

CorVal Industry House Trust
ARSN: 139 802 038

Financial Report

For The Year Ended 30 June 2014

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CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The Directors of CorVal Partners Limited, the Responsible Entity, present their report on the CorVal Industry House Trust ('the Trust') for the financial year ended 30 June 2014.

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

1. Directors

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

Ian O'Toole
Robert Rayner
Kevin Neville

The Directors have been in office since the start of the financial year 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. On 8 August 2013 the Trust entered into a contract for sale with Brompton Asset Management for the sale of the Trust's property at 10 Binara Street Canberra for a consideration of \$151.7m. The unitholders approved the transaction on 26 September 2013 and settlement occurred on 4 October 2013. The Directors of the Responsible Entity intend to distribute all net residual value to the unitholders and commence the wind up of the Trust in October 2014.

3. Operating Results

The net loss of the Trust for the year ended 30 June 2014 was \$355,638 (2013: \$12,941,919).

4. Basis of preparation of the accounts – Realisation

The financial report for the year ended 30 June 2014 is prepared on a realisation basis. The Directors of the Responsible Entity consider the Trust is not a going concern as the Responsible Entity intends to commence the wind up of the Trust.

5. Distributions Paid or Payable to Unitholders

Distributions paid or payable to existing unitholders by the Trust in respect of the financial year were:

	Year ended 30 June 2014	
	\$	Cents per unit
Quarter ended 30 September 2013	1,589,157	2.14
Distribution of income and capital gains	38,427,908	51.81
	40,017,065	53.95

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5. Distributions Paid or Payable to Unitholders (continued)

	Year ended 30 June 2013	
	\$	Cents per unit
Quarter ended 30 September 2012	1,589,157	2.14
Quarter ended 31 December 2012	1,589,157	2.14
Quarter ended 31 March 2013	1,554,592	2.10
Quarter ended 30 June 2013	1,571,801	2.12
	6,304,707	8.50

6. Review of Operations

On 4 October 2013, the Trust's property at 10 Binara Street, Canberra was sold for \$151.7m. As the fair value of the Trust's property was \$150.0m as at 30 June 2013, the total loss made on the sale after taking into consideration direct selling costs of \$3.8m amounted to \$2.1m. The net tangible asset (NTA) of the Trust as at the end of the financial year is \$0.60 per unit. During the year, the Trust distributed its first and second tranche of capital from the sale of the property to the unitholders.

7. 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 year.

8. After Reporting Date Events

The Responsible Entity intends to wind up the Trust in October 2014.

No other matters or circumstances have arisen since the end of the financial year 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.

9. Future Developments

The Trust will eventually be wound-up and the net proceeds from the sale will be distributed to unitholders. 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.

10. 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 year.

11. Indemnification and Insurance of Officers or Auditor

During or since the end of the financial year, 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.

12. Options

No options over unissued units or interests in the Trust were granted during or since the end of the financial year 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.

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FOR THE YEAR ENDED 30 JUNE 2014

13. 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 year.

14. 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 16 to the financial statements.

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

At 30 June 2014 the Responsible Entity and its related parties held units in the Trust, as detailed in Note 16 to the financial statements.

16. Interests Issued in the Trust

No additional units were issued by the Trust during the financial year. Information about issued units is included in Notes 15 & 16 to the financial statements.

17. 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.

18. Value of Trust Assets

The total value of the Trust's assets at the end of the reporting period is \$1,104,169 (2013: \$153,780,780). The methodology utilised in valuing the assets is detailed in Note 1 to the financial statements.

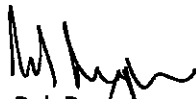
19. Number of Interests on Issue

At 30 June 2014 the number of units issued in the Trust was 1,683,705 (2013: 74,173,003).

20. 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


Kevin Neville
Director

Dated in Sydney, this 27th day of August 2014



Grant Thornton

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**Auditor's Independence Declaration
To the Directors of CorVal Partners Limited, the responsible entity of
CorVal Industry House Trust**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of CorVal Industry House Trust for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A Sheridan

A Sheridan
Partner - Audit & Assurance

Sydney, 27 August 2014

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CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

DISCONTINUED OPERATIONS	Notes	30 June 2014	30 June 2013
		\$	\$
Revenue and other income			
Property rental	3(a)	3,374,341	12,968,310
Interest income	3(b)	124,396	119,094
Other income	3(c)	51,176	-
Net changes in fair value of investment property		-	5,933,208
Total revenue and other income		3,549,913	19,020,612
Expenses			
Direct property expenses		(391,231)	(1,421,200)
Realised loss on sale of investment property	4	(2,111,378)	-
Administration expenses			
- Management fees		(202,274)	(745,663)
- Custodian fees		(13,103)	(29,520)
- Registry fees		(58,994)	(32,844)
- Other administration expenses	5	(98,016)	(74,260)
Loss on fair value of investment property		(11,812)	-
Net loss on derivative financial instruments		(109,097)	(122,299)
		(2,995,905)	(2,425,786)
Finance costs	6	(909,646)	(3,652,907)
Profit/(loss) from discontinued operations		(355,638)	12,941,919
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year attributable to Unitholders		(355,638)	12,941,919

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

DISCONTINUED OPERATIONS	Note	30 June 2014	30 June 2013
	s	\$	\$
Current assets			
Cash and cash equivalents	8	86,099	2,281,159
Trade and other receivables	9	13,227	275,076
Other financial assets	10	1,004,843	1,224,545
Assets classified as held for sale	11	-	150,000,000
Total current assets		1,104,169	153,780,780
Total assets		1,104,169	153,780,780
Current liabilities			
Trade and other payables	13	84,345	2,471,408
Interest-bearing liabilities	14	-	66,483,304
Derivative financial instruments	15	-	1,182,816
Total current liabilities		84,345	70,137,528
Total liabilities		84,345	70,137,528
Net assets		1,019,824	83,643,252
Equity			
Issued capital	16(a)	1,019,824	70,734,251
Retained earnings		-	12,909,001
Total equity		1,019,824	83,643,252

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital \$	Retained Earnings \$	Total Equity \$
DISCONTINUED OPERATIONS			
Balance at 1 July 2012	70,734,251	6,271,789	77,006,040
Net profit for the year	-	12,941,919	12,941,919
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	12,941,919	12,941,919
Transactions with unitholders in their capacity as unitholders:			
Distributions paid/ payable to unitholders (refer Note 16(b))	-	(6,304,707)	(6,304,707)
	-	(6,304,707)	(6,304,707)
Balance at 30 June 2013	70,734,251	12,909,001	83,643,252
Net profit/(loss) for the year	-	(355,638)	(355,638)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	-	(355,638)	(355,638)
Transactions with unitholders in their capacity as unitholders:			
Distributions paid/ payable to unitholders (refer Note 16(b))	(27,463,702)	(12,553,363)	(40,017,065)
Redemption of units	(42,250,725)	-	(42,250,725)
	(69,714,427)	(12,553,363)	(82,267,790)
Balance at 30 June 2014	1,019,824	-	1,019,824

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

DISCONTINUED OPERATIONS	Notes	30 June 2014	30 June 2013
		\$	\$
Cash flows from operating activities			
Property rental receipts		3,955,347	14,263,042
Interest received		137,831	100,817
Payments to suppliers		(5,288,852)	(3,636,000)
Finance costs paid		(1,299,310)	(3,671,923)
Net cash provided by/(used in) operating activities	19(b)	(2,494,984)	7,055,936
Cash flows from investing activities			
Proceeds from sale of investment property		151,700,000	-
Amounts deposited for retention		(3,000,000)	-
Amounts released from retention		2,000,000	-
Proceeds from/payment for financial assets		1,224,544	183,012
Payment of capital expenditure		(12,993)	(66,792)
Net cash provided by investing activities		151,911,551	116,220
Cash flows from financing activities			
Proceeds from/payment for financial derivatives		(1,291,913)	-
Repayment of borrowings		(66,500,000)	(500,000)
Payment for redemption of units		(42,250,725)	-
Distributions paid to unitholders		(41,568,989)	(6,240,524)
Net cash used in financing activities		(151,611,627)	(6,740,524)
Net increase/(decrease) in cash and cash equivalents		(2,195,060)	431,632
Cash and cash equivalents at the beginning of the year		2,281,159	1,849,527
Cash and cash equivalents at the end of the year	19(a)	86,099	2,281,159

The accompanying notes form part of these financial statements.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 Trust has a limited life under its constitution, such that it must terminate no later than 2089. However, the Responsible Entity intends to commence the wind up of the Trust in October 2014.

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 Trust is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on a realisation basis. The Directors of the Responsible Entity consider the Trust is not a going concern as the Responsible Entity intends to commence the wind up of the Trust. Therefore, all assets in the financial report have been stated at net realisable value and liabilities at their expected settlement value.

The basis of measurement for the Trust's assets and liabilities is detailed in the accounting policies of Note 1 and does not include anticipated or future wind up costs of the Trust.

The functional and presentation currency of the Trust is Australian dollars. The financial statements were authorised for issue by the directors on 27th August 2014.

New and revised accounting standards adopted by the Entity

The Trust has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the Trust, including:

- AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*.

The Trust has applied AASB 13 for the first time in the current year, see Note 2.

Compliance with IFRSs

The financial statements and notes of the Trust also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Policies

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

(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 and a sale is considered probable. 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).

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 year 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
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the 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 fix the interest rate payable on the floating rate debt by entering into interest rate swaps. 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 swap as a cash flow hedge (refer Note 1(i)(i)) 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 swap 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.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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) Discontinued operation

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale

The sale of the Trust's property at 10 Binara Street, Canberra on 4 October 2013 and the Responsible Entity's intention to commence the wind up of the trust in October 2014, qualifies the Trust as a discontinued operation. Profit or loss from discontinued operations, including prior year components of profit or loss, has been presented as discontinued operations on the face of the financial statements. This amount comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale.

(j) 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 year in which the estimate is revised and in any future periods affected.

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Critical judgements and significant accounting estimates (continued)

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

The Trust follows the guidance in AASB 139 in accounting for the interest rate swaps as financial assets or financial liabilities at fair value through profit or loss (classified as held for trading). The interest rate swap has been entered into to fix 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 swap as a cash flow hedge. This has had the effect of recognising movements of the interest rate swaps in profit or loss rather than equity.

(j) 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 2014. They may impact the Trust in the year of initial application. They are available for early adoption, but have not been applied in preparing these financial statements:

- *AASB 9 Financial Instruments and supplementary standard issued in relation to AASB 9*

AASB 9 amends the requirements for classification and measurement of financial assets. The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9. These include the requirements relating to:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

Adoption of AASB 9 is only mandatory for the 30 June 2018 year end, however, the Responsible Entity intends to wind up the Trust in October 2014, as such, the amendment will not impact on the financial statements.

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.

(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 swap 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 fixed the floating (i.e. base) interest rate in respect of the principal amount at 3.705%, pursuant to an ISDA master agreement and related interest rate swaps entered into with the Commonwealth Bank of Australia. By entering into these interest rate swaps, the Trust has limited its exposure to changes in interest rates on its cash flows. The swap was settled on the sale of the building. An analysis of the maturities of the borrowings and related interest rate swaps is provided in (c) below.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

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 2014	30 June 2013
	\$	\$
Instruments with fair value risk:		
Derivative financial instruments	-	(1,182,816)
Instruments with cash flow risk:		
Cash and cash equivalents	86,099	2,281,159
Term Deposits	-	1,224,545
	86,099	3,505,704
Sensitivity of profit or loss to movements in market interest rates:		
Market interest rates increased by 25 basis points	215	8,764
Market interest rates decreased by 25 basis points	(215)	(8,764)
	-	-

Interest rate sensitivities have been calculated based on the BBSY payable as at 30 June 2014 of 2.45% (2013: 2.88%).

(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 2014	30 June 2013
	\$	\$
Cash and cash equivalents	86,099	2,281,159
Term Deposits	-	1,224,545
Trade and other receivables	13,227	275,076
Maximum exposure to credit risk	99,326	3,780,780

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.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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.

30 June 2014	Less than 1 year \$	1 – 2 years \$	2 – 5 years \$	Total contractual cash flows \$	Carrying amount \$
Non-interest bearing liabilities					
Non-interest bearing	84,345	-	-	84,345	84,345
Total non-interest bearing	84,345	-	-	84,345	84,345
Interest bearing liabilities					
Variable interest rate Derivative financial instruments – net settled	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Total	-	-	-	-	-

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

30 June 2013	Less than 1 year	1 – 2 years	2 – 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Non-interest bearing liabilities					
Non-interest bearing	2,471,408	-	-	2,471,408	2,471,408
Total non-interest bearing	2,471,408	-	-	2,471,408	2,471,408
Interest bearing liabilities					
Variable interest rate	3,045,700	67,261,425	-	70,307,125	66,500,000
Derivative financial instruments – net settled	720,925	461,891	-	1,182,816	1,182,816
Total interest bearing liabilities	3,766,625	67,723,316	-	71,489,941	67,682,816
Total	6,238,033	67,723,316	-	73,961,349	70,154,224

(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 8: Trade and other receivables

Note 9: Other financial assets

Note 12: Trade and other payables

Note 13: Interest-bearing liabilities

Note 14: Derivative financial instruments

Hierarchy: AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The interest rate swap was classified as a level 2 financial instrument in 2013.

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: REVENUE	30 June 2014	30 June 2013
	\$	\$
<i>Revenue includes:</i>		
<i>(a) Property rental from:</i>		
<i>Base rent</i>	3,299,696	12,604,716
<i>Recoverable outgoings</i>	74,645	363,594
	<u>3,374,341</u>	<u>12,968,310</u>
 <i>(b) Interest income arises from:</i>		
<i>Cash and cash equivalents & term deposits</i>	<u>124,396</u>	<u>119,094</u>
 <i>(c) Other income arises from:</i>		
<i>Proceeds from insurance refund</i>	<u>51,176</u>	<u>-</u>

NOTE 4: SALE OF ASSET

a) Description

On 8 August 2013, Corval Partners Limited as Responsible Entity of the Trust entered into a contract for sale with Brompton Asset Management for the sale of the property at 10 Binara Street, Canberra. On 26 September 2013 the unitholders approved the transaction and settlement occurred on 4 October 2013. As a result of the sale, both the loan and the interest rate swap were discharged.

b) Details of the sale

Sale proceeds	151,700,000
Less:	
Fair value of the property	(150,000,000)
Direct selling costs:	
- Property sale fee	(3,034,000)
- Performance fee	(737,068)
- Legal fees	(40,310)
- Other direct costs of sale	-
Net loss on sale of asset	<u>(2,111,378)</u>

NOTE 5: EXPENSES

	30 June 2014	30 June 2013
	\$	\$
Profit for the year includes the following expenses:		
Amortisation of borrowing costs	<u>16,696</u>	<u>13,331</u>

NOTE 6: FINANCE COSTS

Interest paid or payable	<u>909,645</u>	<u>3,652,907</u>
Total finance costs	<u>909,645</u>	<u>3,652,907</u>

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: AUDITOR'S REMUNERATION

	30 June 2014	30 June 2013
	\$	\$
Audit of the financial report	8,000	17,875
Review of half-year financial report	6,750	7,600
Non-audit services:		
Audit of the compliance plan	2,450	2,385
Wind down audit	4,000	-
	<u>21,200</u>	<u>27,860</u>

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank	<u>86,099</u>	<u>2,281,159</u>
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Cash carries a weighted average effective interest rate of 2.45% (2013: 2.70%).

NOTE 9: TRADE AND OTHER RECEIVABLES

Current

Trade receivables	-	172,998
Other receivables	13,227	102,078
	<u>13,227</u>	<u>275,076</u>

There were no trade and other receivables that were past due but not impaired at 30 June 2014 (2013: nil).

NOTE 10: OTHER FINANCIAL ASSETS

LOANS AND RECEIVABLES

Current

Investments in term deposits	-	1,224,545
Funds held in Trust	1,004,843	-
	<u>1,004,843</u>	<u>1,225,545</u>

NOTE 11: ASSETS CLASSIFIED AS HELD FOR SALE

Current

Investment property held for sale	-	<u>150,000,000</u>
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NOTE 12: 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	-	13,357,359
Between 12 months and 5 years	-	57,558,675
Greater than 5 years	-	56,322,445
	<u>-</u>	<u>127,238,479</u>

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13: TRADE AND OTHER PAYABLES

	30 June 2014	30 June 2013
	\$	\$
Current		
Unsecured liabilities:		
Amounts payable to related parties	-	191,699
Sundry creditors and accruals	59,875	313,650
Interest expense payable	-	389,665
Distributions payable to unitholders	24,470	1,576,394
	84,345	2,471,408

Trade and other payables are non-interest bearing.

NOTE 14: INTEREST-BEARING LIABILITIES

Current – SECURED

Bank loan	-	66,500,000
Unamortised borrowing costs	-	(16,696)
	-	66,483,304

The \$66.5m loan facility with the Commonwealth Bank of Australia was discharged on 4 October 2013, upon sale of the property.

(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 loan was discharged on 4 October, 2013, upon sale of the property.

The carrying amounts of assets pledged as security were:

Registered first mortgage		
Assets held for sale	-	150,000,000

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% - refer note 1(k). There were no covenants in place as of 30 June 2014, as the loan was discharged on 4 October, 2013, upon sale of the property.

(b) Financial Arrangements

Total facilities:		
Bank loan	-	66,500,000
Facilities utilised at reporting date:		
Bank loan	-	66,500,000

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: INTEREST-BEARING LIABILITIES (continued)

(b) Financial Arrangements (continued)

	<u>30 June 2014</u>	<u>30 June 2013</u>
	\$	\$
Facilities not utilised at reporting date:		
Bank loan	-	-

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

Current liability

HELD FOR TRADING

Interest rate swap	-	1,182,816
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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. The interest rate swap was terminated on 4 October 2013.

NOTE 16: EQUITY

	<u>30 June 2014</u>	<u>30 June 2013</u>	<u>30 June 2014</u>	<u>30 June 2013</u>
	Units	Units	\$	\$
(a) Issued capital				
Ordinary units	<u>1,683,705</u>	<u>74,173,003</u>	<u>1,019,824</u>	<u>70,734,251</u>
Movements during the financial year:				
Opening balance	74,173,003	74,173,003	70,734,251	70,734,251
Units redeemed during the year	(72,489,298)	-	(42,250,725)	-
Distributions reducing capital	-	-	(27,463,702)	-
Closing balance	<u>1,683,705</u>	<u>74,173,003</u>	<u>1,019,824</u>	<u>70,734,251</u>

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.

	<u>30 June 2014</u>	<u>30 June 2013</u>
	\$	\$
(b) Distributions paid/payable to unitholders		
The distributions for the financial year were:		
Distributions of capital	27,463,702	-
Distributions of retained earnings	12,553,363	6,304,707
	<u>40,017,065</u>	<u>6,304,707</u>
	Cents	Cents
Cents per unit – original units	53.95	8.50
	<u>53.95</u>	<u>8.50</u>

CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16: EQUITY (continued)

(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 17: 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.

	30 June 2014	30 June 2013
	\$	\$
<u>Fees for the year paid/payable by the Trust:</u>		
Management of the Trust	202,274	745,663

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 year 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.

2014

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
Directors				
Ian O'Toole	257,500	(251,655)	5,845	0.3
Rob Rayner	51,500	(50,331)	1,169	0.1
Total	309,000	(301,986)	7,014	0.4

CORVAL INDUSTRY HOUSE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17: RELATED PARTY TRANSACTIONS (continued)

2013

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
Directors				
Ian O'Toole	257,500	-	257,500	0.3
Rob Rayner	51,500	-	51,500	0.1
Total	309,000	-	309,000	0.4

	2014 \$	2013 \$
Distributions received/receivable from the Trust by key management personnel	160,068	26,265

The number of units in the Trust held by the investment manager is set out below:

2014

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
CorVal Management Pty Ltd	989,283	(966,826)	22,457	1.3

2013

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
CorVal Management Pty Ltd	989,283	-	989,283	1.3

The number of units in the Trust held by a unit holder that has significant influence over the Trust is set out below:

2014

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
AR Management Co Pty Ltd*	28,323,920	(27,680,967)	642,953	38.2

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

2013

Name	Balance at the start of the year	Changes during the year	Balance at the end of the year	Interest held %
AR Management Co Pty Ltd*	28,323,920	-	28,323,920	38.2

*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 YEAR ENDED 30 JUNE 2014

NOTE 18: CONTINGENT LIABILITIES

The Trust has a \$1m contingent liability in relation to the retention funds held at settlement. The Purchaser can make claims against this amount for a twelve month period from the date of settlement if there is a breach of any warranty provided by the Trust in the contract of sale.

	30 June 2014	30 June 2013
	\$	\$

NOTE 19: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year 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	86,099	2,281,159
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(b) Reconciliation of cash flows from operating activities with profit for the year

Profit/(loss) for the year	(355,638)	12,941,919
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Non-cash flows in profit from operating activities:

Net changes in fair value of investment property	(1,687,007)	(5,933,208)
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Net loss on derivative financial instruments	109,097	122,299
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Amortisation of borrowing costs	16,696	13,331
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Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables	257,007	(20,375)
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(Decrease) in trade and other payables	(835,139)	(68,030)
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Cash flows from operating activities	(2,494,984)	7,055,936
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NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

The Responsible Entity intends to commence the wind up of the Trust in October 2014.

No other matters or circumstances have arisen since the end of the financial year 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 21: RESPONSIBLE ENTITY DETAILS

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

Level 13, 9 Hunter Street
 Sydney NSW 200

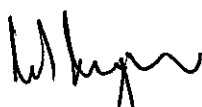
CORVAL INDUSTRY HOUSE TRUST
ARSN 139 802 038
DIRECTORS' DECLARATION

In the opinion of the directors of CorVal Partners Limited, the Responsible Entity:

1. The financial statements, comprising the statement of profit or loss and other 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, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Trust's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
2. The financial report for the year ended 30 June 2014 is prepared on a realisation basis. The Directors of the Responsible Entity consider the Trust is not a going concern as the Responsible Entity intends to commence the wind up of the Trust, notwithstanding this there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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


Kevin Neville
Director

Dated in Sydney, this 27th day of August 2014



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Independent Auditor's Report To the Members of CorVal Industry House Trust

We have audited the accompanying financial report of CorVal Industry House Trust (the "Scheme"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Responsible Entity of the Scheme.

Responsibility of the Directors of the Responsible Entity for the financial report

The Directors of the Responsible Entity of the Scheme are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The responsibility of the Directors of the Responsible Entity also includes such internal control as the Directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors of the Responsible Entity also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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. Those standards require us to 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.

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In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation of the financial report that gives a true and fair view 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 Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Responsible Entity, 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.

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 Scheme's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter – Realisation basis of accounting

Without modifying our opinion, we draw attention to the Basis of Preparation (realisation basis) in the notes to the financial report, which indicates that the Directors of the Responsible Entity intend to commence the wind up of the Trust. Accordingly, the financial report has been prepared on a realisation basis.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A. Sheridan

A. Sheridan
Partner - Audit & Assurance

Sydney, 27 August 2014