

BBX PROPERTY INVESTMENT FUND LIMITED

ABN 17 118 847 108

INTERIM FINANCIAL REPORT

31 December 2007

This financial report covers the consolidated entity consisting of BBX Property Investment Fund Limited and its controlled entity

This Interim Financial Report should be read in conjunction with the company's annual report for the year ended 30 June 2007.

**BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY**

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2007.

Directors

The names of directors who held office during or since the end of the half-year:

Simon Touma

Barry Dawes

Tim Creasy

Michael Touma

Peter O'Mara

Principal Activities

The principal activity of the Company during the period was management of the BBX Property Investment Fund.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2007

Review of Operations

The financial statements show a loss for the Company for the half-year ended 31 December 2007 of \$176,376.44.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2007.

This report is signed in accordance with a resolution of the Board of Directors.

Director 

Michael Touma

Dated this 29th day February 2008



robert nielson partners

chartered accountant
business advisors

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BBX PROPERTY INVESTMENT FUND LIMITED**

I declare that to the best of my knowledge and belief, during the year 6 months ended 31 December 2007, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit review; and
2. no contraventions of any applicable code of professional conduct in relation to the audit review.

Robert Nielson

Date 29 February 2008

**BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY**

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF -YEAR ENDED 31 DECEMBER 2007**

	31.12.2007	31.12.2006
	\$	\$
Revenue	108,487	10,819
Amortisation	-	(35,779)
Directors fee	(83,629)	(30,668)
Share registration expense	(20,862)	(5,418)
Other expenses	(180,372)	(5,740)
Loss before income tax	(176,376)	(66,786)
Income tax expense	-	-
Loss from continuing operations	(176,376)	(66,786)
Loss for the period	(176,376)	(66,786)
Overall Operations		
Basic earnings per share (cents per share)	N/A	N/A
Diluted earnings per share (cents per share)	N/A	N/A

BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	Economic Entity 31.12.2007 \$	30.06.2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		629,382	738,849
Trade and other receivables		108,000	280,000
Other current assets	2	1,976,096	368,587
TOTAL CURRENT ASSETS		<u>2,713,477</u>	<u>1,387,436</u>
NON-CURRENT ASSETS			
Trade and other receivables		8,514	19,395
Property, plant and equipment		6,900,153	3,356,864
Other Financial Assets	2	8,299,235	8,955,154
TOTAL NON-CURRENT ASSETS		<u>15,207,902</u>	<u>12,331,413</u>
TOTAL ASSETS		<u>17,921,380</u>	<u>13,718,849</u>
CURRENT LIABILITIES			
Trade and other payables		42,470	62,202
Short-term borrowings		741,010	742,000
TOTAL CURRENT LIABILITIES		<u>783,480</u>	<u>804,202</u>
NON-CURRENT LIABILITIES			
Trade and other payables			18,409
Long-term borrowings		3,647,568	1,479,441
TOTAL NON-CURRENT LIABILITES		<u>3,647,568</u>	<u>1,497,850</u>
TOTAL LIABILITIES		<u>4,431,048</u>	<u>2,302,052</u>
NET ASSETS		<u>13,490,332</u>	<u>11,416,797</u>
EQUITY			
Issued capital	2	13,927,722	11,677,810
Accumulated gain/(losses)		(437,390)	(261,013)
TOTAL EQUITY		<u>13,490,332</u>	<u>11,416,797</u>

**BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF- YEAR ENDED 31 DECEMBER 2007**

	Note	Share Capital Ordinary	Retained Earnings	Total
		\$	\$	\$
Balance at 30.06.2007		11,677,810	(268,450)	11,409,360
Balance at 1.7.2007	2	11,677,810	(261,013)	11,409,360
Share issued during the year	2	2,249,912	-	2,249,912
Loss attributable to members of entity			(176,376)	(176,376)
Balance at 31.12.2007		13,927,722	(437,389)	13,482,896

BBX PROPERTY INVESTMENT FUND LIMITED

AND CONTROLLED ENTITY

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	31.12.2007 \$	31.12.2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	182,987	
Payments to suppliers and employees	(170,376)	(183,622)
Interest received	17,255	10,819
Borrowing costs	(109,570)	
Net cash provided by operating activities	(79,704)	(172,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(2,503,450)	
Net cash(used in) investing activities	(2,503,450)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,167,157	
Proceeds from Share issue	306,530	1,014,221
Net Cash provided by financing activities	2,473,687	1,014,221
Net increase (decrease) in cash held	(109,467)	841,418
Cash at beginning of period	738,849	-
Cash at end of period	629,382	841,418

This cashflow statement only shows net cash dollar increase (decrease) in the financial period and does not include BBX Trade dollar movements.

**BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by BBX Property Investment Fund during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

Please refer to 30 June 2007 Annual Report for details

NOTE 2: BALANCES DENOMINATED IN BBX TRADE DOLLARS

The following assets are denominated in BBX Trade Dollars:-

Other Current assets	
- Deposit	<u>1,959,375</u>
Other financial assets	
BBX PIF Share Issue Trade Account	7,087,070
BBX PIF Management Trade Account	<u>1,212,165</u>
	<u>8,299,235</u>

2,169,382 fully paid Class B shares were issued for consideration in BBX Trade Dollar during the period (30 June 2007: 10,471,532).

One BBX Trade Dollar is converted at par value to one AUD dollar.

NOTE 3: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There are no acquisitions or disposals during the period.

NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

All significant revenue and expense items for the periods are disclosed on the face of the income statement.

NOTE 5: SEGMENT INFORMATION

The entity operates in one business segment, being the management of the BBX Property Investment Fund in Australia.

NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities on the 31 December 2007.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

No significant matters have arisen since the end of the half-year.

**BBX PROPERTY INVESTMENT FUND LIMITED
AND CONTROLLED ENTITY**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 7:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Michael Touma

Dated this

29th day of February 2008



robert nielson partners

chartered accountant
business advisors

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BBX PROPERTY INVESTMENT FUND LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half year consolidated financial report of BBX Property Investment Fund Limited ('the company'), which comprises the condensed balance sheet as at 31 December 2007, condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatements, 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 Australian 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 consolidated entity's financial position as at 31 December 2007 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 the company, 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*.

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 consolidated financial report of BBX Property Investment Fund Limited is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

Robert Nielson Partners

A handwritten signature in black ink, appearing to be 'RN', written over the printed name 'Robert Nielson Partners'.

Robert Nielson

Dated this 29th day of February 2008