

Australian Forest Industries
Form 10KSB/A
October 03, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB/A
(Amendment No. 2)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2007 File Number 0-25909

AUSTRALIAN FOREST INDUSTRIES
(Name of small business issuer in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

0931332

I.R.S. Employer
Identification

No.)

4/95 Salmon Street, Port Melbourne, Victoria
Australia, 3207
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: 011 61 3 8645 4340

Securities registered under Section 12(b) of the Exchange Act:

| Title of Each Class | Name of Each Exchange on Which Registered |
|------------------------|--|
| None | None |

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.001 par value
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes S No

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Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB/A or any amendment to this Form 10-KSB/A.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No S

State the issuer's revenues for its most recent fiscal year. As of December 31, 2007, no revenues were realized.

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of April 14, 2008 was approximately \$1,700,000 based on 17,000,000 shares of common stock. The number of shares of Common Stock of the registrant outstanding on April 14, 2008 was 257,600,680.

As of April 14, 2008, there were 257,600,680 shares of common stock.

Transitional Small Business Disclosure Format (Check one): Yes ; No

EXPLANATORY NOTE

We are filing this Amendment Number 2 on Form 10-KSB/A (“Amendment No. 2”) to amend our annual report on Form 10-KSB for the year ended December 31, 2007 (the “Original Report”) and to amend our amended annual report on Form 10-KSB/A filed on September 22, 2008 (“Amendment No. 1”) to amend Item 8A(T) to clarify that our disclosure controls and procedures were not effective as of the time of the Original Report and Amendment No. 1. This Amendment No. 2 continues to speak as of the date of the Original Report. We have not updated the disclosures contained therein to reflect any events that have occurred at a date subsequent to the date of the Original Report.

Item 8A(T). Controls and Procedures

Management’s Annual Report on Internal control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, for our business. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based principally on the framework and criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission as of the end of the period covered by this report. Based on that evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2007 at providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. The evaluation of our Chief Executive Officer and Chief Financial Officer was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

(a) Disclosure Controls and Procedures.

As of the end of the period covering this Form 10-KSB, we evaluated the effectiveness of the design and operation of our "disclosure controls and procedures". Our President conducted this evaluation by himself.

(i) Definition of Disclosure Controls and Procedures.

Disclosure controls and procedures are controls and other procedures that are designed with the objective of ensuring that information required to be disclosed in our periodic reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As defined by the SEC, such disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, in such a manner as to allow timely disclosure decisions.

(ii) Conclusions with Respect to Our Evaluation of Disclosure Controls and Procedures.

Our officers and directors have concluded, based on the evaluation of these controls and procedures, that our disclosure controls and procedures for the year ended December 31, 2007, as at the time of the Original Report and at the time of Amendment No. 1 were ineffective in timely alerting them to material information relating to our business

required to be included in our periodic SEC filings. This ineffectiveness in our disclosure controls and procedures was revealed by the failure to include the proper assessment in the Original Report on internal controls over financial reporting as of December 31, 2007 and by the failure to note the ineffectiveness of the disclosure controls and procedures in Amendment No. 1. The Company has taken steps to cure the ineffectiveness of its disclosure controls and procedures by redoubling its efforts and instructing its outside counsel to do the same to ensure that such deficiencies do not occur in the future.

(b) Changes in Internal Controls.

There were no changes in our internal controls over financial reporting during the last fiscal quarter of 2007 that materially affected or is reasonably likely to affect our internal control over financial reporting.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AUSTRALIAN FOREST INDUSTRIES

/s/ Michael Timms

Name: Michael Timms

Title: Chief Executive Officer, President and Chairman

Date: September 30, 2008

/s/ Colin Baird

Name: Colin Baird

Title: Chief Financial Officer and Director

Date: September 30, 2008

/s/ Roger Timms

Name: Roger Timms

Title: Executive Vice President and Director

Date: September 30, 2008