

FORM: Half yearly/preliminary final report

Name of issuer

Australian Property Growth Fund

ACN or ARBN

109 093 816

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(Current period)

1 July 2011 – 31 December 2011

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Revenue (item 1.1)	down	9%	to	28,594
Profit (loss) for the period (item 1.9)	down	274%	to	(9,945)
Profit (loss) for the period attributable to members of the parent (item 1.11)	down	274%	to	(9,945)
Dividends				
Franking rate applicable:		Nil		Nil
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security		Not applicable		Not applicable
Franked amount per security		Not applicable		Not applicable
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		Capital distributions in respect of period:		Capital distributions in respect of period:
Franked amount per security		September 2011		September 2010
		- 0.875 cents per stapled security		- 0.875 cents per stapled security
		- Nil franked		- Nil franked
		- Amount \$2,008,000		- Amount \$2,008,000
		December 2011		December 2010
		- 0.875 cents per stapled security		- 0.875 cents per stapled security
		- Nil franked		- Nil franked
		- Amount \$2,007,000		- Amount \$2,008,000
		Total \$4,015,000		Total \$4,016,000

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Nil

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues <i>(item 7.1)</i>	28,594	31,343
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(24,203)	(14,977)
1.3 Finance costs	(10,623)	(10,463)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	(6,232)	5,903
1.6 Income tax expense <i>(see note 4)</i>	(3,713)	(183)
1.7 Profit (loss) from continuing operations	(9,945)	5,720
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(9,945)	5,720
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	(9,945)	5,720
1.12 Basic earnings per security <i>(item 9.1)</i>	(4.4)	2.5
1.13 Diluted earnings per security <i>(item 9.1)</i>	(4.4)	2.5
1.14 Dividends per security <i>(item 9.1)</i>	1.8	1.8

Comparison of half-year profits

(Preliminary final statement only)

	Current period - \$A'000	Previous corresponding period - \$A'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	Not applicable	Not applicable
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	Not applicable	Not applicable

Consolidated balance sheet

(See note 5) (as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A'000	Previous corresponding period - \$A'000
3.1	Cash and cash equivalents	9,672	7,802
3.2	Trade and other receivables	3,687	3,668
3.3	Inventories	3,073	11,353
3.4	Other current assets		
	- Investment properties held directly	335,500	80,275
	- Management fee assets	3,166	637
	- Other	740	336
3.5	Total current assets	355,838	104,071
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	231	257
3.8	Investments in associates	-	-
3.9	Deferred tax assets	3,380	7,092
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	688	641
3.13	Investment properties	-	250,000
3.14	Goodwill	-	13,163
3.15	Other intangible assets	-	-
3.16	Other		
	- Management fee assets	12,148	15,851
	- Receivables	6,691	8,085
	- Inventory	29,605	23,676
3.17	Total non-current assets	52,743	318,765
3.18	Total assets	408,581	422,836
Current liabilities			
3.19	Trade and other payables	7,996	10,186
3.20	Short term borrowings	100,945	91,394
3.21	Current tax payable	-	-
3.22	Short term provisions	556	426
3.23	Current portion of long term borrowings	161,425	-
3.24	Other current liabilities (provide details if material)	-	-
3.25	Liabilities directly associated with non-current assets classified as held for sale	-	-
3.26	Total current liabilities	270,922	102,006

Non-current liabilities			
		Current period - \$A'000	Previous corresponding period - \$A'000
3.27	Long-term borrowings	-	168,739
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	250	300
3.30	Other		
	- Accounts Payable	-	422
	- Other liabilities	3,000	3,000
3.31	Total non-current liabilities	3,250	172,461
3.32	Total liabilities	274,172	274,467
3.33	Net assets	134,409	148,369
Equity			
3.34	Share capital	198,450	202,465
3.35	Other reserves	-	-
3.36	Retained earnings (accumulated losses)	(64,051)	(54,106)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	134,399	148,359
3.38	Minority interest	10	10
3.39	Total equity	134,409	148,369

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$'000	Previous corresponding period – A\$'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	(9,945)	5,720
4.3 Total recognised income and expense for the period	(9,945)	5,720
Attributable to:		
4.4 Members of the parent	(9,945)	5,720
4.5 Minority interest	-	-
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6) (as per AASB 107: Cash Flow Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	26,851	21,991
5.2	Payments to suppliers and employees	(13,675)	(16,345)
5.3	Interest and other costs of finance paid	(10,691)	(8,878)
5.4	Income taxes received (paid)	-	1,730
5.5	Other (provide details if material)	811	505
5.6	Net cash used in operating activities	3,296	(997)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(89)	(58)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	1,422	-
5.12	Loans repaid by other entities	-	(165)
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other		
	- Payments for investment property additions	(779)	(2,214)
	- Net proceeds from sale of investment property	-	28,037
	- Payment of deposit and final payment on business acquisition	-	(6,000)
5.16	Net cash used in investing activities	554	19,600
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	15,500	-
5.19	Repayment of borrowings	(13,265)	(24,386)
5.20	Dividends paid	(3,994)	(3,994)
5.21	Other		
	- Payment of cost of borrowing	(221)	-
5.22	Net cash used in financing activities	(1,980)	(28,380)
	Net increase (decrease) in cash and cash equivalents	1,870	(9,777)
5.23	Cash at beginning of period (see Reconciliations of cash)	7,802	17,405
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	Cash at end of period (see Reconciliation of cash)	9,672	7,628

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Profit (item 1.9)	(9,945)	5,720
	Adjustments for:		
6.2	- Impairment loss – Goodwill	13,355	-
6.3	- Amortisation of borrowing costs	223	(87)
6.4	- Lease fees, incentives, straight-line rent, lease fitouts	461	96
	- Revaluation increments on investment properties	(4,819)	(8,605)
	- Other	42	43
6.5	(Increase)/decrease in receivables	(19)	(4,063)
6.6	(Increase)/decrease in inventory	2,351	4,125
6.7	(Increase)/decrease in management fee asset	1,174	3,153
6.8	Increase/(decrease) in payables	(2,561)	(3,311)
6.9	(Increase)/decrease in net tax balances	3,712	1,912
	(Increase)/decrease in net other assets and liabilities	(678)	20
6.10	Net cash from operating activities (item 5.6)	3,296	(997)

Notes to the financial statements

Details of revenues and expenses

(see note 16) (Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Sales income	1,871	3,708
	Rental income	14,948	14,174
	Property funds management fee income	6,897	5,151
	Interest income	765	467
7.1	Other income	440	337
	Revaluation increment/(decrement) on investment properties	4,847	8,605
	Fair value movement in management fee asset	(1,174)	(1,099)
	Total Revenue	28,594	31,343
	Expenses		
	Air conditioning expenses	323	312
	Audit fees	92	40
	Borrowing expenses	10,623	10,463
	Consultancy fees	724	510
7.2	Development costs expensed (incl cost of inventories sold)	2,998	6,852
	Electricity	161	196
	Goodwill impairment	13,355	-
	Insurance	125	126
	Land tax	385	548
	Leasing expenses	213	130
	Legal expenses	83	186
	Lift expenses	96	160
	Management fee expenses	597	631
	Personnel expenses	2,186	2,181
	Rates	626	607
	Recoverable outgoings	681	676
	Rent expenses	653	726
	Repairs and maintenance	194	278
	Other expenses	711	818
	Total Expenses	34,826	25,440
	Profit (loss) before tax	(6,232)	5,903

Ratios		Current period	Previous corresponding period
Profit before tax / revenue			
8.1	Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(21.8)	18.8
Profit after tax / equity interests			
8.2	Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)	(7.4)	3.7

Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

Basic EPS = (9,945,000) divided by 227,580,022

Diluted EPS = (9,945,000) divided by 227,580,022

There are no instruments that could potentially dilute basic EPS.

Dividends

- 10.1 Date the dividend is payable

31/1/2012

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

31/12/2011

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The dividend or distribution plans shown below are in operation.

A final distribution was declared for the year ended 30 June 2011 of 0.88 cents per stapled security in respect of the quarter ended 30 June 2011 and was paid on 29 July 2011.

Distributions to security holders during the half year were paid quarterly including a distribution of 0.88 cents per stapled security paid on 31 October 2011 in respect of the quarter ended 30 September 2011.

A distribution of 0.88 cents per stapled security was paid on 31 January 2012 in respect of the quarter ended 31 December 2011.

All distributions declared for the half year ended 31 December 2011 were paid from APGT.

No dividends were paid or proposed by APGL during the half year.

The last date(s) for receipt of election notices to the dividend or distribution plans

31/12/2011

- 10.5 Any other disclosures in relation to dividends or distributions

None noted.

Dividends paid or provided for on all securities*(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.6	Current year interim	2,007	2,008	-
10.7	Franked dividends	-	-	-
10.8	Previous year final	2,008	2,008	-
10.9	Franked dividends	-	-	-
	Dividends proposed and not recognised as a liability			
10.10	Franked dividends	-	-	-

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)*

		Current year	Previous year	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.11	Current year interim	0.88	0.88	-
10.12	Franked dividends – cents per share	-	-	-
10.13	Previous year final	0.88	0.88	-
10.14	Franked dividends – cents per share	-	-	-
	Dividends proposed and not recognised as a liability			
10.15	Franked dividends – cents per share	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

	Current period \$A'000	Previous corresponding period \$A'000
11.1 Opening balance		
11.2 Expenditure incurred during current period		
11.3 Expenditure written off during current period		
11.4 Acquisitions, disposals, revaluation increments, etc.		
11.5 Expenditure transferred to Development Properties		
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)	Not applicable	Not applicable

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Opening balance		
12.2 Expenditure incurred during current period		
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)	Not applicable	Not applicable

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$'000	Previous corresponding period – A\$'000
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations	-	-
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.1	Preference securities (description)					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5	Balance at end of period	-	-	-	-	-
14.6	Ordinary securities <i>Stapled Securities</i>					
14.7	Balance at start of period	222,580,022	222,580,022	-	202,465	210,431
14.8	a) Increases through issues	-	-	-	-	-
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	(4,015)	(4,016)
14.10	Balance at end of period	222,580,022	222,580,022	-	198,450	206,415
14.11	Convertible Debt Securities (description & conversion factor)					
14.12	Balance at start of period					-
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	-	-	-	-	-
14.15	Balance at end of period	-	-	-	-	-

		Number issued	Number listed	Paid-up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.16	Options (description & conversion factor)					
14.17	Balance at start of period	-	-	-	-	-
14.18	Issued during period	-	-	-	-	-
14.19	Exercised during period	-	-	-	-	-
14.20	Expired during period	-	-	-	-	-
14.21	Balance at end of period	-	-	-	-	-
14.22	Debentures (description)					
14.23	Balance at start of period	-	-	-	-	-
14.24	a) Increases through issues	-	-	-	-	-
14.25	b) Decreases through maturity, converted	-	-	-	-	-
14.26	Balance at end of period	-	-	-	-	-
14.27	Unsecured Notes (description)					
14.28	Balance at start of period	-	-	-	-	-
14.29	a) Increases through issues	-	-	-	-	-
14.30	b) Decreases through maturity, converted	-	-	-	-	-
14.31	Balance at end of period	-	-	-	-	-
14.32	Total Securities	227,580,022	227,580,022	-	198,450	206,415

		Current period – A\$'000	Previous corresponding period – A\$'000
Reserves			
14.33	Balance at start of period	-	-
14.34	Transfers to/from reserves	-	-
14.35	Total for the period	-	-
14.36	Balance at end of period	-	-
14.37	Total reserves	-	-
Retained earnings			
14.38	Balance at start of period	(54,106)	(57,598)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	(9,945)	5,720
14.42	Total for the period	-	-
14.43	Dividends	-	-
14.44	Balance at end of period	(64,051)	(51,878)

Details of aggregate share of profits (losses) of associates and joint venture entities*(equity method)**(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)*

Name of associate or joint venture entity

Not applicable

Reporting entities percentage holding

Not applicable

		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	Not applicable	Not applicable
15.2	Income tax	Not applicable	Not applicable
15.3	Profit (loss) after tax	Not applicable	Not applicable
15.4	Impairment losses	Not applicable	Not applicable
15.5	Reversals of impairment losses	Not applicable	Not applicable
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	Not applicable	Not applicable
15.7	Share of net profit (loss) of associates and joint venture entities	Not applicable	Not applicable

Control gained over entities having material effect*(See note 8)*16.1 Name of *issuer* (or *group*)

Not applicable

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since
the date in the current period on which control was acquired

\$A'000

Not applicable

16.3 Date from which profit (loss) in *item 16.2* has been calculated

Not applicable

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the
previous corresponding period

Not applicable

Loss of control of entities having material effect*(See note 8)*17.1 Name of *issuer* (or *group*)

Not applicable

17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control

\$A'000

Not applicable

17.3 Date from which the profit (loss) in *item 17.2* has been calculated

Not applicable

17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

Not applicable

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

Not applicable

Material interests in entities which are not controlled entities*The economic entity has an interest (that is material to it) in the following entities:*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
	Not applicable	-	-	<i>Equity accounted</i>	
		-	-	-	-
18.2	Total	-	-	-	-
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
	Not applicable	-	-	-	-
18.4	Total	-	-	-	-

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A'000				Previous corresponding period - \$A'000			
	Property development	Property investment	Property funds management	Total	Property development	Property investment	Property funds management	Total
Segments								
Revenue:								
19.1 External sales	3,110	19,157	6,327	28,594	4,871	21,911	4,561	31,343
19.2 Inter-segment sales	-	-	-	-	-	-	-	-
19.3 Total (consolidated total equal to item 1.1)	3,110	19,157	6,327	28,594	4,871	21,911	4,561	31,343
19.4 Segment result	(4,197)	7,941	(9,976)	(6,232)	(4,927)	10,661	169	5,903
19.5 Unallocated expenses	-	-	-	-	-	-	-	-
19.6 Operating profit (equal to item 1.5)	(4,197)	7,941	(9,976)	(6,232)	(4,927)	10,661	169	5,903
19.7 Interest expense (included in 19.6)	(210)	(8,450)	(1,740)	(10,400)	(933)	(8,541)	(902)	(10,376)
19.8 Interest income (included in 19.3, 19.6)	323	153	289	765	208	88	172	467
19.9 Share of profits of associates	-	-	-	-	-	-	-	-
19.10 Income tax expense	(2,685)	-	(1,028)	(3,713)	569	-	(752)	(183)
19.11 Net profit (consolidated total equal to item 1.9)	(6,882)	7,941	(11,004)	(9,945)	(4,358)	10,661	(583)	5,720

	Current period - \$A'000				Previous corresponding period - \$A'000			
	Property development	Property investment	Property funds management	Total	Property development	Property investment	Property funds management	Total
Other information								
19.12 Segment assets	38,087	344,761	25,733	408,581	48,777	338,031	36,028	422,836
19.13 Investments in equity method associates	-	-	-	-	-	-	-	-
19.14 Unallocated assets	-	-	-	-	-	-	-	-
19.15 Total assets (equal to item 3.18)	38,087	344,761	25,733	408,581	48,777	338,031	36,028	422,836
19.16 Segment liabilities	26,789	231,823	15,560	274,172	37,435	214,770	22,262	274,467
19.17 Unallocated liabilities	-	-	-	-	-	-	-	-
19.18 Total liabilities (equal to item 3.32)	26,789	231,823	15,560	274,172	37,435	214,770	22,262	274,467
19.19 Capital expenditure	-	779	89	868	-	2,214	58	2,272
19.20 Depreciation	2	-	40	42	3	-	43	46
19.21 Other non-cash expenses								
- Impairment loss – goodwill	-	-	(13,355)	(13,355)	-	-	-	-
- Revaluation increment on investment properties	-	4,847	-	4,847	-	8,605	-	8,605
- Fair value movement on management fee asset	-	-	(1,174)	(1,174)	-	-	(1,099)	(1,099)

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.56	\$0.59

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	Nil
------	-----

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	Not applicable
------	----------------

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	Not applicable
------	----------------

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

The Directors are not aware of any matter or circumstance not otherwise dealt with in the reports or the accounts that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

None noted.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

At 31 December 2011 available franking credits were \$1.142 million. No fully or partly franked dividends are expected to be paid in the next 12 months,

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

Since 1 July 2011 the Fund has adopted certain Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2011. Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Fund. The Standards and Interpretations adopted are:

- AASB 124 (Revised) Related Party Disclosures (December 2009)
- AASB 2009-12 Amendments to Australian Accounting Standards
- AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2010-5 Amendments to Australian Accounting Standards
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]
- AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]

The Fund has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

Not applicable.

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

Nil.

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

Material changes to capital commitments, contingent liabilities or contingent assets disclosed in the most recent annual financial report are:

- bank guarantees at 31 December 2011 are \$37,500 (30 June 2011: \$37,500). These guarantees are secured by cash accounts held with the bank.
- capital commitments at 31 December 2011 are \$nil (30 June 2011: \$nil).

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

An impairment loss was recognised on goodwill arising on acquisition of the property funds management business of \$13,355,000. At 31 December 2011, the Directors assessed the recoverability of goodwill acquired through business combinations and determined recognition of an impairment loss is warranted given current market conditions and a reassessment of the property funds management business. Accordingly, goodwill has been fully impaired.

The reassessment of future activity in the property funds management business has resulted in \$4 million in tax losses being derecognised.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

Nil

Annual meeting*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Not applicable

Date

Not applicable

Time

Not applicable

Approximate date the annual report will be available

Not applicable

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

Not applicable

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- ☐ The financial statements have been audited.
- ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review.
- ☐ The financial statements have *not* yet been audited or reviewed.
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached.
6. The *issuer* has a formally constituted audit committee.

Sign here: 
(Director/Company secretary)

Date: 15/03/12

Print name:ADRIANO CRAGNOLINI.....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5*. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit

(loss) after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under ASIC Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with AASB 101: *Presentation of Financial Statements* or AASB 134: *Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the ASIC, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** AASB 101: *Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items AASB 101: *Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in AASB 101, in explaining the financial performance of the *issuer*. There is an equivalent requirement in AASB 134: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3