

CorVal Industry House Trust
ARSN: 139 802 038
(formerly 10 Binara Street Trust)

(Responsible Entity: CorVal Partners Limited
ABN: 86 130 628 830)

Financial Report

From date of establishment 23 April 2009
to 30 June 2010

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CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

RESPONSIBLE ENTITY REPORT
FOR THE PERIOD ENDED 30 JUNE 2010

The Directors of CorVal Partners Limited, the Responsible Entity, present their report on the CorVal Industry House Trust (formerly 10 Binara Street Trust) ('the Trust') for the period from establishment 23 April 2009 to 30 June 2010.

The Trust was established on 23 April 2009. On 16 October 2009 the Trust was registered as a managed investment scheme.

The Responsible Entity has received relief from the Australian Securities and Investment Commission (ASIC) from compliance with subsection 323D(1) of the Corporations Act 2001 that the first financial period of a registered scheme or disclosing entity starts on the day on which the scheme is registered.

As a result of this relief, the Responsible Entity complies with subsections 323D(1) of the Corporations Act 2001 in respect of the period from 23 April 2009 to 30 June 2010 (the First Financial Period) as if the First Financial Period was the full financial period for the Trust.

1. Directors

The names of Directors of the Responsible Entity in office at any time during or since the end of the period are:

Ian O'Toole
Robert Rayner (appointed 15 July 2009)
Kevin Neville (appointed 20 July 2009)
Simon Scott (resigned 15 July 2009)
Jenny O'Toole (resigned 20 July 2009)

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

2. Principal Activities

The principal activity of the Trust is investment in commercial real estate, for the purpose of earning revenue in the form of rent. The Trust seeks to offer a stable, tax effective income investment stream coupled with growth potential over the longer term, through the management of Industry House, a 14 storey commercial office building located at 10 Binara Street, Canberra.

3. Operating Results

The net profit of the Trust for the period ended 30 June 2010 was \$6,957,437.

4. Distributions Paid or Payable to Unitholders

Distributions paid or payable to unitholders by the Trust in respect of this period were:

	Period ended 30 June 2010	
	\$	Cents per unit
Distributions paid to Original Unitholders	1,588,116	3.00
Quarter ended 31 March 2010	1,463,029	2.01
Quarter ended 30 June 2010	1,487,020	2.03
	4,538,165	7.04

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5. Review of Operations

The value of the Trust's property as at 30 June 2010 was \$137,500,000. The Net Tangible Asset ("NTA") per unit as at 30 June 2010 was \$0.99.

6. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this report, there have been no other significant changes to the State of Affairs of the Trust during the financial period.

7. After Reporting Date Events

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

8. Future Developments

The Trust will continue to be managed in accordance with the objectives and guidelines as set out in the governing documents of the Trust and in accordance with the Trust's Constitution.

The results of the Trust may be affected by a number of factors, including the performance of the property investment market. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

9. Environmental Issues

To the best knowledge of the Directors of the Responsible Entity, the Trust complied with all environmental regulations during the course of the financial period.

10. Indemnification and Insurance of Officers or Auditor

During or since the end of the financial period, the Trust has not indemnified or agreed to indemnify, nor paid insurance premiums to insure any of the directors or officers of the Responsible Entity.

11. Options

No options over issued units or interests in the Trust were granted during or since the end of the financial period and there were no options outstanding at the date of this report. The directors of the Responsible Entity hold no options over interests in the Trust.

12. Proceedings on Behalf of the Trust

No person has applied for leave of court to bring proceedings on behalf of the Trust, or intervene in any proceedings to which the Trust is a party, for the purpose of taking responsibility on behalf of the Trust for all or any part of their proceedings. The Trust was not a party to any such proceedings during the period.

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FOR THE PERIOD ENDED 30 JUNE 2010

13. Fees, Commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 15 to the financial statements.

14. Units held by the Responsible Entity or Related Parties of the Responsible Entity

At 30 June 2010 the Responsible Entity and its related parties held units in the Trust, as detailed in Note 15 to the financial statements.

15. Interests Issued in the Trust

Information about additional units issued by the Trust during the financial period is included in Note 14 to the financial statements.

16. Buy Back Arrangements

As detailed in the Trust constitution the Responsible Entity is not under any obligation to buy back, purchase or redeem units from unitholders. Information about units bought back during the financial period is included in Note 14 to the financial statements.

17. Value of Trust Assets

The total value of the Trust's assets at the end of the reporting period is \$141,311,955. The methodology utilised in valuing the assets is detailed in Notes 1 & 9 to the financial statements.

18. Number of Interests on Issue

At 30 June 2010 the number of units issued in the Trust was 73,183,720. An additional 311,926 units will be issued subsequent to the reporting period (refer note 15).

19. Auditor's Independence Declaration

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors of CorVal Partners Limited by:



Rob Rayner
Director



Ian O'Toole
Director

Dated in Sydney, this 7th day of September 2010



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**DECLARATION OF INDEPENDENCE BY ALISON SHERIDAN
TO THE DIRECTORS OF CORVAL PARTNERS LIMITED,
THE RESPONSIBLE ENTITY OF CORVAL INDUSTRY HOUSE TRUST**

As lead auditor of CorVal Industry House Trust for the period ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

ALISON SHERIDAN
Director

BDO Audit (NSW-VIC) Pty Ltd

Sydney, this 7th day of September 2010

CORVAL INDUSTRY HOUSE TRUST
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010

	Notes	From 23 April 2009 to 30 June 2010 \$
Revenue and other income		
Property rental	3(a)	11,393,540
Interest	3(b)	183,137
Other income	3(c)	27,770
Net changes in fair value of investment property	9(b)	3,741,799
Total revenue and other income		15,346,246
 Expenses		
Direct property expenses		(1,220,490)
Management fees		(307,436)
Custodian fees		(12,284)
Registry fees		(13,471)
Other administration expenses	4	(446,347)
Net loss on derivative financial instruments		(1,350,404)
		(3,350,432)
 Finance costs	 5	 (5,038,377)
Profit for the period		6,957,437
 Other comprehensive income		 -
Total comprehensive income for the period attributable to unitholders		6,957,437

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	30 June 2010
		\$
Current assets		
Cash and cash equivalents	6	2,077,652
Trade and other receivables	7	114,707
Other financial asset	8	150,000
Total current assets		<u>2,342,359</u>
Non-current assets		
Other financial asset	8	1,050,000
Investment property	9	137,500,000
Derivative financial instruments	13	419,596
Total non-current assets		<u>138,969,596</u>
Total assets		<u><u>141,311,955</u></u>
Current liabilities		
Trade and other payables	11	2,381,631
Total current liabilities		<u>2,381,631</u>
Non-current liabilities		
Interest-bearing liabilities	12	66,800,000
Total non-current liabilities		<u>66,800,000</u>
Total liabilities		<u>69,181,631</u>
Net assets		<u><u>72,130,324</u></u>
Equity		
Issued capital	14(a)	69,711,052
Retained earnings		2,419,272
Total equity		<u>72,130,324</u>

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2010

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Equity at 23 April 2009	-	-	-
Net profit for the period	-	6,957,437	6,957,437
Total comprehensive income for the period	-	6,957,437	6,957,437
Transactions with unitholders in their capacity as unitholders:			
Contributions by unitholders	97,859,800	-	97,859,800
Buy back of units from unitholders	(24,676,080)	-	(24,676,080)
Distributions paid/payable to unitholders (refer Note 14(b))	-	(4,538,165)	(4,538,165)
Equity raising costs	(3,472,668)	-	(3,472,668)
	69,711,052	(4,538,165)	65,172,887
Equity at 30 June 2010	69,711,052	2,419,272	72,130,324

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2010

	Notes	From
		23 April 2009
		to
		30 June 2010
		\$
Cash flows from operating activities		
Property rental receipts		12,418,187
Interest received		183,137
Payments to suppliers		(2,255,361)
Finance costs paid		(4,678,083)
Net cash provided by operating activities	17(b)	5,667,880
Cash flows from investing activities		
Payment for financial assets		(1,200,000)
Payment for investment property		(123,000,000)
Payment of property acquisition costs		(10,758,201)
Net cash (used in) investing activities		(134,958,201)
Cash flows from financing activities		
Proceeds from unit issue		72,859,800
Unit issue costs paid		(3,472,668)
Payment for units bought back		(24,676,080)
Proceeds from borrowings		105,000,000
Repayment of borrowings		(13,000,000)
Payment of borrowing costs		(600,000)
Payment for financial derivatives		(1,770,000)
Proceeds from financial derivatives		27,770
Distributions paid to unitholders		(3,000,849)
Net cash provided by financing activities		131,367,973
Net increase in cash and cash equivalents		2,077,652
Cash and cash equivalents at the beginning of period		-
Cash and cash equivalents at the end of period	17(a)	2,077,652

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements are for the entity CorVal Industry House Trust ('the Trust') as an individual entity. The Trust is an unlisted registered scheme established and domiciled in Australia. The Responsible Entity ('RE') of the Trust is CorVal Partners Limited.

The Trust was established on 23 April 2009. On 16 October 2009 the Trust was registered as a managed investment scheme.

The Responsible Entity has received relief from the Australian Securities and Investment Commission (ASIC) from compliance with subsection 323D(1) of the Corporations Act 2001 that the first financial period of a registered scheme or disclosing entity starts on the day on which the scheme is registered.

As a result of this relief, the Responsible Entity complies with subsections 323D(1) of the Corporations Act 2001 in respect of the period from 23 April 2009 to 30 June 2010 (the First Financial Period) as if the First Financial Period was the full financial period for the Trust.

The Trust has a limited life under its constitution, such that it must terminate no later than 2089.

Basis of Preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and on the historical cost basis except for investment property, non-current assets classified as held for sale, financial assets at fair value through profit or loss and derivative financial instruments which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The functional and presentation currency of the Trust is Australian dollars.

Compliance with IFRSs

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial statements and notes of the Trust comply with International Financial Reporting Standards ('IFRS').

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Investment property

Investment property is property which is held to earn rental income, or for capital appreciation, or for both.

Investment property is carried at fair value determined either by the directors or independent valuers. Changes to fair value are recorded in the profit or loss. Investment property is not depreciated.

The fair value of investment property excludes any accrued operating lease income or lease incentives recognised as a receivable in accordance with AASB 117 'Leases' as detailed in Note 1(c).

Property purchases are recognised when the Trust has entered into an unconditional purchase contract, and the majority of the significant risks and rewards of ownership have been transferred to the Trust. Property disposals are recorded when the Trust has entered into an unconditional sales contract, and the majority of the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risks and rewards vary depending on the individual terms of the contracts.

(b) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets at fair value through profit or loss and investment property which are carried at fair value. Changes to fair value are recorded in profit or loss.

(c) Revenue

Rental income from operating leases is recognised as income on a straight-line basis over the lease term. Where a lease has fixed annual increases, the total rent receivable over the operating lease is recognised as revenue on a straight-line basis over the lease term. This results in more income being recognised early in the lease term and less late in the lease term compared to the lease conditions. The difference between the lease income recognised and actual lease payments received is included in receivables.

Lease incentives provided by the Trust to lessees are excluded from the measurement of fair value of investment property and are included in receivables. The amounts are recognised over the lease periods as rental income.

Contingent rents based on the future amount of a factor that changes other than with the passage of time, including CPI linked rental increases and turnover rents, are only recognised when contractually due.

Interest income is recognised in profit or loss on a time basis using the effective interest rate method.

Other income is recognised when the right to receive the revenue has been established.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments

Financial assets and financial liabilities are recognised on the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are recognised on trade-date – the date on which the Trust commits to sell or purchase the asset. Financial assets are de-recognised when the right to receive cash flows from the financial asset have expired or have been transferred and the Trust has transferred substantially the risks and rewards of ownership. Financial instruments are designated on initial recognition, and investments at fair value through profit or loss are re-evaluated at each reporting date for designation into this category.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. They are classified as current assets except where the maturity is greater than 12 months after the reporting date, in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (generally over 60 days). Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to profit or loss.

Trade and other payables

These represent liabilities for goods and services provided to the Trust prior to the end of the financial period which are unpaid. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include derivatives 'held for trading' and investments designated into this category. All derivatives are classified as 'held for trading'. The nature of the Trust's investments therefore satisfies the criteria to be designated into this category.

Financial assets at fair value through profit or loss are initially recognised at fair value excluding any transaction costs that are directly attributable to the acquisition of the asset. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Trust are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

Issued units

The Trust issues units which have a limited life under the Trust's constitution and are classified as equity in accordance with AASB 132 *Financial Instruments: Presentation* as amended by AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Trust buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Trust's unitholders.

Borrowings

Interest-bearing loans and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

The Trust uses derivative financial instruments to hedge its risks associated with interest rate fluctuations. The significant interest rate risk arises from bank loans. The Trust's policy is to cap the interest rate payable on the floating rate debt by entering into interest rate caps. The Trust does not use derivative financial instruments for speculative purposes.

Derivatives are initially measured at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each reporting date. The net fair value of all derivative financial instruments outstanding at the reporting date is recognised in the statement of financial position as either a financial asset or liability.

The Directors of the Responsible Entity have decided not to use the option in AASB 139 'Financial Instruments: Recognition and Measurement' to classify the interest rate cap as cash flow hedges (refer Note 1(j)(ii)) and accordingly these are classified as at fair value through profit or loss (classified as held for trading), and the changes in the fair value of the derivative financial instruments are recognised in profit or loss.

The fair value of the interest rate cap is the estimated amount that the Trust would receive or pay to terminate the contract at the reporting date, taking into account current and future interest rates.

Derivatives embedded in other financial instruments, or other non-financial host contracts, are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract, and the host contract is not carried at fair value with unrealised gains or losses recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Finance costs

Finance costs are recognised using the effective interest rate applicable to the financial liability.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Provisions

A provision is recognised when the Trust has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the Responsible Entity's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Income tax

Under current legislation the Trust is not liable for income tax provided its taxable income is fully distributed to unitholders.

(i) Critical judgements and significant accounting estimates

The preparation of financial statements requires the directors of the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Critical judgements in applying the accounting policies – Interest rate caps

The Trust follows the guidance in AASB 139 in accounting for the interest rate caps as financial assets or financial liabilities at fair value through profit or loss (classified as held for trading). The interest rate cap has been entered into to cap the interest rate payable on the floating rate debt. The Directors of the Responsible Entity have decided not to follow the documentation and other requirements of AASB 139 that are necessary in order to classify the interest rate cap as a cash flow hedge. This has had the effect of recognising movements of the interest rate caps in profit or loss rather than equity.

(ii) Critical judgements in applying the accounting policies - Capital raising costs

In accordance with the Trust's Product Disclosure Statement, the Trust is required to pay certain establishment and transaction costs arising on the issue of equity including arranging, accounting, tax, legal and disclosure document costs. These costs are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Net working capital deficiency and going concern

The Trust's bank debt facility ('the facility') with the Commonwealth Bank of Australia ('CBA') expires on 30 June 2012 which the directors will seek to refinance prior to this date.

The Trust is subject to certain loan covenants under the facility agreement, including a Loan Valuation Ratio ('LVR') limit and an Interest Coverage Ratio ('ICR'). As at 30 June 2010 the Trust was in compliance with all loan covenants.

Under the terms of the facility, the LVR is calculated using external valuations. The last external valuation of \$137,500,000 million was completed as at 30 June 2010. On the basis of this valuation adopted in these financial statements, the Trust's LVR is 48.7% (below the required limit of 60%). The Trust's ICR is 2.05 times for the period ended 30 June 2010, also in compliance with the required limit of 1.85 times.

The Directors believe that the facility will be renegotiated in the next 12 to 18 months. Accordingly, the financial statements have been prepared on a going concern basis as the directors have determined that the Trust will generate sufficient cash flows in the following financial year to satisfy its debts as and when they fall due.

(l) Accounting standards applicable but not yet adopted

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory as at 30 June 2010. They may impact the Trust in the period of initial application. They are available for early adoption, but have not been applied in preparing these financial statements:

- *AASB 9 Financial Instruments* and *AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9* (issued December 2009) addresses the classification and measurement of financial assets. The standards are not applicable until 1 January 2013 but are available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Trust has not yet decided when to adopt AASB 9. However, management does not expect this will have a significant impact on the Trust's financial statements as the Trust does not hold any available-for-sale investments.
- *AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (issued June 2010) includes various not urgent but necessary changes to IFRSs as a result of the IASB's 2009 annual improvements project. These include an amendment to *AASB 7 Financial Instruments: Disclosures*, which deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held. There will be no impact on initial adoption to amounts recognised in the financial statements as the amendments result in fewer disclosures only.

NOTE 2: FINANCIAL RISK MANAGEMENT

The Trust's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Trust is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Trust's policies and processes for managing these risks are described below.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

(i) Interest rate risk

The Trust's cash and cash equivalents, deposits, floating rate borrowings and interest rate cap expose it, to a risk of change in their fair value or future cash flows due to changes in interest rates. The specific interest rate exposures are disclosed in the relevant notes to the financial statements.

The Trust has capped the floating (i.e. base) interest rate in respect of the principal amount at 5.0%, pursuant to an ISDA master agreement and related interest rate cap entered into with the Commonwealth Bank of Australia. By entering into this interest rate cap, the Trust has limited its exposure to changes in interest rates on its cash flows. The cap will remain in force through to 30 June 2012 which coincides with the maturity of the Trust's debt facility. An analysis of the maturities of the borrowings and related interest rate caps is provided in (c) below.

The Trust's exposure to interest rate risk at the reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, are as follows:

	30 June 2010
	\$
Instruments with fair value risk:	
Derivative financial instruments	<u>419,596</u>
Instruments with cash flow risk:	
Cash and cash equivalents	2,077,652
Term Deposits	1,200,000
Non-current variable borrowings	<u>(67,000,000)</u>
	<u>(63,722,348)</u>
Sensitivity of profit or loss to movements in market interest rates:	
Market interest rates increased by 25 basis points	(159,306)
Market interest rates decreased by 25 basis points	<u>159,306</u>
	<u>-</u>

Interest rate sensitivities have been calculated based on the BBSY payable as at 30 June 2010 of 4.76%. As the Trust has entered into an interest rate cap (on base interest rate – excluding the 2% line fee) on the \$67,000,000 loan facility until June 2012, the maximum interest rate payable until that time is 5.0% per annum (excluding the 2% line fee).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Trust by failing to discharge an obligation. The Trust is exposed to credit risk through the financial assets listed below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	30 June 2010
	\$
Cash and cash equivalents	2,077,652
Term Deposits	1,200,000
Trade and other receivables	114,707
Maximum exposure to credit risk	<u>3,392,359</u>

The Trust manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Financial assets such as cash at bank and term deposits are held with reputable organisations with a minimum credit rating of 'A'.

Tenants for the property held by the Trust are assessed for creditworthiness before commencing a lease, and if necessary rental guarantees are sought before tenancy is approved.

All receivables are monitored by the Trust manager on a monthly basis. If any amounts owing are overdue these are followed up and if necessary, allowances are made for debts that are doubtful.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full. There has been no history of default and all receivables are likely to be repaid within the expected terms.

100% of the cash and cash equivalents and the term deposits are held with one Australian Financial Institution. To mitigate the credit risk associated the Trust's policies require the cash and cash equivalents and term deposits to be placed with major banks with a rating of 'A' or above. Investments outside the banking sector are to be approved by the board of directors of the Responsible Entity.

(c) Liquidity risk

The Trust monitors its exposure to liquidity risk by ensuring that on a monthly basis there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. The Trust Manager sets budgets to monitor cash flows.

The maturity of financial liabilities at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

30 June 2010	Less than 1 year \$	1 – 2 years \$	Total contractual cash flows \$	Carrying amount \$
Trade and other payables				
Non-interest bearing	2,381,631	-	2,381,631	2,381,631
Total trade and other payables	2,381,631	-	2,381,631	2,381,631
Interest bearing liabilities				
Variable interest rate*	4,690,000	71,690,000	76,380,000	67,000,000
Total interest bearing liabilities	4,690,000	71,690,000	76,380,000	67,000,000
Total	7,071,631	71,690,000	78,761,631	69,381,631

* maximum interest rate exposure at 5% with 2% line fee

(d) Fair Value

In the directors opinion the carrying amount of financial assets and liabilities approximate their fair values in accordance with the accounting policies disclosed in Note 1 for the following:

Note 7: Trade and other receivables

Note 8: Other financial assets

Note 9: Investment property

Note 11: Trade and other payables

Note 12: Interest-bearing liabilities

Note 13: Derivative financial instruments

From
23 April 2009
to
30 June 2010
\$

NOTE 3: REVENUE

Revenue includes:

(a) Property rental from:

Base rent	11,081,700
Recoverable outgoings	311,840
	11,393,540

(b) Interest income arises from:

Cash and cash equivalents & term deposits	183,137
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(c) Other income arises from:

Proceeds from financial derivative	27,770
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CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

From
23 April 2009
to
30 June 2010
\$

NOTE 4: EXPENSES

Profit for the period includes the following expenses:

Amortisation of borrowing costs	<u>400,000</u>
---------------------------------	----------------

NOTE 5: FINANCE COSTS

Finance costs:

Interest paid or payable to related parties*	709,604
Interest paid or payable to other persons	<u>4,328,773</u>
Total finance costs	<u>5,038,377</u>

*interest paid on subordinated loans provided by the original unitholders.

30 June 2010

NOTE 6: CASH AND CASH EQUIVALENTS

\$

Cash at bank	<u>2,077,652</u>
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Cash carries a weighted average effective interest rate of 3.88%

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade receivables	114,038
Other receivables	<u>669</u>
	<u>114,707</u>

There were no trade and other receivables that were past due but not impaired at 30 June 2010.

NOTE 8: OTHER FINANCIAL ASSETS

LOANS AND RECEIVABLES

Current

Investments in term deposits	<u>150,000</u>
------------------------------	----------------

Term deposit carries a weighted average effective interest rate of 6%.

Non-current

Investments in term deposits	<u>1,050,000</u>
------------------------------	------------------

Term deposit carries a weighted average effective interest rate of 7%, and is for a 3 year term which matures in February 2013.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 9: INVESTMENT PROPERTY

(a) Investment property is represented by:

Independent valuation*	<u>137,500,000</u>
------------------------	---------------------------

*independent valuation completed by Colliers International (Canberra).

(b) Movements during the period:

Acquisition	133,758,201
Changes in fair value of investment property	<u>3,741,799</u>
Closing balance at 30 June	<u>137,500,000</u>

(c) Amounts recognised in comprehensive income for the investment property

Rental income	11,393,540
Direct operating expenses	<u>(1,220,490)</u>
	<u>10,173,050</u>

All direct property operating expenses related to those that generated rental income during the period.

(d) Valuation basis

The basis of the valuation of the investment property is fair value, being the amounts for which the property could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The determination of fair value was mainly based on the present value of net future cash flows and the capitalisation of net rental income, although regard was also had to recent market transactions for similar properties in similar locations as the Trust's investment property. The 30 June 2010 valuation, which conforms to Australian Valuation Standards, was based on assessments made by an independent valuer, as indicated in (a) above. The independent valuer is a member of the Australian Property Institute, who has recent experience in the relevant location and category of the investment property being valued.

The present value of net future cash flow projections are based on reliable estimates of future cash flows, derived from existing lease contracts, and where possible from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

The capitalisation of net rental income projections are based on the property's estimated net market income, which is assumed to be a level annuity in perpetuity, and a capitalisation rate derived from analysis of market evidence. Reversions associated with short-term leasing risks/costs, incentives and capital expenditure may be deducted from the capitalised net income amount.

The principal assumptions underlying the independent valuer's estimation of fair value include those related to the amount of contractual rentals, void periods, maintenance and capital expenditure requirements, and appropriate discount rates. The expected future market rentals are based on current market rentals for similar properties in the same location and condition.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 9: INVESTMENT PROPERTY (continued)

(e) Uncertainty around property valuations

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and available credit have translated into a general weakening of market sentiments towards real estate and the number of real estate transactions significantly reduced.

Fair value of the investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of the investment property has been adjusted to reflect market conditions at the end of the reporting period. Whilst this represents the best estimates of fair value as at the reporting date, the current market uncertainty means that if the investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

(f) Assets pledged as security

Refer to Note 12 for information on assets pledged as security by the Trust.

(g) Contractual obligations

The Trust has no commitments for repairs, maintenance or enhancements contracted at 30 June 2010.

NOTE 10: OPERATING LEASE ARRANGEMENTS

The investment property is leased to tenants under long-term operating leases with rentals generally payable monthly. Future minimum lease payments receivable on leases of the investment property is as follows:

Not later than 12 months	11,384,208
Between 12 months and 5 years	49,000,701
Greater than 5 years	92,974,100
	<hr/> 153,359,009 <hr/>

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 11: TRADE AND OTHER PAYABLES

Current

Unsecured liabilities:

Amounts payable to related parties	307,436
Sundry creditors and accruals	176,585
Interest expense payable	360,294
Distributions payable to unitholders	1,537,316
	2,381,631

Trade and other payables are non-interest bearing.

NOTE 12: INTEREST-BEARING LIABILITIES

SECURED

Bank loan	67,000,000
Unamortised borrowing costs	(200,000)
	66,800,000

The base interest rate payable on the bank loan is the 90 day bank bill swap bid rate (BBSY), and a line fee of 2.0% per annum. However, the base interest rate (excluding the line fee) has been capped at 5.0% per annum through until June 2012. The loan expires on 30 June 2012.

(a) Assets pledged as security

The bank loan is secured by a registered first mortgage over the property at 10 Binara Street, Canberra. It is also secured by a fixed and floating charge in relation to the assets of the Trust. Recourse under the loan facility is limited to the assets of the Trust.

The carrying amounts of assets pledged as security are:

Registered first mortgage

Investment property	137,500,000
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The covenants over the bank borrowings require an Interest Coverage Ratio of greater than 1.85 times and a Loan Valuation Ratio less than 60%.

(b) Financial Arrangements

Total facilities:

Bank loan	67,000,000
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Facilities utilised at reporting date:

Bank loan	67,000,000
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Facilities not utilised at reporting date:

Bank loan	-
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CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 13: DERIVATIVE FINANCIAL INSTRUMENTS

Non-current assets

HELD FOR TRADING

Interest rate cap	<u>419,596</u>
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The Trust utilises derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates.

Interest rate cap contracts

Interest-bearing liabilities of the Trust currently carry a weighted average effective interest rate of 4.76%. It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the Trust has entered into an interest rate cap contract under which the base interest rate has been capped at 5.0% per annum.

Contracts currently in place cover the entire loan principal outstanding and are timed to expire as the loan repayment falls due.

The notional principal amounts and periods of expiry of the interest rate cap contracts are as follows:

1 – 2 years	<u>67,000,000</u>
Total	<u>67,000,000</u>

As explained in Note 1 i(ii), the interest rate cap has not been designated as a hedge for accounting purposes and hence all changes in fair value are recognised immediately in profit or loss.

NOTE 14: EQUITY

(a) Issued capital

73,183,720 ordinary units fully paid	<u>69,711,052</u>
--------------------------------------	--------------------------

Movements during the financial period:

97,859,800 units issued during the period	97,859,800
24,676,080 units redeemed during the period	(24,676,080)
Capital raising costs	<u>(3,472,668)</u>
Closing balance 73,183,720 ordinary units fully paid	<u>69,711,052</u>

During the current period, the Trust redeemed 24,676,080 units from the original unitholders of the Trust. The total consideration for units redeemed was \$24,676,080.

As stipulated in the Trust's constitution, each unit represents a right to an individual unit in the Trust and does not extend to a right to the underlying assets of the Trust. Each unit has the same rights attaching to it as all other units of the Trust. However, per the product disclosure statement, the equity raising costs are an expense of the offer of units to retail investors. Therefore, whilst the fee has been paid by the Trust, it is an expense which is being allocated to the investors, as a group (i.e. against their combined new units totalling 44,859,800), but not to the original unitholders.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 14: EQUITY (continued)

(b) Distributions paid/payable to unitholders

The distributions for the financial period were:

Distributions paid to original unitholders	1,588,116
Distributions paid/payable to existing unitholders	2,950,049
	4,538,165

	Cents
Cents per unit – original unitholders	3.00
Cents per unit – existing unitholders	4.04
	7.04

(c) Capital management

The Trust regards total equity as its capital. The objective of the Trust is to safeguard its ability to continue as a going concern, so that it can continue to provide unitholders with regular income distributions over the life of the Trust and moderate capital growth over the longer term.

The Responsible Entity effectively manages the Trust's capital by assessing the financial risks and adjusting the Trust's capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and distributions to unitholders.

NOTE 15: RELATED PARTY TRANSACTIONS

Responsible Entity

The Responsible Entity of the CorVal Industry House Trust is CorVal Partners Limited.

Responsible Entity's fees and other transactions

Under the terms of the constitution, the Responsible Entity is entitled to receive fees in accordance with the product disclosure statement.

Fees for the period paid/payable by the Trust:

Property acquisition fee	1,845,000
Management of the Trust	307,436*

* Note this management fee will be settled by the issue of 311,926 units to the investment manager, CorVal Management Pty Limited, in lieu of cash, as detailed in the product disclosure statement.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 15: RELATED PARTY TRANSACTIONS (continued)

Transactions and balances with companies who are unitholders

Fees paid to companies who are unitholders during the period:

Property acquisition fee	300,000
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Interest paid to companies who are unitholders during the period*:	709,604
--	---------

*interest paid on subordinated loans provided by the original unitholders.

Key management personnel

The Trust does not employ personnel in its own right. However, it has an incorporated Responsible Entity, CorVal Partners Limited, to manage the activities of the Trust. The directors of the Responsible Entity are key management personnel of that entity and their names are Ian O'Toole, Rob Rayner and Kevin Neville. No compensation is paid directly by the Trust to directors or to any of the key management personnel of the Responsible Entity. Payments made by the Trust to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

Unit holdings

The numbers of units in the Trust held during the financial period by each director and other key management personnel of the Responsible Entity, including their personally related parties, are set out below. There were no units granted during the reporting period as compensation.

Name	Balance at the start of the period	Changes during the period	Balance at the end of the period	Interest held %
Directors				
Ian O'Toole	-	257,500	257,500	0.4
Rob Rayner	-	51,500	51,500	0.1
Total	-	309,000	309,000	0.5

Distributions received/receivable from the Trust by key management personnel	12,456
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The number of units in the Trust held by a unit holder that has significant influence over the Trust are set out below:

Name	Balance at the start of the period	Changes during the period	Balance at the end of the period	Interest held %
AR Management Co Pty Ltd*	-	28,323,920	28,323,920	38.7

*AR Management Co Pty Ltd is a significant shareholder in the Trust's Responsible Entity, CorVal Partners Limited.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

30 June 2010
\$

NOTE 16: REMUNERATION OF AUDITORS

Remuneration of the auditor for:	
BDO - audit of financial statements	14,000
Non-audit services:	
Accru Felsers - audit of compliance plan	4,000
	18,000
	18,000

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial period as shown in the Statement of Cash Flow is reconciled to the related items in the statement of financial position as follows:

Cash at bank	2,077,652
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(b) Reconciliation of cash flows from operating activities with profit for the period

Profit for the period	6,957,437
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Adjustments for:

Net changes in fair value of investment property	(3,741,799)
--	-------------

Net loss on derivative financial instruments	1,350,404
--	-----------

Net gain derivative financial instruments	(27,770)
---	----------

Management fee (paid by the issue of units in lieu of cash)	307,436
---	---------

Amortisation of borrowing costs	400,000
---------------------------------	---------

Changes in assets and liabilities:

(Increase) in trade and other receivables	(114,707)
---	-----------

Increase in trade and other payables	536,879
--------------------------------------	---------

Cash flows from operating activities	5,667,880
---	------------------

(c) Non-cash investing and financing activities

Subordinate loan settled by way of issuing units in the trust	25,000,000
---	------------

During the year the subordinate loans provided by the original unitholders were settled by way of issuing units (1 unit: \$1) in the Trust.

NOTE 18: CONTINGENT LIABILITIES

On the sale of the property the Responsible Entity is entitled to the following:

- Property sale fee: 2% of the gross sale price of the property.
- Performance fee: up to 20% of the amount by which the IRR to unitholders exceeds 10% after the property is sold.

There are no other contingent liabilities at the end of the period.

**CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010**

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

NOTE 20: RESPONSIBLE ENTITY DETAILS

The registered office and the principal place of business of the Responsible Entity is:

Level 32, 60 Margaret Street
Sydney NSW 2000

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038

DIRECTORS' DECLARATION

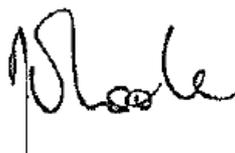
The directors of CorVal Partners Limited, the Responsible Entity, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance for the period ended on that date.
2. The notes to the financial statements include an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors of CorVal Partners Limited by:



Rob Rayner
Director



Ian O'Toole
Director

Dated in Sydney, this 7th day of September 2010



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GPO Box 255, Sydney NSW 2001
Australia

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CORVAL INDUSTRY HOUSE TRUST

We have audited the accompanying financial report of CorVal Industry House Trust, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of CorVal Partners Limited, the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

- (a) the financial report of CorVal Industry House Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

BDO Audit (NSW-VIC) Pty Ltd

ALISON SHERIDAN

Director

Sydney, this 7th day of September 2010

