	4,373
Change in fair value of resident loans	6 (5,458)	(840)
Other income	235	126
Corporate and unallocated overheads	(1,067)	(1,414)
Sales and marketing expenses	(781)	(365)
Nursing home operating costs	(768)	(819)
Other expenses	-	(25)
Finance costs	(387)	(488)
Share of net profits of associates accounted for using the equity method	1,293	259
Profit Before Income Tax Expense	19,310	6,181
Income tax expense	(5,793)	(1,789)
Net Profit from Continuing Operations Attributable to Members of the Company	13,517	4,392
Other comprehensive income	-	-
Total Comprehensive income for the period	13,517	4,392
Earnings per Share:		
Basic earnings per share	16.37 cents	5.3 cents
Diluted earnings per share	16.37 cents	5.3 cents

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying Notes to the Half-Year Financial Report set out on page 8 to 12.

Consolidated Balance Sheet as at 31 December 2009

	Note	Consolidated Entity	
		31 December	30 June
		2009	2009
		\$'000	\$'000
Current Assets:			
Cash and cash equivalents		8,992	2,982
Trade and other receivables		14,091	13,717
Other financial assets		1,381	1,347
Other assets		50	185
Total Current Assets		24,514	18,231
Non-Current Assets:			
Investment properties		460,040	438,746
Equity-accounted investments	3(a)	25,976	24,001
Property, plant and equipment		685	3,790
Intangible assets		253	253
Other financial assets		4,578	581
Total Non-Current Assets		491,532	467,371
Total Assets		516,046	485,602
Current Liabilities:			
Trade and other payables		4,488	4,020
Interest bearing loans and borrowings	1(b)	11,738	11,774
Resident loans		178,954	175,824
Unearned income		11,076	7,499
Provisions		148	148
Other financial liabilities		1,381	1,347
Total Current Liabilities		207,785	200,612
Non-Current Liabilities:			
Interest bearing loans and borrowings		51	86
Deferred tax liabilities		88,476	82,684
Provisions		41	41
Other financial liabilities		4,578	581
Total Non-Current Liabilities		93,146	83,392
Total Liabilities		300,931	284,004
Net Assets		215,115	201,598
Equity:			
Contributed equity		56,605	56,605
Retained profits		158,510	144,993
Total Equity		215,115	201,598

The Consolidated Balance Sheet is to be read in conjunction with the accompanying Notes to the Half-Year Financial Report set out on page 8 to 12.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2009

	Consolidated Entity	
	31 December 2009 \$,000	30 June 2009 \$,000
Share Capital:		
Balance at beginning and end of period	56,605	56,605
Retained Earnings:		
Balance at beginning of period	144,993	139,338
Comprehensive Income for the period	13,517	5,655
Balance at end of period	158,510	144,993
Total Equity at End of Period	215,115	201,598

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Half-Year Financial Report set out on page 8 to 12.

Consolidated Cash Flow Statement for the Half-Year Ended 31 December 2009

	Consolidated Entity	
	31 December 2009 \$'000	31 December 2008 \$'000
Cash Flows from Operating Activities:		
Cash receipts in the course of operations	9,711	7,256
Cash payments in the course of operations	(2,127)	(2,695)
Interest received	40	126
GST recovered	142	274
Income tax paid	-	(1,322)
Borrowing costs paid	(387)	(488)
Net Cash Provided By / (Used In) Operating Activities	7,379	3,151
Cash Flows from Investing Activities:		
Payments for property plant and equipment	(2)	(3,668)
Payments for investment properties	(711)	-
Payment for investment in syndicates	(665)	(828)
Net Cash Provided By / (Used In) Investing Activities	(1,378)	(4,496)
Cash Flows from Financing Activities:		
Finance lease payments	(16)	(17)
Proceeds from interest bearing loans and borrowings	25	-
Repayment of interest bearing loans and borrowings	-	(360)
Net Cash Provided By / (Used In) Financing Activities	9	(377)
Net increase / (decrease) in cash and cash equivalents	6,010	(1,722)
Cash and cash equivalents at beginning of financial period	2,982	5,345
Cash and Cash Equivalents at End of Financial Period	8,992	3,623

The Consolidated Cash Flow Statement is to be read in conjunction with the accompanying Notes to the Half-Year Financial Report set out on page 8 to 12.

1. STATEMENT OF ACCOUNTING POLICIES

Forest Place Group Limited is a company domiciled and incorporated in Australia and limited by shares. The Financial Report for the half-year ended 31 December 2009 consists of the Financial Statements of Forest Place Group Limited ('Company') and its Controlled Entities ('Consolidated Entity'). The Company's shares are traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Consolidated Entity are described in Note 2.

The Half-Year Financial Report of the Consolidated Entity was authorised for issue by the Directors on 25 February 2010.

The significant accounting policies which have been adopted in the preparation of the Half-Year Financial Report are:

(a) Basis of Preparation

This general purpose Financial Report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

This Half-Year Financial Report does not include all the notes of the type of normally included in an Annual Financial Report. Accordingly this Report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and any public announcements made by Forest Place Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial statements have been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2009 with the exception of new accounting standards and interpretations adopted below.

For the purpose of preparing the half-year Consolidated Entity's financial statements, the half-year has been treated as a discrete reporting period.

(b) Bank Loans

The loan with Suncorp expired on 15 December 2009. This loan has been extended until 15 March 2010 and has been disclosed within current interest bearing loans and borrowings in the Balance Sheet as at 31 December 2009. Negotiations are currently under way to secure financing for this facility.

(c) Current Assets and Current Liabilities

The Balance Sheet of the Consolidated Entity discloses total current assets of \$24.514m and current liabilities of \$207.785m. At face value, this would appear to indicate short-term pressures on the cash flow of the Consolidated Entity. However, this arises because of the requirement under Australian Accounting Standards to classify resident loans, in full, as a current liability, whereas the asset to which this relates, investment properties, is required to be classified as a non-current asset. In practice, the rate at which the Consolidated Entity's retirements' residents vacate their units, and hence the rate at which the resident loans will fall due for repayment, can be estimated on the basis of statistical tables.

The Consolidated Entity's best estimate is that of the total Resident Loans of \$178.954m, only \$17.436m is expected to be paid within the next twelve months. Further, if this amount was repayable, it is estimated that incoming contributions of more than \$32.312m would be received from new residents. The Consolidated Entity has no legal liability to pay outgoing residents prior to receiving funds from incoming residents other than within the specific operation of the guaranteed transfer provisions.

Included in current liabilities is \$11.686m of interest bearing debt maturing on 15 March 2010. The Directors believe that the Consolidated Entity will continue to pay its debts as and when they become due and payable. This assessment has taken account of the impact of current financial market conditions on liquidity and the ability to refinance debt, as well as compliance with lending covenants and all other matters that should be assessed in arriving at the conclusion that the financial statements can be prepared on a going concern basis. The Directors have also considered the following matters:

- The Consolidated Entity had net assets of \$215.115 m at 31 December 2009;
- The Consolidated Entity's forecast profitability and cash flows;
- The Consolidated Entity complied at all times during 2009 with its debt covenant obligations and expects to continue to do so in 2010.

(d) New Accounting Standards and Interpretations

When the adoption of the Standard or Interpretation is deemed to have a material impact on the financial statements or performance of the group, its impact is described below:

AASB 127 (revised 2008) requires that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore the revised standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. The changes in AASB 3 (revised 2008) and AASB 127 (revised 2008) will affect future acquisitions, changes in, and loss of control of, subsidiaries and transactions with non-controlling interests.

1. STATEMENT OF ACCOUNTING POLICIES**(d) New Accounting Standards and Interpretations (continued)***AASB 101 Presentation of Financial Statements*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Consolidated Entity has elected to present one statement.

AASB 123 Borrowing Costs

The revised AASB 123 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The adoption of this amendment did not have any impact on the financial position or performance of the Consolidated Entity.

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments delete the reference to the "cost method" making the distinction between pre and post acquisition profits no longer relevant. All dividends received are now recognised in profit or loss rather than having to be split between a reduction in the investment and profit and loss. However the receipt of such dividends requires an entity to consider whether there is an indicator of impairment of the investment in that subsidiary.

The amendments further clarify cases or reorganisations where a new parent is inserted above an existing parent of the Consolidated Entity. It states that the cost of the subsidiary is the previous carrying amount of its share of equity items in the subsidiary rather than its fair value. The adoption of these amendments did not have any impact on the financial position or the performance of the Consolidated Entity.

Annual Improvements Project

In May 2008 and April 2009 the AASB issued omnibus of amendments to its standards as part of the Annual Improvements Project, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions and application dates for each amendment.

AASB 140 Investment Property: Amends the standard to include investment properties under construction within the scope of the standard, and also allows investment properties to be measured at cost if fair value cannot be measured reliably until such time as the fair value becomes reliably measureable or construction is complete (whichever comes earlier). The Consolidated Entity now classifies investment properties under construction as Investment Properties in the Balance Sheet. Previously these amounts were classified as Property, Plant and Equipment. Investment properties under construction that relate to the retirement segment of the Consolidated Group have been measured at cost, as the fair value of these assets cannot be reliably measured at this time.

The adoption of the other amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Consolidated Entity.

2. SEGMENT INFORMATION

(a) Reportable Segments

The Consolidated Entity comprises the following main business segments, based on its management reporting systems:

Retirement Villages	Management of retirement villages.
Nursing Homes	Management of nursing homes.

(b) Segment Revenues and Results

The following is an analysis of the consolidated entity's revenue and results by reportable operating segments for the periods under review:

	Nursing Homes \$'000	Retirement Villages \$'000	Consolidated Entity \$'000
31 December 2009			
Revenue:			
Revenue from outside the Consolidated Entity	833	4,505	5,338
Total Segment Revenue			
Other unallocated revenue			40
Revenue from Ordinary Activities			5,378
Result:			
Segment result including changes in fair value	(20)	18,037	18,017
Share of net profit of equity-accounted investments			1,293
Profit from ordinary activities before income tax expense			19,310
Income tax expense			(5,793)
Net Profit			13,517
Depreciation and amortisation	21	21	42

	Nursing Homes \$'000	Retirement Villages \$'000	Consolidated Entity \$'000
31 December 2008			
Revenue:			
Revenue from outside the Consolidated Entity	800	3,649	4,449
Total Segment Revenue			4,449
Other unallocated revenue			126
Revenue from Ordinary Activities			4,575
Result:			
Segment result including changes in fair value	(19)	5,941	5,922
Share of net profit of equity-accounted investments			259
Profit from ordinary activities before income tax expense			6,181
Income tax expense			(1,789)
Net Profit	-	-	4,392
Depreciation and amortisation	18	21	39

(c) Geographical Segments

The Consolidated Entity operates solely in Australia.

3. EQUITY-ACCOUNTED INVESTMENTS**(a) Carrying Amounts**

		Ownership Interest		Investment Carrying Amounts	
		31 December	30 June	31 December	30 June
		2009	2009	2009	2009
		%	%	\$'000	\$'000
Forest Place Cleveland Syndicate	Retirement village ²	70.00 ¹	70.00	12,608	12,340
Forest Place Clayfield Syndicate	Retirement village ²	54.80 ¹	52.40	13,368	11,661
				25,976	24,001

¹ The investments in the Forest Place Cleveland and Clayfield Syndicates have been treated as an investment in associate as the Consolidated Entity does not have the ability to make key financial and operating decisions as this requires unanimous agreement by all syndicate members, and precludes the Consolidated Entity from voting on matters benefiting the Consolidated Entity.

² Both syndicates were formed in Australia.

(b) Movements in Carrying Amounts of Investments

	6 Months to	Year Ended
	31 December	30 June
	2009	2009
	\$'000	\$'000
Carrying amount of investment in syndicates at the beginning of financial year	24,001	22,931
Purchase of investment in syndicates	682	2,226
Share of net profit	1,293	(1,156)
Carrying Amount of Investments in Syndicates at End of Financial Period	25,976	24,001

(c) Summarised Financial Information of Syndicates

	31 December	30 June
	2009	2009
	\$'000	\$'000
<i>Consolidated Entity's share of:</i>		
Assets	82,216	76,875
Liabilities	56,240	52,874
Revenue	2,911	105
Profit	1,293	(1,156)

4. DIVIDENDS AND DISTRIBUTIONS

No dividends or distributions were declared or paid during the financial period.

5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**(a) Guarantees**

Suncorp-Metway Limited, on behalf of the Consolidated Entity, has provided guarantees of \$0.02m to local authorities to secure obligations pursuant to development approvals for villages still being developed. The guarantees are secured by a registered mortgage over the retirement villages.

(b) Put Options - Syndicates

As part of the syndicate arrangements for the Cleveland and Clayfield retirement villages, members of the syndicates have the right to put their shares in the syndicate to the Consolidated Entity based upon a formula set out in the Syndicate Deed. A number of these options have been exercised by syndicate investors and have been recognised in the Balance Sheet. The net present value of the amounts which would be payable under the put options for the remaining shares if they were exercised by the investors of the Cleveland and Clayfield Syndicates at reporting date is as follows:

	31 December	30 June
	2009	2009
	\$'000	\$'000
Cleveland Syndicate	3,828	4,830
Clayfield Syndicate	7,051	12,397

5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)**(c) Call Options - Syndicates**

As part of the syndicate arrangements for the Cleveland and Clayfield retirement villages, the Consolidated Entity has a call option over the other shares in the syndicates, exercisable on completion of the villages. The net present value of the payments for the remaining shares under each call option if exercised by the Consolidated Entity at reporting date using a new Master Plan Development, are estimated as follows:

	31 December 2009 \$'000	30 June 2009 \$'000
Cleveland Syndicate	2,574	3,032
Clayfield Syndicate	2,189	6,588

6. DISCLOSURE OF DEFERRED INCOME AND ACCRUED DEFERRED MANAGEMENT FEES

The Consolidated Entity previously disclosed the period movement in the net balance of deferred income and accrued deferred management fees as a single entry within the deferred management fees component of 'Revenue from rendering of services' in the Consolidated Statement of Comprehensive Income. The net movement is now offset against 'Change in fair value of resident loans' in the Consolidated Statement of Comprehensive Income to better reflect the nature of these amounts and to make the period movement in valuation more transparent.

	31 December 2009 \$'000	31 December 2008 \$'000
Change in value of resident obligations ¹	1,877	(85)
Change in value of accrued deferred management fees ²	3,581	925
Total Change in fair value of resident loans	5,458	840

¹ Resident obligations represent the principal amount of the resident loans less unearned income, plus the resident's share of any increase in the market value of the underlying property at balance date.

² Previously disclosed as 'Revenue from rendering of services' in the Statement of Comprehensive Income.

The Consolidated Entity continues to recognise deferred management fees on a straight line basis in the Statement of Comprehensive Income and the above changes do not give rise to any gains or losses in the current or prior reporting periods.

7. SUBSEQUENT EVENTS

Since 31 December 2009, there have been no events which have a material effect on the Consolidated Entity that have not already been reported in the current period.

Directors' Declaration

The Directors of Forest Place Group Limited declare that they are of the opinion that:

- (a) the Financial Statements and Notes of the Forest Place Group Limited and its Controlled Entities are in accordance with the *Corporations Act 2001*, including that they:
 - (i) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and
 - (ii) give a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the Forest Place Group Limited and its Controlled Entities;
- (b) at the date of this Statement there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Dated at Brisbane this 25th day of February 2010.

Signed in accordance with a resolution of the Directors:



D C Mackenzie
Director



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Forest Place Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Forest Place Group Limited, which comprises the consolidated balance sheet as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Forest Place Group Limited and the entities it controlled at 31 December 2009 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of Forest Place Group Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Forest Place Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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Chartered Accountants
& Business Advisers

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Forest Place Group Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

A handwritten version of the PKF logo in black ink.

PKF

A handwritten signature in black ink, appearing to read 'K L Colyer'.

K L Colyer
Partner

Dated at Brisbane this 25th day of February 2010