



## Abacus Property Group

At 30 June 2007, the Abacus Property Group (APG) comprised the Abacus Trust (AT), the Abacus Income Trust (AIT), Abacus Group Holdings Limited (AGHL) and Abacus Group Projects Limited (AGPL). A summary of the corporate structure is illustrated below.

AGHL has been identified as the parent entity for the purpose of producing a consolidated financial report for the APG. That is, The concise financial report of AGHL services as a summary of the financial performance and position of APG as a whole. It consolidates the financial reports of AGHL, AT, AIT and AGPL and their controlled entities.

To comply with Australian reporting requirements, the concise financial reports of AT, AIT and AGPL are also provided.



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### Glossary

Abacus	Abacus Funds Management Limited, the responsible entity of the trusts
AGHL	Abacus Group Holdings Limited
AGPL	Abacus Group Projects Limited
AIT	Abacus Income Trust
APG	Abacus Property Group
AT	Abacus Trust

# abacus property group

## Directory

### Abacus

Abacus Funds Management Limited  
Level 34, Australia Square  
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Tel (02) 9253 8600  
Fax (02) 9253 8616  
Website [www.abacusproperty.com.au](http://www.abacusproperty.com.au)

### Directors of Abacus and Abacus Group Holdings Limited

John Thame, Chairman  
Frank Wolf, Managing Director  
David Bastian\* (appointed 14/11/06)  
Dennis Bluth  
Malcolm Irving  
Len Lloyd  
William Bartlett (appointed 14/02/07)  
Phillip Green (resigned 1/9/06)  
\*Resigned as Managing Director on 30/09/06

### Company secretary

Ellis Varejes

### Custodian

Perpetual Trustee Company Limited  
Level 12, Angel Place  
123 Pitt Street  
SYDNEY NSW 2000

### Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Compliance Plan Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Registry

Computershare Investor Services Pty Ltd  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000  
Tel (02) 1800 635 323 Toll free  
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## directors' report

The Directors present their report together with the consolidated financial report of Abacus Group Holdings Limited (AGHL) and the auditor's report thereon.

AGHL has been identified as the parent entity of the group referred to as the Abacus Property Group (APG or the Group). The consolidated financial reports of AGHL for the year ended 30 June 2007 comprises the consolidated financial reports of AGHL and its controlled entities, Abacus Trust (AT) and its controlled entities, Abacus Income Trust (AIT) and its controlled entities and Abacus Group Projects Limited (AGPL) and its controlled entities.

### DIRECTORS

The Directors of AGHL in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

John Thame	Chairman (non-executive)
Frank Wolf	Managing Director (executive)
William Bartlett	Non-executive director (appointed 14/02/07)
David Bastian*	Non-executive director (appointed 14/11/06)
Dennis Bluth	Non-executive director
Phillip Green	Non-executive director (resigned 1/09/06)
Malcolm Irving	Non-executive director
Len Lloyd	Executive director

\* Resigned as Managing Director on 30 September 2006

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the year ended 30 June 2007 include:

- investment in commercial, retail and industrial properties;
- property funds management and investment;
- property finance; and
- participation in property joint ventures and developments.

### CORPORATE STRUCTURE

The Group is comprised of AGHL, AT, AIT and AGPL. Shares in AGHL and AGPL and units in AT and AIT have been stapled together so that none can be dealt with without the others. An APG security consists of one share in AGHL, one unit in AT, one share in AGPL and one unit in AIT. A transfer, issue or reorganisation of a share or unit in any of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in each of the other component parts.

AGHL and AGPL are companies that are incorporated and domiciled in Australia. AT and AIT are Australian registered managed investment schemes. Abacus Funds Management Limited (AFML), the responsible entity of AT and AIT, is incorporated and domiciled in Australia and is a wholly-owned subsidiary of AGHL.

### OPERATING PROFIT

The Group earned a net profit attributable to members of \$118.8 million for the year ended 30 June 2007 (June 2006: \$101.2 million).

The Group earned a net 'normalised' profit attributable to members (excluding net property, investments, derivative and employee entitlement fair value revaluations) of \$79.8 million (June 2006: \$53.6 million).

## DISTRIBUTIONS

Group distributions in respect of the year ended 30 June 2007 were \$68.8 million (June 2006: \$50.9 million), which is equivalent to 12.5 cents per stapled security (June 2006: 11.8 cents) paid as follows:

	CENTS	\$'000
Interim distribution paid 10 November 2006	3.00	15,926
Interim distribution paid 8 February 2007	3.00	16,013
Interim distribution paid 10 May 2007	3.25	18,496
Final distribution paid 9 August 2007	3.25	18,419
<b>Total</b>	<b>12.50</b>	<b>68,854</b>

## REVIEW OF OPERATIONS

### GROUP OVERVIEW

The Group principally operates within Australia. It holds an investment portfolio of commercial, retail and industrial properties, operates property funds management businesses, provides property finance and participates in property joint ventures and developments.

### OPERATING RESULTS FOR THE PERIOD

Group revenues, net profit, normalised earnings per security and distributions per security all grew strongly in the year ended 30 June 2007:

	30 JUNE 2007 \$'000	30 JUNE 2006 \$'000	% CHANGE
Total income *	187,983	131,848	43
Pre-tax profit	124,923	102,604	22
Net profit	118,811	101,236	17
Earnings per security (cents)	21.48	24.22	(11)
'Normalised' earnings per security (cents) **	14.43	12.92	12
Distributions per security (cents)	12.50	11.80	6

\* Total revenue plus realised gains on sale of investments and unrealised revaluation gains on properties/investments

\*\* 'Normalised' earnings is net profit excluding AIFRS fair value adjustments (namely property revaluations, revaluations of derivatives and other financial instruments and share based payments)

The Group's financial condition also strengthened during the year:

	30 JUNE 2007 \$'000	30 JUNE 2006 \$'000	% CHANGE
Total assets (\$million)	1,270	1,163	9
Gearing (%)	29.5	35.6	(17)
Net assets (\$million)	803.2	673.1	19
Net tangible assets (\$million)	760.2	632.5	20
NTA per security (\$)	1.31	1.22	7
Securities on issue (million)	578.6	516.4	12
Weighted average securities on issue (million)	553.2	418.1	32

## directors' report

Business activities which contributed to the Group's operating performance and financial condition for the half year were as follows:

### Property

Total property assets at 30 June 2007 were \$834 million (30 June 2006: \$787 million). During the year the Group acquired four additional properties for approximately \$47.2 million, including a five level retail/commercial building in Butler Road, Hurstville and a commercial building in the Macquarie Business Park, Port Macquarie.

During the year the Group sold properties situated at Tattersall Road, Kings Park, Howick Street, Bathurst, Pitt Street, Sydney and Miller Street, North Sydney.

The revaluation of 16 existing properties in the portfolio totalling \$265 million (or 39% of the total investment portfolio) resulted in a net increase of \$33 million in the carrying value of investment properties.

Rental income increased from \$42 million (2006) to \$63 million for the year.

### Funds Management

The Funds Management division launched the \$135 million Abacus Hospitality Fund to wholesale investors in December 2006 and to retail investors in March 2007 (comprising the Tradewinds, Twin Waters and Chateau on the Park hotels). Additionally, the sale of the Rendezvous Hotel was settled in December 2006 for \$99.9 million.

Net gains on the launch of the Abacus Hospitality Fund and the sale of Rendezvous contributed \$21.2 million to the operating profits. These gains plus fees and other income from ongoing funds management activities drove a record operating revenue for the Funds Management division of \$38.2 million (June 2006: \$20.2 million).

Both the launch of the Abacus Hospitality Fund and the sale of the Rendezvous Hotel also impacted the Group's asset footings and gearing with \$135 million of assets and \$76.8 million debt coming off the Group's balance sheet.

The \$190 million Abacus Diversified Income Fund II was launched to retail investors in July 2007. The Fund is an open-ended property fund investing in a diversified portfolio of investment properties and other property based assets.

The Abacus Storage Fund is fully subscribed and its assets under management totalled \$202 million at 30 June 2007 with 30 sites in Australia and New Zealand.

Gross assets under management (including APG assets) grew to \$2 billion at 30 June 2007 (June 2006: \$1.4 billion).

### Property Finance

Total property finance assets at 30 June 2007 were \$120 million (30 June 2006: \$243 million).

Revenue earned from interest and fees totalled \$14.2 million for the year (30 June 2006: \$16.4 million).

### Joint Ventures and Developments

Investments managed within the Joint Ventures & Developments division comprise direct and indirect property investments as at 30 June 2007 totalled \$70.1 million (30 June 2006: \$90.5 million).

The joint venture investments are with experienced property investors and developers in New South Wales, Queensland and Victoria which enables the Group to participate in a range of property-related opportunities with industry leaders who have local knowledge and specialist property expertise.

Revenue in the form of equity accounted income and distributions contributed \$3.9 million to the operating profit (30 June 2006: \$4.1 million).

### Other

To sustain performance the Group has in place remuneration arrangements to retain and incentivise staff. During the year the Executive Security Loan and Executive Performance Award Plans, which were approved by securityholders at the 2006 annual general meeting, were introduced. The operation of these plans is discussed in the remuneration report.

The fair value expense of the security based payments made under the Plans was \$2.8 million.

### REVIEW OF FINANCIAL CONDITION

During the year ended 30 June 2007, the contributed equity of the Group increased \$75.9 million to \$648.4 million compared to \$572.5 million at 30 June 2006.

On 25 October 2006 the Group completed a \$60 million capital raising through the placement of 36.6 million securities at an issue price of \$1.64. Securities placed under the issue were eligible for distributions from 1 January 2007 onwards. As a result of the capital raising and the distribution reinvestment plan, both total and weighted average securities on issue increased.

Total equity increased by \$130.1 million to \$803.2 million at 30 June 2007 compared to \$673.1 million at 30 June 2006. Net tangible assets per security increased 7% to \$1.31 at 30 June 2007 compared to \$1.22 at 30 June 2006.

At 30 June 2007, existing bank loan facilities totalled approximately \$371 million, of which \$341 million was drawn. The Group manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June

2007, 71% of total debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 7.03% and an average term to maturity of 5.02 years.

The Group's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets) was 29.5% at 30 June 2007 compared to 35.6% at 30 June 2006.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

- Retained earnings (including the impact of revaluations of investment properties and derivative financial instruments) increased \$51.7 million to \$148.3 million at 30 June 2007 compared to \$96.6 million at 30 June 2006;
- Total equity increased by 19% from \$673.1 million to \$803.2 million at 30 June 2007 reflecting the additional capital raised, growth in retained earnings and net positive revaluations during the year;

## SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26 July 2007, the Group completed a capital raising via an institutional placement for \$100 million and issued 52.6 million stapled securities at \$1.90 per stapled security.

In July 2007, the Group exchanged contracts to acquire two commercial office buildings for \$23 million in the Varsity Lakes business district on the Gold Coast, Queensland.

Other than as disclosed in this report, to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the financial year that has or may affect the Group's operations in future financial years, the results of those operations or the Group's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors have excluded from this report any other information on the likely developments in the operations of the Group and the expected results of those operations in future financial years which are not of a material nature and would not, in the Directors' view, be likely to result in unreasonable prejudice to the operation of the Group.

## REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. It also provides the remuneration

disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 Related Party Disclosures, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the Managing Director, senior executives, general managers and secretaries of the parent and the Group.

## REMUNERATION & NOMINATION COMMITTEE

The Remuneration & Nomination Committee of the Board of Directors is responsible for determining and reviewing remuneration arrangements for the Board and executives.

The Remuneration & Nomination Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing Board and executive team.

## REMUNERATION PHILOSOPHY

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to securityholder value;
- have a reasonable portion of executive remuneration at risk; and
- establish performance hurdles for variable executive remuneration.

## REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

## directors' report

### NON-EXECUTIVE DIRECTOR REMUNERATION

#### Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, while incurring a cost that is acceptable to securityholders.

#### Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 14 November 2006 when securityholders approved an aggregate remuneration of \$550,000 per year.

The amount of aggregate remuneration sought to be approved by securityholders and the fee structure is reviewed annually. The Board considers advice from an external consultant as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Fees payable to non-executive directors are as follows:

Board/Committee	ROLE	FEE
Board	Chairman	\$152,500
Board	Member	\$57,500
Audit Committee	Chairman	\$10,000
Audit Committee	Member	\$5,000
Credit Committee	Member	\$4,800
Due Diligence Committee	Member	\$10,000
Remuneration Committee	Member	\$5,000
Abacus Storage Funds Management Limited Board	Member	\$7,500

The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub-committees.

The non-executive directors do not receive retirement benefits, nor do they participate in any incentive programs.

The remuneration of non-executive directors for the years ended 30 June 2007 and 30 June 2006 is detailed in Table 1 of this report.

### EXECUTIVE REMUNERATION

#### Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- reward executives for Group, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of securityholders; and
- ensure total remuneration is competitive by market standards.

#### STRUCTURE

In determining the level and make-up of executive remuneration, the Remuneration Committee engages external consultants as needed to provide independent advice.

The Remuneration Committee has entered into a detailed contract of employment with the Managing Director. Details of this contract are provided below.

Remuneration consists of the following key elements:

- fixed remuneration (base salary, superannuation and non-monetary benefits).
- variable remuneration
  - short term incentive (STI); and
  - long term incentive (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) for each executive is set out in table 1.

### FIXED REMUNERATION

#### Objective

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of Group, business unit and individual performance, relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. As noted above, the Committee has access to external advice independent of management.

#### Structure

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.



The fixed remuneration component of executives is detailed in Table 1.

## VARIABLE REMUNERATION – SHORT TERM INCENTIVE (STI)

### Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets.

### Structure

Actual STI payments granted to the Managing Director depend on the extent to which the specific target for Group financial performance set at the beginning of the financial year is met.

At the discretion of the Board, executives and senior managers may receive STI payments based on reference to a variety of measures, both financial and non-financial. These measures primarily include Group profitability targets, returns to securityholders and certain key performance indicators such as assets under management.

The Board considers that performance linked objectives that have an operational and financial impact focus are best suited to the outcomes desired by securityholders. Non-financial measures are also taken into account.

The aggregate of annual STI payments available for executives across the Group is subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following reporting period.

## VARIABLE REMUNERATION – LONG TERM INCENTIVE (LTI)

### Objective

The objective of the LTI plans is to reward executives in a manner that aligns remuneration with the creation of securityholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of securityholder wealth and thus have an impact on the Group's performance against the relevant long term performance hurdle.

The LTI plans in operation are described below:

#### (a) Executive Performance Award Plan (EPAP)

LTI grants to executives are delivered in the form of security options under the EPAP. Security options are granted to executives employed on or before the first day of the relevant financial year. The security options will vest over a period of 3 years subject to meeting performance hurdles, with no opportunity to retest. Executives are able to exercise the security options for up to 7 years after vesting before the options lapse.

### Performance hurdle

The Group uses a relative Total Securityholder Return (TSR) as the performance hurdle for the LTI plan. Relative TSR was selected as the LTI performance hurdle as it ensures an alignment between comparative securityholder return and reward for executives.

In assessing whether the performance hurdles for each grant have been met, the Group compares its TSR growth from the commencement of each grant and that of the pre-selected peer group.

The peer group chosen for comparison is the S&P ASX 200 Index Property Trust Sector at the date of grant. This peer group reflects the Group's competitors for capital transactions and talent.

The Group's performance against the hurdle is determined according to Abacus Property Group's ranking against the peer group TSR growth over the performance period.

The security options will vest in accordance with the table below:

TSR target	Percentage of security options that vest
Below the 50th percentile	Nil
50th percentile	50%
50th to 75th percentile	Progressive scale of an additional 2% for each percentile increase
75th percentile	100%

Where a participant ceases employment prior to the vesting of their security options, the security options are forfeited unless cessation of employment is due to redundancy by the Group, total and permanent disablement or death. In the event of a change of control, the performance period end date will be brought forward to the date of the change of control and awards will vest immediately subject to performance over this shortened period. The Group prohibits executives from entering into arrangements to protect the value of unvested LTI awards.

Tables 2 and 3 provides details of LTI options granted and the value of options granted during the year. No LTI options were exercised or lapsed during the year.

#### (b) Executive Security Loan Plan (ESLP)

Executives were offered limited recourse loans to acquire Group securities on market. The executive entered into a salary sacrifice arrangement under which base remuneration

directors' report

approximately equal to a notional interest amount on the loan is foregone by the executive. The interest rate for a financial year is equivalent to the Group distribution rate for that year.

The loans are repayable on the earlier of the executive ceasing to be employed by the Group, the sale of the Group securities purchased under the Plan or the repayment date (30 June 2010). If the loans are not repaid or interest if payable is not paid, the Group securities may be sold and the funds received applied to repay the loan and interest on the loan.

The securities acquired under the ESLP were purchased on market and are fully vested.

Loans totalling \$20,000,000 were provided under the ESLP to twelve executives in the year ended 30 June 2007.

In addition, in the year ended 30 June 2006 a limited recourse loan of \$2,496,822 was provided (as a pre-conditional key term of employment) to one executive to acquire Group securities on market. The executive entered into a salary sacrifice arrangement under which remuneration approximately equal to a notional interest amount on the loan is foregone by the executive. The interest rate for the financial year is 7.5%.

This loan is repayable on the same basis as applies under the ESLP.

The loans are accounted for in accordance with AASB 2 Share Based Payments, as follows:

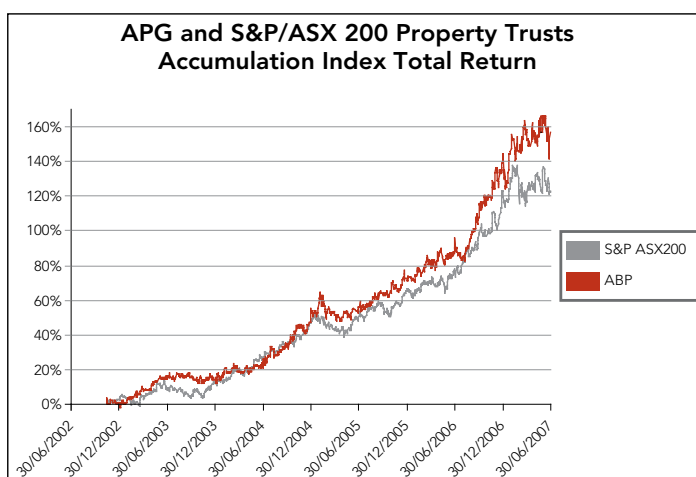
- The loans are not recorded on the balance sheet, as they are regarded as options.
- The value of a loan is determined by an option valuation

model calculation (Binominal Tree American put option model) and this amount is treated as an employee expense with a corresponding increase in reserves.

- A repayment of the loan is treated as an increase to Contributed Equity.

LINK BETWEEN REMUNERATION POLICY AND THE GROUP'S PERFORMANCE

The graph below shows the performance of the Group (as measured by the Group's TSR) and the comparison of the Group's TSR to the median of the TSR for the peer group as detailed above.



In addition to TSR, the Group's performance is reflected in the following table:

	30 JUNE 2003	30 JUNE 2004	30 JUNE 2005	30 JUNE 2006	30 JUNE 2007
Closing share price	\$1.22	\$1.17	\$1.36	\$1.57	\$1.98
Distributions paid and proposed (cents)	10.50	11.23	11.40	11.80	12.50
Earnings per security (cents)	13.90	12.84	12.42	12.92	14.43
Net tangible assets per security	\$0.95	\$1.00	\$1.09	\$1.22	\$1.31

## EMPLOYMENT CONTRACTS

### Managing Director

The Managing Director, Dr Wolf, is employed under a rolling contract. The current employment contract commenced on 10 October 2002. Under the terms of the present contract:

Dr Wolf receives a base salary which is reviewed annually. He is entitled to participate in the LTI plans that are made available and to receive short-term incentive payments.

Dr Wolf may resign from his position and thus terminate this contract by giving 6 months written notice. On termination any unvested options will be forfeited and the loan under the Security Loan Plan will be repayable.

The Group may terminate this employment agreement by providing 12 months written notice or providing payment in lieu of the notice period (based on the fixed component of

Dr Wolf's remuneration). On termination on notice by the Group, any LTI options that have vested or that will vest during the notice period will be released. LTI options that have not yet vested will be forfeited.

### Other executives

There are no formal service agreements with other executives. On termination on notice by the Group, any LTI options that have vested or that will vest during the notice period will be released. LTI options that have not yet vested will be forfeited and any loan under the ESLP will be repayable. The Group may terminate an executive's service at any time without notice if serious misconduct has occurred. Where termination with cause occurs the executive is only entitled to remuneration up to the date of termination. On termination with cause, any unvested options will immediately be forfeited.

TABLE 1: REMUNERATION OF KEY MANAGEMENT PERSONNEL

2007	SHORT-TERM			POST EMPLOYMENT		SECURITY-BASED PAYMENT	TOTAL	% PERFORMANCE RELATED
	SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION	ACCRUED LEAVE ENTITLEMENT	OPTIONS		
<b>Non-executive directors</b>								
J Thame – Chairman	160,000	-	-	-	-	-	160,000	-
M Irving	80,000	-	-	-	-	-	80,000	-
D Bluth	87,613	-	-	-	-	-	87,613	-
P Green <sup>(1)</sup>	16,250	-	-	-	-	-	16,250	-
W Bartlett <sup>(2)</sup>	25,274	-	-	-	-	-	25,274	-
D Bastian <sup>(3)</sup>	53,300	-	-	-	-	-	53,300	-
<b>Sub-total non-executive directors</b>	<b>422,437</b>	-	-	-	-	-	<b>422,437</b>	-
<b>Executive directors</b>								
F Wolf – Managing Director	894,887	650,000	-	105,113	-	812,304	2,462,304	59%
D Bastian <sup>(4)</sup>	60,000	-	-	90,000	295,026	-	445,026	-
L Lloyd – Managing Director, Property Services	132,549	125,000	-	127,451	-	230,628	615,628	58%
<b>Other key management personnel</b>								
R de Aboitiz – Chief Financial Officer <sup>(5)</sup>	305,382	100,000	-	10,003	-	150,524	565,909	44%
S O'Donoghue – Chief Financial Officer <sup>(6)</sup>	63,461	-	-	15,289	-	-	78,750	-
T Hardwick – Director Funds Management	387,313	150,000	-	12,687	-	50,000	600,000	33%
J L'Estrange – General Manager Property	319,314	150,000	-	30,686	-	351,047	851,047	59%
E Varejes – Chief Operating Officer	327,500	150,000	-	72,500	-	351,047	901,047	56%
<b>Sub-total executive KMP</b>	<b>2,490,406</b>	<b>1,325,000</b>	-	<b>463,729</b>	<b>295,026</b>	<b>1,945,550</b>	<b>6,519,711</b>	
<b>Total KMP compensation</b>	<b>2,912,843</b>	<b>1,325,000</b>	-	<b>463,729</b>	<b>295,026</b>	<b>1,945,550</b>	<b>6,942,148</b>	
<b>Other Group executives</b>								
P Strain	217,314	150,000	-	12,686	-	183,857	563,857	59%

<sup>(1)</sup> Resigned on 1/09/06 <sup>(2)</sup> Appointed on 14/02/07 <sup>(3)</sup> Appointed as non-executive director on 14/11/06 <sup>(4)</sup> Resigned as Managing Director on 30/09/06

<sup>(5)</sup> Appointed on 18/09/06 <sup>(6)</sup> Resigned on 18/09/06

directors' report

TABLE 1: REMUNERATION OF KEY MANAGEMENT PERSONNEL / CONTINUED

2006	SHORT-TERM			POST EMPLOYMENT	SECURITY- BASED PAYMENT	TOTAL	% PERFORMANCE RELATED
	SALARY & FEES	CASH BONUS	NON- MONETARY BENEFITS				
<b>Non-executive directors</b>							
J Thame – Chairman	162,120	-	-	-	-	162,120	-
M Irving	80,000	-	-	-	-	80,000	-
D Bluth	89,800	-	-	-	-	89,800	-
P Green	65,000	-	-	-	-	65,000	-
<b>Sub-total non-executive directors</b>	<b>396,920</b>	-	-	-	-	<b>396,920</b>	-
<b>Executive directors</b>							
D Bastian – Managing Director	501,907	275,000	-	98,093	-	875,000	31%
F Wolf – Deputy Chairman	779,167	440,000	-	70,833	-	1,290,000	34%
L Lloyd – Managing Director, Property Services	224,220	120,000	-	30,780	-	375,000	32%
<b>Other key management personnel</b>							
S O'Donoghue – Chief Financial Officer	245,000	100,000	-	15,000	-	360,000	28%
T Hardwick – Director Funds Management <sup>(1)</sup>	59,050	-	-	2,023	5,594	66,667	8%
J L'Estrange – General Manager Property	219,861	150,000	-	30,139	-	400,000	38%
E Varejes – Chief Operating Officer <sup>(2)</sup>	140,775	-	-	5,058	-	145,833	-
K Kitchen – General Manager Distribution <sup>(3)</sup>	187,861	100,000	-	12,139	-	300,000	33%
P Strain – General Manager Leasing & Administration <sup>(3)</sup>	187,861	100,000	-	12,139	-	300,000	33%
<b>Sub-total executive KMP</b>	<b>2,545,702</b>	<b>1,285,000</b>	-	<b>276,204</b>	<b>5,594</b>	<b>4,112,500</b>	
<b>Total</b>	<b>2,942,622</b>	<b>1,285,000</b>	-	<b>276,204</b>	<b>5,594</b>	<b>4,509,420</b>	

<sup>(1)</sup> Appointed on 1/05/06

<sup>(2)</sup> Appointed on 1/02/06

<sup>(3)</sup> Ms Kitchen and Mr Strain do not meet the definition of Key Management Personnel for the 2007 financial year.

TABLE 2: COMPENSATION OPTIONS: GRANTED AND VESTED DURING THE YEAR

**Executive Performance Award Plan**

The following options were issued under the Executive Performance Award Plan:

30 JUNE 2007	GRANTED		TERMS & CONDITIONS FOR EACH GRANT				
	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT DATE (\$)	EXERCISE PRICE PER OPTION (\$)	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE
<b>Executive directors</b>							
F Wolf	1,343,284	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17
L Lloyd	447,761	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17
<b>Other key management personnel</b>							
T Hardwick	447,761	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17
J L'Estrange	447,761	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17
E Varejes	447,761	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17
<b>Other Group executives</b>							
P Strain	298,507	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17

The Plan was approved by securityholders on 14 November 2006 so no options were issued in the year ended 30 June 2006 and no options have vested.

**Executive Security Loan Plan**

The following options were issued under the Executive Security Loan Plan:

30 JUNE 2007	GRANTED		TERMS & CONDITIONS FOR EACH GRANT					VESTED	
	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT OPTION (\$) NOTE 24	EXERCISE PRICE PER OPTION (\$) NOTE 24	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE	NO.	%
<b>Executive directors</b>									
F Wolf	2,881,728	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	2,881,725	100
L Lloyd	785,925	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	785,925	100
<b>Other key management personnel</b>									
J L'Estrange	1,309,875	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	1,309,875	100
E Varejes	1,309,875	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	1,309,875	100
R deAboitiz	654,938	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	654,938	100
<b>Other Group Executives</b>									
P Strain	654,938	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	654,938	100

The Plan was approved by securityholders on 14 November 2006 so no options were issued in the year ended 30 June 2006 and no options have vested.

directors' report

TABLE 3: OPTIONS GRANTED AS PART OF REMUNERATION:

	VALUE OF OPTIONS GRANTED DURING THE YEAR		VALUE OF OPTIONS EXERCISED DURING THE YEAR	VALUE OF OPTIONS LAPSED DURING THE YEAR	TOTAL VALUE OF OPTIONS GRANTED, EXERCISED AND LAPSED DURING THE YEAR	% REMUNERATION CONSISTING OF OPTIONS FOR THE YEAR
	EXECUTIVE PERFORMANCE AWARD PLAN	EXECUTIVE SECURITY LOAN PLAN				
F Wolf	450,000	662,304	-	-	1,112,304	33
L Lloyd	150,000	180,628	-	-	330,628	37
T Hardwick	150,000	-	-	-	150,000	8
J L'Estrange	150,000	301,047	-	-	451,047	41
E Varejes	150,000	301,047	-	-	451,047	39
R deAboitiz	-	150,524	-	-	150,524	27
P Strain	100,000	150,524	-	-	250,524	33

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period. The maximum grant, which will be payable assuming that all services and performance criteria are met, is equal to the number of options granted multiplied by the fair value at the grant date. The minimum grant payable assuming that service and performance criteria are not met is zero.

No options have been exercised.

## INFORMATION ON DIRECTORS AND OFFICERS

The Directors and Company Secretary of Abacus Group Holdings Limited, Abacus Funds Management Limited (the responsible entity of the Abacus Trust and Abacus Income Trust) and Abacus Group Projects Limited, in office during the financial year and until the date of this report are as set out below, with qualifications, experience and special responsibilities.

JOHN THAME AIBF, FCPA

Chairman (non-executive)

Member of Remuneration & Nomination Committee

Member of Audit Committee

Mr Thame has over 30 years' experience in the retail financial services industry in senior management positions. His 26-year career with Advance Bank included 10 years as Managing Director until the Bank's merger with St George Bank Limited in 1997. Mr Thame is Chairman of St George Bank Limited and St George Life Limited. Mr Thame was a director of AWB Limited (1999 to 2005). He is also a director of Reckon Limited and The Village Building Co Limited (Group).

FRANK WOLF PhD, BA Hons

Managing Director

Member of Credit Committee

Dr Wolf has over 20 years' experience in the property and financial services industries, including involvement in retail, commercial, industrial and hospitality-related assets in Australia, New Zealand and the United States. Dr Wolf has been instrumental in over \$2 billion worth of property related transactions, corporate acquisitions and divestments and has financed specialist property-based assets in retirement and hospitality sectors. Dr Wolf is the Chairman of FSP Group Pty Limited and a director of financial planning groups Financial Services Partners Pty Limited and Kingston Capital Limited. He is also a director of HGL Limited, a diversified publicly listed investment company.

DAVID BASTIAN CPA

Non-executive director

Member of Credit Committee

Member of Due Diligence Committee

Member of Remuneration & Nomination Committee

Mr Bastian has almost 40 years' experience in the financial services industry, in particular in the packaging of commercial, retail and residential property projects and was the Managing Director of the Group until 30 September 2006. He was Managing Director of the Canberra Building Society for 20 years and an Executive Director of Godfrey Pembroke Financial Services Pty Limited for 7 years. Mr Bastian is also a director of financial planning groups FSP Group Pty Limited and Kingston Capital Limited.

MALCOLM IRVING AM, FCPA, SF Fin, BCom, Hon DLitt

Non-executive director

Chairman of Audit Committee

Member of Remuneration & Nomination Committee

Mr Irving has over 40 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. Mr Irving is Chairman of Australian Industry Development Corporation and the Australian River Company Limited. He was a director of Keycorp Limited (2001 to 2007). He is also a director of O'Connell Street Associates Pty Ltd, Thales Australia Limited and Resimac Limited.

PHILLIP GREEN LLB, BCom

Non-executive director

Mr Green is Managing Director of Babcock & Brown Limited. Mr Green has over 25 years' experience in corporate finance specialising in taxation and structured domestic and international corporate acquisitions. Mr Green resigned effective from 1 September 2006.

## directors' report

### INFORMATION ON DIRECTORS AND OFFICERS /CONTINUED

DENNIS BLUTH LLM, LLB, BA, FAPI  
Non-executive director  
Chairman of Credit Committee  
Chairman of Due Diligence Committee

Mr Bluth holds Bachelor of Arts, Bachelor of Law and Masters of Law degrees and has practised as a solicitor for over 25 years, principally in the area of property law. Mr Bluth is a partner of Home Wilkinson Lowry, Solicitors and is a member of a number of Law Society and Law Council Committees.

WILLIAM J BARTLETT FCA, CPA, FCMA, CA(SA)  
Non-executive director  
Chairman of Remuneration & Nomination Committee  
Member of Audit Committee

Mr Bartlett has strong accounting, financial and corporate credentials. During his 23 year career with Ernst & Young, he held the roles of Chairman of Worldwide Insurance Practice, National Director of Australian Financial Services Practice and Chairman of the Client Service Board. Mr Bartlett is a director of Suncorp-Metway Limited, Peptech Limited, GWA Limited, Moneyswitch Limited, Reinsurance Group of America Inc and RGA Reinsurance Company of Australia Limited. Mr Bartlett was a director of Retail Cube Limited (2004 to 2006). He is also a director of the Bradman Foundation and Museum.

LEN LLOYD FAPI, WDA  
Executive director

Mr Lloyd is a licensed real estate agent and a registered real estate valuer. He has 40 years experience in the development, management and funding of commercial, retail and residential property. Mr Lloyd joined the Abacus Group in October 2000 and now holds the position of Managing Director of Abacus Property Services Pty Limited responsible for property administration and development opportunities in the Abacus portfolio. In previous positions, Mr Lloyd held responsibility for the property portfolios of the Advance Bank and St George Bank and provided valuation and lending advice while with the Commonwealth Development Bank for 21 years.

ELLIS VAREJES BCom, LLB  
Company Secretary and Chief Operating Officer

Mr Varejes has been the Company Secretary since 15 September 2006 and he has over 25 years' experience as a corporate lawyer.

The Directors and Officers were in office from the beginning of the financial year until the date of this report unless otherwise stated.

As at the date of this report, the relevant interests of the directors and specified executives in Abacus Property Group securities were as follows:

Directors	APG SECURITIES HELD	NUMBER OF OPTIONS OVER APG SECURITIES
J Thame	50,000	-
F Wolf	9,710,274*	1,343,284
D Bastian	4,486,352	-
M Irving	30,014	-
L Lloyd	785,925*	447,761

\* The holdings of Dr Wolf and Mr Lloyd include securities acquired under the Executive Share Loan Plan that are treated as options.



## DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) of AGHL and Abacus, the manager of the Group, held during the year and the number of meetings attended by each director were as follows:

	BOARD		AUDIT COMMITTEE		DUE DILIGENCE COMMITTEE		NOMINATION & REMUNERATION COMMITTEE		CREDIT COMMITTEE	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
J Thame	14	14	3	3			3	3		
F Wolf	14	14			4	4			17	17
D Bastian	11	8			7	4	2	2	17	17
D Bluth	14	12	3	3	11	10	1	1	17	17
P Green	2	1								
M Irving	14	10	4	4			3	3		
L Lloyd	14	12								
W Bartlett	5	5	1	1			2	2		

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has paid an insurance premium in respect of a contract insuring all directors, full time executive officers and secretary. The terms of this policy prohibit disclosure of the nature of the risks insured or the premium paid.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and licence requirements and in accordance with industry standards. No breaches of requirements or any environmental issues have been discovered and brought to the board's attention. There has been no known significant breaches of any environmental requirements applicable to the Group.

## STAPLED SECURITY OPTIONS

As at the date of this report, there were 4,119,403 unissued stapled securities under options issued under the Executive Performance Award Plan and 10,479,003 options arising from the purchase of stapled securities under the Executive Security Loan Plan. Refer to the remuneration report for further details of the options outstanding.

## AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 16.

## NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax related services	\$65,000
Other assurance and compliance services	\$46,800
	<b>\$111,800</b>

## ROUNDING

The amounts contained in this report and in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the group under ASIC Class Order 98/100. The group is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



JOHN THAME  
Chairman

Sydney, 12 September 2007

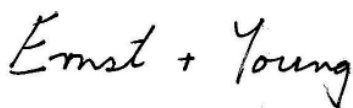


FRANK WOLF  
Managing Director

## auditor's independence declaration to the directors of abacus group holdings limited

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In relation to our audit of the financial report of Abacus Group Holdings Limited for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



ERNST & YOUNG



ED PSALTIS  
Partner

Sydney, 30 August 2007

## consolidated income and distribution statements

YEAR ENDED 30 JUNE 2007

	NOTES	CONSOLIDATED	
		2007 \$'000	2006 \$'000
<b>Revenue</b>			
Rental income		63,913	42,145
Hotel-related income		9,272	2,831
Finance income	4a	15,372	17,413
Funds management income	4b	38,230	20,237
Share of profit from equity accounted investments		1,444	2,392
Income from distributions		1,170	1,070
Other income		840	-
Net realised gains on investments	4c	23,107	4,603
Net unrealised gains/(losses) on investments	4d	34,635	41,157
<b>Total revenue</b>		<b>187,983</b>	<b>131,848</b>
Employee benefits expense	5a	(11,606)	(7,895)
Depreciation and amortisation expense	5b	(5,010)	(1,346)
Finance costs	5c	(21,909)	(7,832)
Other expenses	5d	(24,535)	(12,171)
<b>Profit before income tax</b>		<b>124,923</b>	<b>102,604</b>
Income tax expense		(4,521)	(744)
<b>Net profit for the period</b>		<b>120,402</b>	<b>101,860</b>
Net (profit)/loss attributable to external minority interests		(1,591)	(624)
<b>Net profit attributable to Group securityholders</b>		<b>118,811</b>	<b>101,236</b>
Represented by:			
Abacus Group Holdings Limited		629	(216)
Internal minority interests:			
- Abacus Trust		89,122	82,172
- Abacus Group Projects Limited		(415)	(72)
- Abacus Income Trust		29,475	19,352
<b>Basic earnings per security (cents)</b>	7	<b>21.48</b>	<b>24.22</b>
<b>Diluted earnings per security (cents)</b>	7	<b>21.33</b>	<b>24.22</b>
Basic earnings per security ex fair value adjustments*	7	14.43	12.92
Diluted earnings per security ex fair value adjustments*	7	14.33	12.92
<b>STATEMENT OF DISTRIBUTION</b>			
Net profit/(loss) attributable to		118,811	101,236
Net transfer of undistributed income to securityholders' funds		(49,957)	(50,275)
<b>Distributions paid and payable</b>	6	<b>68,854</b>	<b>50,961</b>
Distribution per security (cents per security)		12.50	11.80
<b>Weighted average number of securities ('000)</b>	7	<b>553,184</b>	<b>418,056</b>

\*Based on net profit excluding AIFRS fair value adjustments (namely property revaluations, revaluations of derivatives and other financial instruments and share based payments)

# consolidated balance sheet

AS AT 30 JUNE 2007

	NOTES	CONSOLIDATED	
		2007 \$'000	2006 \$'000
<b>Current assets</b>			
Cash and cash equivalents		19,068	20,107
Trade and other receivables		65,914	19,565
Inventories		13,359	340
Investment properties	8a	12,524	18,255
Property loans and other financial assets		256,236	196,746
Other		1,764	2,209
<b>Total current assets</b>		<b>368,865</b>	<b>257,222</b>
<b>Non-current assets</b>			
Property, plant and equipment		30,553	161,299
Investment properties	8b	660,536	582,312
Property loans & other financial assets		70,945	48,442
Investments accounted for using the equity method		89,299	67,874
Other		4,510	3,700
Deferred tax assets		4,569	1,335
Intangible assets and goodwill		40,977	41,096
<b>Total non-current assets</b>		<b>901,389</b>	<b>906,058</b>
<b>Total assets</b>		<b>1,270,254</b>	<b>1,163,280</b>
<b>Current liabilities</b>			
Trade and other payables		53,948	52,190
Interest-bearing loans and borrowings		171,473	51,142
Other		417	939
Income tax payable		7,139	(208)
<b>Total current liabilities</b>		<b>232,977</b>	<b>104,063</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		222,751	383,387
Deferred tax liabilities		2,579	1,811
Other		8,742	908
<b>Total non-current liabilities</b>		<b>234,072</b>	<b>386,106</b>
<b>Total liabilities</b>		<b>467,049</b>	<b>490,169</b>
<b>Net assets</b>		<b>803,205</b>	<b>673,111</b>

## consolidated balance sheet

AS AT 30 JUNE 2007

	NOTES	CONSOLIDATED	
		2007 \$'000	2006 \$'000
<b>Total equity attributable to members of AGHL:</b>			
Contributed equity		24,684	20,725
Reserves		2,703	(230)
Retained earnings		10,532	9,700
		37,919	30,195
<b>Internal minority interest:</b>			
<b>Total equity attributable to unitholders of AT:</b>			
Contributed equity		504,561	446,550
Retained earnings		98,260	67,357
		602,821	513,907
<b>Total equity attributable to members of AGPL:</b>			
Contributed equity		6,240	5,557
Retained earnings		(1,043)	(628)
		5,197	4,929
<b>Total equity attributable to unitholders of AIT:</b>			
Contributed equity		112,956	99,671
Reserves		-	1,908
Retained earnings		40,615	20,197
		153,571	121,776
<b>Total equity attributable to external minority interest:</b>			
Contributed equity		1,321	1,321
Retained earnings		2,376	983
		3,697	2,304
Total minority interest		765,286	642,916
<b>Total equity</b>		<b>803,205</b>	<b>673,111</b>
<b>Equity</b>			
Contributed equity	9	648,440	572,503
Reserves		2,703	1,678
Retained earnings/(accumulated losses)		148,365	96,626
Total members interest in equity		799,508	670,807
Total external minority interest		3,697	2,304
<b>Total equity</b>		<b>803,205</b>	<b>673,111</b>

# consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2007

<b>Consolidated</b>	ISSUED CAPITAL \$'000	ASSET REVALUATION RESERVE \$'000	FOREIGN CURRENCY TRANSLATION \$'000	EMPLOYEE EQUITY BENEFITS \$'000	RETAINED EARNINGS \$'000	MINORITY INTEREST \$'000	TOTAL EQUITY \$'000
<b>Total equity</b>							<b>803,205</b>
<b>At 1 July 2006</b>	<b>572,503</b>	<b>1,907</b>	<b>(229)</b>	-	<b>96,626</b>	<b>2,304</b>	<b>673,111</b>
Sale of property, plant and equipment	-	(1,907)	-	-	1,907	-	-
Tax on options taken directly to equity	-	-	-	-	(821)	(198)	(1,019)
Share of associate's retained earnings	-	-	-	-	337	-	337
Foreign currency translation	-	-	64	-	-	-	64
Adjustment resulting from changes in associated entities	-	-	-	-	359	-	359
<b>Total income and expense for the year recognised directly in equity</b>	-	<b>(1,907)</b>	<b>64</b>	-	<b>1,782</b>	<b>(198)</b>	<b>(259)</b>
Net income for the year	-	-	-	-	118,811	1,591	120,402
<b>Total income for the year</b>	-	<b>(1,907)</b>	<b>64</b>	-	<b>120,593</b>	<b>1,393</b>	<b>120,143</b>
Equity raisings (net of issue costs)	98,434	-	-	-	-	-	98,434
Distribution to securityholders	-	-	-	-	(68,854)	-	(68,854)
Treasury shares	(22,497)	-	-	-	-	-	(22,497)
Share based payments	-	-	-	2,868	-	-	2,868
<b>At 30 June 2007</b>	<b>648,440</b>	-	<b>(165)</b>	<b>2,868</b>	<b>148,365</b>	<b>3,697</b>	<b>803,205</b>
<b>At 1 July 2005</b>	<b>351,825</b>	-	<b>(210)</b>	-	<b>51,145</b>	<b>1,944</b>	<b>404,704</b>
Fair value adjustment of loans hedged by interest rate swaps	-	-	-	-	(4,869)	-	(4,869)
Revaluation of property, plant & equipment	-	1,907	-	-	(858)	-	1,049
Disposal of a subsidiary	-	-	-	-	165	-	165
Foreign currency translation reserve	-	-	(19)	-	-	-	(19)
Recognition of unearned revenue for amortisation	-	-	-	-	(380)	-	(380)
<b>Total income and expense for the year recognised directly in equity</b>	-	<b>1,907</b>	<b>(19)</b>	-	<b>(5,942)</b>	-	<b>(4,054)</b>
Net income for the year	-	-	-	-	101,236	360	101,596
<b>Total income and expense for the year</b>	-	<b>1,907</b>	<b>(19)</b>	-	<b>95,294</b>	<b>360</b>	<b>97,542</b>
Equity raisings (net of issue costs)	124,480	-	-	-	-	-	124,480
Net impact of merger with ADIF	96,198	-	-	-	1,148	-	97,346
Distribution to securityholders	-	-	-	-	(50,961)	-	(50,961)
<b>At 30 June 2006</b>	<b>572,503</b>	<b>1,907</b>	<b>229)</b>	-	<b>96,626</b>	<b>2,304</b>	<b>673,111</b>

## consolidated cash flow statement

YEAR ENDED 30 JUNE 2007

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>		
Income receipts	101,918	55,146
Interest received	16,627	21,629
Distributions received	1,139	867
Income tax (paid)/received	806	(156)
Borrowing costs paid	(28,306)	(12,431)
Operating payments	(16,914)	(14,680)
<b>Net cash flows from operating activities</b>	<b>75,270</b>	<b>50,375</b>
<b>Cash flows from investing activities</b>		
Payments for investments and funds advanced	(333,953)	(162,458)
Proceeds from sale and settlement of investments and funds repaid	298,279	90,724
Cash acquired on ADIF merger	-	3,082
Advances to related entities	(141,458)	828
Purchase of a controlled entity	-	-
Purchase of plant and equipment	(2,302)	(9,516)
Disposal of property, plant and equipment	23,056	-
Purchase of investment properties	(68,924)	(171,387)
Disposal of investment properties	134,664	29,202
Payment for other investments	(8,849)	-
<b>Net cash flows used in investing activities</b>	<b>(99,487)</b>	<b>(219,525)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of stapled securities	64,197	144,017
Payment of finance costs	(49)	-
Repayment of borrowings	(190,801)	(86,061)
Proceeds from borrowings	215,906	174,523
Distributions paid	(66,075)	(47,730)
<b>Net cash flows from financing activities</b>	<b>23,178</b>	<b>184,749</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,039)</b>	<b>15,599</b>
Net foreign exchange differences	-	91
Cash and cash equivalents at beginning of year	20,107	4,417
<b>Cash and cash equivalents at end of year</b>	<b>19,068</b>	<b>20,107</b>

## notes to the concise financial statements

30 JUNE 2007

### 1. CORPORATE INFORMATION

Abacus Property Group (APG or the Group) is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Income Trust (AIT) and Abacus Group Projects Limited (AGPL). Shares in AGHL and AGPL and units in AT and AIT have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Stock Exchange under the code ABP.

The financial report of the Group for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 30 August 2007.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The concise financial report has been derived from the Annual Financial Report but does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The concise financial report should be read in conjunction with the Annual Financial Report of AT, AIT and AGPL. It

is also recommended that the annual financial report be considered together with any public announcements made by the Group during the year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value, interests in joint ventures which are accounted for using the equity method, and certain investments measured at net market value. The carrying values of recognised assets and liabilities that are covered by interest rate swap arrangements, are adjusted to record changes in the fair values attributable to the risks that are being covered by derivative financial instruments.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Group under ASIC Class Order 98/100. The Group is an entity to which the class order applies.

#### STATEMENT OF COMPLIANCE

Except for the amendments of AASB 101 Presentation of Financial Statements and AASB 2007-4 amendments to Australian Accounting Standards arising from ED 151 and Other Amendments, which the Group has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2007. These are outlined in the following table.



REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 2005-10	Amending standard issued as a consequence of AASB 7 <i>Financial Instruments: Disclosures</i> .	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Group's financial report.	1 July 2007
AASB 2007-1	Amending standard issued as a consequence of AASB Interpretation 11 <i>AASB 2 – Group and Treasury Share Transactions</i> .	1 March 2007	This is consistent with the Group's existing accounting policies for share-based payments, so the standard is not expected to have any impact on the Group's financial report.	1 July 2007
AASB 2007-3	Amending standard issued as a consequence of AASB 8 <i>Operating Segments</i> .	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However, the standard is expected to have an impact on the Group's segment disclosures as segment information included in internal management reports is more detailed than that currently reported under AASB 114 <i>Segment Reporting</i> .	1 July 2009
AASB 2007-7	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Group's financial report.	1 July 2007
AASB 7	New standard replacing disclosure requirements of AASB 130 <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> .	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB Interpretation 10	Addresses an inconsistency between AASB 134- <i>interim Financial Reporting</i> and the impairment requirements relating to goodwill in AASB 136 <i>Impairment of Assets</i> and equity instruments classified as available for sale in AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Group's financial report.	1 July 2007
AASB Interpretation 11	Addresses whether certain types of share-based payment transactions with employees (or other suppliers of goods and services) should be accounted for as equity-settled or as cash-settled transactions under AASB 2 <i>Share-Based-Payment</i> . It also specifies the accounting in a subsidiary's financial statements for share-based payment arrangements involving equity instruments of the parent.	1 March 2007	Refer to AASB 2007-1 above	1 July 2007

\*designates the beginning of the applicable annual reporting period

## notes

AASB 2007-2, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 12 will have no application to the Group.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AGHL and its subsidiaries, AT and its subsidiaries, AGPL and its subsidiaries, and AIT and its subsidiaries collectively referred to as the Group.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

All inter-Group balances and transactions, including unrealised profits from intra-group transactions, have been eliminated in full and subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests represent those equity interests in Abacus Hobart Growth Trust, The Wollongong Property Trust, Abacus Independent Retail Property Trust and Abacus Matson Holdings Limited that are not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet.

### 3. SEGMENT INFORMATION

The Group's primary business segments are Property, Funds Management, Property Finance and Joint Ventures and Developments. The Property division comprises the ownership of commercial, retail and industrial properties. The Funds Management division develops, originates and manages off balance sheet funds in addition to discharging the Group's responsible entity obligations. Property Finance comprises mortgage lending and related property financing solutions. Joint Ventures & Developments comprise investments in joint venture activities and in securities of other listed and unlisted property trusts.

BUSINESS SEGMENTS	PROPERTY \$'000	FUNDS MANAGEMENT \$'000	PROPERTY FINANCE \$'000	JOINT VENTURES & DEVELOPMENTS \$'000	TOTAL \$'000
<b>Year ended 30 June 2007</b>					
<b>Revenue</b>					
Revenue from external customers	73,185	38,230	14,226	2,614	128,255
Realised gains on investments	23,107	-	-	-	23,107
Unrealised gains on investments	33,270	-	-	1,365	34,635
Unallocated revenue	-	-	-	-	1,986
<b>Total consolidated revenue</b>	<b>129,562</b>	<b>38,230</b>	<b>14,226</b>	<b>3,979</b>	<b>187,983</b>
<b>Result</b>					
Segment result	100,918	29,605	12,285	2,038	144,846
Unallocated revenue					1,986
Profit/(loss) before tax and finance costs					146,832
Finance costs					(21,909)
Profit/(loss) before income tax and minority interest					124,923
Income tax expense					(4,521)
<b>Net profit for the year</b>					<b>120,402</b>
<b>Assets</b>					
Segment assets	834,474	133,149	120,491	70,165	1,158,279
Unallocated assets <sup>(a)</sup>					111,975
<b>Total assets</b>					<b>1,270,254</b>
<b>Liabilities</b>					
Segment liabilities	33,881	5,962	672	41	40,556
Unallocated liabilities <sup>(b)</sup>					426,493
<b>Total liabilities</b>					<b>467,049</b>
<b>Other segment information</b>					
Depreciation and amortisation	4,549	461	-	-	5,010
Increase in fair value of investments	33,270	-	-	1,365	34,635
<b>Cash flow information</b>					
Net cash flow from operating activities	29,244	9,779	29,730	6,517	75,270
Net cash flow from investing activities	88,654	(98,633)	(61,605)	(27,904)	(99,488)
Net cash flow from financing activities	(5,475)	-	24,154	4,500	23,179

<sup>(a)</sup> Unallocated assets include goodwill, cash and other assets.

<sup>(b)</sup> Unallocated liabilities include interest-bearing liabilities, tax liabilities and other liabilities.

notes

BUSINESS SEGMENTS	PROPERTY \$'000	FUNDS MANAGEMENT \$'000	PROPERTY FINANCE \$'000	JOINT VENTURES & DEVELOPMENTS \$'000	TOTAL \$'000
<b>Year ended 30 June 2006</b>					
<b>Revenue</b>					
Revenue from external customers	44,976	20,237	16,452	3,462	85,127
Realised and unrealised gains on investments	45,110	-	-	650	45,760
Unallocated revenue	-	-	-	-	961
<b>Total consolidated revenue</b>	<b>90,086</b>	<b>20,237</b>	<b>16,452</b>	<b>4,112</b>	<b>131,848</b>
<b>Result</b>					
Segment result	75,033	16,190	15,296	2,956	109,475
Unallocated revenue					961
Profit/(loss) before tax and finance costs					110,436
Finance costs					(7,832)
Profit/(loss) before income tax and minority interest					102,604
Income tax expense					(744)
<b>Net profit for the year</b>					<b>101,860</b>
<b>Assets</b>					
Segment assets	786,945	40,629	243,251	90,509	1,161,334
Unallocated assets					1,946
<b>Total assets</b>					<b>1,163,280</b>
<b>Liabilities</b>					
Segment liabilities	31,337	3,058	3,663	-	38,058
Unallocated liabilities					452,111
<b>Total liabilities</b>					<b>490,169</b>
<b>Other segment information</b>					
Depreciation and amortisation	1,306	40	-	-	1,346
Increase in fair value of investments	40,507	-	-	650	41,157
<b>Cash flow information</b>					
Net cash flow from operating activities	9,096	15,369	20,949	4,961	50,375
Net cash flow from investing activities	(156,495)	-	(45,017)	(18,013)	(219,525)
Net cash flow from financing activities	140,345	-	40,750	3,654	184,749

## 4. REVENUE

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Finance income</b>		
Interest on mortgage loans	13,386	16,452
Bank interest	1,986	961
<b>Total finance income</b>	<b>15,372</b>	<b>17,413</b>
<b>(b) Funds management income</b>		
Asset management fee	3,253	3,075
Property management fee	438	580
Interest on loans to related entities	7,803	7,400
Consulting and other income	5,548	9,182
Sale of units in AHF*	8,672	-
Sale of the Rendezvous Hotel	12,516	-
<b>Total funds management income</b>	<b>38,230</b>	<b>20,237</b>
<b>(c) Net realised gains on disposal of:</b>		
Investment properties and property-related investments	13,284	4,603
Units in Abacus Miller Street Trust*	9,823	-
<b>Total net realised gains on investments</b>	<b>23,107</b>	<b>4,603</b>
<b>(d) Unrealised gains on investments</b>		
Change in fair value of options - unlisted	943	748
Change in fair value of securities - listed	422	(98)
Change in fair value of investment properties	33,270	40,507
<b>Total unrealised gains on investments</b>	<b>34,635</b>	<b>41,157</b>

\* Sale was to new fund managed by AFML

notes

5. EXPENSES

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Employee benefits expense</b>		
Wages and salaries	8,465	7,506
Share based payments	2,868	-
Other	273	389
<b>Total employee benefits expense</b>	<b>11,606</b>	<b>7,895</b>
<b>(b) Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment - hotels	3,268	583
Depreciation of property, plant and equipment - other	429	16
Amortisation of software	32	24
Amortisation of intangible assets	119	30
Amortisation - other	1,162	693
<b>Total depreciation and amortisation expense</b>	<b>5,010</b>	<b>1,346</b>
<b>(c) Finance costs</b>		
Interest on loans	23,839	13,696
Holding costs - AHF and Rendezvous Hotel	4,671	963
Amortisation of finance costs	634	342
Total finance costs (on historical basis)	29,144	15,001
Unrealised gains on interest rate swaps	(7,235)	(7,169)
<b>Total finance costs</b>	<b>21,909</b>	<b>7,832</b>
<b>(d) Other expenses</b>		
Property outgoing	14,931	8,462
Custody fees	170	124
Registry maintenance costs	405	338
Rental expenses	420	332
Other	8,609	2,915
<b>Total other expenses</b>	<b>24,535</b>	<b>12,171</b>

## 6. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Distributions paid during the year</b>		
Final distribution for financial year 30 June:		
3.00 cents per unit (2005: 2.90 cents)	15,491	9,942
Interim distributions paid during the year:		
September: 3.00 cents per unit (2006: 2.90 cents)	15,926	11,179
December: 3.00 cents per unit (2006: 2.90 cents)	16,013	11,179
March: 3.25 cents per unit (2006: 3.00 cents)	18,496	13,112
	<b>65,926</b>	<b>45,412</b>
<b>(b) Distributions proposed and recognised as a liability</b>		
Final distribution payable for the June quarter:		
<b>3.25 cents per unit (2006: 3.00 cents)</b>	<b>18,419</b>	<b>15,491</b>
The distributions were paid from the Abacus Trust and Abacus Income Trust (which do not pay tax provided they distribute all their taxable income) hence, there were no franking credits attached.		
<b>(c) Franking credit balance</b>		
The amount of franking credits available for the subsequent financial year are:		
- franking account balance as at the end of the financial year at 30% (2006: 30%)	6,510	5,590
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	52	28
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	7,139	121
	<b>13,701</b>	<b>5,739</b>

notes

7. EARNINGS PER STAPLED SECURITY

**Attributable to Group securityholders**

Basic earnings per stapled security are calculated by dividing net profit for the year attributable to securityholders by the weighted average number of stapled securities outstanding during the year.

	NOTES	CONSOLIDATED	
		2007 CENTS	2006 CENTS
Basic earnings per stapled security		21.48	24.22
Diluted earnings per stapled security		21.33	24.22
Basic earnings per stapled security excluding fair value adjustments	1	14.43	12.92
Diluted earnings per stapled security excluding fair value adjustments	1	14.33	12.92

		2007 \$'000	2006 \$'000
<b>Earnings used in calculating earnings per security:</b>			
Net profit attributable to securityholders		118,811	101,236
Net profit attributable to stapled securityholders excluding fair value adjustments	1	79,810	53,560

		2007 '000	2007 '000
<b>Weighted average number of stapled securities:</b>			
Weighted average number of stapled securities for basic earnings per share		553,184	418,056
Effect of dilution:			
Stapled security options		3,703	-
Weighted average number of stapled securities adjusted for the effect of dilution		556,887	418,056

Options granted to employees (including key management personnel) are considered to be potential stapled securities and have been included in the determination of diluted earnings per stapled security to the extent they are dilutive. These options have not been included in the determination of basic earnings per stapled security.

<sup>(1)</sup> Fair value adjustments include property revaluations, revaluations of derivatives and other financial instruments and share based payments.



## 8. INVESTMENT PROPERTIES

Investment properties are carried at the Directors' determination of fair value and are based on independent valuations where appropriate. The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest full independent valuation or latest independent update. Total acquisition costs include incidental costs of acquisition such as property taxes on acquisition, legal and professional fees and other acquisition related costs.

Independent valuation of each investment property is conducted annually either in December or June of each year. This schedule was adopted in the current financial year. Independent valuations are prepared using both the capitalisation of net income method and the discounting of future cashflows to their present value method. Capital expenditure since valuation may include purchases of sundry properties (and associated expenses of stamp duty, legal fees etc) and other capital refurbishment and repair expenditure.

PROPERTY	ACQUISITION DATE	COST INCLUDING ALL ADDITIONS \$'000	INDEPENDENT VALUATION DATE	CONSOLIDATED VALUE	
				2007 \$'000	2006 \$'000
<b>(a) Current asset</b>					
109 Pitt Street, Sydney, NSW <sup>(i)</sup>	22-Jun-99	9,924	30-Jun-06	12,524	18,255
<b>(b) Non-current assets</b>					
66 Christina Road, Villawood, NSW <sup>(i)</sup>	28-May-02	8,213	30-Jun-06	12,426	12,400
CSIRO, Limestone Ave., Campbell, ACT <sup>(iv)</sup>	21-Jun-02	12,686	30-Jun-07	20,000	18,000
4 Ray Road, Epping, NSW <sup>(ii)</sup>	30-Apr-97	27,043	30-Jun-07	54,500	51,000
Ashfield Mall, Ashfield, NSW <sup>(iv)</sup>	15-Sep-97	86,806	30-Jun-06	116,843	113,000
10-12 Pike Street, Rydalmere, NSW <sup>(v)</sup>	1-Oct-98	14,262	30-Jun-07	22,400	19,300
Liverpool Plaza, Liverpool, NSW <sup>(iv)</sup>	16-Aug-04	32,860	30-Jun-06	37,020	37,000
Macquarie Street, Liverpool, NSW <sup>(iii)</sup>	21-Sep-05	5,451	30-Jun-06	5,503	5,503
Moore Street, Liverpool, NSW <sup>(iii)</sup>	14-Oct-05	2,265	30-Jun-06	2,297	2,297
Aspley Village Shopping Centre <sup>(iii)</sup>	15-Feb-06	16,374	1-Feb-06	18,607	16,579
Westpac (formerly Santos) House, Adelaide SA <sup>(i)</sup>	5-Oct-04	54,327	30-Jun-07	68,850	51,000
50 Miller Street, North Sydney, NSW <sup>(ii)</sup>	17-Dec-04	38,349	30-Jun-06	-	40,000
Homemaker City, Moorabbin, NSW	11-Aug-06	38,690	6-Jul-06	38,690	-
12-14 Butler Road, Hurstville, NSW	31-May-07	18,714	18-May-07	18,714	-
27 Grant Street, Port Macquarie, NSW	26-Jun-07	16,021	6-Jun-07	16,021	-
<b>Properties owned by AT and its controlled entities</b>				<b>431,871</b>	<b>366,079</b>
1-5 Lake Dingley, Melbourne	28-May-03	11,956	30-Jun-06	13,300	13,300
8 Station Street, Wollongong, NSW <sup>(iii)</sup>	30-Jun-03	7,866	30-Jun-06	12,000	12,000
367 Peel Street, Tamworth, NSW <sup>(iii)</sup>	22-Feb-04	11,961	30-Jun-06	12,700	12,700
500 Princes Highway, Noble Park, VIC <sup>(iii)</sup>	27-Nov-03	19,222	30-Jun-07	21,000	19,920
31-33 Windorah Avenue, Stafford, QLD <sup>(iv)</sup>	3-Nov-03	5,109	30-Jun-07	6,500	5,740
Lennons Plaza, 66 Queen St., QLD <sup>(iv)</sup>	19-Dec-03	32,272	30-Jun-06	39,000	39,000
23-43 Tattersall Rd, Kings Park, NSW <sup>(v)</sup>	16-Feb-04	15,937	30-Jun-06	-	17,100

notes

8. INVESTMENT PROPERTIES / CONTINUED

PROPERTY	ACQUISITION DATE	COST INCLUDING ALL ADDITIONS \$'000	INDEPENDENT VALUATION DATE	CONSOLIDATED VALUE	
				2007 \$'000	2006 \$'000
26 Savage Street & 681 Curtin Avenue, Pinkenba, QLD <sup>(iv)</sup>	23-Jan-04	5,040	30-Jun-07	12,000	8,970
671 Gympie Rd, Chermside, QLD <sup>(i)</sup>	17-Dec-04	4,722	30-Jun-06	5,877	5,900
9-14 Yates Street, Mawson Lakes, SA <sup>(viii)</sup>	7-Jun-05	6,857	30-Jun-06	5,700	5,700
36-52 National Blvd, Campbellfield, VIC <sup>(iv)</sup>	18-Jul-05	8,832	30-Jun-07	10,300	9,000
Gympie Market Place, Gympie <sup>(iii)</sup>	7-Jun-04	7,340	30-Jun-07	9,000	7,450
29-47 & 18-20 Becker St, Cobar NSW <sup>(iv)</sup>	5-Aug-04	1,174	30-Jun-07	1,950	1,650
208 Howick Street, Bathurst, NSW <sup>(iv)</sup>	11-May-05	3,490	30-Jun-05	-	3,490
50 Mostyn Street, Castlemaine, VIC <sup>(iv)</sup>	11-May-05	8,092	30-Jun-07	10,200	9,342
29 Queen Street, North Bundaberg, QLD <sup>(v)</sup>	18-Jul-05	15,536	11-Aug-05	15,536	9,201
93 Victoria Street, Eaglehawk, VIC <sup>(iv)</sup>	29-Sep-05	6,150	30-Jun-07	6,900	6,580
12 Docker Street, Wangaratta, QLD <sup>(iv)</sup>	31-Oct-05	2,965	30-Jun-07	3,100	2,700
Kingscote Kangaroo Island, SA <sup>(iv)</sup>	21-Dec-05	4,337	30-Jun-07	4,500	4,337
96-98 Victoria Street, St. George, QLD <sup>(iii)</sup>	18-Aug-05	3,029	30-Jun-07	3,200	2,830
293-295 Grt Eastern Highway, Midland WA <sup>(iv)</sup>	21-Jun-06	7,228	30-Jun-07	10,250	7,223
50 Bamford Lane, Mt View Plaza, Kirwan, QLD	31-Aug-06	7,743	25-May-06	7,743	-
Mid City Plaza, Maryborough, VIC	29-Jun-07	4,802	23-Apr-07	4,802	-
<b>Properties owned by AIT's controlled entities</b>				<b>215,558</b>	<b>204,133</b>
244 Liverpool Road, Ashfield, NSW <sup>(iv)</sup>	26-Mar-98	2,507			
252 Liverpool Road, Ashfield, NSW <sup>(iv)</sup>	2-Mar-00	1,107			
254 Liverpool Road, Ashfield, NSW <sup>(iv)</sup>	31-Aug-01	2,662			
256 Liverpool Road, Ashfield, NSW <sup>(iv)</sup>	29-Sep-98	820			
Project development costs		1,099			
Independent valuation, 244-256 Liverpool Road			30-Jun-06	6,900	6,900
Woodlands Drive, Braeside, VIC	20-Dec-06	1,007		1,007	-
4-8 Jacobs Street, Bankstown <sup>(vi)</sup>	2-Dec-02	5,161	30-Jun-06	5,200	5,200
<b>Properties owned by AGHL and its controlled entities</b>				<b>13,107</b>	<b>12,100</b>
<b>Non-current - investment properties</b>				<b>660,536</b>	<b>582,312</b>
<b>Total investment properties</b>				<b>673,060</b>	<b>600,567</b>

<sup>(i)</sup> As valued by Knight Frank Pty Limited

<sup>(ii)</sup> As valued by Colliers International Consultancy and Valuation Pty Ltd

<sup>(iii)</sup> As valued by Urbis Property Consultants

<sup>(iv)</sup> As valued by CB Richard Ellis Pty Ltd

<sup>(v)</sup> As valued by FPD Savills (NSW) Pty Limited

<sup>(vi)</sup> As valued by DTZ Australia

## Notes:

- (a) The aggregated value at 30 June 2007 includes capital expenditures after the last valuation date.
- (b) The property at 109 Pitt Street is currently under refurbishment and has been subdivided into strata units. The retail component and the leasehold interest in the car park were sold in prior financial years while the sale of the commercial units continues at 30 June 2007.
- (c) The Abacus Income Trust owns 98.4% of the units in the Wollongong Property Trust which owns 8 Station Street, Wollongong.
- (d) The Abacus Income Trust owns 100% of the units in the Abacus Matson Resort Trust which owns 75% of interest in 209-217 Abbot Street, Cairns, QLD.
- (e) The Abacus Income Trust owns 100% of the units in Abacus Retail Property Trust which owns 75% of the units in Abacus Independent Retail Property Trust which owns:
- |                                       |   |
|---------------------------------------|---|
| Gympie Market Place, Gympie, QLD;     | 29 Queen Street, North Bundaberg, QLD       |
| 29-47 & 18-20 Becker St, Cobar, NSW;  | 12 Docker Street, Wangaratta, QLD           |
| 50 Mostyn Street, Castlemaine, VIC.   | Kingscote Kangaroo Island, SA               |
| 93 Victoria Street, Eaglehawk, VIC    | 293-295 Great Eastern Highway, Midland, WA  |
| 96-98 Victoria Street, St George, QLD | 50 Bamford Lane, Mt View Plaza, Kirwan, QLD |
| Mid city Plaza, Maryborough, VIC      |   |
- (f) The investment properties are used as security over the bank loans.

## RECONCILIATIONS

Reconciliation of the carrying amounts of investment properties at the beginning and end of the current and previous financial year:

	CONSOLIDATED VALUE	
	2007 \$'000	2006 \$'000
<b>Investment properties</b>		
Carrying amount at beginning of the financial year	600,567	352,744
Additions and capital expenditures	105,890	47,788
Acquisition through business combinations	-	179,596
Net revaluation increments	33,270	40,507
Disposals / transfer	(66,667)	(20,068)
<b>Carrying amount at end of the financial year</b>	<b>673,060</b>	<b>600,567</b>

notes

9. CONTRIBUTED EQUITY

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Issued stapled securities</b>		
Stapled securities	670,937	572,503
Securities financed by APG under the ESLP	(22,497)	-
<b>Total contributed equity</b>	<b>648,440</b>	<b>572,503</b>

	STAPLED SECURITIES	
	NUMBER '000	VALUE \$'0000
<b>(b) Movements in contributed equity for the year</b>		
<b>At 1 July 2005</b>	342,836	351,825
- institutional equity raising	92,636	125,500
- distribution reinvestment plan	1,600	2,256
- net impact of merger with ADIF <sup>(1)</sup>	79,310	96,199
- less transaction costs	-	(3,277)
<b>At 30 June 2006</b>	516,382	572,503
- security purchase plan	13,842	19,518
- institutional equity raising	36,585	60,000
- distribution reinvestment plan	11,824	20,416
- less transaction costs	-	(1,500)
<b>At 30 June 2007</b>	578,633	670,937
- securities financed by APG under the ESLP	-	(22,497)
	<b>578,633</b>	<b>648,440</b>

<sup>(1)</sup> Net impact of merger with ADIF represents the aggregation of outstanding contributed equity (net of issue costs) as at 31 March 2006 (merger implementation date).

Securityholders have the right to receive dividends from AGHL and AGPL, as declared, and distributions from AT and AIT, and in the event of winding up of the Group entities, to participate in the proceeds from sale of all surplus assets in proportion to the number of stapled securities held.

Securityholders can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of either AGHL, AGPL, AT and AIT (as the case maybe).

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## 10. EVENTS AFTER THE BALANCE SHEET DATE

On 26 July 2007, the Group completed a capital raising via an institutional placement for \$100 million and issued 52.6 million stapled securities at \$1.90 per stapled security.

In July 2007, the Group exchanged contracts to acquire two commercial office buildings for \$23 million in the Varsity Lakes business district on the Gold Coast, Queensland.

Other than as disclosed in this report and to the knowledge of directors, there has been no other matter or circumstance that has arisen since the end of the financial year that has or may affect the Group's operations in future financial years, the results of those operations or the Group's state of affairs in future financial years

## directors' declaration

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In accordance with a resolution of the Directors, we state that:

(1) in the opinion of the Directors:

(a) the concise financial statements, notes and the additional disclosures included in the Directors' report designated as audited, of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2007.

On behalf of the Board



JOHN THAME  
Chairman



FRANK WOLF  
Managing Director

Sydney, 12 September 2007

## independent auditor's report to members of abacus group holdings limited

The accompanying concise financial report of Abacus Group Holdings Limited comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Abacus Group Holdings Limited for the year ended 30 June 2007. The concise financial report also includes the director's declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Director's Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Abacus Group Holdings Limited for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 30 August 2007 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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* provided to the directors of Abacus Group Holdings Limited on 30 August 2007.

independent auditor's report  
to members of abacus group holdings limited

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**Auditor's Opinion**

In our opinion, the concise financial report and the directors' declaration of Abacus Group Holdings Limited for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

*Ernst + Young*

ERNST & YOUNG

*E. Psaltis*

ED PSALTIS  
Partner

Sydney, 12 September 2007



## Directory

### Responsible entity

Abacus Funds Management Limited  
Level 34, Australia Square  
264-278 George Street  
SYDNEY NSW 2000  
Tel (02) 9253 8600  
Fax (02) 9253 8616  
Website [www.abacusproperty.com.au](http://www.abacusproperty.com.au)

### Directors of responsible entity

John Thame, Chairman  
Frank Wolf, Managing Director  
David Bastian\* (appointed 14/11/06)  
Dennis Bluth  
Malcolm Irving  
Len Lloyd  
William Bartlett (appointed 14/02/07)  
Phillip Green (resigned 1/9/06)  
\*Resigned as Managing Director on 30/09/06

### Company secretary

Ellis Varejes

### Custodian

Perpetual Trustee Company Limited  
Level 12, Angel Place  
123 Pitt Street  
SYDNEY NSW 2000

### Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Compliance Plan Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Registry

Computershare Investor Services Pty Ltd  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000  
Tel (02) 1800 635 323 Toll free  
Fax (02) 8234 5050

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## directors' report

### DIRECTORS REPORT

The directors of Abacus, the responsible entity of the Abacus Trust (AT or the Trust) submit their report for the Trust for the year ended 30 June 2007 and the auditor's report thereon.

### DIRECTORS

The directors of the responsible entity in office during the financial year and until the date of this report are set out below:

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director (executive)
David Bastian*	Non-executive director (appointed 14/11/06)
William Bartlett	Non-executive director (appointed 14/02/07)
Dennis Bluth	Non-executive director
Phillip Green	Non-executive director (resigned 1/9/06)
Malcolm Irving	Non-executive director
Len Lloyd	Executive director

\* Resigned as Managing Director on 30 September 2006

As at the date of this report, the relevant interests of the directors and specified executives in the stapled securities of Abacus Property Group were as follows:

DIRECTORS	APG SECURITIES HELD	NUMBER OF OPTIONS OVER APG SECURITIES
J Thame	50,000	-
F Wolf	9,710,274*	1,343,284
D Bastian	4,486,352	-
M Irving	30,014	-
L Lloyd	785,925*	477,612

\* The holdings of Dr Wolf and Mr Lloyd include securities acquired under the Executive Share Loan Plan that are treated as options.

### PRINCIPAL ACTIVITIES

The principal activities of the Trust during the course of the year ended 30 June 2007 include:

- investment in commercial, retail and industrial properties;
- property finance; and
- participation in property joint ventures and developments

### TRUST STRUCTURE

Abacus Property Group (APG) comprises Abacus Group Holding Limited (AGHL), Abacus Trust (AT), Abacus Group Project Limited (AGPL) and Abacus Income Trust (AIT). Shares in AGHL and AGPL and units in AT and AIT and have been stapled together so that none can be dealt with without the other. An APG security consists of one share in AGHL, one unit in AT, one share in AGPL and one unit in AIT. A transfer, issue or reorganisation of a share or unit in any of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in each of the other component parts.

AT is an Australian registered managed investment scheme. Abacus, the responsible entity of AT, is incorporated and domiciled in Australia and is a wholly owned subsidiary of AGHL.

### OPERATING PROFIT

The Trust earned a net profit attributable to unitholders of \$89.12 million for the year ended 30 June 2007 (June 2006: \$82.17 million).

The Trust earned a net profit attributable to unitholders (excluding net property and derivative financial instruments revaluation movements) of \$64.39 million (June 2006: \$54.05 million).

### DISTRIBUTIONS

AT has a distribution of \$7.84 million (1.36 cents per unit) declared and provided for in respect of the quarter ended 30 June 2007. AT funded all distributions to securityholders for the year ended 30 June 2007.

## REVIEW OF OPERATIONS

### TRUST OVERVIEW

The Trust operates within Australia and holds an investment portfolio of commercial, retail and industrial properties, and mortgage loan investments.

AT's revenues and net profit grew in the year ended 30 June 2007:

	30 JUNE 2007 \$'000	30 JUNE 2006 \$'000	% CHANGE
Revenue	119,394	98,478	21%
Net profit	89,123	82,172	8%
Earnings per unit ex fair value adjustments	16.11	19.66	(18%)
Distributions per unit (cents)	10.61	11.80	(10%)

Similarly AT's financial condition also strengthened during the year:

	30 JUNE 2007 \$'000	30 JUNE 2006 \$'000	% CHANGE
Total assets (\$ million)	966	775	25%
Gearing (%)	28%	27%	4%
Net assets (\$ million)	620	514	21%
Net tangible assets (\$ million)	620	514	21%
NTA per security (\$)	1.07	1.00	7%
Securities on issue (\$ million)	579	516	12%
Weighted average securities on issue (\$ million)	557	418	33%

### BUSINESS ACTIVITIES

Business activities which contributed to the Trust's operating performance and financial condition for the year were:

#### Investment property portfolio

- The Trust acquired Moorabbin House and Home Centre for \$ 38.7 million. The acquisition brought the value of the total investment property portfolio to \$414.2 million at 31 December 2006 from \$366.1 million at 30 June 2006.
- The Trust acquired 12-14 Butler Road, Hurstville for \$18.71 million.
- The Trust acquired 27 Grant Street, Port Macquarie for \$16.02 million.
- On 30 June 2007, the Trust completed sale of 70% units in Miller Street Holding Trust, which is the parent entity of Miller Street Trust, realising a profit of \$9.8 million.

#### Property finance

- AT increased the size of its lending portfolio (including accrued interest) by \$8.7 million to \$108.7 million at 30 June 2007 compared to \$100 million at 30 June 2006.
- AT advanced approximately \$19.6 million in loan funds to AFP and \$18 million in loan funds to AGHL. At 30 June 2007, the balance of the loan to associated Group entities was approximately \$205 million.

## directors' report

### REVIEW OF FINANCIAL CONDITION

During the year ended 30 June 2007, the contributed equity of the Trust increased \$74 million (17%) to \$521 million compared to \$447 million at 30 June 2006.

In early July 2006, the APG completed a \$19.5 million capital raising via a Security Purchase Plan (13.8 million securities at \$1.41) and approximately \$15.3 million has been allocated to AT.

In early December 2006, the APG completed a \$60 million capital raising via a Security Purchase Plan (36.59 million securities at \$1.64) and approximately \$45.59 million has been allocated to AT.

Total equity increased net \$105.62 million to \$619.53 million at 30 June 2007 compared to \$513.91 million at 30 June 2006. Net tangible assets per AT unit is \$1.07 at 30 June 2007 compared to \$1.00 at 30 June 2006.

At 30 June 2007, existing bank loan facilities totalled approximately \$262 million, of which approximately \$232 million was drawn. The Trust manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June 2007, approximately \$165 million or 71% of total bank debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 6.29% and an average term to maturity of 3.5 years.

The Trust's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets) was 28% at 30 June 2007 compared to 27% at 30 June 2006.

### UNITS ON ISSUE

At 30 June 2007, 578,633,460 units in AT were on issue (2006: 516,381,609). Units on issue increased net 62,251,851 during the year ended 30 June 2007.

### FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

AT paid a management fee out of scheme property to the responsible entity of \$2 million for the year ended 30 June 2007 (2006: \$2 million). In addition, AT paid property management fees to an associate of the responsible entity, Abacus Property Services Pty Limited of \$0.5 million (2006: \$0.4 million) for the year ended 30 June 2006.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Trust occurred during the financial year:

- Retained earnings (including the impact of revaluations of investment properties and derivative financial instruments) increased \$30.9 million to \$98.3 at 30 June 2007 compared to \$67.4 million at 30 June 2006;

- Total equity increased 21% or \$106 million to \$619.5 million at 30 June 2007 compared to \$513.9 million at 30 June 2006, reflecting the additional capital raised, growth in retained earnings and net positive revaluations during the year.

### SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26 July 2007, the APG completed a capital raising via an institutional placement for \$100 million (of which \$74.45 million was allocated to AT) and issued 52.6 million stapled securities at \$1.90 per stapled security.

In July 2007, AT exchanged contracts to acquire two commercial office buildings for \$23 million in the Varsity Lakes business district on the Gold Coast, Queensland.

Other than as disclosed in this report and to the knowledge of directors, there has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect, the Trust's operations in future financial years, the results of those operations or the Trust's state of affairs in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors have excluded from this report any other information on the likely developments in the operations of the Trust and the expected results of those operations in future financial years which are not of a material nature and would not in the directors' view be likely to result in unreasonable prejudice to the operation of the Trust.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Trust's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and licence requirements and in accordance with industry standards. No breaches of requirements or any environmental issues have been discovered and brought to the board's attention. There has been no known significant breaches of any environmental requirements applicable to the Trust.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

As responsible entity of the Trust, Abacus has paid an insurance premium in respect of a contract insuring its directors and full time executive officers and secretary. The terms of this policy prohibit disclosure of the nature of the risks insured or the premium paid.

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## AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on the following page.

## ROUNDING

The amounts contained in this report and in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Trust under ASIC Class Order 98/100. The Trust is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Funds Management Limited (ABN 66 007 415 590)



John Thame  
Chairman



Frank Wolf  
Managing Director

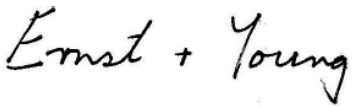
Sydney, 12 September 2007

## auditor's independence declaration

to the directors of abacus funds management limited as the  
responsible entity for abacus trust

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In relation to our audit of the financial report of Abacus Trust for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



ERNST & YOUNG



ED PSALTIS  
Partner

Sydney, 30 August 2007

# consolidated income and distribution statements

YEAR ENDED 30 JUNE 2007

	NOTES	CONSOLIDATED	
		2007 \$'000	2006 \$'000
<b>Revenue</b>			
Rental income		38,383	35,959
Finance income	4(a)	49,570	37,770
Profit from equity accounted investments		1,462	255
Income from distributions		-	-
Net realised gains on investments	4(b)	9,823	1,767
Net unrealised gains on investments	4(c)	20,156	22,727
<b>Total revenue</b>		<b>119,394</b>	<b>98,478</b>
Depreciation and amortisation expense	4(e)	(1,067)	(653)
Finance costs	4(d)	(10,432)	(6,421)
Other expenses	4(f)	(18,772)	(9,232)
<b>Net profit attributable to unitholders of Abacus Trust</b>		<b>89,123</b>	<b>82,172</b>

		CENTS	CENTS
<b>Basic earnings per unit</b>	6	<b>16.11</b>	<b>19.66</b>
<b>Diluted earnings per unit</b>	6	<b>16.00</b>	<b>19.66</b>
Basic earnings per unit excluding fair value adjustments*	6	11.64	12.93
Diluted earnings per unit excluding fair value adjustments*	6	11.56	12.93

\* Based on net profit adjusted for AIFRS fair value adjustments (namely property revaluations, swap mark to market revaluations)

## STATEMENT OF DISTRIBUTION

		2007 \$'000	2006 \$'000
Net profit attributable to unitholders		89,123	82,172
Net transfer of undistributed income to unitholders' funds		(30,566)	(31,211)
<b>Distributions paid and payable</b>	5	<b>58,557</b>	<b>50,961</b>
Distributions paid and payable	5	58,557	50,961
Weighted average number of securities ('000)	6	556,887	418,056

## consolidated balance sheet

AS AT 30 JUNE 2007

	NOTES	CONSOLIDATED	
		2007 \$'000	2006 \$'000
<b>Current assets</b>			
Cash and cash equivalents		884	11,843
Trade and other receivables		50,169	6,789
Inventories		2,728	-
Other financial assets		392,382	316,890
Other		937	1,102
<b>Total current assets</b>		<b>447,100</b>	<b>336,624</b>
<b>Non-current assets</b>			
Investment properties	7	431,870	366,079
Investments accounted for using the equity method		59,201	52,411
Other financial assets		23,245	16,725
Other		4,174	3,410
<b>Total non-current assets</b>		<b>518,490</b>	<b>438,625</b>
<b>Total assets</b>		<b>965,590</b>	<b>775,249</b>
<b>Current liabilities</b>			
Trade and other payables		76,996	43,559
Interest-bearing loans and borrowings		169,575	8,250
<b>Total current liabilities</b>		<b>246,571</b>	<b>51,809</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		99,493	209,533
<b>Total non-current liabilities</b>		<b>99,493</b>	<b>209,533</b>
<b>Total liabilities</b>		<b>346,064</b>	<b>261,342</b>
<b>Net assets</b>		<b>619,526</b>	<b>513,907</b>
<b>Equity</b>			
Contributed equity	8	521,265	446,550
Undistributed income		98,261	67,357
<b>Total equity</b>		<b>619,526</b>	<b>513,907</b>



## consolidated statement of changes in equity

AS AT 30 JUNE 2007

	ISSUED CAPITAL \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
<b>At 1 July 2006</b>	<b>446,550</b>	<b>67,357</b>	<b>513,907</b>
Recognition of 30% swap revaluation	-	337	337
<b>Total income and expense for the period recognised directly in equity</b>	<b>-</b>	<b>337</b>	<b>337</b>
Net income for the period	-	89,123	89,123
<b>Total income for the period</b>	<b>-</b>	<b>89,460</b>	<b>89,460</b>
Equity raisings (net of issue costs)	74,715	-	74,715
Distribution to unitholders	-	(58,558)	(58,558)
<b>At 30 June 2007</b>	<b>521,265</b>	<b>98,259</b>	<b>619,524</b>
<b>At 1 July 2005</b>	<b>339,782</b>	<b>41,292</b>	<b>381,074</b>
Fair value adjustment of interest rate swaps	-	(4,869)	(4,869)
Recognition of unearned revenue for amortisation	-	(277)	(277)
<b>Total income and expense for the period recognised directly in equity</b>	<b>-</b>	<b>(5,146)</b>	<b>(5,146)</b>
Net income for the period	-	82,172	82,172
<b>Total income for the period</b>	<b>-</b>	<b>77,026</b>	<b>77,026</b>
Equity raisings (net of issue costs)	115,877	-	115,877
Net impact of merger with ADIF	(9,109)	-	(9,109)
Distribution to unitholders	-	(50,961)	(50,961)
<b>At 30 June 2006</b>	<b>446,550</b>	<b>67,357</b>	<b>513,907</b>

## consolidated cash flow statement

YEAR ENDED 30 JUNE 2007

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>		
Income receipts	24,079	27,640
Interest received	11,728	8,630
Borrowing costs	(13,860)	(11,251)
Payments to suppliers and employees	(3,230)	(1,711)
<b>Net cash flows from operating activities</b>	<b>18,717</b>	<b>23,308</b>
<b>Cash flows from investing activities</b>		
Payments for investments and funds advanced	(246,648)	(340,947)
Proceeds from settlement of investments and funds repaid	241,554	259,846
Purchase of investment properties	(50,492)	(40,971)
Disposal of investment properties	-	14,035
<b>Net cash flows used in investing activities</b>	<b>(55,586)</b>	<b>(108,037)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	43,071	130,436
Payment of issue costs	(2,373)	(3,277)
Repayment of borrowings	(84,000)	(91,000)
Proceeds from borrowings	135,285	104,260
Distributions paid	(66,073)	(45,412)
<b>Net cash flows from financing activities</b>	<b>25,910</b>	<b>95,007</b>
<b>Net increase in cash and cash equivalents</b>	<b>(10,959)</b>	<b>10,279</b>
Cash and cash equivalents at beginning of period	11,843	1,564
<b>Cash and cash equivalents at end of period</b>	<b>884</b>	<b>11,843</b>

## notes to the concise financial statements

30 JUNE 2007

### 1. TRUST INFORMATION

AT is a registered managed investment scheme and is a component entity of the APG which comprises AGHL, AT, AGPL and AIT. Shares in AGHL and AGPL and units in AT and AIT have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Stock Exchange under the code ABP.

The nature of the operations and principal activities of the Trust are described in the Directors' Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The concise financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The concise financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value, interests in joint ventures which are accounted for using the equity method, and certain investments measured at net market value. The carrying values of recognized assets and liabilities that are covered by interest rate swap arrangements, are adjusted to record changes in the fair values attributable to the risks that are being covered by derivative financial instruments.

The concise financial report has been derived from the annual financial report but does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the Trust as the full financial report.

It is also recommended that the annual financial report be considered together with any public announcements made by the Trust during the year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The concise financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Trust under ASIC Class Order 98/100. The Trust is an entity to which the class order applies.

#### STATEMENT OF COMPLIANCE

Except for the amendments of AASB 101 *Presentation of Financial Statements* and AASB 2007-4 amendments to *Australian Accounting Standards arising from ED 151 and Other Amendments*, which the Group has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2007. These are outlined in the following table.

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON TRUST FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 2005-10	Amending standard issued as a consequence of AASB 7 <i>Financial Instruments: Disclosures</i> .	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Trust's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Trust's financial report.	1 July 2007
AASB 2007-1	Amending standard issued as a consequence of AASB Interpretation 11 <i>AASB 2 – Group and Treasury Share Transactions</i> .	1 March 2007	This is consistent with the Trust's existing accounting policies for share-based payments, so the standard is not expected to have any impact on the Trust's financial report.	1 July 2007
AASB 2007-3	Amending standard issued as a consequence of AASB 8 <i>Operating Segments</i> .	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Trust's financial statements. However, the standard is expected to have an impact on the Trust's segment disclosures as segment information included in internal management reports is more detailed than that currently reported under AASB 114 <i>Segment Reporting</i> .	1 July 2009
AASB 2007-7	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Trust's financial report.	1 July 2007
AASB 7	New standard replacing disclosure requirements of AASB 130 <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> .	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB Interpretation 10	Addresses an inconsistency between AASB 134- <i>interim Financial Reporting</i> and the impairment requirements relating to goodwill in AASB 136 <i>Impairment of Assets</i> and equity instruments classified as available for sale in AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Trust's financial report.	1 July 2007
AASB Interpretation 11	Addresses whether certain types of share-based payment transactions with employees (or other suppliers of goods and services) should be accounted for as equity-settled or as cash-settled transactions under AASB 2 <i>Share-Based-Payment</i> . It also specifies the accounting in a subsidiary's financial statements for share-based payment arrangements involving equity instruments of the parent.	1 March 2007	Refer to AASB 2007-1 above	1 July 2007

\*designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 12 will have no application to the Trust.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

#### BASIS OF CONSOLIDATION

The constitution of AT was amended to remove the finite. The consolidated financial statements comprise the financial statements of AT and its subsidiaries, AT and its subsidiaries as from the date of the Abacus Trust obtained control until such time control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits from intra-Trust transactions, have been eliminated in full and subsidiaries are consolidated from the date on which control is obtained by the Trust and cease to be consolidated from the date on which control is transferred out of the Trust.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

#### 3. SEGMENT INFORMATION

The Trust predominantly operates in Australia. The Trust's segment reporting format is business segments as its risks and rates of return can be readily identified with the type of business and services provided.

Segment revenue, segment expense and segment result do not include transactions between business segments.

The Trust's primary business segments are Property, Property Finance and Joint Ventures and Developments. The Property division comprises the leasing and maintenance of commercial, retail and industrial properties and the conversion of commercial properties into commercial strata units intended for sale. Property Finance comprises mortgage lending and related property financing solutions. Joint Ventures & Developments comprise investments in joint venture activities and in securities of other listed and unlisted property trusts.

notes

BUSINESS SEGMENTS	PROPERTY \$'000	PROPERTY FINANCE & DEVELOPMENTS \$'000	JOINT VENTURES \$'000	TOTAL \$'000
<b>Year ended 30 June 2007</b>				
<b>Revenue</b>				
Revenue from external customers	38,383	48,712	1,462	88,557
Realised and unrealised gains on investments				29,979
Bank interest				858
<b>Total consolidated revenue</b>				<b>119,394</b>
<b>Result</b>				
Segment results	64,113	33,402	1,183	98,697
Interest income				858
Profit/(loss) before finance costs				99,555
Finance costs				(10,432)
<b>Net profit for the year</b>				<b>89,123</b>
<b>Assets</b>				
Segment assets	513,285	413,284	39,021	965,590
<b>Total assets</b>				<b>965,590</b>
<b>Liabilities</b>				
Segment liabilities	78,927	299	-	79,226
Interest bearing liabilities				263,965
Unallocated liabilities				2,873
<b>Total liabilities</b>				<b>346,064</b>
<b>Other segment information</b>				
Capital expenditure	6,930	-	-	6,930
Depreciation and amortisation	1,067	-	-	1,067
<b>Cash flow</b>				
Net cash flow from operating activities	6,385	10,870	1,462	18,717
Net cash flow from investing activities	(4,680)	(42,054)	(8,852)	(55,586)
Net cash flow from financing activities	-	25,910	-	25,910

BUSINESS SEGMENTS	PROPERTY \$'000	PROPERTY FINANCE & DEVELOPMENTS \$'000	JOINT VENTURES & DEVELOPMENTS \$'000	TOTAL \$'000
<b>Year ended 30 June 2006</b>				
<b>Revenue</b>				
Revenue from external customers	35,704	37,343	255	73,302
Realised and unrealised gains on investments				24,494
Bank interest				682
<b>Total consolidated revenue</b>				<b>98,478</b>
<b>Result</b>				
Segment results	51,069	36,592	250	87,911
Interest income				682
Profit/(loss) before finance costs				88,593
Finance costs				(6,421)
<b>Net profit for the year</b>				<b>82,172</b>
<b>Assets</b>				
Segment assets	402,027	334,416	38,806	775,249
<b>Total assets</b>				<b>775,249</b>
<b>Liabilities</b>				
Segment liabilities	25,048	1,484	2,063	28,595
Interest bearing liabilities				217,256
Unallocated liabilities				15,491
<b>Total liabilities</b>				<b>261,342</b>
<b>Other segment information</b>				
Capital expenditure	13,658	-	-	13,658
Depreciation and amortisation	653	-	-	653
<b>Cash flow</b>				
Net cash flow from operating activities	15,105	7,948	255	23,308
Net cash flow from investing activities	(26,935)	(67,497)	(13,605)	(108,037)
Net cash flow from financing activities		95,008		95,008

notes

4. REVENUE AND EXPENSES

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Finance income</b>		
Interest on loans	48,712	37,088
Bank interest	858	682
<b>Total finance income</b>	<b>49,570</b>	<b>37,770</b>
<b>(b) Net realised gains on investments</b>		
Sale of investment properties	10,093	1,950
Expenses on sale of investment properties	(270)	(183)
<b>Total net realised gains on investments</b>	<b>9,823</b>	<b>1,767</b>
<b>(c) Unrealised gains on investments</b>		
Change in fair value of investment properties	20,156	22,727
<b>Total unrealised gains on investments</b>	<b>20,156</b>	<b>22,727</b>
<b>(d) Finance costs</b>		
Interest on bank loans	14,677	11,495
Amortisation of finance costs	330	322
Unrealised loss (gains) on interest rate swap	(4,575)	(5,396)
<b>Total finance costs</b>	<b>10,432</b>	<b>6,421</b>
<b>(e) Depreciation and amortisation</b>		
Amortisation of leasing incentives	1,067	653
<b>(f) Other expenses</b>		
Property outgoing	9,888	7,332
Bad and doubtful debts	3,000	21
Auditor's remuneration	100	62
Custody fees	121	98
Registry maintenance costs	30	60
Other	5,633	1,659
<b>Total other expenses</b>	<b>18,772</b>	<b>9,232</b>



## 5. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Distributions paid during the year</b>		
Final distribution for financial year 30 June 2006:		
3.00 cents per unit (2005: 2.90 cents)	15,491	9,942
Interim distributions paid during the year:		
September: 3.00 cents per unit (2006: 2.90 cents)	15,973	11,179
December: 3.00 cents per unit (2006: 2.90 cents)	16,059	11,179
March: 3.25 cents per unit (2006: 3.00 cents)	18,681	13,112
<b>Total</b>	<b>66,204</b>	<b>45,412</b>

### (b) Distributions proposed and recognised as a liability

Final distribution payable for the June quarter:		
1.36 cents per unit (2006: 3.00 cents)*	7,844	15,491

\* Remaining 1.89 cents per unit was paid by AIT to total APG 3.25 cents per unit distribution

The distributions were paid from the AT (which does not pay tax provided it distributes all its taxable income) hence, there were no franking credits attached.

## 6. EARNINGS PER UNIT

	CONSOLIDATED	
	2007 CENTS	2006 CENTS
Basic earnings per unit	16.11	19.66
Diluted earnings per unit	16.00	19.66
Basic earnings per unit excluding fair value adjustments <sup>(1)</sup>	11.64	12.93
Diluted earnings per unit excluding fair value adjustments <sup>(1)</sup>	11.56	12.93

	\$'000	\$'000
Net profit attributable to unitholders	89,123	82,172
Net profit attributable to unitholders excluding fair value adjustments <sup>(1)</sup>	64,392	54,049

	'000	'000
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### Weighted average number of stapled securities:

Weighted average number of stapled securities for basic earnings per stapled security	553,184	418,056
Effect of dilution:		
Stapled security options	3,703	-
Weighted average number of stapled securities adjusted for the effect of dilution	556,887	418,056

Options granted to employees (including key management personnel) are considered to be potential stapled securities and have been included in the determination of diluted earnings per stapled security to the extent they are dilutive. These options have not been included in the determination of basic earnings per stapled security.

<sup>(1)</sup> Fair value adjustments include property revaluations, swap mark to market revaluations and share based payments.

notes

7. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

Investment properties are carried at the directors' determination of fair value and are based on independent valuations where appropriate. The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest full independent valuation or latest independent update. Total acquisition costs include incidental costs of acquisition such as property taxes on acquisition, legal and professional fees and other acquisition related costs.

Independent valuation of each investment property is conducted annually either in December or June of each year. Independent valuations are prepared using both the capitalisation of net income method and the discounting of future cashflows to their present value method. Capital expenditure since valuation may include purchases of sundry properties (and associated expenses of stamp duty, legal fees etc) and other capital refurbishment and repair expenditure.

PROPERTY	ACQUISITION DATE	COST INCLUDING ALL ADDITIONS \$'000	INDEPENDENT VALUATION DATE	CONSOLIDATED VALUE	
				2007 \$'000	2006 \$'000
66 Christina Road, Villawood, NSW <sup>(i)</sup>	28-May-02	8,187	30-Jun-06	12,426	12,400
<b>Properties owned by the parent entity, Abacus Trust</b>				<b>12,426</b>	<b>12,400</b>
CSIRO, Limestone Ave., Campbell, ACT <sup>(v)</sup>	21-Jun-02	12,686	30-Jun-07	20,000	18,000
4 Ray Road, Epping, NSW <sup>(ii)</sup>	30-Apr-97	26,959	30-Jun-07	54,500	51,000
Ashfield Mall, Ashfield, NSW <sup>(iv)</sup>	15-Sep-97	82,964	30-Jun-06	116,842	113,000
10-12 Pike Street, Rydalmere, NSW <sup>(v)</sup>	1-Oct-98	14,262	30-Jun-07	22,400	19,300
Liverpool Plaza, Liverpool, NSW <sup>(iv)</sup>	16-Aug-04	32,840	30-Jun-06	37,020	37,000
Macquarie Street, Liverpool, NSW <sup>(iii)</sup>	21-Sep-05	5,451	30-Jun-06	5,503	5,503
Moore Street, Liverpool, NSW <sup>(iii)</sup>	14-Oct-05	2,265	30-Jun-06	2,297	2,297
Aspley Village Shopping Centre <sup>(iii)</sup>	15-Feb-06	16,579	01-Feb-06	18,607	16,579
Westpac (formerly Santos) House, Adelaide SA <sup>(i)</sup>	5-Oct-04	54,328	30-Jun-07	68,850	51,000
50 Miller Street, North Sydney, NSW <sup>(ii)</sup>	17-Dec-04	38,349	30-Jun-06	-	40,000
970 Nepean Highway, Moorabbin, NSW <sup>(ii)</sup>	11-Aug-06	38,688	6-Jul-06	38,690	-
12-14 Butler Road, Hurstville <sup>(iv)</sup>	31-May-07	18,714	18-May-07	18,714	-
27 Grant Street, Port Macquarie <sup>(vi)</sup>	26-Jun-07	16,021	6-Jun-07	16,021	-
<b>Properties owned by AT and its controlled entities</b>				<b>431,871</b>	<b>366,079</b>

Notes:

<sup>(a)</sup> The aggregated value at 30 June 2007 includes capital expenditures after the last valuation date.

<sup>(i)</sup> As valued by Knight Frank Pty Limited

<sup>(ii)</sup> As valued by Colliers International Consultancy and Valuation Pty Ltd

<sup>(iii)</sup> As valued by Urbis Property Consultants

<sup>(iv)</sup> As valued by CB Richard Ellis Pty Ltd

<sup>(v)</sup> As valued by FPD Savills (NSW) Pty Limited

<sup>(vi)</sup> As valued by Jeffrey Reid Flanagan

RECONCILIATIONS

Reconciliation of the carrying amounts of investment properties at the beginning and end of the current and previous financial year:

	CONSOLIDATED VALUE	
	2007 \$'000	2006 \$'000
<b>Investment properties</b>		
Carrying amount at beginning of the financial year	366,079	317,808
Additions and capital expenditure	85,635	38,166
Net revaluation increments	20,156	22,727
Disposals	(40,000)	(12,622)
<b>Carrying amount at end of the financial year</b>	<b>431,870</b>	<b>366,079</b>

## 8. CONTRIBUTED EQUITY

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Issued Units</b>		
Issued capital	535,690	459,475
Finance and issue costs	(14,425)	(12,925)
<b>Total contributed equity</b>	<b>521,265</b>	<b>446,550</b>

	CONSOLIDATED	
	NUMBER \$'000	VALUE \$'0000
<b>(b) Movements in contributed equity for the year</b>		
At 1 July 2005	342,836	339,782
- net impact of merger with ADIF <sup>(1)</sup>	79,310	(9,109)
- institutional equity raising	92,636	117,048
- distribution reinvestment plan	1,600	2,106
- less transaction costs	-	(3,277)
At 1 July 2006	516,382	446,550
- institutional equity raising	36,585	45,588
- distribution reinvestment plan	11,824	15,294
- security purchase plan	13,842	15,333
- less transaction costs	-	(1,500)
<b>End of the financial year June 2007</b>	<b>578,633</b>	<b>521,265</b>

<sup>(1)</sup> Net impact of merger with ADIF represents the aggregation of outstanding contributed equity (net of issue costs) as at 31 March 2006 (merger implementation date).

Unitholders have the right to receive distributions from the Trust, as declared, and in the event of winding up of the Trust, are entitled to participate in the proceeds from sale of all surplus assets in proportion to the number of units held.

Unitholders can vote their units in accordance with the Corporations Act, either in person or by proxy, at a meeting of the Trust.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year:

On 26 July 2007, APG completed a capital raising via an institutional placement for \$100 million (of which \$74.45 million was allocated to AT) and issued 52.6 million stapled securities at \$1.90 per stapled security.

In July 2007, the Trust exchanged contracts to acquire two commercial office buildings for \$23 million in the Varsity Lakes business district on the Gold Coast, Queensland.

Other than as disclosed in this report and to the knowledge of directors, there has been no other matter or circumstance that has arisen since the end of the financial year that has or may affect the Trust's operations in future financial years, the results of those operations or the Trust's state of affairs in future financial years.

## directors' declaration

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In accordance with a resolution of the directors of the responsible entity, we state that:

(1) in the opinion of the directors:

(a) the concise financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 30 June 2007.

On behalf of the Board of Abacus Funds Management Limited



JOHN THAME  
Chairman



FRANK WOLF  
Managing Director

Sydney, 12 September 2007

## independent auditor's report to members of abacus trust

The accompanying concise financial report of Abacus Trust comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Abacus Trust for the year ended 30 June 2007. The concise financial report also includes the director's declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Director's Responsibility for the Concise Financial Report

The Directors of the Responsible Entity for the trust are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Abacus Trust for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 30 August 2007 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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

### Independence

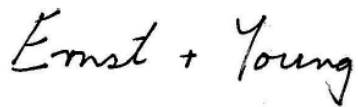
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* provided to the directors of the Responsible Entity for Abacus Trust on 30 August 2007.

independent auditor's report  
to members of abacus trust

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**Auditor's Opinion**

In our opinion, the concise financial report and the directors' declaration of Abacus Trust for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



ERNST & YOUNG



ED PSALTIS  
Partner

Sydney, 12 September 2007

# abacus income trust

## Directory

### Responsible entity

Abacus Funds Management Limited  
Level 34, Australia Square  
264-278 George Street  
SYDNEY NSW 2000  
Tel (02) 9253 8600  
Fax (02) 9253 8616  
Website [www.abacusproperty.com.au](http://www.abacusproperty.com.au)

### Directors of responsible entity

John Thame, Chairman  
Frank Wolf, Managing Director  
David Bastian\* (appointed 14/11/06)  
Dennis Bluth  
Malcolm Irving  
Len Lloyd  
William Bartlett (appointed 14/02/07)  
Phillip Green (resigned 1/9/06)  
\*Resigned as Managing Director on 30/09/06

### Company secretary

Ellis Varejes

### Custodian

Perpetual Trustee Company Limited  
Level 12, Angel Place  
123 Pitt Street  
SYDNEY NSW 2000

### Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Compliance Plan Auditor

Ernst & Young  
Ernst & Young Centre  
680 George Street  
SYDNEY NSW 2000

### Registry

Computershare Investor Services Pty Ltd  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000  
Tel (02) 1800 635 323 Toll free  
Fax (02) 8234 5050

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It is recommended that this Annual Financial Report should be read in conjunction with the Annual Financial Reports of Abacus Trust, Abacus Group Holdings Limited and Abacus Group Projects Limited for the year ended 30 June 2007. It is also recommended that the report be considered together with any public announcements made by the Abacus Property Group in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

## directors' report

30 JUNE 2007

The directors of Abacus, the responsible entity of the Abacus Income Trust (AIT or the Trust) submit their report for the Trust for the year ended 30 June 2007 and the auditor's report thereon.

### DIRECTORS

The directors of the responsible entity in office during the financial year and until the date of this report unless otherwise stated:

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director (executive)
David Bastian*	Non-executive director (appointed 14/11/06)
William Bartlett	Non-executive director (appointed 14/02/07)
Dennis Bluth	Non-executive director
Phillip Green	Non-executive director (resigned 1/9/06)
Malcolm Irving	Non-executive director
Len Lloyd	Executive director (appointed 14/11/06)

\*Resigned as Managing Director on 30 September 2006

As at the date of this report, the relevant interests of the directors and specified executives in the stapled securities of Abacus Property Group were as follows:

DIRECTORS	APG SECURITIES HELD	NUMBER OF OPTIONS OVER APG SECURITIES
J Thame	50,000	-
F Wolf	9,710,274*	1,343,284
D Bastian	4,486,352	-
M Irving	30,014	-
L Lloyd	785,925*	477,612

\* The holdings of Dr Wolf and Mr Lloyd include securities acquired under the Executive Share Loan Plan that are treated as options.

### PRINCIPAL ACTIVITIES

The principal activities of the Trust during the course of the year ended 30 June 2007 include:

- investment in commercial, retail and industrial properties; and
- property finance.

### TRUST STRUCTURE

Abacus Property Group (APG or the Group) comprises of Abacus Group Holding Limited (AGHL), Abacus Trust (AT), Abacus Group Project Limited (AGPL) and Abacus Income Trust (AIT). Shares in AGHL and AGPL and units in AT and AIT and have been stapled together so that none can be dealt with without the other. An APG security consists of one share in AGHL, one unit in AT, one share in AGPL and one unit in AIT. A transfer, issue or reorganisation of a share or unit in any of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in each of the other component parts.

AIT is an Australian registered managed investment scheme. Abacus, the responsible entity of AIT, is incorporated and domiciled in Australia and is a wholly owned subsidiary of AGHL.

### OPERATING PROFIT

The Trust earned a net profit attributable to members of \$29.4 million for the year ended 30 June 2007 (June 2006: \$26.1 million).

The Trust earned a net profit attributable to members (excluding net property and derivative financial instruments revaluation movements) of \$14.6 million (June 2006: \$7.5 million).

### DISTRIBUTIONS

AIT has a distribution of \$10.96 million (1.89 cents per unit) declared and provided for in respect of the quarter ended 30 June 2007. The AT funded all distributions to APG security holders for the year ended 30 June 2007.



## REVIEW OF OPERATIONS

### TRUST OVERVIEW

The Trust operates within Australia and holds an investment portfolio of commercial, retail and industrial properties, and mortgage loan investments.

AIT's revenues and net profit grew in the year ended 30 June 2007:

	30 JUNE 2007 \$'000	30 JUNE 2006 \$'000	% CHANGE
Revenue	27,700	23,370	18.53
Net Profit	29,475	26,053	13.13
Earnings per security (cents)	5.29	12.71	(58.38)
Distributions per security (cents)	1.89	6.93	(72.73)

AIT's financial condition also strengthened during the year:

	30 JUNE 2007	30 JUNE 2006	% CHANGE
Total assets (\$ million)	314	272	15.44
Gearing (%)	42.4	52.8	(19.70)
Net assets (\$ million)	160	122	31.15
Net tangible assets (\$ million)	160	122	31.15
NTA per security (\$)	0.28	0.24	16.67
Securities on issue (\$ million)	579	516	12.21
Weighted average securities on issue (\$ million)	557	205	171.71

### BUSINESS ACTIVITIES

Business activities which contributed to the Trust's operating performance and financial condition for the year were:

#### Investment property portfolio

- The Trust acquired, through a 75% owned subsidiary, two additional retail properties in Townsville, QLD and Maryborough, VIC for approximately \$12.5 million.
- The revaluation of 14 existing properties in the portfolio resulted in a net increase of \$13 million in the carrying value of investment properties.
- In September 2006, the Trust sold an investment property in Kings Park, New South Wales realising a profit of approximately \$2.5 million. In addition, through a 75% owned subsidiary, the Trust completed the sale of an investment property in Bathurst, New South Wales realising a profit of approximately \$0.5 million.
- In April 2007, the Trust completed the sale of a 300 year carpark leasehold at 109 Pitt Street, New South Wales realising a profit of approximately \$3.3 million.
- Recurring net income from contracted rental receipts comprised approximately 85% of Trust earnings before interest, tax, depreciation and amortisation for the year.

#### Property finance

- AIT decreased the size of its lending portfolio (including accrued interest) by \$13 million to \$4 million at 30 June 2007 compared to \$17 million at 30 June 2006.
- AIT advanced approximately \$13 million in loan funds to AGHL. At 30 June 2007, the balance of the loan to associated Group entities was approximately \$23 million.

## directors' report

### REVIEW OF FINANCIAL CONDITION

During the year ended 30 June 2007, the contributed equity of the Trust increased \$17 million (17%) to \$117 million compared to \$100 million at 30 June 2006.

In early July 2006, the APG completed a \$19.5 million capital raising via a Security Purchase Plan (13.8 million securities at \$1.41) of which approximately \$2.9 million was allocated to AIT.

Total equity increased net \$38 million to \$160 million at 30 June 2007 compared to \$122 million at 30 June 2006. Net tangible assets per unit is \$0.28 at 30 June 2007 compared to \$0.24 at 30 June 2006.

At 30 June 2007, existing bank loan facilities totalled approximately \$104 million, of which approximately \$95 million was drawn. The Trust manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June 2007, approximately \$73 million or 77% of total bank debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 6.38% and an average term to maturity of 5 years.

The Trust's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets) was 42.4% at 30 June 2007 compared to 52.8% at 30 June 2006.

### UNITS ON ISSUE

At 30 June 2007, 578,633,460 units in AIT were on issue (2006: 516,381,609).

### FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

AIT paid a management fee of \$2.2 million out of scheme property to the responsible entity for the year ended 30 June 2007 (2006: \$1.9 million). In addition, AIT paid property management fees to an associate of the responsible entity, Abacus Property Services Pty Limited, of \$0.4 million (2006: \$0.5 million) for the year ended 30 June 2007.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Trust occurred during the financial year:

- Retained earnings (including the impact of revaluations of investment properties and derivative financial instruments) increased \$20.4 million to \$40.6 million at 30 June 2007 compared to \$20.2 million at 30 June 2006;
- Total equity increased 31% or \$37.7 million to \$160 million at 30 June 2007 compared to \$122.3 million at 30 June 2006, reflecting the additional capital raised, growth in retained earnings and net positive revaluations during the year.

### SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26 July 2007, the APG completed a capital raising via an institutional placement for \$100 million and issued 52.6 million stapled securities at \$1.90 per stapled security.

Other than as disclosed in this report and to the knowledge of directors, there has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect, the Trust's operations in future financial years, the results of those operations or the Trust's state of affairs in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors have excluded from this report any other information on the likely developments in the operations of the Trust and the expected results of those operations in future financial years which are not of a material nature and would not in the directors' view be likely to result in unreasonable prejudice to the operation of the Trust.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Trust's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and licence requirements and in accordance with industry standards. No breaches of requirements or any environmental issues have been discovered and brought to the board's attention. There has been no known significant breaches of any environmental requirements applicable to the Trust.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

As responsible entity of the Trust, Abacus has paid an insurance premium in respect of a contract insuring its directors and full time executive officers and secretary. The terms of this policy prohibit disclosure of the nature of the risks insured or the premium paid.

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## AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on the following page.

## ROUNDING

The amounts contained in this report and in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Trust under ASIC Class Order 98/100. The Trust is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Funds Management Limited (ABN 66 007 415 590)



JOHN THAME  
Chairman



FRANK WOLF  
Managing Director

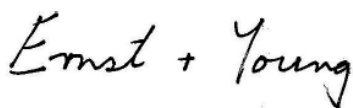
Sydney, 12 September 2007

## auditor's independence declaration

to the directors of abacus funds management limited as the  
responsible entity for abacus income trust

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In relation to our audit of the financial report of Abacus Income Trust for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



ERNST & YOUNG



ED PSALTIS  
Partner

30 August 2007

## consolidated income and distribution statements

YEAR ENDED 30 JUNE 2007

	NOTES	2007 \$'000	2006 \$'000
<b>Revenue</b>			
Property income		23,527	19,842
Finance income	4(a)	4,173	3,528
Income from distributions		–	–
Net realised gains on investments	4(b)	2,985	–
Net realised gains on property, plant and equipment	4(c)	3,269	–
Net unrealised gains on investment	4(d)	13,114	16,219
<b>Total revenue</b>		<b>47,068</b>	<b>39,589</b>
Depreciation		(759)	(922)
Finance costs	4(e)	(7,630)	(6,413)
Other expenses	4(f)	(7,460)	(5,777)
<b>Profit before and after income tax</b>		<b>31,219</b>	<b>26,477</b>
Net profit attributable to minority interests – external		(1,744)	(424)
<b>Net profit attributable to unitholders</b>		<b>29,475</b>	<b>26,053</b>

<b>Basic earnings per unit (cents)</b>	<b>5.33</b>	<b>12.71</b>
<b>Diluted earnings per unit (cents)</b>	<b>5.29</b>	<b>–</b>
Basic earnings per unit ex fair value adjustments*	2.64	3.67
Diluted earnings per unit ex fair value adjustments*	2.63	-

\*Based on net profit adjusted for AIFRS fair value adjustments (namely property revaluations and swap mark to market revaluations)

### STATEMENT OF DISTRIBUTION

		2007 \$'000	2006 \$'000
Net profit attributable to unitholders		29,475	26,053
Net transfer of undistributed income to unitholders' funds		(18,511)	(18,998)
<b>Distributions paid and payable</b>	<b>5</b>	<b>10,964</b>	<b>7,055</b>
Distribution per unit (cents per unit)		1.89	6.93
<b>Weighted average number of units ('000)</b>	<b>6</b>	<b>556,887</b>	<b>204,997</b>

## consolidated balance sheet

AS AT 30 JUNE 2007

	NOTES	2007 \$'000	2006 \$'000
<b>Current assets</b>			
Cash and cash equivalents		4,208	1,348
Trade and other receivables		46,976	2,959
Other financial assets		27,273	27,229
Other		516	552
<b>Total current assets</b>		<b>78,973</b>	<b>32,088</b>
<b>Non-current assets</b>			
Investment properties	7	215,558	204,132
Property, plant and equipment		15,991	30,725
Other financial assets		2,825	4,893
Other		307	274
<b>Total non-current assets</b>		<b>234,681</b>	<b>240,024</b>
<b>Total assets</b>		<b>313,654</b>	<b>272,112</b>
<b>Current liabilities</b>			
Trade and other payables		16,302	4,861
Interest-bearing loans and borrowings		32,250	39,238
<b>Total current liabilities</b>		<b>48,552</b>	<b>44,099</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		105,012	105,702
<b>Total non-current liabilities</b>		<b>105,012</b>	<b>105,702</b>
<b>Total liabilities</b>		<b>153,564</b>	<b>149,801</b>
<b>Net assets</b>		<b>160,090</b>	<b>122,311</b>
<b>Equity</b>			
Contributed equity	8(a)	117,196	99,672
Asset revaluation reserve		–	1,907
Undistributed income		40,615	20,197
Total parent entity interest in equity		157,811	121,776
Total outside equity interest		2,279	535
<b>Total equity</b>		<b>160,090</b>	<b>122,311</b>

## consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2007

	ISSUED CAPITAL \$'000	ASSET REVALUATION RESERVE \$'000	RETAINED EARNINGS \$'000	MINORITY INTEREST \$'000	TOTAL EQUITY \$'000
<b>At 1 July 2006</b>	<b>99,672</b>	<b>1,907</b>	<b>20,197</b>	<b>535</b>	<b>122,311</b>
Sale of property, plant & equipment	–	(1,907)	1,907	–	–
<b>Total income and expense for the period recognised directly in equity</b>	<b>–</b>	<b>(1,907)</b>	<b>1,907</b>	<b>–</b>	<b>–</b>
Net income for the period	–	–	29,475	1,744	31,219
<b>Total income for the period</b>	<b>–</b>	<b>(1,907)</b>	<b>31,382</b>	<b>1,744</b>	<b>31,219</b>
Equity raisings (net of issue costs)	17,524	–	–	–	17,524
Distribution to unitholders	–	–	(10,964)	–	(10,964)
<b>At 30 June 2007</b>	<b>117,196</b>	<b>–</b>	<b>40,615</b>	<b>2,279</b>	<b>160,090</b>
<b>At 1 July 2005</b>	<b>92,029</b>	<b>857</b>	<b>2,411</b>	<b>113</b>	<b>95,410</b>
Revaluation of property, plant & equipment	–	1,050	–	–	1,050
<b>Total income and expense for the period recognised directly in equity</b>	<b>–</b>	<b>1,050</b>	<b>–</b>	<b>–</b>	<b>1,050</b>
Net income for the period	–	–	24,841	422	25,263
<b>Total income for the period</b>	<b>–</b>	<b>–</b>	<b>24,841</b>	<b>422</b>	<b>25,263</b>
Equity raisings (net of issue costs)	7,643	–	–	–	7,643
Distribution to unitholders	–	–	(7,055)	–	(7,055)
<b>At 30 June 2006</b>	<b>99,672</b>	<b>1,907</b>	<b>20,197</b>	<b>535</b>	<b>122,311</b>

## consolidated cash flow statement

YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>		
Income receipts	18,027	16,445
Interest received	4,042	6,631
Interest paid	(8,321)	(7,980)
Operating payments	(2,405)	(3,535)
<b>Net cash flows from operating activities</b>	<b>11,343</b>	<b>11,561</b>
<b>Cash flows from investing activities</b>		
Payments for investments	(7,134)	(14,411)
Proceeds from sale and settlement of investments	11,000	12,821
Advances to/(from) related entities	(43,329)	2,945
Disposal of property, plant and equipment	17,735	–
Purchase of investment properties	(19,113)	(42,470)
Disposal of investment properties	23,575	–
Payments for other investments	3	1,966
<b>Net cash flows used in investing activities</b>	<b>(17,263)</b>	<b>(39,149)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	17,524	7,909
Payment of issue costs	(219)	(47)
Payment of finance cost	(213)	–
Repayment of borrowings	(35,245)	(23,318)
Proceeds from borrowings	26,935	52,964
Distributions paid	(2)	(9,397)
<b>Net cash flows from financing activities</b>	<b>8,780</b>	<b>28,111</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,860</b>	<b>523</b>
Cash and cash equivalents at beginning of period	1,348	825
<b>Cash and cash equivalents at end of the year</b>	<b>4,208</b>	<b>1,348</b>



## notes to the concise financial statements

30 JUNE 2007

### 1. TRUST INFORMATION

AIT is a registered managed investment scheme and is a component entity of the APG which comprises AGHL, AT, AGPL and AIT. Shares in AGHL and AGPL and units in AT and AIT have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Stock Exchange (the ASX) under the code ABP.

The nature of the operations and principal activities of the Trust are described in the Directors' Report.

recently been issued or amended but are not yet effective have not been adopted by the Trust for the annual reporting period ending 30 June 2007. These are outlined in the table below.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The concise financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value, interests in joint ventures which are accounted for using the equity method, and certain investments measured at net market value. The carrying values of recognised assets and liabilities that are covered by interest rate swap arrangements, are adjusted to record changes in the fair values attributable to the risks that are being covered by derivative financial instruments.

The concise financial report has been derived from the annual financial report but does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the Trust as the full financial report.

It is also recommended that the annual financial report be considered together with any public announcements made by the Group during the year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The concise financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Trust under ASIC Class Order 98/100. The Trust is an entity to which the class order applies.

#### STATEMENT OF COMPLIANCE

Except for the amendments of AASB 101 *Presentation of Financial Statements* and AASB 2007-4 amendments to *Australian Accounting Standards arising from ED 151 and Other Amendments*, which the Trust has early adopted, Australian Accounting Standards and Interpretations that have

notes

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON TRUST FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 2005-10	Amending standard issued as a consequence of AASB 7 <i>Financial Instruments: Disclosures</i> .	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Trust's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Trust's financial report.	1 July 2007
AASB 2007-1	Amending standard issued as a consequence of AASB Interpretation 11 AASB 2 – <i>Group and Treasury Share Transactions</i> .	1 March 2007	This is consistent with the Trust's existing accounting policies for share-based payments, so the standard is not expected to have any impact on the Trust's financial report.	1 July 2007
AASB 2007-3	Amending standard issued as a consequence of AASB 8 <i>Operating Segments</i> .	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Trust's financial statements. However, the standard is expected to have an impact on the Trust's segment disclosures as segment information included in internal management reports is more detailed than that currently reported under AASB 114 <i>Segment Reporting</i> .	1 July 2009
AASB 2007-7	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Trust's financial report.	1 July 2007
AASB 7	New standard replacing disclosure requirements of AASB 130 <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> .	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB Interpretation 10	Addresses an inconsistency between AASB 134- <i>interim Financial Reporting</i> and the impairment requirements relating to goodwill in AASB 136 <i>Impairment of Assets</i> and equity instruments classified as available for sale in AASB 139 <i>Financial Instruments: Recognition and Measurement</i> .	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Trust's financial report.	1 July 2007

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON TRUST FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB Interpretation 11	Addresses whether certain types of share-based payment transactions with employees (or other suppliers of goods and services) should be accounted for as equity-settled or as cash-settled transactions under AASB 2 Share-Based-Payment. It also specifies the accounting in a subsidiary's financial statements for share-based payment arrangements involving equity instruments of the parent.	1 March 2007	Refer to AASB 2007-1 above	1 July 2007

\*designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 12 will have no application to the Trust.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

#### BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AIT and its subsidiaries collectively referred to as the Trust.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits from intra-group transactions, have been eliminated in full and subsidiaries are consolidated from the date on which control is obtained by the Trust and cease to be consolidated from the date on which control is transferred out of the Trust.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests represent those equity interests in The Wollongong Property Trust and Abacus Independent Retail Property Trust that are not held by the Trust and are presented separately in the income statement and within equity in the consolidated balance sheet.

### 3. SEGMENT INFORMATION

The Trust predominantly operates in Australia. The Trust's segment reporting format is business segments as its risks and rates of return can be readily identified with the type of business and services provided.

Segment revenue, segment expense and segment result do not include transactions between business segments.

The Trust's primary business segments are Property, and Property Finance. The Property division comprises the leasing and maintenance of commercial, retail and industrial properties. Property Finance comprises mortgage lending and related property financing solutions.

notes

BUSINESS SEGMENTS	PROPERTY \$'000	PROPERTY FINANCE \$'000	TOTAL \$'000
<b>Year ended 30 June 2007</b>			
<b>Revenue</b>			
Revenue from external customers	23,527	3,905	27,432
Realised and unrealised gains on investments			19,368
Bank interest			268
<b>Total consolidated revenue</b>			<b>47,068</b>
<b>Result</b>			
Segment results	33,994	2,843	36,837
Interest income			268
Profit/(loss) before finance costs			37,105
Finance costs			(7,630)
<b>Net profit for the year</b>			<b>29,475</b>
<b>Assets</b>			
Segment assets	283,556	30,098	313,654
<b>Total assets</b>			<b>313,654</b>
<b>Liabilities</b>			
Segment liabilities	(13,796)	30,098	16,302
Interest bearing liabilities			137,262
<b>Total liabilities</b>			<b>153,564</b>
<b>Other segment information:</b>			
Capital expenditure	6,391	–	6,391
Depreciation and amortisation	759	–	759
<b>Cashflow</b>			
Net cash flow from operating activities	7,549	3,794	11,343
Net cash flow from investing activities	(21,129)	3,866	(17,263)
Net cash flow from financing activities	8,780	–	8,780

# abacus income trust

BUSINESS SEGMENTS	PROPERTY \$'000	PROPERTY FINANCE \$'000	TOTAL \$'000
<b>Year ended 30 June 2006</b>			
<b>Revenue</b>			
Revenue from external customers	19,842	3,357	23,199
Realised and unrealised gains on investments			16,219
Bank interest			171
<b>Total consolidated revenue</b>			<b>39,589</b>
<b>Result</b>			
Segment results	29,639	2,656	32,295
Interest income			171
Profit/(loss) before finance costs			32,466
Finance costs			(6,413)
<b>Net profit for the year</b>			<b>26,053</b>
<b>Assets</b>			
Segment assets	239,990	32,122	272,112
<b>Total assets</b>			<b>272,112</b>
<b>Liabilities</b>			
Segment liabilities	4,861	32,122	36,983
Interest bearing liabilities			112,818
<b>Total liabilities</b>			<b>149,801</b>
<b>Other segment information:</b>			
Capital expenditure	4,750	–	4,750
Depreciation and amortisation	922	–	922
Net cash flow from operating activities	5,272	6,289	11,561
Net cash flow from investing activities	(37,559)	(1,590)	(39,149)
Net cash flow from financing activities	28,111	–	28,111

notes

4. REVENUE AND EXPENSES

	CONSOLIDATED	
	2007 \$'000	2006 \$'000
<b>(a) Finance income</b>		
Interest on mortgage loans	3,905	3,357
Bank interest	268	171
<b>Total finance income</b>	<b>4,173</b>	<b>3,528</b>
<b>(b) Net realised gains on investments</b>		
Sale of investment properties	23,600	–
Expenses on sale of investment properties	(20,615)	–
<b>Total net realised gains on investments</b>	<b>2,985</b>	<b>–</b>
<b>(c) Net realised gains on property, plant and equipment</b>		
Sale of property, plant and equipment	18,148	–
Expenses on sale of property, plant and equipment	(14,879)	–
<b>Total net realised gains on investments</b>	<b>3,269</b>	<b>–</b>
<b>(d) Unrealised gains on investments</b>		
Change in fair value of investment properties	13,114	16,219
<b>Total unrealised gains on investments</b>	<b>13,114</b>	<b>16,219</b>
<b>(e) Finance costs</b>		
Interest on loans	9,285	8,662
Amortisation of finance costs	77	57
Unrealised gains on interest rate swaps	(1,732)	(2,306)
<b>Total finance costs</b>	<b>7,630</b>	<b>6,413</b>
<b>(f) Other expenses</b>		
Property outgoings	4,981	3,448
Audit fees	118	55
Registry maintenance costs	3	50
Custody fee	43	25
Management Fee	2,204	1,898
Other	111	301
<b>Total other expenses</b>	<b>7,460</b>	<b>5,777</b>

## 5. DISTRIBUTIONS PAID AND PROPOSED

	NOTES	2007 \$'000	2006 \$'000
<b>(a) Distributions paid during the year</b>			
Final distribution for financial year 30 June 2006:			
Nil (2005: 2.31 cents)		1	2,342
Interim distributions paid during the year:			
September: Nil (2006: 2.31 cents)		–	2,366
December: Nil (2006: 2.31 cents)		1	2,370
March: Nil (2006: 2.31 cents)		–	2,319
		<b>2</b>	<b>9,397</b>
<b>(b) Distributions proposed and recognised as a liability</b>			
Final distribution payable for the June quarter:			
1.89 cents per unit (2006: Nil)		10,963	1

## 6. EARNINGS PER UNIT

	2007 CENTS	2006 CENTS
Basic earnings per unit	5.33	12.71
Diluted earnings per unit	5.29	–
Basic earnings per unit excluding fair value adjustments <sup>(1)</sup>	2.64	3.67
Diluted earnings per unit excluding fair value adjustments <sup>(1)</sup>	2.63	–
<b>Earnings used in calculating earnings per unit:</b>		
Net profit attributable to unitholders	29,475	26,053
Net profit attributable to unitholders excluding fair value adjustments <sup>(1)</sup>	14,628	7,528
<b>Weighted average number of stapled securities:</b>		
Weighted average number of stapled securities for basic earnings per share	553,184	204,997
Effect of dilution:		
Stapled security options	3,703	–
<b>Weighted average number of stapled securities adjusted for the effect of dilution</b>	<b>556,887</b>	<b>204,997</b>

Options granted to employees (including key management personnel) are considered to be potential stapled securities and have been included in the determination of diluted earnings per stapled security to the extent they are dilutive. These options have not been included in the determination of basic earnings per stapled security.

<sup>(1)</sup> Fair value adjustments include property revaluations, revaluations of derivatives and other financial instruments and share based payments.

## notes

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### 7. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

Investment properties are carried at the directors' determination of fair value and are based on independent valuations where appropriate. The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest full independent valuation or latest independent update. Total acquisition costs include incidental costs of acquisition such as property taxes on acquisition, legal and professional fees and other acquisition related costs.

Independent valuation of each investment property is conducted annually either in December or June of each year. Independent valuations are prepared using both the capitalisation of net income method and the discounting of future cashflows to their present value method. Capital expenditure since valuation may include purchases of sundry properties (and associated expenses of stamp duty, legal fees etc) and other capital refurbishment and repair expenditure.



# abacus income trust

PROPERTY	ACQUISITION DATE <sup>(b)</sup>	COST INCL. ADDITIONS \$'000	INDEPENDENT VALUATION DATE	CONSOLIDATED VALUE	
				2007 \$'000	2008 \$'000
1-5 Lake Drive, Dingley, Melbourne	28-May-03	11,956	30/06/2006	13,300	13,300
8 Station Street, Wollongong, NSW <sup>(d)</sup>	30-Jun-03	7,866	30/06/2006	12,000	12,000
367 Peel Street, Tamworth, NSW	22-Feb-04	11,961	30/06/2006	12,700	12,700
500 Princes Highway, Noble Park, VIC <sup>(ii)</sup>	27-Nov-03	19,222	30/06/2007	21,000	19,920
31-33 Windorah Avenue, Stafford, QLD <sup>(i)</sup>	03-Nov-03	5,109	30/06/2007	6,500	5,740
Lennox Plaza, 66 Queen Street, QLD	19-Dec-03	32,272	30/06/2006	39,000	39,000
23-43 Tattersall Rd, Kings Park, NSW	16-Feb-04	15,937	30/06/2006	–	17,100
26 Savage Street & 681 Curtin Avenue, Pinkenba, QLD <sup>(i)</sup>	23-Jan-04	5,040	30/06/2007	12,000	8,970
671 Gympie Rd, Chermside, QLD	17-Dec-04	4,722	30/06/2006	5,877	5,900
9-14 Yates Street, Mawson Lakes, SA	07-Jun-05	6,857	30/06/2006	5,700	5,700
Gympie Market Place, Gympie <sup>(ii) (e)</sup>	07-Jun-04	7,340	30/06/2007	9,000	7,450
36-52 National Blvd, Campbellfield, VIC <sup>(i)</sup>	18-Jul-05	8,832	30/06/2007	10,300	9,000
29-47 & 18-20 Becker St, Cobar, NSW <sup>(i) (e)</sup>	05-Aug-04	1,173	30/06/2007	1,950	1,650
50 Mostyn Street, Castlemaine, VIC <sup>(i) (e)</sup>	11-May-05	8,092	30/06/2007	10,200	9,342
96-98 Victoria Street, St. George, QLD <sup>(ii) (e)</sup>	18-Aug-05	3,030	30/06/2007	3,200	2,830
12 Docker Street, Wangaratta, QLD <sup>(i) (e)</sup>	31-Oct-05	2,965	30/06/2007	3,100	2,700
208 Howick Street, Bathurst, NSW	11-May-05	3,484	30/06/2005	–	3,490
93 Victoria Street, Eaglehawk, VIC <sup>(i) (e)</sup>	29-Sep-05	6,150	30/06/2007	6,900	6,580
29 Queen Street, North Bundaberg, QLD <sup>(e)</sup>	18-Jul-05	15,536	30/06/2007	15,536	9,201
Kingscote Kangaroo Island, SA <sup>(i) (e)</sup>	21-Dec-05	4,337	30/06/2007	4,500	4,337
293-295 Grt Eastern Hwy, Midland WA <sup>(i) (e)</sup>	21-Jun-06	7,228	30/06/2007	10,250	7,222
50 Bamford Lane, Kirwan, QLD <sup>(e)</sup>	31-Aug-06	7,743	30/06/2007	7,743	–
Corner Nolan & Napier Streets, Maryborough, VIC <sup>(e)</sup>	29-Jun-07	4,802	23/04/2007	4,802	–
<b>Properties owned by AIT and its controlled entities</b>				<b>215,558</b>	<b>204,132</b>

(i) As valued by CB Richard Ellis

(ii) As valued by Colliers

## Notes:

(a) The aggregated value at 30 June 2007 includes capital expenditures after the last valuation date.

(b) Refers to the date of acquisition by the underlying entity.

(c) The investment properties are used as security over the bank loans.

(d) AIT owns 98.4% of the units in the Wollongong Property Trust which owns 8 Station Street, Wollongong.

(e) AIT owns 100% of the units in Abacus Retail Property Trust which owns 75% of the in the Abacus Independent Retail Property Trust which owns:

- Gympie Market Place, Gympie, QLD;
- 29-47 & 18-20 Becker St, Cobar, NSW;
- 50 Mostyn Street, Castlemaine, VIC;
- 96-98 Victoria Street, St George, QLD;
- 93 Victoria Street, Eaglehawk, VIC;
- Corner Nolan & Napier Streets, Maryborough, VIC;
- 50 Bamford Lane, Kirwan, QLD;
- 12 Docker Street, Wangaratta, QLD;
- Kingscote Kangaroo Island, SA;
- 29 Queen St. North Bundaberg, QLD; and
- 293-295 Grt Western Hwy, Midland, WA

## notes

### Reconciliations

Reconciliation of the carrying amounts of investment properties at the beginning and end of the current and previous financial year:

	CONSOLIDATED VALUE	
	2007 \$'000	2006 \$'000
Carrying amount at beginning of financial year	204,132	146,050
Additions	18,902	41,863
Disposals	(20,590)	–
Net revaluation increments	13,114	16,219
<b>Carrying amount at end of financial year</b>	<b>215,558</b>	<b>204,132</b>

### 8. CONTRIBUTED EQUITY

	NOTES	
	2007 \$'000	2006 \$'000
<b>(a) Issued units</b>		
Issued units	122,517	104,992
Finance and issue costs	(5,321)	(5,320)
<b>Total contributed equity</b>	<b>117,196</b>	<b>99,672</b>

### (b) Movements in contributed equity for the year

	NUMBER '000	2007 VALUE \$'000
<b>At 1 July 2005</b>	<b>101,479</b>	<b>92,029</b>
- distribution reinvestment plan	200	190
- net impact of merger with APG	414,703	7,719
- less transaction costs	–	(266)
<b>At 30 June 2006</b>	<b>516,382</b>	<b>99,672</b>
- institutional equity raising	62,251	17,524
<b>At 30 June 2007</b>	<b>578,633</b>	<b>117,196</b>

Unitholders have the right to receive distributions from AIT, as declared, and in the event of winding up of the Trust, are entitled to participate in the proceeds from sale of all surplus assets in proportion to the number of units held.

Unitholders of units can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of Trust.

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## 9. EVENTS AFTER THE BALANCE SHEET DATE

On 26 July 2007, the Group completed a capital raising via an institutional placement for \$100 million and issued 52.6 million stapled securities at \$1.90 per stapled security.

Other than as disclosed in this report and to the knowledge of directors, there has been no matter or circumstance that has arisen since the end of the financial year that has or may affect the Group's operations in future financial years, the results of those operations or the Group's state of affairs in future financial years.

## directors' declaration

In accordance with a resolution of the directors of the responsible entity, we state that:

(1) in the opinion of the directors:

(a) the concise financial statements and notes, of the Trust and of the consolidated entity are in accordance with the Corporations Act 2001, including :

(i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 30 June 2007.

On behalf of the board of Abacus Funds Management Limited:



JOHN THAME  
Chairman



FRANK WOLF  
Managing Director

Sydney, 12 September 2007

## independent auditor's report to the members of abacus income trust

The accompanying concise financial report of Abacus Income Trust comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Abacus Income Trust for the year ended 30 June 2007.

The concise financial report also includes the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### **Directors' Responsibility for the Concise Financial Report**

The Directors of the Responsible Entity for the trust are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Abacus Income Trust for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 30 August 2007 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

### **Independence**

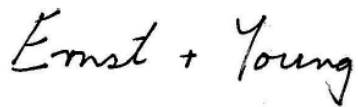
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 provided to the directors of the Responsible Entity of Abacus Income Trust on 30 August 2007.

independent auditor's report  
to members of abacus income trust

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**Auditor's Opinion**

In our opinion, the concise financial report and the directors' declaration of Abacus Income Trust for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 Concise Financial Reports.

A handwritten signature in black ink that reads 'Ernst + Young'.

ERNST & YOUNG

A handwritten signature in black ink that reads 'E. Psaltis'.

ED PSALTIS  
Partner

Sydney, 12 September 2007

# abacus group projects limited

## Directory

### Abacus Group Projects Limited

ABN: 11 104 066 104

Level 34, Australia Square

264-278 George Street

SYDNEY NSW 2000

Tel (02) 9253 8600

Fax (02) 9253 8616

Website [www.abacusproperty.com.au](http://www.abacusproperty.com.au)

### Directors

John Thame, Chairman (appointed 14/11/06)

Frank Wolf, Managing Director

David Bastian \* (appointed 14/11/06)

Dennis Bluth (appointed 14/11/06)

Malcolm Irving (appointed 14/11/06)

Len Lloyd

William Bartlett (appointed 14/02/07)

\*Resigned as Managing Director on 30/09/06

### Company secretary

Ellis Varejes

### Registry

Computershare Investor Services Pty Ltd

Level 3, 60 Carrington Street

SYDNEY NSW 2000

Tel (02) 1800 635 323 Toll free

Fax (02) 8234 5050

### Auditor

Ernst & Young

Ernst & Young Centre

680 George Street

SYDNEY NSW 2000

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98	Directors' Declaration
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It is recommended that this Annual Financial Report should be read in conjunction with the Annual Financial Reports of Abacus Property Group, Abacus Trust and Abacus Income Trust as at 30 June 2007. It is also recommended that the report be considered together with any public announcements made by the Abacus Property Group in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

## directors' report

30 JUNE 2007

The directors present their report together with the consolidated financial reports of Abacus Group Projects Limited (AGPL or the Company) and the auditor's report thereon.

### DIRECTORS

The directors of AGPL in office during the year and until the date of this report are set out below:

### DIRECTORS

The directors of AGPL in office during the financial year and until the date of this report unless otherwise stated:

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director (executive)
David Bastian*	Non-executive director (appointed 14/11/06)
William Bartlett	Non-executive director (appointed 14/02/07)
Dennis Bluth	Non-executive director
Phillip Green	Non-executive director (resigned 1/9/06)
Malcolm Irving	Non-executive director
Len Lloyd	Executive director (appointed 14/11/06)

\*Resigned as Managing Director on 30 September 2006

As at the date of this report, the relevant interests of the directors and specified executives in the stapled securities of Abacus Property Group were as follows:

DIRECTORS	APG SECURITIES HELD	NUMBER OF OPTIONS OVER APG SECURITIES
J Thame	50,000	-
F Wolf	9,710,274*	1,343,284
D Bastian	4,486,352	-
M Irving	30,014	-
L Lloyd	785,925*	477,612

\* The holdings of Dr Wolf and Mr Lloyd include securities acquired under the Executive Share Loan Plan that are treated as options.

### PRINCIPAL ACTIVITIES

The principal activity of AGPL during the year was the management of hotel operations, specifically, the Rydges Esplanade Hotel, Cairns.

### CORPORATE STRUCTURE

AGPL is a company incorporated and domiciled in Australia.

AGPL is a member of the Abacus Property Group (APG or the Group), which comprises Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Income Trust (AIT) and AGPL. Shares in AGHL and AGPL and units in AT and AIT and have been stapled together so that none can be dealt with without the other. An APG security consists of one share in AGHL, one unit in AT, one share in AGPL and one unit in AIT. A transfer, issue or reorganisation of a share or unit in any of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in each of the other component parts.

### OPERATING PROFIT

AGPL incurred a consolidated net loss attributable to members of \$0.4 million for the year ended 30 June 2007 (June 2006: \$0.8 million loss).

### EARNINGS PER SHARE

	YEAR ENDED 30 JUNE 2007 CENTS	YEAR ENDED 30 JUNE 2006 CENTS
Basic earnings per share	(0.08)	(0.40)
Diluted earnings per share	(0.07)	(0.40)

### DIVIDENDS

There were no dividends paid by AGPL during the year ended 30 June 2007 (June 2006: nil).

### REVIEW OF OPERATIONS

#### COMPANY OVERVIEW

AGPL operates wholly within Australia and operates a hotel business via its 75% interest in Abacus Matson Holdings Pty Limited.

#### OPERATING RESULTS FOR THE YEAR

Total revenues fell slightly from \$12.7 million (2006) to \$12.0 million (2007). Total expenses fell from \$13.7 million (2006) to \$13.1 million (2007). The net loss before tax marginally improved to \$1.1 million (2007) from \$1.2 million loss (2006)

#### REVIEW OF FINANCIAL CONDITION

Aside from the marginal improvement in operating performance, net assets grew from \$5.8 million (2006) to \$6.1 million (2007) through additional equity raising.



## FEES PAID TO ABACUS AND ASSOCIATES

AGPL paid a management fee of \$0.04 million (2006: \$0.04 million) to Abacus for the year ended 30 June 2007. In addition, AGPL paid property management fees of \$0.06 million (2006: \$0.06 million) to an associate company, Abacus Property Services Pty Limited, for the year ended 30 June 2007.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes other than the raising of \$0.9 million in equity.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

Environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and licence requirements and in accordance with industry standards. No breaches of requirements or additional environmental issues have been discovered nor brought to the Board's attention. There have been no known significant breaches of any environmental requirements applicable to the Company.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

As Manager of AGPL, Abacus has paid an insurance premium in respect of a contract insuring its directors and full time executive officers and secretary. The terms of this policy prohibit disclosure of the nature of the risks insured or the premium paid.

## AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst & Young, and such declaration is shown on the following page.

## SIGNIFICANT EVENTS AFTER BALANCE DATE

On 26 July 2007, APG completed a capital raising via an institutional placement for \$100 million and issued 52.6 million stapled securities at \$1.90 per stapled security.

Other than as disclosed already in this report and to the knowledge of directors, there has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may effect, the Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors have excluded from this report any other information on the likely developments in the operations of the Company and the expected results of those operations in future financial years which are not of a material nature and would not in the Directors' view be likely to result in unreasonable prejudice to the operation of the Company.

## ROUNDING

The amounts contained in this report and in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Group Projects Limited (ABN 11 104 066 104)



JOHN THAME  
Chairman



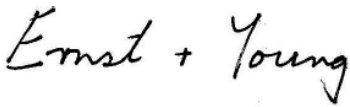
FRANK WOLF  
Managing Director

Sydney, 12 September 2007

## auditor's independence declaration to the directors of abacus group projects limited

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In relation to our audit of the financial report of Abacus Group Projects Limited for the financial year ended 30 June 2007 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



ERNST & YOUNG



ED PSALTIS  
Partner

30 August 2007

## consolidated income and distribution statements

YEAR ENDED 30 JUNE 2007

	NOTES	2007 \$'000	2006 \$'000
<b>Revenue</b>			
Net hotel income	4a	12,025	12,265
Income from distributions		–	383
Finance income		15	9
Net realised gains on investments	4e	–	142
<b>Total revenue</b>		<b>12,040</b>	<b>12,799</b>
Employee benefits expense	4b	(5,181)	(5,188)
Depreciation and amortisation expense	4c	(185)	(192)
Hotel overheads		(3,578)	(3,778)
Other expenses	4d	(4,150)	(4,511)
Net unrealised loss on investments	4f	–	(280)
<b>(Loss)/profit before income tax</b>		<b>(1,054)</b>	<b>(1,150)</b>
Income tax benefit		511	350
<b>Net (loss)/profit</b>		<b>(543)</b>	<b>(800)</b>
Net loss/(profit) attributable to minority interests - external		128	(30)
<b>Net (loss)/profit attributable to members</b>		<b>(415)</b>	<b>(830)</b>
		cents	cents
Basic earnings per AGPL share		(0.08)	(0.40)
<b>Diluted earnings per AGPL share</b>		<b>(0.07)</b>	<b>(0.40)</b>

## consolidated balance sheet

AS AT 30 JUNE 2007

	2007 \$'000	2006 \$'000
<b>Current assets</b>		
Cash and cash equivalents	2,031	1,243
Trade and other receivables	4,585	3,978
Inventories	125	128
Other	64	133
<b>Total current assets</b>	<b>6,805</b>	<b>5,482</b>
<b>Non-current assets</b>		
Property, plant and equipment	924	871
Intangible assets	915	1,035
Deferred tax assets	954	486
<b>Total non-current assets</b>	<b>2,793</b>	<b>2,392</b>
<b>Total assets</b>	<b>9,598</b>	<b>7,874</b>
<b>Current liabilities</b>		
Trade and other payables	3,155	1,601
Income tax payable	–	121
Provisions	139	152
<b>Total current liabilities</b>	<b>3,294</b>	<b>1,874</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	–	15
Provisions	209	227
<b>Total non-current liabilities</b>	<b>209</b>	<b>242</b>
<b>Total liabilities</b>	<b>3,503</b>	<b>2,116</b>
<b>Net assets</b>	<b>6,095</b>	<b>5,758</b>
<b>Equity</b>		
Contributed equity	6,437	5,557
Retained earnings/(accumulated losses)	(1,043)	(628)
Total parent interest in equity	5,394	4,929
Total outside interest in equity	701	829
<b>Total equity</b>	<b>6,095</b>	<b>5,758</b>

## consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2007

	ISSUED CAPITAL \$'000	RETAINED EARNINGS \$'000	MINORITY INTEREST \$'000	TOTAL EQUITY \$'000
<b>At 1 July 2006</b>	<b>5,557</b>	<b>(628)</b>	<b>829</b>	<b>5,758</b>
Net income for the period	–	(415)	(128)	(543)
<b>Total income for the period</b>	<b>–</b>	<b>(415)</b>	<b>(128)</b>	<b>(543)</b>
Equity raisings (net of issue costs)	880	–	–	880
<b>At 30 June 2007</b>	<b>6,437</b>	<b>(1,043)</b>	<b>701</b>	<b>6,095</b>
<b>At 1 July 2005</b>	<b>5,110</b>	<b>202</b>	<b>799</b>	<b>6,111</b>
Net income for the period	–	(830)	30	(800)
<b>Total income for the period</b>	<b>–</b>	<b>(830)</b>	<b>30</b>	<b>(800)</b>
Equity raisings (net of issue costs)	10	–	–	10
Net impact of merger with ADIF	437	–	–	437
<b>At 30 June 2006</b>	<b>5,557</b>	<b>(628)</b>	<b>829</b>	<b>5,758</b>

## consolidated cash flow statement

YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>		
Net receipts from hotel business	3,934	2,953
Interest received	15	9
Distributions received	3	402
Responsible entity's fee paid	(101)	(99)
Lease rental	(2,851)	(2,653)
Other operating payments	(129)	(271)
<b>Net cash flows from operating activities</b>	<b>871</b>	<b>341</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	–	2,384
Purchase of plant and equipment	(119)	(27)
<b>Net cash flows from/(used in) investing activities</b>	<b>(119)</b>	<b>2,357</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of stapled securities	–	478
Advances from/(to) related entities	36	(2,902)
<b>Net cash flows from/(used in) financing activities</b>	<b>36</b>	<b>(2,424)</b>
Net increase in cash and cash equivalents	788	274
Cash and cash equivalents at beginning of period	1,243	969
<b>Cash and cash equivalents at end of period</b>	<b>2,031</b>	<b>1,243</b>

## notes to the concise financial statements

30 JUNE 2007

### 1. CORPORATE INFORMATION

AGPL is a member of the APG which comprises AGHL, AT, AIT and AGPL. Shares in AGHL and AGPL and units in AT and AIT and have been stapled together so that neither can be dealt with without the other. The securities trade as one security on the Australian Stock Exchange under the code ABP.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The concise financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value, interests in joint ventures which are accounted for using the equity method, and certain investments measured at net market value. The carrying values of recognised assets and liabilities that are covered by interest rate swap arrangements, are adjusted to record changes in the fair values attributable to the risks that are being covered by derivative financial instruments.

The concise financial report has been derived from the annual financial report but does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the Company as the full financial report.

It is also recommended that the annual financial report be considered together with any public announcements made by the Company during the year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The concise financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

#### STATEMENT OF COMPLIANCE

Except for the amendments of AASB 101 *Presentation of Financial Statements* and AASB 2007-4 amendments to *Australian Accounting Standards arising from ED 151 and Other Amendments*, which the Company has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2007. These are outlined in the table on the following page.

notes

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON COMPANY FINANCIAL REPORT	APPLICATION DATE FOR COMPANY*
AASB 2005-10	Amending standard issued as a consequence of AASB 7 <i>Financial Instruments: Disclosures</i> .	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Company's financial report.	1 July 2007
AASB 2007-1	Amending standard issued as a consequence of AASB Interpretation 11 AASB 2 – <i>Group and Treasury Share Transactions</i> .	1 March 2007	This is consistent with the Company's existing accounting policies for share-based payments, so the standard is not expected to have any impact on the Company's financial report.	1 July 2007
AASB 2007-3	Amending standard issued as a consequence of AASB 8 <i>Operating Segments</i> .	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. However, the standard is expected to have an impact on the Company's segment disclosures as segment information included in internal management reports is more detailed than that currently reported under AASB 114 <i>Segment Reporting</i> .	1 July 2009
AASB 2007-7	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Company's financial report.	1 July 2007
AASB 7	New standard replacing disclosure requirements of AASB 130 <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> .	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB Interpretation 10	Addresses an inconsistency between AASB 134- <i>interim Financial Reporting</i> and the impairment requirements relating to goodwill in AASB 136 <i>Impairment of Assets</i> and equity instruments classified as available for sale in AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Company's financial report.	1 July 2007



REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON COMPANY FINANCIAL REPORT	APPLICATION DATE FOR COMPANY*
AASB Interpretation 11	Addresses whether certain types of share-based payment transactions with employees (or other suppliers of goods and services) should be accounted for as equity-settled or as cash-settled transactions under AASB 2 Share-Based-Payment. It also specifies the accounting in a subsidiary's financial statements for share-based payment arrangements involving equity instruments of the parent.	1 March 2007	Refer to AASB 2007-1 above	1 July 2007

\*designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 12 will have no application to the Company.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

#### BASIS OF CONSOLIDATION

The consolidated financial statements comprise AGPL (the Parent Company) and Abacus Matson Holdings Pty Limited (the subsidiary).

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full.

The subsidiary is consolidated from the date on which control is transferred to the AGPL and cease to be consolidated from the date on which control is transferred out of the AGPL.

Where there is loss of control of the subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the AGPL has control.

Minority interests represent the interests in Abacus Matson Holdings Pty Ltd not held by the AGPL are presented separately in the income statement and within equity in the consolidated balance sheet.

### 3. SEGMENT INFORMATION

The Company operates wholly within Australia and derives income from management of a hotel in Queensland.

notes

4. REVENUE AND EXPENSES

	2007 \$'000	2006 \$'000
<b>(a) Net hotel income</b>		
Revenue	14,393	14,702
Cost of sales	(2,368)	(2,437)
<b>Total net hotel income</b>	<b>12,025</b>	<b>12,265</b>
<b>(b) Employee benefits expense</b>		
Wages and salaries	4,110	4,184
Leave provisions	347	379
Others	724	625
<b>Total employee benefits expense</b>	<b>5,181</b>	<b>5,188</b>
<b>(c) Depreciation and amortisation expense</b>		
Depreciation of plant and equipment	66	73
Amortisation of intangibles - management rights	119	119
<b>Total depreciation and amortisation expense</b>	<b>185</b>	<b>192</b>
<b>(d) Other expenses</b>		
Expenses on sale of investment properties	–	132
Management fees	101	99
Auditor's remuneration	31	16
Lease rental	4,015	2,739
Provision for diminution in value of joint venture interest	–	1,500
Other	3	25
<b>Total other expenses</b>	<b>4,150</b>	<b>4,511</b>
<b>(e) Net realised gains on investments</b>		
Sale of commercial office suites	–	142
<b>Total net realised gains on investments</b>	<b>–</b>	<b>142</b>
<b>(f) Net unrealised loss on investments</b>		
Change in fair value of property, plant and equipment	–	(280)
<b>Total net unrealised loss on investments</b>	<b>–</b>	<b>(280)</b>

## 5. CONTRIBUTED EQUITY

	NUMBER '000	VALUE \$'000
<b>(a) Issued shares</b>		
Issued shares	578,633	6,437
<b>(b) Movement in stapled securities on issue</b>		
	NUMBER '000	VALUE \$'000
<b>At 1 July 2005</b>	<b>101,479</b>	<b>5,110</b>
- institutional equity raising	200	10
- net impact of merger with ADIF	414,703	437
<b>At 30 June 2006</b>	<b>516,382</b>	<b>5,557</b>
- security purchase plan	13,842	176
- institutional equity raising	36,585	525
- distribution reinvestment plan	11,824	179
<b>At 30 June 2007</b>	<b>578,633</b>	<b>6,437</b>

Shareholders have the right to receive dividends from AGPL and, in the event of winding up of the AGPL, are entitled to participate in the proceeds from sale of all surplus assets in proportion to the number of shares held.

Shareholders can vote their shares in accordance with the Corporations Act, either in person or by proxy, at a meeting of the AGPL.

## directors' declaration

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In accordance with a resolution of the directors, we state that:

(1) in the opinion of the directors:

(a) the concise financial statements and notes, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including :

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2007.

On behalf of the Board:



JOHN THAME  
Chairman



FRANK WOLF  
Managing Director

Sydney, 12 September 2007

## independent auditor's report to the members of abacus group projects limited

The accompanying concise financial report of Abacus Group Projects Limited comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Abacus Group Projects Limited for the year ended 30 June 2007. The concise financial report also includes the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### **Directors' Responsibility for the Concise Financial Report**

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Abacus Group Projects Limited for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 30 August 2007 and was not subject to any modification. The Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

### **Independence**

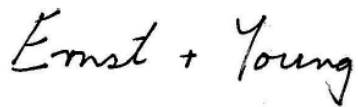
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 provided to the directors of Abacus Group Projects Limited on 30 August 2007.

independent auditor's report  
to members of abacus group projects limited

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**Auditor's Opinion**

In our opinion, the concise financial report and the directors' declaration of Abacus Group Projects Limited for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 Concise Financial Reports.

A handwritten signature in black ink that reads 'Ernst + Young'.

ERNST & YOUNG

A handwritten signature in black ink that reads 'E. Psaltis'.

ED PSALTIS  
Partner

Sydney, 12 September 2007

## corporate governance

This report sets out the Group's position relating to each of the ASX Corporate Governance Council Principles of Good Corporate Governance during the year. Additional information, including charters and policies, is available through a dedicated corporate governance information section on the Abacus website at [www.abacusproperty.com.au](http://www.abacusproperty.com.au) under 'About Abacus'.

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board has adopted a charter that sets out the responsibilities reserved by the Board, those delegated to the Managing Director and those specific to the Chairman.

### PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

#### Board size and composition

The Board is comprised of two executive directors and five non-executive directors. The majority of the Board (Messrs Thame, Bluth, Irving and Bartlett) are independent members. The board has determined that an independent director is one who is not:

- a current executive or a substantial securityholder of the Group;
- a director who has been employed in an executive capacity by the Group;
- involved in material contractual relationships with the Group; or
- a principal of a material adviser or material consultant to the Group.

Given the nature of the Group's business and current stage of development, the Board considers its current composition provides the necessary skills and experience to ensure a proper understanding of, and competence to deal with, the current and emerging issues of the business to optimise the financial performance of the Group and returns to securityholders. Details of the skills, experience and expertise of each director are set out on pages 13-14.

#### Directors' independent advice

Directors may seek independent professional advice on any matter connected with the performance of their duties. In such cases, the Group will reimburse the reasonable costs of such advice.

#### Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration committee. The Committee's charter sets its role, responsibilities and membership requirements. The members

of the committee and their attendance at meetings are provided on page 15.

The Selection and Appointment of Non-Executive Directors policy sets out the procedures followed when considering the appointment of new directors.

### PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

#### Standards of ethical behaviour

The Group's Code of Conduct promotes ethical practices and responsible decision making by directors and employees. The Code deals with confidentiality of information, protection of company assets, disclosure of potential conflicts of interest and compliance with laws and regulations.

#### Trading in Group securities

The Group policy restricts trading in Group securities by directors and employees. The policy sets out the periods in which trading in Group securities is permitted.

### PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

#### Financial report accountability

The Managing Director and the Chief Financial Officer provide a written assurance to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards.

#### Audit committee

The Audit Committee comprises two independent non-executive directors and the chairman of the Committee is not the chairman of the Board. The members of the committee and their attendance at meetings are provided on page 15.

The Audit Committee has a formal charter which sets out its specific roles and responsibilities, and composition requirements.

The procedures for the selection and appointment of the external auditor are set out in the Audit Committee Charter.

### PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Group has a policy and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements. The Managing Director is responsible for ensuring that the Group complies with its disclosure obligations.

## corporate governance

### PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITYHOLDERS

The Group aims to keep securityholders informed of significant developments and activities of the Group. The Group's website is updated regularly and includes annual and half-yearly reports, distribution history and all other announcements lodged with the ASX.

In addition, the Group publishes a newsletter from time to time which updates investors and their advisers on the current activities of the Group.

#### External auditor

The external auditor attends the annual general meetings of the Group and is available to answer securityholder questions.

### PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Audit Committee has responsibility for reviewing the Group's risk management framework. During the year a review of the risk management framework was undertaken in consultation with an external consultant. As a result of the review and the Group's growth an updated risk management plan was adopted.

The risk register is updated with any emerging risks and the responsibility for managing those risks.

The Managing Director and Chief Financial Officer confirm in writing to the Board that the financial statements present a true and fair view and that this statement is based on a sound system of financial risk management and internal compliance. The statement also confirms that these controls implement the policies adopted by the Board and that the Group's financial risk and internal compliance controls are operating efficiently and effectively in all material respects.

### PRINCIPLE 8: ENCOURAGE ENHANCED PERFORMANCE

The Nomination and Remuneration Committee is responsible for assessing the processes for evaluating the performance of the Board and key executives.

### PRINCIPLE 9: REMUNERATE FAIRLY AND RESPONSIBLY

The Group's remuneration policies including security-based payment plans and the remuneration of key management personnel are discussed in the Remuneration Report.

The members of the committee and their attendance at meetings are provided on page 15.

Non-executive directors are paid fees for their service and do not participate in other benefits which may be offered other than those which are statutory requirements.

### PRINCIPLE 10: RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

The Code of Conduct discussed under Principle 3 guides compliance with legal and ethical responsibilities and also sets a standard for employees and directors dealing with the Group's obligations to external stakeholders.



## asx additional information

Abacus Property Group is made up of the Abacus Trust, Abacus Income Trust, Abacus Group Holdings Limited and Abacus Group Projects Limited. The responsible entity of the Abacus Trust and Abacus Income Trust is Abacus Funds Management Limited. Unless specified otherwise, the following information is current as at 31 August 2007.

Number of holders of ordinary fully paid stapled securities	8,298
Voting rights attached to ordinary fully paid stapled securities	one vote per stapled security
Number of holders holding less than a marketable parcel of ordinary fully paid stapled securities	78
Secretary, Abacus Funds Management Limited	
Secretary, Abacus Group Holdings Limited	Ellis Varejes
Secretary, Abacus Group Projects Limited	

### Registered office

Abacus Funds Management Limited	Level 34, Australia Square 264-278 George Street
Abacus Group Holdings Limited	Sydney NSW 2000
Abacus Group Projects Limited	612 9253 8600

### Registry

Computershare Investor Services Pty Ltd  
GPO Box 7045  
Sydney NSW 1115  
1300 855 080

Other stock exchanges on which Abacus Property Group securities are quoted none

Number and class of restricted securities or securities subject to voluntary escrow that are on issue none

There is no current on-market buy-back

### SUBSTANTIAL SECURITYHOLDER NOTIFICATIONS (CURRENT AS AT 14 SEPTEMBER 2007)

SECURITYHOLDERS	NUMBER OF SECURITIES
UBS Nominees Pty Limited	43,874,239
Deutsche Bank Group	36,650,881
Babcock & Brown Group	23,537,211
ING Australia Holdings Limited	35,696,384
Australia and New Zealand Banking Group Limited	35,750,736

### SECURITIES REGISTER

NUMBER OF SECURITIES	NUMBER OF SECURITYHOLDERS
1-1000	244
1,001-5,000	729
5,001-10,000	1,615
10,001-100,000	5,487
100,001 – over	223

asx additional information

TOP 20 LARGEST SECURITYHOLDINGS

SECURITYHOLDERS	NUMBER OF SECURITIES	% OF ISSUED SECURITIES
1 National Nominees Limited	80,706,845	12.72
2 HSBC Custody Nominees (Australia) Limited	67,904,104	10.70
3 J P Morgan Nominees Australia Limited	67,587,188	10.65
4 ANZ Nominees Limited <Cash Income A/C>	34,922,392	5.50
5 ANZ Nominees Limited <Income Reinvest Plan A/C>	20,325,425	3.20
6 RBC Dexia Investor Services Australia Nominees Pty Ltd <APN A/C>	18,116,372	2.86
7 Australian Executor Trustees Limited <No 1 Account>	17,233,170	2.72
8 Suncorp Custodian Services Pty Limited	15,757,831	2.48
9 Cogent Nominees Pty Limited	13,238,904	2.09
10 RBC Dexia Investor Services Australia Nominees Pty Ltd <MLCI A/C>	12,810,920	2.02
11 Citicorp Nominees Pty Limited	11,164,624	1.76
12 Citicorp Nominees Pty Limited <CFS Wsle Property Secs A/C>	9,861,040	1.55
13 Avanteos Investments Limited <FSP Super Fund A/C>	9,121,088	1.44
14 Citicorp Nominees Pty Limited <CFSIL Cwlth Property 6 A/C>	6,834,482	1.08
15 Netwealth Investments Limited	5,699,008	0.90
16 Avanteos Investments Limited <FSP IDPS A/C>	3,268,562	0.52
17 Avanteos Investments Limited <Avanteos Super Fund No 2 A/C>	3,168,388	0.50
18 Pluteus (No. 164) Pty Limited	2,734,146	0.43
19 RBC Dexia Investor Services Australia Nominees Pty Ltd <BKCUST A/C>	2,647,060	0.42
20 Multiplex Funds Management Limited	2,359,592	0.37



## Abacus Property Group

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