

**FACSMILE TRANSMISSION**

Fax No.	(03) 5444 0033	Date:	4 th March 2005
Company:	Bendigo Stock Exchange	Our Ref.:	P:/data/company/BlueTower/BSX
Attention:	Ian Craig	Copy to:	
From:	Christina Little	No. of Pages:	30 (including this coversheet)
Subject:	Blue Tower Trust - Half yearly accounts and Annexure 3A at 31.12.04		
Status:	<input type="checkbox"/> Urgent <input type="checkbox"/> Routine		
Answer Required:	<input type="checkbox"/> Yes <input type="checkbox"/> No		

If this transmission is unreadable or incomplete, please notify us immediately.

Ian,

Please find attached the signed Interim financial report for the half-year ended 31 December 2004 and the signed Annexure 3A for the half-year ended 31 December 2004.

Should you have any questions regarding these documents please do not hesitate to contact me on 07 3004-1250.

Regards

Christina Little
Financial Controller

BLUE TOWER TRUST

ARSN 109 093 852

**Interim financial report for the
half-year ended 31 December 2004**

*Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004*

DIRECTORS' STATEMENT

The Board of Directors of Leyshon Corporation Limited ABN 50 090 257 480, the Responsible Entity of Blue Tower Trust, has pleasure in submitting the interim financial report for the half-year ended 31 December 2004.

DIRECTORS

The names of directors in office at the date of this report are:

G McMahon	Date of Appointment 01/11/1999
M O'Reilly	Date of Appointment 14/05/2003
W Collins	Date of Appointment 14/05/2003
N Summerson	Date of Appointment 11/06/2004

The directors held their positions as a director from the date of appointment and up to the date of this report.

REVIEW OF OPERATIONS

The Net Profit attributable to the unitholders of the financial period ended 31 December 2004 was \$322,298 (Period 28 November 2003 to 31 December 2003:\$74,828). The earnings per unit for the period based on a weighted average number of units of 30,000,000 was 1 cent per unit.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst and Young, as attached at Page 11.

Signed in accordance with a resolution of the directors.



G McMahon
Director

Brisbane
22 February 2005

Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004

STATEMENT OF FINANCIAL PERFORMANCE
For the half-year ended 31 December 2004

	6 months to 31 December 2004 \$	Period 28 November 2003 to 31 December 2003 \$
Revenue from ordinary activities	6,208,334	1,081,001
Air conditioning expenses	(175,204)	(32,048)
Amortisation expenses	(203,084)	(33,483)
Asset Management fees	(300,000)	(54,932)
Borrowing expenses	(46,126)	0
Guarantee Fees	(50,000)	(8,333)
Insurance	(77,498)	(33,626)
Interest Paid – Banks	(3,435,828)	(637,355)
Leasing Expenses	(123,083)	0
Lift Expenses	(145,405)	(24,146)
Property Management fees	(68,186)	(9,186)
Rates	(310,654)	(53,428)
Recoverable Outgoings	(390,755)	(50,650)
Repairs and Maintenance	(171,719)	(22,839)
Security	(55,820)	(11,101)
Other expenses from ordinary activities	(332,674)	(35,046)
Total Expenses from Ordinary Activities	<u>(5,886,036)</u>	<u>(1,006,173)</u>
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	322,298	74,828
Income tax expense	0	0
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	<u>322,298</u>	<u>74,828</u>
Unit issue costs recognised directly against equity	<u>(61,328)</u>	<u>(127,635)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH UNITHOLDERS AS UNITHOLDERS	<u>260,970</u>	<u>(52,807)</u>
Basic earnings per unit (cents per unit)	1.0	0.2
Diluted earnings per unit (cents per unit)	1.0	0.2

Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004

STATEMENT OF FINANCIAL POSITION
As at 31 December 2004

	Notes	31 December 2004 \$	30 June 2004 \$
CURRENT ASSETS			
Cash assets		999,476	3,603,171
Receivables		611,411	357,180
Other		244,991	86,315
Total current assets		1,855,878	4,046,666
NON-CURRENT ASSETS			
Property Investments held directly		121,412,670	119,886,271
Other		1,626,718	1,797,023
Total non-current assets		123,039,388	121,683,294
TOTAL ASSETS		124,895,266	125,729,960
CURRENT LIABILITIES			
Payables		2,430,538	2,618,805
Total current liabilities		2,430,538	2,618,805
NON-CURRENT LIABILITIES			
Interest bearing liabilities		93,700,000	93,700,000
Total non-current liabilities		93,700,000	93,700,000
TOTAL LIABILITIES		96,130,538	96,318,805
NET ASSETS		28,764,728	29,411,155
EQUITY			
Units Issued	7(b)	29,811,037	29,872,365
Capital Repayment	7(b)	(1,900,530)	(993,133)
Undistributed Income	7(c)	854,221	531,923
TOTAL EQUITY		28,764,728	29,411,155

Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2004

	6 months to 31 December 2004 \$	Period 28 November 2003 to 31 December 2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,536,479	1,966,085
Payments to suppliers and employees	(2,241,474)	(251,405)
Interest received	50,868	12,275
Interest paid	(3,421,665)	(75,367)
Net cash (outflows)/inflows from operating activities	<u>(75,792)</u>	<u>1,651,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Investment Property	(1,526,399)	(117,407,964)
Formation Expenses	0	(277,164)
Borrowing Costs	(32,779)	(1,699,124)
Net cash outflows from investing activities	<u>(1,559,178)</u>	<u>(119,384,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	0	93,700,000
Proceeds from the issue of units	0	27,740,000
Payment of unit issue costs	(61,328)	0
Distributions paid/payable	(907,397)	(155,040)
Net cash (outflows)/inflows from financing activities	<u>(968,725)</u>	<u>121,284,960</u>
Net increase / (decrease) in cash held	(2,603,695)	3,552,296
Cash at the beginning of the reporting period	3,603,171	0
Cash at the end of the reporting period	<u>999,476</u>	<u>3,552,296</u>

*Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004*

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2004

1. Accounting Policies

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 *"Interim Financial Reporting"*, the recognition and measurement requirements of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views.

This half-year financial report is to be read in conjunction with the 30 June 2004 Annual Financial Report and any public announcements by Leyshon Corporation Limited as Responsible Entity of Blue Tower Trust during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies are consistent with those applied in the 30 June 2004 Annual Financial Report.

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

The half-year report covers Blue Tower Trust as an individual entity.

The comparative figures for the Statement of Financial Performance and the Statement of Cash Flows to 31 December 2003 are for the period 28 November 2003 (the date of acquisition of the investment property) to 31 December 2003.

Impact of Adopting AASB Equivalents to IASB Standards

Blue Tower Trust has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The Trust has allocated internal resources and intends to engage expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS. As Blue Tower Trust has a 30 June year end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when Blue Tower Trust prepares its first fully IFRS compliant financial report for the year ended 30 June 2006. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Blue Tower Trust.

Additional matters may be identified when the impact assessment is completed. At this stage the Trust has not been able to reliably quantify the impacts on the financial report.

*Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004*

NOTES TO THE FINANCIAL STATEMENTS (Contd)
For the half-year ended 31 December 2004

Impact of Adopting AASB Equivalents to IASB Standards (Contd)

Property investments which are currently held at cost and not depreciated will upon adoption of IFRS (AASB 116) be required to either be held at cost and depreciated or be revalued to fair value each year. If revalued to fair value, the initial adjustment on adoption of AASB 116 will be to retained earnings with subsequent adjustments in fair value recognised in operating profit/loss.

2. Segment Information

Blue Tower Trust operates in Australia and in the industry of property investment.

	6 months to 31 December 2004 \$	Period 28 November 2003 to 31 December 2003 \$
3. Borrowing Costs		
Interest and finance charges paid or payable to :		
Other parties	3,481,954	637,355
	<u>3,481,954</u>	<u>637,355</u>

4. Distributions

Distributions provided for or paid	907,397	993,133
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5. Earnings Per Security

Basic earnings per unit	1.0	0.2
Diluted earnings per unit	1.0	0.2

	No. units	No. units
The weighted average number of units outstanding during the half-year used in the calculation of basic earnings per security	30,000,000	27,740,000

Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004

NOTES TO THE FINANCIAL STATEMENTS (Contd)

For the half-year ended 31 December 2004

6. Investment Properties

Description	Acquisition Date	Original Acquisition Cost	Total Costs Including Additions	Date of latest Independent Valuation	Latest Independent Valuation	Fair Value	
		\$'000	\$'000		\$'000	\$'000	
12 Creek St, QLD	28 November 2003	117,356	121,413	September 2003	120,000 (i)	2004 (ii)	2003 120,000

(i) As valued by Landmark White using a fair value approach between willing buyer and seller.

(ii) The directors are of the opinion that the fair value of the investment property significantly exceeds the book carrying cost as at 31 December 2004.

7. Unitholders' Funds

(a)

Blue Tower Trust

Issued and paid up units

Undistributed income

31 December 2004	30 June 2004
\$	\$

27,910,507	28,879,232
854,221	531,923
<u>28,764,728</u>	<u>29,411,155</u>

(b)

Issued and paid up units

Units on issue at beginning of the period

Units issued during the period

Less: Transaction costs

Units on issue at end of the period

29,872,365	0
0	30,000,000
(61,328)	(127,635)
<u>29,811,037</u>	<u>29,872,365</u>

Capital Repayment

Balance at beginning of the period

Distributions paid during the period

Distributions accrued during the period

Balance at end of the period

(993,133)	0
(453,699)	(570,000)
(453,698)	(423,133)
<u>(1,900,530)</u>	<u>(993,133)</u>

Total issued and paid up units

<u>27,910,507</u>	<u>28,879,232</u>
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(c)

Undistributed Income

Balance at the beginning of period

Net profit attributable to the unitholders

Balance at the end of the period

531,923	0
322,298	531,923
<u>854,221</u>	<u>531,923</u>

Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004

NOTES TO THE FINANCIAL STATEMENTS (Contd)
For the half-year ended 31 December 2004

8. Contingent Liabilities

The directors are of the opinion that there are no contingent liabilities at balance date not already provided in the interim financial report.

9. Events Occurring Subsequent To Reporting Date

No events of a material nature have occurred since 31 December 2004.

*Blue Tower Trust
Interim Financial Report
For the half-year ended 31 December 2004*

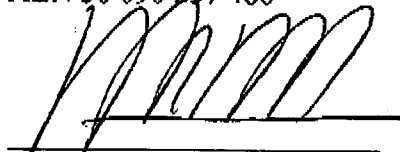
DIRECTORS' DECLARATION
For the half-year ended 31 December 2004

In accordance with a resolution of the directors of Leyshon Corporation Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act, including:
 - (i) giving a true and fair view of the financial position of the entity as at 31 December 2004 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standards AASB 1029 "Interim Financial Reporting" and the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board
Leyshon Corporation Limited
ABN 50 090 257 480



G. McMahon
Director

Brisbane, 22 February 2005



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Australia

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Auditor's Independence Declaration to the Directors of Leyshon Corporation Limited as Responsible Entity of Blue Tower Trust

In relation to our review of the financial report of Blue Tower Trust for the half-year ended 31 December 2004, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

RJ Roach
Partner
Brisbane

22 February 2005

Ernst & Young



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Australia

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Independent review report to unitholders of Blue Tower Trust

Scope

The financial report and trustees' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the trustees' declaration for Blue Tower Trust (the trust), for the period ended 31 December 2004.

The trustees of the trust are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the trust, and that complies with Accounting Standards AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001* and Trust Deed. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the unitholders of the trust, and in order for the trust to lodge the financial report with the Australian Securities and Investments Commission and the Bendigo Stock Exchange.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Trust Deed, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the trust's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of trust personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

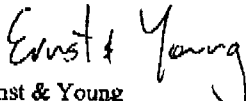
Independence

We are independent of the trust, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the trustees of the trust a written Auditor's Independence Declaration, a copy of which is included in the Trustees' Report. The Auditors' Independence Declaration would have been expressed in the same terms if it had been given to the trustees at the date this audit report was signed. In addition to our review of the financial report, we were engaged to undertake other non-audit services. The provision of these services has not impaired our independence.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Blue Tower Trust is not in accordance with:

- (a) the *Corporations Act 2001* and Trust Deed, including:
 - (i) giving a true and fair view of the financial position of Blue Tower Trust at 31 December 2004 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.


Ernst & Young

R J Roach
Partner
Brisbane
23 February 2005