

**AUSLINK PROPERTY TRUST**  
TRUSTEE: CENTREWAY CAPITAL LTD  
ABN: 74 971 677 600

**FINANCIAL REPORT**  
FOR THE PERIOD ENDING 30 JUNE 2011

**AUSLINK PROPERTY TRUST**  
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# AUSLINK PROPERTY TRUST

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## PROFIT AND LOSS STATEMENT

30 JUNE 2011

REVENUE	Note	2011	2010
Rental Income		520,177	137,228
Property Revaluation		620,095	387,637
Interest Income		16,969	6,110
Total Revenue		1,157,241	530,975
EXPENSES			
Accounting fees		5,250	4,750
Audit Fee		9,380	6,000
Bank Fees & Interest		234,624	52,780
Outgoings	2	50,473	13,375
Property Management		10,404	2,744
Management Fees		34,882	9,275
Other		2,219	0
Total Expenses		347,232	88,924
Profit / (Loss)		810,009	442,051

The accompanying notes form part of these financial statements.

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**BALANCE SHEET**  
**30 JUNE 2011**

<b>ASSETS</b>	<b>Note</b>	<b>2011</b>	<b>2010</b>
<b>Current Assets</b>			
Bank		326,430	144,751
Trade and other receivables		13,600	7,033
GST		65,603	14,238
Total Current Assets		<u>405,633</u>	<u>166,022</u>
<b>Non Current Assets</b>			
Land & Buildings - Carnarvon	3	2,750,000	2,750,000
Land & Buildings - Boronia	4	6,750,000	3,653,837
Land & Buildings - Port Pire	5	1,007,280	
Land & Buildings - Footscray	6	3,959,891	
Total Non Current Assets		<u>14,467,171</u>	<u>6,403,837</u>
<b>TOTAL ASSETS</b>		<u><b>14,872,804</b></u>	<u><b>6,569,859</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		187,828	437,493
Rent Paid in Advance		79,203	20,853
Unitholder Distributions		151,418	55,323
Bank Loans	7	<u>1,500,000</u>	<u>2,727,376</u>
Total Current Liabilities		<u>1,918,449</u>	<u>3,241,045</u>
<b>Non-Current Liabilities</b>			
Bank Loans	8	<u>5,200,000</u>	<u>0</u>
GST		<u>5,200,000</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>		<u><b>7,118,449</b></u>	<u><b>3,241,045</b></u>
<b>NET ASSETS</b>		<u><b>7,754,355</b></u>	<u><b>3,328,814</b></u>
<b>EQUITY</b>			
Unitholder Subscriptions	9	7,198,808	3,110,000
Retained Profit	10	<u>555,547</u>	<u>218,814</u>
<b>NET EQUITY</b>		<u><b>7,754,355</b></u>	<u><b>3,328,814</b></u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**1 Summary of Significant Accounting Policies**

The trustees have prepared the financial statements on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**a) Property, Plant and Equipment**

Property, Plant and Equipment are measured on the costs basis. The carrying amount of Plant and Equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets.

**b) Investment Properties**

Investment properties are initially measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to The Auslink Property Trust.

Subsequent to initial recognition as assets, investment properties are revalued to fair value. Directors assess fair value of the investment properties at each reporting date and obtain independent valuations on a regular basis to assist in assessing fair value.

Investment property, comprising freehold office complexes, is held to generate long term-term rental yields. All tenant leases are on an arm's length basis.

Changes to fair value are recorded in the profit and loss statement as property revaluation.

**c) Borrowing Costs**

Borrowing 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 Borrowing Costs are recognised in income in the period in which they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**d) Cash and Cash Equivalents**

Cash and Cash Equivalents include cash on hand, deposits held at call with Banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**e) Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest Revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All Revenue is stated net of the amount of Goods and Services Tax (GST).

**f) Goods and Services Tax (GST)**

Revenues, 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 a part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and Payables in the Balance Sheet are shown inclusive of GST.

**g) Borrowings**

Secured and Unsecured loans have been obtained. Carrying amounts represent amounts expected to be repaid at settlement.

**h) Income Tax**

Under current income tax legislation no income tax is payable by The Auslink Property Trust provided the taxable income is fully distributed to unitholders or the unitholders become presently entitled to all the taxable income.

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>2 Outgoings</b>		
Property Insurance	9,025	1,690
Electricity	21,357	8,081
Rates	8,059	1,931
Repairs & Maintenance	12,032	1,673
Total	<u>50,473</u>	<u>13,375</u>
 <b>3 Land &amp; Buildings - Carnarvon</b>		
Land Cost	446,000	446,000
Stamp Duty and Acquisition Costs	23,830	23,830
Building Costs	1,756,001	1,749,706
Bank fees & Interest	22,364	22,364
Trust fees and expenses	120,463	120,463
Revaluation Amount	381,342	387,637
Total	<u>2,750,000</u>	<u>2,750,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>4 Land &amp; Buildings - Boronia</b>		
Land Cost	2,200,000	2,200,000
Stamp Duty and Acquisition Costs	134,455	134,455
Building Costs	3,290,506	1,134,747
Bank fees & Interest	177,936	69,025
Trust fees and expenses	320,713	115,610
Revaluation Amount	626,390	
Total	6,750,000	3,653,837
<b>5 Land &amp; Buildings - Port Pirie</b>		
Land Cost	875,000	0
Stamp Duty and Acquisition Costs	77,563	0
Building Costs	7,850	0
Bank fees & Interest	3,000	0
Trust fees and expenses	43,867	0
Total	1,007,280	0
During the year Land in Port Pirie was purchased for future development.		
<b>6 Land &amp; Buildings - Footscray</b>		
Land Cost	3,450,000	0
Stamp Duty and Acquisition Costs	217,831	0
Building Costs	118,156	0
Bank fees & Interest	49,850	0
Trust fees and expenses	124,054	0
Total	3,959,891	0
During the year Land in Footscray was purchased for future development.		
<b>7 Bank Loans (Current)</b>		
Bendigo Bank Loan - Carnavon & Boronia	0	2,727,376
Bendigo Bank Loan - Footscray	1,500,000	0
Total	1,500,000	2,727,376
<b>8 Bank Loans (Non Current)</b>		
Bendigo Bank Loan - Carnavon & Boronia	5,200,000	0
Total	5,200,000	0
<b>9 Unitholder Subscriptions</b>		
Units Issued	7,049,017	3,110,000
Unit Premium Reserve	149,791	0
Total	7,198,808	3,110,000
<b>10 Retained Profit</b>		
Opening Balance	218,814	(743)
Current Year Earnings	810,009	442,051
Distributions	(473,276)	(222,494)
Closing Balance	555,547	218,814

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**TRUSTEES' DECLARATION**

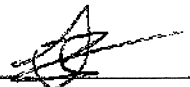
The Trustee (Centreway Capital Ltd) has determined that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Trustee of the Trust declares that:

1. The financial statements and notes, as set out on pages 1 to 5, present fairly the Trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the Trustee'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.

Signed for and on behalf of the Trustee

Signed



Signed



Director

JASON BRUNT

Director

PEARSE J. MORGAN

Dated this 11 day of October 2011



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSLINK PROPERTY TRUST**

We have audited the accompanying financial report, being a special purpose financial report, of The Auslink Property Trust (the Trust), which comprises the balance sheet as at 30 June 2011 and the profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Trustees' declaration.

### *Trustees' Responsibility for the Financial Report*

The trustees of the trust are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report are appropriate to meet the needs of the members and is appropriate to meet the needs of the members.

The trustees' responsibility also includes such internal control as the trustees' determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### *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. These Auditing 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 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 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 trustees, 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 Australian professional ethical pronouncements.

*Auditor's Opinion*

In our opinion the financial report of The Auslink Property Trust is in accordance with the trust deed, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Trust Deed.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the *Trust Deed*. As a result, the financial report may not be suitable for another purpose.

Moore Stephens

**MOORE STEPHENS**  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'S Phillips', with a long horizontal line drawn underneath it.

**Scott Phillips**  
Partner

Melbourne, 12 October 2011