APPENDIX 4E
PRELIMINARY FINAL REPORT TO THE NATIONAL STOCK EXCHANGE OF AUSTRALIA

Name of Entity	BBX Property Investment Fund Ltd
ABN	17 118 847 108
Year ended	30 June 2011
Previous corresponding period	30 June 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		$'000		$'000
Revenue from ordinary activities (continuing)	Down 25% from	318	To	238
(Loss) from ordinary activities after tax attributable to members	Down 70% from	(4,226)	To	(1,236)
Net (Loss) for the period attributable to members	Down 70% from	(4,226)	To	(1,236)

No interim dividend was paid and it is not proposed to pay any dividends.

Explanation of Revenue

The loss from ordinary activities before income tax expense includes the following revenue whose disclosures is relevant in explaining the financial performance of the entity:

	Year Ended 30 June 2011 $000	Year Ended 30 June 2010 $000
Revenues from continuing operations		
Rental Income	238	318
Other Income	1	0
Interest Received	8	7
	247	325

Explanation of results

During the year, there was a loss of $1,236,287 (2010: Loss $4,226,375). This was due to revaluation of properties of $710,358 downwards

The result for the year is in line with management and Board expectations.

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary security (basic)	$0.272	$0.410
Net tangible assets per ordinary security (diluted)	$0.272	$0.410

Other Matters

There have been no entities over which control has been gained or lost during the period.

There are no associates or joint ventures included within the accounts of BBX Property Investment Fund Ltd.

Audit of financial reports

The report is based on accounts which are in the process of being audited.

Tim Creasy
Company Secretary
13 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group	
		2011	**2010**
Revenue from ordinary activities	2	238,247	318,441
Other income	2	8,579	6,558
Directors fee		(50,663)	(140,827)
Auditors remuneration	4	(19,150)	(20,130)
Share registration expense		(28,775)	(29,733)
Management fee		(11,953)	(15,922)
Loss on sale of property		(104,669)	-
Interest paid		(320,772)	(321,257)
Impairment of trade dollars		(66,927)	(3,856,348)
Revaluation of Property		(710,358)	-
Other expenses		(169,845)	(167,157)
Profit /(Loss) before income tax		(1,236,287)	(4,226,375)
Income tax expense relating to ordinary activities		-	
Profit/(Loss) for the year		(1,236,287)	(4,226,375)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,236,287)	(4,226,375)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	Consolidated Group 2011	Consolidated Group 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	126,534	82,897
Trade and other receivables	7	75,825	66,000
Land & Buildings Held for Resale	9	4,589,943	-
Other current assets	8	-	100,650
TOTAL CURRENT ASSETS		4,792,302	9,247,693
NON-CURRENT ASSETS			
Cash and cash equivalents	6	116,334	227,131
Intangible Assets	10	9,154,309	8,998,145
Trade and other receivables	7	37,787	80,001
Investment property	9	-	6,916,847
TOTAL NON-CURRENT ASSETS		9,308,430	7,223,979
TOTAL ASSETS		14,100,732	16,471,672
CURRENT LIABILITIES			
Trade and other payables	11	82,976	26,025
Financial liabilities	12	641,425	-
TOTAL CURRENT LIABILITIES		724,401	26,025
NON-CURRENT LIABILITIES			
Trade and other payables	11	21,042	1,651
Financial liabilities	12	2,534,744	4,409,565
TOTAL NON-CURRENT LIABILITIES		2,555,786	4,411,216
TOTAL LIABILITIES		3,280,187	4,437,241
NET ASSETS		10,820,545	12,034,431
EQUITY			
Issued capital		17,318,122	17,295,722
Accumulated (losses)		(6,497,557)	(5,261,291)
TOTAL EQUITY		10,820,545	12,034,431

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

Economic Entity	Note	Share Capital Ordinary	Accumulated Losses	Total
		$	$	$
Balance at *30.6.2009*		16,741,288	(1,034,916)	15,706,372
Shares issued during the year		554,434	-	554,434
Loss for the year		-	(4,226,375)	(4,226,375)
Balance at *30.6.2010*		17,295,722	(5,261,291)	12,034,431
Shares issued during the year		22,400	-	22,400
Loss for the year		-	(1,236,287)	(1,236,287)
Balance at *30.6.2011*		17,318,122	(6,497,577)	10,820,545

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group 2011 $	Consolidated Group 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		342,856	239,203
Payments to suppliers and employees		(335,000)	(216,323)
Interest received		8,297	6,558
Finance costs		(143,770)	(301,590)
Net cash used by operating activities		(127,617)	(272,152)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of property, plant and equipment		1,564,000	-
Net cash used by investing activities		1,564,000	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,400	149,767
Repayment of borrowings		(1,670,444)	(157,882)
Proceeds from borrowings		159,500	214,882
Net cash provided by financing activities		(1,503,544)	206,767
Net increase/(decrease) in cash held		(67,161)	(65,385)
Cash at 1 July	6	310,028	375,413
Cash at 30 June	6	242,688	310,028

This cash flow statement only includes payments and receipts in cash dollars and does not include BBX trade dollar transactions.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of BBX Property Investment Fund Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of BBX Property Investment Fund Limited as an individual parent entity. The financial report was adopted by the Directors of the Group on 30 September 2011.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The group has completed various transactions denominated in BBX trade dollars during the year. Certain assets and liabilities at year end are recorded in BBX trade dollars. These transactions and balances have been converted on the basis of one BBX trade dollar for one currency unit in each of the countries in which the group operates.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

A controlled entity is any entity over which BBX Property Investment Fund Ltd has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

At reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Intangibles

-Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(f) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Investment Property

Investment property is held to generate long-term rental yields. All tenant leases are on an arm's length basis. investment property is carried at fair value, determined every three years by independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income.

NOTE 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) 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.

(k) BBX Trade Dollars

BBX currency unit adopted by the BBX Exchange in order to pass value between Member's accounts. It has par value with the currency of the country in which the exchange operates, for example, one BBX Trade Dollar (BBX$) equals one A$ in Australia. and one NZ$ in New Zealand.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST)

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition are added to the cost of those properties.

(n) 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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

NOTE 2: REVENUE

	Consolidated Group	
	2011 $	2010 $
Ordinary operating activities		
— Rental income	238,246	318,441
— Other income	282	-
— interest received	8,297	6,558
Total Revenue	246,825	324,999

NOTE 3: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Michael Touma	Executive Director
Barry Dawes	Non-Executive Director
Tim Creasy	Executive Director
Carolin MacDonald	Non-Executive Director

The Company does not currently employ any person other than the four directors. The Company has appointed BBX Funds Management Pty Ltd to manage the Fund. Accordingly, it is not anticipated that the Company will employ any person in the foreseeable future.

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report

The Company currently has no bonus reward or incentive payment schemes.

No options have been issued to directors

NOTE 4: AUDITORS' REMUNERATION

	Consolidated Group	
	2011 $	2010 $
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	19,150	16,290
— other services provided by related practice of auditor	-	3,840

NOTE 5: EARNINGS PER SHARE

		Consolidated Group	
		2011	2010
		$	$
a.	Reconciliation of earnings to profit or loss		
	Profit/(loss)	(1,236,287)	(4,226,376)
	Profit/(loss) attributable to minority equity interest	-	-
	Redeemable and converting preference share dividends	-	-
	Earnings used to calculate basic EPS	(1,236,287)	(4,226,376)
	Dividends on converting preference shares	-	-
	Earnings used in the calculation of dilutive EPS	(1,236,287)	(4,226,376)
b.	Reconciliation of earnings to profit or loss from continuing operations		
	Profit/(loss) from continuing operations	(1,236,287)	(4,226,376)
	Profit attributable to minority equity interest in respect of continuing operations	-	-
	Redeemable and converting preference share dividends	-	-
	Earnings used to calculate basic EPS from continuing operations	(1,236,287)	(4,226,376)
	Dividends on converting preference shares	-	-
	Earnings used in the calculation of dilutive EPS from continuing operations	(1,236,287)	(4,226,376)
			No.
c.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	18,217,976	17,795,724
	Weighted average number of options outstanding	-	-
	Weighted average number of converting preference shares on issue	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	18,217,976	17,795,724

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2011 $	2010 $
CURRENT		
Cash at bank and in hand	126,534	82,897
	126,534	82,897
NON CURRENT		
Cash at bank and in hand	116,334	227,131
	116,334	227,131

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2011 $	2010 $
CURRENT		
Trade debtors		66,000
TFN Withholding Tax	825	-
MPS Staff Superannuation Fund	75,000	-
	75,825	66,000
NON CURRENT		
MPS Staff Superannuation Fund	-	80,000
Other related entities	37,787	1
	37,787	80,001

NOTE 8: OTHER CURRENT ASSETS

	Consolidated Group	
	2011 $	2010 $
Deposits	-	100,650
	-	100,650

NOTE 9: INVESTMENT PROPERTY

	Consolidated Group	
	2011 $	2010 $
CURRENT		
Balance at beginning of year	-	-
Reclassification to land held for investment	4,589,943	-
Balance at end of year	4,589,943	-
NON CURRENT		
Balance at beginning of year	6,916,847	6,916,847
Revaluation of property	(710,358)	-
Sale of property	(1,616,546)	-
Reclassification to land held for resale	(4,589,943)	-
Balance at end of year	-	6,916,847
Rental income received from investment properties	238,246	318,441
Direct operating expenses of investment properties	78,051	91,937

All investment properties acquired have been recorded at valuation.

After initial recognition the fair value model will be applied to all investment properties. Investment properties will be independently revalued at least tri-annually, values will be based on an active liquid market value and be performed by a registered independent valuer.

NOTE 10: INTANGIBLE ASSETS

	Consolidated Group	
	2011 $	2010 $
Barter IT (Barter Trade Exchange Account)	13,077,584	12,834,749
Accumulated impairment	(3,923,275)	(3,836,604)
	9,154,309	8,998,145

The above assets are denominated in BBX Trade Dollars

There has been a change in accounting treatment of the BBX trade dollar assets in the current period. These accounts in the past have been disclosed as Other Non-Current Assets in the balance sheet. The change in accounting treatment was adopted as per recommendations given by the Australian Government Financial Reporting Panel in their report dated 19th October, 2010.

The report has been lodged with the National Stock Exchange of Australia and can be viewed at their website www.nsxa.com.au in full under the code BPI.

The recommendation given by the Panel was to treat the trade dollar accounts as an intangible asset. The Directors after consideration have decided to adopt this suggested change.

The Directors of the Company have also decided to impair the trade dollar assets in accordance with paragraph 3.5 of the report on page 7 as intangible assets with an indefinite useful life. They have adopted a degree of impairment that reflects the upper limit of the valuation placed on BBX trade dollars in the Grant Thornton Report, prepared for the directors of BBX Holdings Ltd. in early 2010. That report has been lodged with the Australian Stock Exchange and can be viewed at their website www.asx.com.au in full under the code BBX.

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2011 $	2010 $
CURRENT		
Sundry payables and accrued expense	82,976	26,025
	82,976	26,025
NON CURRENT		
Other related entities	21,042	1,651

NOTE 12: FINANCIAL LIABILITIES

	Consolidated Group	
	2011 $	2010 $
CURRENT		
Bank loans	641,425	-
	641,425	-
NON CURRENT		
Bank loans	2,534,744	4,409,565
	2,534,744	4,409,565

The bank loans are secured by mortgages over property assets held by the company.

NOTE 13: SHARE CAPITAL

	Consolidated Group	
	2011 $	2010 $
17,728,642 Fully paid ordinary shares (2010: 16,844,059)	17,728,642	16,844,059
Cost of issuing ordinary shares	(449,927)	(461,127)
489,334 Fully paid B Class shares (2010: 1,373,917)	489,334	1,373,917
Cost of issuing B Class shares	(449,927)	(461,127)
	17,318,122	17,295,722

	2011	2010
		No.
a. Ordinary shares		
At the beginning of reporting period	16,844,059	11,969,256
Shares issued during the year		
— at $1 each	-	305,417
— convert from B class share	884,583	4,569,386

b. B class shares

At the beginning of reporting period		1,373,917	5,234,736
Shares issued during the year			
—	at $1 each	-	708,567
—	convert to A class share	(884,583)	(4,569,386)
At reporting date		18,217,976	18,217,976

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

B Class shares have rights identical to those of the ordinary shares save and except as follows:

- they do not participate in dividend distributions.

- they cannot be traded on the stock exchange.

b. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 14: CONTROLLED ENTITIES

a. **Controlled Entities Consolidated**

	Country of Incorporation	**Percentage Owned (%)***	
		2011	**2010**
Subsidiaries of BBX Property Investment Fund Ltd:			
BBX Residential Pty Ltd	Australia	100%	100%

** Percentage of voting power is in proportion to ownership*

NOTE 15: RELATED PARTY TRANSACTIONS

	Consolidated Group	
	2011	**2010**
	$	**$**
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
(i) Transactions with related parties:		
Associated Companies		
Commercial rental income received from BBX Management No 2 Unit Trust	52,500	60,000
Management fees paid to BBX Funds Management Pty Ltd	11,953	15,922
(i) Current account balances with related parties:		
Receivables		
BBX Holdings Ltd	-	1
BBX Management No2 Unit Trust	37,786	-
Payables		
BBX Funds Management Ltd	21,042	1,651

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

On 2nd September 2011, a resolution was passed by the shareholders of the company to realise all company assets in an orderly manner, and to distribute the proceeds of this realisation of assets to the members.