abacus property group

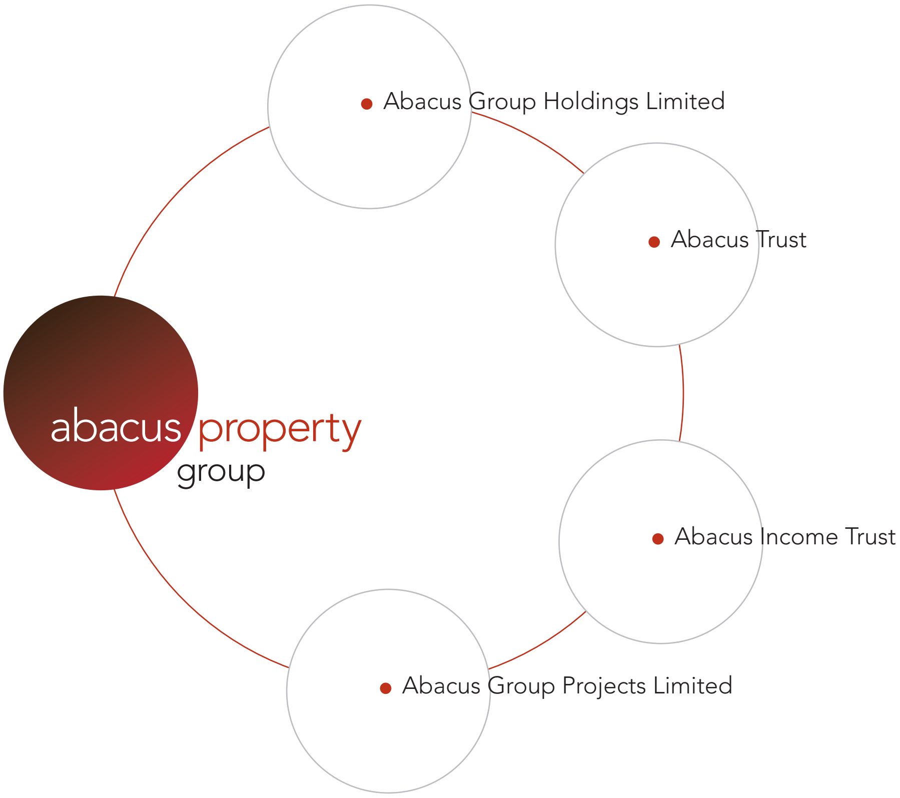
annual financial report 2008

Abacus Property Group

At 30 June 2008, the Abacus Property Group (APG) comprised the Abacus Trust (AT), the Abacus Income Trust (AIT), Abacus Group Holdings Limited (AHL) 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.



Contents

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

Responsible Entity
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Fax: (02) 9253 8616
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Directors of Abacus Group Holdings Limited and the Responsible Entity
John Thame, Chairman
Frank Wolf, Managing Director
William Bartlett
David Bastian
Dennis Bluth
Malcolm Irving
Len Lloyd

Company Secretary
Ellis Varejes

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

Auditor
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Ernst & Young Centre
680 George Street
SYDNEY NSW 2000

Compliance Plan Auditor
Ernst & Young
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680 George Street
SYDNEY NSW 2000

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The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. It is recommended that this Concise Annual Financial Report should be read in conjunction with the Concise Annual Financial Reports of Abacus Trust, Abacus Income Trust and Abacus Group Projects Limited for the year ended 30 June 2008. 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 2008

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

Abacus Group Holdings Limited (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 Abacus Property Group for the year ended 30 June 2008 comprises the consolidated financial reports of Abacus Group Holdings Limited and its controlled entities, Abacus Trust and its controlled entities, Abacus Group Projects Limited and its controlled entity and Abacus Income Trust and its controlled entities.

DIRECTORS

The Directors of Abacus Group Holdings Limited 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
William Bartlett	Non-executive Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

PRINCIPAL ACTIVITIES

The Group operates predominantly in Australia and its principal activities during the course sof the year ended 30 June 2008 included:

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

CORPORATE STRUCTURE

The Group is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects 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 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 $71.5 million for the year ended 30 June 2008 (June 2007: $118.8 million).

The Group earned a net 'normalised' profit attributable to members (excluding net property, investments, derivative and employee entitlement fair value revaluations) of $92 million (June 2007: $79.8 million).

DISTRIBUTIONS

Group distributions in respect of the year ended 30 June 2008 were $85 million (June 2007: $68.8 million), which is equivalent to 13.5 cents per stapled security (June 2007: 12.5 cents) paid and payable as follows:

	CENTS	$'000
Interim distribution paid 8 November 2007	3.25	20,225
Interim distribution paid 7 February 2008	3.25	20,466
Interim distribution paid 8 May 2008	3.50	22,109
Final distribution paid 7 August 2008	3.50	22,183
Total	**13.50**	**84,983**

REVIEW OF OPERATIONS

APG's normalised earnings grew by 15.3%, reflecting the Group's robust growth in core business income and activity. Normalised earnings per stapled security of 14.7 cents exceeded distributions per stapled security of 13.5 cents (inclusive of the 8% year on year growth in distributions). Revenue and net profit decreased due principally to the impact of $15.6 million in net property devaluations in the year ended 30 June 2008 compared to $33.3 million in net property revaluations for the year ended 30 June 2007.

	30 JUNE 2008 $'000	30 JUNE 2007 $'000	% CHANGE
Total income*	138,423	181,804	(23.9)
Pre-tax profit	69,392	124,923	(44.5)
Net profit after tax	72,426	120,402	(39.8)
Net profit attributable to security holders	71,460	118,811	(39.9)
Earnings per security (cents)	11.42	21.48	(46.8)
'Normalised earnings' per security (cents)**	14.70	14.43	2
Distributions per security (cents)	13.50	12.50	8

* Total revenue plus realised gains on sale of investments plus unrealised revaluation gains/(losses) on properties/investments

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

Net property devaluations did not have a material impact on APG's financial condition which remains robust.

	30 JUNE 2008	30 JUNE 2007	% CHANGE
Normalised earnings ($'000)	92,002	79,809	15.3
Total assets ($ million)	1,647	1,269	29.8
Gearing (%)	37.5	30.0	25.0
Net assets ($ million)	925	803.2	15.2
Net tangible assets ($ million)	883.9	762.2	16.0
NTA per security ($)	1.37	1.32	3.8
Retained earnings ($ million)	134.8	148.4	(9.2)
Securities on issue (million)	645.6	578.6	11.6
Weighted average securities on issue (million)	625.9	553.2	13.1

directors' report

30 JUNE 2008

REVIEW OF OPERATIONS/CONTINUED

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

Property

Total investment property assets at 30 June 2008 were $1,090 million (30 June 2007: $834 million). During the year the Group acquired 28 properties for approximately $327 million across a diverse range of sectors including commercial, retail, industrial and self storage.

Gains from the sale of four properties and strata suites increased Property's contribution to the full year operating profit by $9.4 million (2007: $13.3 million).

Rental income increased from $58 million in 2007 to $68 million due to a net increase in the property portfolio and net rental increases.

Funds Management

Gross assets under management (including APG assets) grew to $2.4 billion at 30 June 2008 (June 2007: $2.0 billion).

In July 2007 the $190 million Abacus Diversified Income Fund II was launched to retail investors. The fund is an open-ended property fund investing in a diversified portfolio of investment properties and other property-based assets and since the fund's establishment it has acquired an additional five properties for $48.9 million and sold one property with gross assets now approximating $219.1 million.

Two new Special Opportunity Funds were launched during the year including the Abacus Jigsaw Trust that invests in the Jigsaw child care centres and the Abacus Fern Bay Fund that invests in a retiree home park north of Newcastle in NSW.

During the year the following unlisted special opportunity funds were realised: Abacus Portfolio Services, Abacus Mariners Cove Equity Trust and Abacus Crows Nest Property Trust. The combined performance fees paid to Abacus upon realisation of these funds totalled $6.4 million and investors received an average return of 16.9%.

The Abacus Hospitality Fund released a new offer document in April increasing the unit price from $1.00 to $1.03 and increasing the annual distribution from 8.0 to 8.25 cents. The number of assets owned by the fund has increased from four to eight, with gross assets now totalling $340.4 million. The fund is now one of the top 10 hotel investors in Australia.

Funds management remained a material contributor to APG's results with fees and other income totalling $43.8 million (30 June 2007: $38.2 million)

Property Finance

Total property finance assets including accrued interest (and net of provisions) at 30 June 2008 were $144.7 million (30 June 2007: $120.5 million).

Revenue earned from interest and fees (net of provisions) totalled $13.2 million for the year (30 June 2007: $14.2 million).

Joint ventures and Developments

Investments managed within the Joint Ventures and Developments division comprise direct and indirect property investments and at 30 June 2008 totalled $77.3 million (30 June 2007: $70.2 million).

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

During the year, the Group established Abacus Sanctuary Residences Pty Limited, a joint venture with Sanctuary Residences (Australia) Pty Limited, a specialist retirement living operator. This joint venture will own and develop specialist retirement living projects.

The Colemans Road project was settled in June 2008 and contributed $3.75 million in profit to the Group.

Revenue in the form of equity accounted income, distributions and net fair value revaluations of listed securities and options contributed $3.8 million to the operating profit (30 June 2007: $4 million).

REVIEW OF FINANCIAL CONDITION

During the year ended 30 June 2008, the contributed equity of the Group increased by $123.1 million to $771.5 million compared to $648.4 million at 30 June 2007. Total equity increased by $121.8 million to $925 million at 30 June 2008 compared to $803.2 million at 30 June 2007 due principally to a $100 million capital raising on 25 July 2007.

Net tangible assets per security increased 3.7% to $1.37 at 30 June 2008 compared to $1.32 at 30 June 2007.

At 30 June 2008, existing bank loan facilities totalled approximately $755 million, of which $579 million was drawn. The weighted average maturity of its secured, non-recourse bank debt is 2.7 years. The Group manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June 2008, 75.4% (2007: 71%) of total debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 7.4% (2007: 7.03%) and an average term to maturity of 5.07 years (2007: 5.02 years).

The Group's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets less cash assets) was 37.5% at 30 June 2008 compared to 30.0% at 30 June 2007.

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) decreased $13.6 million to $134.8 million at 30 June 2008 compared to $148.4 million at 30 June 2007; and
- Total equity increased by 15.2% from $803.2 million to $925 million at 30 June 2008 reflecting the additional capital raised and net movements in retained earnings, increased distributions and net negative property revaluations during the year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed already in this report, 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 Group's operations in future financial periods, the results of those operations or the Group's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the Directors, disclosure of any further information on future developments and results than is already disclosed in this report or the financial statements would be unreasonably prejudicial to the interests 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. 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 parent 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 secretary of the parent and the Group.

DETAILS OF KEY MANAGEMENT PERSONNEL (INCLUDING THE FIVE HIGHEST PAID EXECUTIVES OF THE COMPANY AND THE GROUP).

i. Directors

J. Thame	Chairman (Non-executive)
F. Wolf	Managing Director
W. Bartlett	Director (Non-executive)
D. Bastian	Director (Non-executive)
D. Bluth	Director (Non-executive)
M. Irving	Director (Non-executive)
L. Lloyd	Executive Director

ii. Executives

R. de Aboitiz	Chief Financial Officer
T. Hardwick	Director Funds Management
J. L'Estrange	General Manager Property Finance
P. Strain	Director Property
E. Varejes	Chief Operating Officer and Company Secretary

REMUNERATION AND NOMINATION COMMITTEE

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

The Remuneration and 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.

directors' report

30 JUNE 2008

REMUNERATION POLICY

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.

The Group's policy is commensurate with our competitors and is critical to achieving the Group's overall objective of producing superior performance and growth. The Group's policy is designed to reward individual performance and closely align the interests of the Board and executives to those of shareholders through the use of short-term and long-term incentives. 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 the Group's performance and the creations of 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.

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 2007 when securityholders approved an aggregate remuneration limit of $600,000 per year.

The aggregate remuneration limit 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 groups 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	Member	$10,000
Remuneration	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 2008 and 30 June 2007 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 negotiated 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. 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 security holders 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 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 A-REIT. This peer group reflects the Group's competitors for capital transactions and talent.

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

directors' report

30 JUNE 2008

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. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package. Adherence to this policy is monitored on an annual basis.

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 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.

No loans were provided under the ESLP during the year (2007: $20,000,000 to twelve executives).

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%.

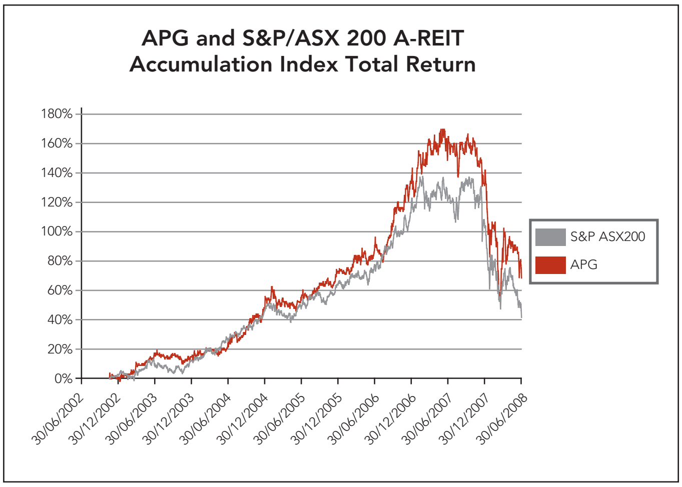
This loan is repayable on the same basis as applies under the ESLP.

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 2004	30 JUNE 2005	30 JUNE 2006	30 JUNE 2007	30 JUNE 2008
Closing share price	$1.17	$1.36	$1.57	$1.98	$1.15
Distributions paid and proposed (cents)	11.23	11.40	11.80	12.50	13.50
Normalised earnings per security (cents)	12.84	12.42	12.92	14.43	14.70
Net tangible assets per security	$1.00	$1.09	$1.22	$1.32	$1.37

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.

directors' report

30 JUNE 2008

TABLE 1: REMUNERATION OF KEY MANAGEMENT PERSONNEL

2008	SHORT-TERM			POST EMPLOYMENT		SECURITY-BASED PAYMENT	TOTAL	% PERFORMANCE RELATED
	SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION	ACCRUED LEAVE ENTITLEMENT	OPTIONS		
Non-executive directors								
J Thame – Chairman	146,871	–	–	13,129	–	–	160,000	–
W Bartlett	46,069	–	–	21,431	–	–	67,500	–
D Bastian	–	–	–	84,800	–	–	84,800	–
D Bluth	–	–	–	79,800	–	–	79,800	–
M Irving	80,000	–	–	–	–	–	80,000	–
Sub-total non-executive directors	**272,940**	**–**	**–**	**199,160**	**–**	**–**	**472,100**	**–**
Executive directors								
F Wolf – Managing Director	1,100,000	650,000	–	100,000	–	311,859	2,161,859	44%
L Lloyd – Managing Director, Property Services	220,000	150,000	–	100,000	–	98,558	568,558	44%
Other key management personnel								
R de Aboitiz – Chief Financial Officer	436,871	150,000	–	13,129	–	48,558	648,558	31%
T Hardwick – Director Funds Management	436,871	150,000	–	13,129	–	98,558	698,558	36%
J L'Estrange – General Manager Property Finance	386,871	150,000	–	13,129	–	98,558	648,558	38%
P Strain – Director Property*	252,189	150,000		47,811	–	81,891	531,891	44%
E Varejes – Chief Operating Officer	382,500	150,000	–	67,500	–	98,558	698,558	36%
Sub-total executive KMP	**3,215,302**	**1,550,000**	**–**	**354,698**	**–**	**836,540**	**5,956,540**	
Total	**3,488,242**	**1,550,000**	**–**	**553,858**	**–**	**836,540**	**6,428,640**	

* P. Strain did not meet the definition of a key management person under AASB 124 for the 2007 financial year but is a key management person for 2008.

TABLE 1: REMUNERATION OF KEY MANAGEMENT PERSONNEL (CONT.)

2007	SHORT-TERM			POST EMPLOYMENT		SECURITY-BASED PAYMENT	TOTAL	% PERFORMANCE RELATED
	SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION	ACCRUED LEAVE ENTITLEMENT	OPTIONS		
Non-executive directors								
J Thame – Chairman	73,702	–	–	86,298	–	–	160,000	–
W Bartlett[1]	25,274	–	–	–	–	–	25,274	–
D Bastian[2]	18,300	–	–	35,000	–	–	53,300	–
D Bluth	54,479	–	–	33,134	–	–	87,613	–
P Green[3]	14,788	–	–	1,462	–	–	16,250	–
M Irving	80,000	–	–	–	–	–	80,000	–
Sub-total non-executive directors	**266,543**	**–**	**–**	**155,894**	**–**	**–**	**422,437**	**–**
Executive directors								
F Wolf – Managing Director	894,887	650,000	–	105,113	–	812,304	2,462,304	59%
D Bastian[4]	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%
Other key management personnel								
R de Aboitiz – Chief Financial Officer[5]	305,382	100,000	–	10,003	–	150,524	565,909	44%
S O'Donoghue – Chief Financial Officer[6]	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 – Gen. Man. Property Finance	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%
Sub-total executive KMP	**2,490,406**	**1,325,000**	**–**	**463,729**	**295,026**	**1,945,550**	**6,519,711**	
Total KMP compensation	**2,756,949**	**1,325,000**	**–**	**619,623**	**295,026**	**1,945,550**	**6,942,148**	
Other group executives								
P Strain	217,314	150,000	–	12,686	–	183,857	563,857	59%

1 Appointed on 14/02/07
2 Appointed as non-executive director on 14/11/06
3 Resigned on 1/09/06
4 Resigned as Managing Director on 30/09/06
5 Appointed on 18/09/06
6 Resigned on 18/09/06

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:

	GRANTED		TERMS & CONDITIONS FOR EACH GRANT				
30 JUNE 2008	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT DATE ($) (NOTE 24)	EXERCISE PRICE PER OPTION ($) (NOTE 24)	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE
Executive directors							
F Wolf	2,403,846	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
L Lloyd	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
Other key management personnel							
R de Aboitiz	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
T Hardwick	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
J L'Estrange	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
P Strain	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17
E Varejes	721,154	31/08/07	0.202	2.01	30/08/17	30/09/10	30/08/17

	GRANTED		TERMS & CONDITIONS FOR EACH GRANT				
30 JUNE 2007	NO.	GRANT DATE	FAIR VALUE PER OPTION AT GRANT DATE ($) (NOTE 24)	EXERCISE PRICE PER OPTION ($) (NOTE 24)	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE
Executive directors							
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
Other key management personnel							
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
Other group executives							
P Strain	298,507	12/04/07	0.335	1.485	11/04/17	30/09/09	11/04/17

Executive Security Loan Plan
No options were issued under the Executive Security Loan Plan during the year.

The following options were issued under the Executive Security Loan Plan in the year ended 30 June 2007:

30 JUNE 2007	GRANTED NO.	GRANT DATE	TERMS & CONDITIONS FOR EACH GRANT: FAIR VALUE PER OPTION AT GRANT DATE ($) (NOTE 24)	EXERCISE PRICE PER OPTION ($) (NOTE 24)	EXPIRY DATE	FIRST EXERCISE DATE	LAST EXERCISE DATE	VESTED NO.	%
Executive directors									
F Wolf	2,881,728	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	2,881,728	100%
L Lloyd	785,925	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	785,925	100%
Other key management personnel									
R de Aboitiz	654,938	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	654,938	100%
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%
Other group executives									
P Strain	654,938	31/01/07	0.23	1.91	30/06/10	31/01/07	30/06/10	654,938	100%

TABLE 3: OPTIONS GRANTED AS PART OF REMUNERATION

	TOTAL VALUE OF OPTIONS GRANTED DURING THE YEAR	VALUE OF OPTIONS EXERCISED DURING THE YEAR	VALUE OF OPTIONS LAPSED DURING THE YEAR	REMUNERATION CONSISTING OF OPTIONS FOR THE YEAR %
F Wolf	485,577	–	–	14
L Lloyd	145,673	–	–	17
R de Aboitiz	145,673	–	–	7
T Hardwick	145,673	–	–	14
J L'Estrange	145,673	–	–	15
P Strain	145,673	–	–	15
E Varejes	145,673	–	–	14

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.

No options have been exercised.

directors' report

30 JUNE 2008

INFORMATION ON DIRECTORS AND OFFICERS

The Directors and Company Secretary of AGHL, AFML (the Responsible Entity of AT and AIT) and AGPL, 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 and 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 was Chairman (2004 to 2008) and a director (1997 to 2008) of St George Bank Limited and St George Life Limited. 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 Kingston Capital Limited (financial planning groups). 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 and 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 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.
Malcolm Irving AM, FCPA, SF Fin, BCom, Hon DLitt Non-executive Director Chairman of Audit Committee Member of Remuneration and Nomination Committee	Mr Irving has over 40 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. He was a director of Keycorp Limited (2001 to 2007). He is also a director of O'Connell Street Associates Pty Ltd and Thales Australia Limited.
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 HWL Ebsworth, Lawyers and is a member of a number of Law Society and Law Council Committees. He is also a member of the Australian Valuation and Professional Standards Board.
William J Bartlett FCA, CPA, FCMA, CA(SA) Non-executive Director Chairman of Remuneration and 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, GWA 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) and Arana Therapeutics Limited (2004 to 2007). He is also a director of the Bradman Foundation and Museum.

INFORMATION ON DIRECTORS AND OFFICERS/CONTINUED

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 September 2006. He has over 25 years' experience as a corporate lawyer in private practice.

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 the stapled securities of Abacus Property Group were as follows:

Directors	APG SECURITIES HELD	NUMBER OF OPTIONS OVER APG SECURITIES
J Thame	55,378	–
F Wolf	9,718,341*	3,747,130
W Bartlett	8,000	–
D Bluth	20,000	–
D Bastian	4,503,497	–
M Irving	35,387	–
L Lloyd	795,925*	1,168,915

* The holdings of F Wolf and L 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 Abacus Group Holdings Limited and Abacus Funds Management Limited, the manager of the Abacus Property 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	12	11	4	4			2	1		
F Wolf	12	11							17	17
W Bartlett	12	12	4	3			2	2		
D Bastian	12	12			7	7	2	2	17	17
D Bluth	12	12			7	7			17	17
M Irving	12	11	4	3			2	2		
L Lloyd	12	11								

directors' report

30 JUNE 2008

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 12,701,136 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 17.

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	–
Other assurance and compliance services	$80,600
	$80,600

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

FRANK WOLF
Managing Director

Sydney, 27 August 2008

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auditor's independence declaration

TO THE DIRECTORS OF ABACUS GROUP HOLDINGS LIMITED

In relation to our audit of the financial report of Abacus Group Holdings Limited for the year ended 30 June 2008, 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

Ernst & Young

E Psaltis

Ed Psaltis
Partner
27 August 2008

consolidated income and distribution statements

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	2007 $'000
Revenue			
Rental income		68,030	57,734
Storage-related income		6,934	–
Hotel-related income		1,472	9,272
Finance income	4a	16,442	15,372
Funds management income	4b	43,859	38,230
Share of profit from equity accounted investments		12,948	1,444
Income from distributions		1,261	1,170
Other income		1,000	840
Net realised gains on investments	4c	9,118	23,107
Net unrealised gains/(losses) on investments	4d	(22,641)	34,635
Total Revenue and Other Income		**138,423**	**181,804**
Employee benefits expense	5a	(15,223)	(11,606)
Depreciation and amortisation expense	5b	(2,104)	(5,010)
Finance costs	5c	(38,420)	(21,909)
Other expenses	5d	(13,284)	(18,356)
Profit before tax		**69,392**	**124,923**
Income tax benefit/(expense)		3,034	(4,521)
Profit after tax		**72,426**	**120,402**
Profit attributable to:			
Equity holders of the parent entity		(8,750)	629
Equity holders of other stapled entities (minority interest)			
Abacus Trust		55,490	89,122
Abacus Group Projects Limited		1,935	(415)
Abacus Income Trust		22,785	29,475
Stapled security holders		71,460	118,811
Net profit attributable to external minority interests		966	1,591
Net profit		**72,426**	**120,402**
Basic earnings per stapled security (cents)	**7**	**11.42**	**21.48**
Diluted earnings per stapled security (cents)	**7**	**11.23**	**21.33**
Basic earnings per stapled security ex fair value adjustments*	7	14.70	14.43
Diluted earnings per stapled security ex fair value adjustments*	7	14.45	14.33
STATEMENT OF DISTRIBUTION			
Net profit/(loss) attributable to securityholders		71,460	118,811
Net transfer of undistributed income from/(to) securityholders' funds		13,523	(49,957)
Distributions paid and payable	6	**84,983**	**68,854**
Distribution per stapled security (cents per security)	6	13.50	12.50
Weighted average number of securities ('000)	7	**625,857**	**553,184**

* 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

YEAR ENDED 30 JUNE 2008

		CONSOLIDATED	
	NOTES	2008 $'000	2007 $'000
Current assets			
Cash and cash equivalents		46,777	19,068
Trade and other receivables		26,154	65,322
Inventories		9,848	13,359
Investment properties	8a	3,849	12,524
Property loans and other financial assets		157,278	256,236
Other		1,905	1,806
Total current assets		**245,811**	**368,315**
Non-current assets			
Property, plant and equipment		31,839	30,553
Investment properties	8b	928,591	660,536
Property loans and other financial assets		292,746	70,945
Equity accounted investments		104,093	89,299
Deferred tax assets		1,177	4,268
Intangible assets and goodwill		41,139	40,977
Other		1,797	4,510
Total non-current assets		**1,401,382**	**901,088**
Total assets		**1,647,193**	**1,269,403**
Current liabilities			
Trade and other payables		67,973	53,948
Interest-bearing loans and borrowings		63,704	171,183
Income tax payable		–	7,139
Other		2,102	417
Total current liabilities		**133,779**	**232,687**
Non-current liabilities			
Interest-bearing loans and borrowings		580,874	222,491
Deferred tax liabilities		2,614	2,278
Other		4,927	8,742
Total non-current liabilities		**588,415**	**233,511**
Total liabilities		**722,194**	**466,198**
Net assets		**924,999**	**803,205**
Total equity		**924,999**	**803,205**

consolidated balance sheet

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Total equity attributable to members of AGHL:			
Contributed equity		31,761	24,684
Reserves		830	2,703
Retained earnings		3,671	10,532
		36,262	37,919
Internal minority interest:			
Total equity attributable to unitholders of AT:			
Contributed equity		595,512	504,561
Retained earnings		86,326	98,260
		681,838	602,821
Total equity attributable to members of AGPL:			
Contributed equity		7,259	6,240
Reserves		(483)	–
Retained earnings		619	(1,043)
		7,395	5,197
Total equity attributable to unitholders of AIT:			
Contributed equity		136,970	112,956
Retained earnings		44,226	40,615
		181,196	153,571
Total equity attributable to external minority interest:			
Contributed equity		2,544	1,321
Retained earnings		15,764	2,376
		18,308	3,697
Total equity		**924,999**	**803,205**
Equity			
Contributed equity	9	771,502	648,440
Reserves		347	2,703
Retained earnings/(accumulated losses)		134,842	148,365
Total securityholders' interest in equity		906,691	799,508
Total external minority interest		18,308	3,697
Total equity		**924,999**	**803,205**

consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2008

Consolidated	ISSUED CAPITAL $'000	ASSET REVALUATION RESERVE $'000	FOREIGN CURRENCY TRANSLATION $'000	EMPLOYEE EQUITY BENEFITS $'000	RETAINED EARNINGS $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
At 1 July 2007	**648,440**	**–**	**(165)**	**2,868**	**148,365**	**3,697**	**803,205**
Foreign currency translation	–	–	(3,394)				(3,394)
Total income and expense for the year recognised directly in equity	–	–	(3,394)	–	–	–	(3,394)
Net income for the year	–	–	–	–	71,460	966	72,426
Total income for the year	**–**	**–**	**(3,394)**	**–**	**71,460**	**966**	**69,032**
Equity raisings	107,422	–	–	–	–	–	107,422
Issue Costs	(1,976)	–	–	–	–	–	(1,976)
Distribution reinvestment plan	17,616	–	–	–	–	–	17,616
Disposal of the Matson Resort	–	–	–	–	–	(702)	(702)
Acquired retained earnings on acquisition of U-Stow-It Holdings Limited	–	–	–	–	–	14,599	14,599
Distribution to securityholders	–	–	–	–	(84,983)	(252)	(85,235)
Share based payments	–	–	–	1,038	–	–	1,038
At 30 June 2008	**771,502**	**–**	**(3,559)**	**3,906**	**134,842**	**18,308**	**924,999**
At 1 July 2006	**572,503**	**1,907**	**(229)**	**–**	**96,626**	**2,304**	**673,111**
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
Total income and expense for the year recognised directly in equity	**–**	**(1,907)**	**64**	**–**	**1,782**	**(198)**	**(259)**
Net income for the year	–	–	–	–	118,811	1,591	120,402
Total income for the year	**–**	**(1,907)**	**64**	**–**	**120,593**	**1,393**	**120,143**
Equity raisings	99,934	–	–	–	–	–	99,934
Issue costs	(1,500)						(1,500)
Treasury shares	(22,497)	–	–	–	–	–	(22,497)
Distribution to securityholders	–	–	–	–	(68,854)	–	(68,854)
Share based payments	–	–	–	2,868	–	–	2,868
At 30 June 2007	**648,440**	**–**	**(165)**	**2,868**	**148,365**	**3,697**	**803,205**

consolidated cash flow statement

YEAR ENDED 30 JUNE 2008

	CONSOLIDATED 2008 $'000	2007 $'000
Cash flows from operating activities		
Income receipts	169,152	101,918
Interest received	1,957	16,627
Distributions received	1,281	1,139
Income tax (paid)/received	(6,795)	806
Borrowing costs paid	(38,939)	(28,306)
Operating payments	(49,947)	(16,914)
Net cash flows from operating activities	**76,709**	**75,270**
Cash flows from investing activities		
Payments for investments and funds advanced	(336,703)	(333,953)
Proceeds from sale and settlement of investments and funds repaid	204,446	298,279
Advances to related entities	(66,664)	(141,458)
Disposal of property, plant and equipment	16,549	
Purchase of a controlled entity	(22,861)	–
Purchase of plant and equipment	(21,653)	(2,302)
Disposal of property, plant and equipment	4,397	23,056
Purchase of investment properties	(255,955)	(68,924)
Disposal of investment properties	57,090	134,664
Payment for other investments	(100)	(8,849)
Net cash flows from/(used in) investing activities	**(421,454)**	**(99,487)**
Cash flows from financing activities		
Proceeds from issue of stapled securities	110,711	64,197
Payment of finance costs	(4,230)	(49)
Repayment of borrowings	(230,458)	(190,801)
Proceeds from borrowings	555,962	215,906
Distributions paid	(59,045)	(66,075)
Net cash flows from/(used in) financing activities	**372,940**	**23,178**
Net increase/(decrease) in cash and cash equivalents	28,195	(1,039)
Net foreign exchange differences	(485)	–
Cash and cash equivalents at beginning of year	19,067	20,107
Cash and cash equivalents at end of year	**46,777**	**19,068**

notes to the concise financial statements

30 JUNE 2008

1. CORPORATE INFORMATION

Abacus Property Group (APG or the Group) is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects 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 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 financial report of the Group for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 27 August 2008.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) 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 Abacus Trust, Abacus Group projects Limited and Abacus Income Trust. It is also recommended that the annual financial report be considered together with any public announcements made by the Abacus Property Group during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The concise financial report has also been prepared on an 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 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.

(B) STATEMENT OF COMPLIANCE

The concise financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the IASB.

(C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Except for the amendments arising from AASB 2007-7: *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 ended 30 June 2008. These are outlined in the table below.

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 8 and AASB 2007-3	New standard replacing AASB114 Segment Reporting, which adopts a management reporting approach to segment reporting.	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 although, it may directly impact the level at which goodwill is tested for impairment. In addition, the amendments may have an impact on the Group's segment disclosures.	1 July 2008
AASB 101 and AASB 2007-8	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Group's financial report as the Group does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (revised)	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 8-3	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company account). The distinction between pre- and post- acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (i.e. share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Group enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a carry-over basis' rather than at fair value.	1 July 2009
Amendments to International Financial Reporting Standards	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASG identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-9, AASB 1004, AASB 1049, AASB 1050, AASB 1051, AASB 1052, IFRIC 15, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 4, 12, 13, 14, 129 and 1038 will have no application to the Group.

notes to the concise financial statements

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(D) 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 concise 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 transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Group has control.

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 U-Stow-It 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 predominantly operates in Australia. The Group'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 Group's primary business segments are Property, Funds Management, Property Finance and Joint Ventures and Developments. The Property division comprises the investment in and 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 provides mortgage lending and related property financing solutions. Joint Ventures and Developments is responsible for the Group's 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
Year ended 30 June 2008					
Revenue					
Revenue from external customers	81,916	43,859	13,169	11,045	149,989
Realised gains on investments	9,428	–	–	(310)	9,118
Unrealised gains/(losses) on investments	(15,656)	–	–	(6,985)	(22,641)
	75,688	43,859	13,169	3,750	136,466
Unallocated revenue					1,957
Total consolidated revenue					**138,423**
Result					
Segment result	53,964	38,204	11,553	2,134	105,855
Unallocated revenue					1,957
Profit/(loss) before tax and finance costs (EBIT)					107,812
Finance costs					(38,420)
Profit/(loss) before income tax and minority interest					69,392
Income tax benefit					3,034
Net profit for the year					**72,426**
Assets					
Segment assets	1,089,727	243,908	144,657	77,281	1,555,573
Unallocated assets[(a)]					91,620
Total assets					**1,647,193**
Liabilities					
Segment liabilities	44,024	7,890	430	10,937	63,281
Unallocated liabilities[(b)]					658,913
Total liabilities					**722,194**
Other segment information:					
Depreciation and amortisation	2,083	21	–	–	2,104
Increase in fair value of investments	(15,656)	–	–	(6,985)	(22,641)
Cash flow information					
Total – operating	24,084	19,595	18,166	14,864	76,709
Total – investing	(284,276)	(467)	(84,600)	(52,111)	(421,454)
Total – financing	189,076	–	131,115	52,749	372,940

[(a)] Unallocated assets include goodwill, cash and other assets.
[(b)] Unallocated liabilities include interest-bearing liabilities, tax liabilities and other liabilities.

notes to the concise financial statements

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Business segments	PROPERTY $'000	FUNDS MANAGEMENT $'000	PROPERTY FINANCE $'000	JOINT VENTURES & DEVELOPMENTS $'000	TOTAL $'000
Year ended 30 June 2007					
Revenue					
Revenue from external customers	67,006	38,230	14,226	2,614	122,076
Realised gains on investments	23,107	–	–	–	23,107
Unrealised gains on investments	33,270	–	–	1,365	34,635
	123,383	38,230	14,226	3,979	179,818
Unallocated revenue					1,986
Total consolidated revenue					**181,804**
Result					
Segment result	100,918	29,605	12,285	2,038	144,846
Unallocated revenue					1,986
Profit/(loss) before tax and finance costs (EBIT)					146,832
Finance costs					(21,909)
Profit/(loss) before income tax and minority interest					124,923
Income tax expense					(4,521)
Net profit for the year					**120,402**
Assets					
Segment assets	834,474	133,149	120,491	70,165	1,158,279
Unallocated assets					111,124
Total assets					**1,269,403**
Liabilities					
Segment liabilities	33,881	5,962	672	41	40,556
Unallocated liabilities					425,642
Total liabilities					**466,198**
Other segment information:					
Depreciation and amortisation	4,549	461	–	–	5,010
Increase in fair value of investments	33,270	–	–	1,365	34,635
Cash flow information					
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

4. REVENUE

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Finance income		
Interest and fee income on secured loans	19,485	13,386
Provision for doubtful debts	(5,000)	–
Bank interest	1,957	1,986
Total finance income	**16,442**	**15,372**
(b) Funds Management Income		
Asset management fees	7,541	3,253
Property management fees	847	438
Consulting and other income	12,180	5,548
Interest on loans to funds management entities	13,924	7,803
Sale of units in AHF*	–	8,672
Sale of the Rendezvous Hotel	–	12,516
Sale of units in Matson Hotel*	9,367	–
Total funds management income	**43,859**	**38,230**
(c) Net realised gains on disposal of:		
Investment properties	9,428	13,284
Units in Abacus Miller Street Trust*	–	9,823
Listed securities	(310)	–
Total net realised gains on investments	**9,118**	**23,107**
(d) Unrealised gains/(losses) on investments		
Change in fair value of investment properties	(15,656)	33,270
Change in fair value of property securities	(6,985)	1,365
Total unrealised gains on investments	**(22,641)**	**34,635**

* Sale was to new fund managed by AFML

notes to the concise financial statements

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5. EXPENSES

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
(a) Employee benefits expense		
Wages and salaries	12,726	8,465
Share based payments	1,038	2,868
Other	1,459	273
Total employee benefits expense	**15,223**	**11,606**
(b) Depreciation and amortisation expense		
Depreciation of property, plant and equipment – hotels	362	3,268
Depreciation of property, plant and equipment – other	309	429
Amortisation of intangible assets	56	119
Amortisation – other	1,377	1,194
Total depreciation and amortisation expense	**2,104**	**5,010**
(c) Finance costs		
Interest on loans	40,086	23,839
Holding costs – AHF and Rendezvous Hotel	–	4,671
Amortisation of finance costs	1,471	634
Total finance costs (on historical basis)	41,557	29,144
Unrealised gains on interest rate swaps	(3,137)	(7,235)
Total finance costs	**38,420**	**21,909**
(d) Other expenses		
Property outgoings	12,350	8,752
Custody fees	218	170
Registry maintenance costs	323	405
Rental expenses	735	420
Other administrative expenses	(342)	8,609
Total other expenses	**13,284**	**18,356**

6. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Distributions paid during the year		
Final distribution for financial year 30 June:		
3.00 cents per unit (2006: 3.00 cents)	18,419	15,491
Interim distributions paid during the year:		
September: 3.25 cents per unit (2007: 3.00 cents)	20,225	15,926
December: 3.25 cents per unit (2007: 3.00 cents)	20,466	16,013
March: 3.5 cents per unit (2007: 3.25 cents)	22,109	18,496
	81,219	**65,926**
(b) Distributions proposed and recognised as a liability		
Final distribution payable for the June quarter:		
3.5 cents per unit (2007: 3.25 cents)	**22,183**	**18,419**

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.

(c) Franking credit balance		
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% (2007: 30%)	11,244	6,329
– franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	8	15
– franking credits that will arise from the payment of income tax payable as at the end of the financial year	–	4,900
	11,252	**11,244**

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7. EARNINGS PER STAPLED SECURITY

Attributable to Stapled Security holders of the Group

The following reflects the income used in the basic and diluted earnings per stapled security computations.

	CONSOLIDATED 2008 $'000	2007 $'000
Earnings used in calculating earnings per security:		
Net profit attributable to security holders	71,460	118,811
Net profit attributable to stapled security holders excluding fair value adjustments[1]	92,002	79,810

	2008 '000	2007 '000
Weighted average number of stapled securities:		
Weighted average number of stapled securities for basic earnings per share	625,857	553,184
Effect of dilution:		
Stapled security options	10,479	3,703
Weighted average number of stapled securities adjusted for the effect of dilution	636,336	556,887

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.

[1] 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. 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 valuations 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.

				CONSOLIDATED	
Property	ACQUISITION DATE	COSTS INCL ALL ADDITIONS $'000	INDEPENDENT VALUATION DATE	2008 $'000	2007 $'000
(a) Current asset					
109 Pitt Street, Sydney, NSW(i)	22-Jun-99	3,849	30-Jun-06	3,849	12,524
(b) Non-current assets					
66 Christina Road, Villawood, NSW(iv)	28-May-02	8,213	30-Jun-08	13,241	12,426
CSIRO, Limestone Ave., Campbell, ACT(vi)	21-Jun-02	12,686	30-Jun-08	20,000	20,000
4 Ray Road, Epping, NSW(v)	30-Apr-97	27,043	30-Jun-08	52,100	54,500
Ashfield Mall, Ashfield, NSW(iv)	15-Sep-97	86,806	30-Jun-08	112,000	116,842
10-12 Pike Street, Rydalmere, NSW(vi)	1-Oct-98	14,262	30-Jun-08	22,200	22,400
Liverpool Plaza, Liverpool, NSW(iv)	16-Aug-04	32,860	31-Dec-07	42,278	37,020
Macquarie Street, Liverpool, NSW(iv)	21-Sep-05	5,451	31-Dec-07	5,500	5,503
Moore Street, Liverpool, NSW(iv)	14-Oct-05	2,265	31-Dec-07	2,300	2,297
Aspley Village Shopping Centre(iii)	15-Feb-06	16,374	1-Feb-06	–	18,607
Westpac House, Adelaide SA(iv)	5-Oct-04	54,327	30-Jun-08	69,700	68,850
Homemaker City, Moorabbin, NSW(iv)	11-Aug-06	38,690	30-Jun-08	32,050	38,690
95 and 117 Mina Parade, Alderley, QLD	14-Sep-07	20,971	16-Jul-07	22,133	–
Cnr Main Street and Bellevue Drive and 169 Varsity Parade, Varsity Lakes, QLD(vii)	17-Sep-07	24,042	30-Jun-08	22,760	–
16-18 and 17-21 Anzac Street, and 206-220 Hume Highway, Greenacre, NSW	30-Nov-07	14,037	19-Sep-07	17,063	–
1769 Hume Highway, Campbellfield(vii)	12-Nov-07	18,538	30-Jun-08	17,665	–
12-14 Butler Road, Hurstville, NSW(v)	31-May-07	18,714	30-Jun-08	17,395	18,714
27 Grant Street, Port Macquarie, NSW(vii)	26-Jun-07	16,021	30-Jun-08	14,796	16,021
8 Sylvania Way, Lisarow, NSW(vi)	23-Jul-07	10,510	30-Jun-08	9,505	–
198-206 St Johns Road, Glebe, NSW	4-Oct-07	6,501	5-Sep-07	6,671	–
144-168 National Boulevarde, Campbellfield	9-Nov-07	21,668	28-Sep-07	21,268	–
Lot 121, Orielton Road, Smeaton Grange	22-Nov-07	10,198	12-Oct-07	10,010	–
23 Norton Street, Leichhardt, NSW	22-Oct-07	9,062	30-Sep-07	8,894	–
Townsville Storage facilities	13-Sep-07	23,823	13-Sep-07	23,840	–
Rocklea Storage facilities	27-Mar-08	6,125	7-Jan-08	6,125	–

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Property	ACQUISITION DATE	COSTS INCL ALL ADDITIONS $'000	INDEPENDENT VALUATION DATE	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Salisbury Storage facilities	27-Mar-08	3,589	7-Jan-08	3,599	–
Hamilton Storage facilities	10-Sep-07	6,878	10-Sep-07	6,150	–
U-Stow-It Storage facilities	23-Nov-07	52,400	30-Jun-08	54,845	–
Allara	31-Jan-08	56,157	27-Nov-07	56,157	
8 Station Street, Wollongong, NSW[vii]	30-Jun-03	7,866	30-Jun-08	12,000	12,000
1-5 Lake Dingley, Melbourne	28-May-03	11,956	30-Jun-06	–	13,300
367 Peel Street, Tamworth, NSW[iv]	22-Feb-04	11,961	31-Dec-07	11,000	12,700
500 Princes Highway,Noble Park,VIC[ii]	27-Nov-03	19,222	30-Jun-07	–	21,000
31-33 Windorah Avenue, Stafford, QLD[v]	3-Nov-03	5,109	30-Jun-08	6,500	6,500
Lennons Plaza, 66 Queen St., QLD[v]	19-Dec-03	32,272	31-Dec-07	43,596	39,000
26 Savage Street and 681 Curtin Avenue, Pinkenba, QLD[v]	23-Jan-04	5,040	30-Jun-08	13,300	12,000
671 Gympie Rd, Chermside, QLD[vii]	17-Dec-04	4,722	30-Jun-08	6,050	5,877
9-14 Yates Street, Mawson Lakes, SA[v]	7-Jun-05	6,857	31-Dec-07	5,750	5,700
36-52 National Blvd, Campbellfield, VIC[v]	18-Jul-05	8,832	30-Jun-08	10,200	10,300
Gympie Market Place, Gympie[vii]	7-Jun-04	7,340	30-Jun-08	9,000	9,000
29-47 and 18-20 Becker St, Cobar NSW[iv]	5-Aug-04	1,174	30-Jun-07	2,000	1,950
50 Mostyn Street, Castlemaine, VIC[vii]	11-May-05	8,092	30-Jun-08	10,800	10,200
29 Queen Street, North Bundaberg, QLD[v]	18-Jul-05	15,536	30-Jun-08	15,000	15,537
93 Victoria Street, Eaglehawk, VIC[vii]	29-Sep-05	6,150	30-Jun-08	7,200	6,900
12 Docker Street, Wangaratta, QLD[vii]	31-Oct-05	2,965	30-Jun-08	3,200	3,100
Kingscote Kangaroo Island, SA[iv]	21-Dec-05	4,337	30-Jun-08	4,360	4,500
96-98 Victoria Street, St.George, QLD[ii]	18-Aug-05	3,029	30-Jun-08	3,460	3,200
293-295 Grt Eastern Highway, Midland WA[iv]	21-Jun-06	7,228	30-Jun-08	10,850	10,250
Mt View Plaza, Kirwan, QLD[i]	31-Aug-06	7,743	31-Dec-07	8,508	7,743
Mid City Plaza, Maryborough, VIC	29-Jun-07	4,802	30-Jun-08	4,400	4,802
41-49 George St., Gordonvale, QLD	4-Mar-08	2,894	4-Mar-08	2,984	–
244-256 Liverpool Road, Ashfield, NSW[iv]	26-Mar-98	8,195	31-Dec-07	7,294	6,900
Woodlands Drive, Braeside, VIC	20-Dec-06	1,007	5-Dec-06	1,013	1,007
4-8 Jacobs Street, Bankstown[vi]	2-Dec-02	5,161	31-Dec-07	5,851	5,200
20-28 Sir William Pickering Dv, Christchurch, NZ	20-Jul-07	16,647	8-Jun-07	14,474	–
106 Nelson Bay Road, Fern Bay, NSW[viii]	6-Feb-08	19,556	21-Nov-07	19,556	–
Non-current – Investment properties				**928,591**	**660,536**
Total investment properties				**932,440**	**673,060**

[i] As valued by Knight Frank Pty Limited
[ii] As valued by Colliers International Consultancy and Valuation Pty Ltd
[iii] As valued by Urbis Property Consultants
[iv] As valued by CB Richard Ellis Pty Ltd
[v] As valued by FPD Savills (NSW) Pty Limited
[vi] As valued by DTZ Australia
[vii] As valued by Landmark White
[viii] As valued by Robertson & Robertson

Notes:

(a) The value of properties not externally valued at 30 June 2008 may include 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 2008.
(c) The Abacus Income Trust owns 98.4% of the units in the Wollongong Property Trust which owns 8 Station Street, Wollongong.
(d) Property is owned by Abacus Independent Retail Proeprty Trust (AIRPT). Abacus Retail Property Trust, a wholly owned trust of Abacus Income Trust, owns 75% of the units in AIRPT.
(e) The Group acquired 58.07% interest in U-Stow-It Holdings Pty Limited in November 2007.
(f) The investment properties are used as security for secured bank debt.

RECONCILIATIONS

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

	CONSOLIDATED	
	2008 $'000	2007 $'000
Investment properties		
Carrying amount at beginning of the financial year	673,060	600,567
Additions and capital expenditure	293,582	105,890
Acquisition through business combinations	54,846	–
Net revaluation increments	(15,806)	33,270
Disposals/transfer	(73,242)	(66,667)
Carrying amount at end of the financial year	**932,440**	**673,060**

notes to the concise financial statements

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9. CONTRIBUTED EQUITY

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
(a) Issued stapled securities		
Stapled securities	793,999	670,937
– securities financed by APG under the ESLP	(22,497)	(22,497)
Total contributed equity	**771,502**	**648,440**

(b) Movement in stapled securities on issue

	CONSOLIDATED STAPLED SECURITIES NUMBER '000	CONSOLIDATED STAPLED SECURITIES VALUE $'000
At 1 July 2007	**578,633**	**648,440**
– security purchase plan	3,991	7,422
– institutional equity raising	52,632	100,000
– distribution reinvestment plan	10,348	17,616
– less transaction costs	–	(1,976)
At 30 June 2008	**645,604**	**771,502**

10. EVENTS AFTER THE BALANCE SHEET DATE

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

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

(1) in the opinion of the Directors:

 (a) the 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 2008 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 2008.

On behalf of the Board

JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

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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 2008, 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 2008. 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 Holdings Limited for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 27 August 2008 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*.

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 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst + Young

Ernst & Young

E Psaltis

Ed Psaltis
Partner
Sydney
27 August 2008

Liability limited by a scheme approved under Professional Standards Legislation.

abacus 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

Directors of Abacus Group Holdings Limited and the Responsible Entity
John Thame, Chairman
Frank Wolf, Managing Director
William Bartlett
David Bastian
Dennis Bluth
Malcolm Irving
Len Lloyd

Company Secretary
Ellis Varejes

Custodial
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

Share 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

Contents

The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. It is recommended that this Concise Annual Financial Report should be read in conjunction with the Concise Annual Financial Reports of Abacus Property Group, Abacus Income Trust and Abacus Group Projects Limited for the year ended 30 June 2008. 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 2008

The Directors of Abacus Funds Management Limited (AFML), the responsible entity of the Abacus Trust (AT or the Trust), present their report together with the consolidated financial report of Abacus Trust and the auditor's report thereon.

DIRECTORS

The Directors of AFML 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
William Bartlett	Non-executive Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

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	55,378	–
F Wolf	9,718,341*	3,747,130
W Bartlett	8,000	–
D Bluth	20,000	–
D Bastian	4,503,497	–
M Irving	35,387	–
L Lloyd	795,925*	1,168,915

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

PRINCIPAL ACTIVITIES

The Trust operates predominantly in Australia and its principal activities during the course of the year ended 30 June 2008 included:

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

TRUST STRUCTURE

The Abacus Property Group is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects Limited (AGPL) and Abacus Income Trust (AIT). 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.

AT is an Australian registered managed investment scheme. Abacus Funds Management Limited, 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 members of $54.34 million for the year ended 30 June 2008 (June 2007: $89.12 million).

The Trust earned a net 'normalised' profit attributable to members (excluding net property, investments, derivative and employee entitlement fair value revaluations) of $72.19 million (June 2007: $64.39 million).

DISTRIBUTIONS

Trust distributions in respect of the year ended 30 June 2008 were $67.42 million (June 2007: $58.56 million), which is equivalent to 10.54 cents per stapled security (June 2007: 10.61 cents) paid and payable as follows:

	CENTS	$'000
Interim distribution paid 8th November 2007	3.25	20,622
Interim distribution paid 7th February 2008	3.25	20,862
Interim distribution paid 7th May 2008	3.50	22,521
Final distribution paid 7th August 2008	0.54	3,420
Total	**10.54**	**67,425**

REVIEW OF OPERATIONS

Net devaluations in investment properties of $20.59 million reduced AT's revenues and net profit for the year ended 30 June 2008. Normalised earnings per security were essentially unchanged as was distributions per security. As per prior years normalised earnings per security exceeded distributions per security:

	30 JUNE 2008 $'000	30 JUNE 2007 $'000	% CHANGE
Total income	100,258	116,377	(13.9%)
Net profit attributable to unit holders	55,490	89,123	(37.7%)
Earnings per security (cents)	8.87	16.11	(44.9%)
'Normalised earnings' per security (cents)**	11.69	11.64	(0.4%)
Distributions per security (cents)	10.54	10.61	(0.7%)

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

AT's balance sheet grew due to a capital raising and asset acquisitions and its financial condition remained robust during the year:

	30 JUNE 2008	30 JUNE 2007	% CHANGE
Total assets ($ million)	1,219	966	26.2%
Gearing (%)	30	28	3.6%
Net assets ($ million)	682	620	10.0%
Net tangible assets ($ million)	682	620	10.0%
NTA per security ($)	1.06	1.07	(1.9%)
Retained earnings ($million)	86	98	(12.2%)
Units on issue (million)	646	579	11.6%
Weighted average units on issue (million)	636	557	14.2%

directors' report

30 JUNE 2008

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

Property

Total investment property assets at 30 June 2008 were $542 million (30 June 2007: $432million). During the year the Trust acquired 9 properties with an aggregate purchase price of more than $137 million, including 169 Varsity Parade, Varsity Lakes QLD, 95 and 117 Mina Parade, Alderly QLD, 16-18, 20-21 Anzac St and 206-220 Hume Highway, Greenacre NSW, 1769 Hume Highway, Campbellfield VIC, 8 Sylvania Way, Lisarow NSW, 198-206 St Johns Rd Glebe NSW, 23 Norton St, Leichhardt NSW, 144-168 National Boulevard, Campbellfield NSW and Lot 121 Orielton Rd, Smeaton Grange.

Revaluation of the property portfolio during the financial year reduced the Trust's assets by $21 million (2007: $20 million revaluation gain).

Rental income increased from $35 million in 2007 to $41 million for the year.

Property Finance

Total assets including accrued interest (net of provisions) at 30 June 2008 were $526 million (30 June 2007: $410.5 million).

Revenue earned from interest and fees (net of provisions) totalled $70.7 million for the year (30 June 2007: $48.7 million).

During the year ended 30 June 2008, the contributed equity of the Trust increased $75 million to $596 million compared to $521 million at 30 June 2007.

Total equity increased by $62 million to $682 million at 30 June 2008 compared to $620 million at 30 June 2007. Net tangible assets per security decreased 1.9% to $1.05 at 30 June 2008 compared to $1.07 at 30 June 2007.

At 30 June 2008, existing bank loan facilities totalled approximately $444 million, of which $339 million was drawn. The weighted average maturity of its secured, non-recourse bank debt is 2.4 years (2007: 3.5years). The Trust manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June 2008, 88% (2007: 71%) of total debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 7.44% (2007: 6.29%) and an average term to maturity of 2.33 years (2007: 3.5 years).

The Trust's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets) was 30% at 30 June 2008 compared to 28% at 30 June 2007.

UNITS ON ISSUE

At 30 June 2008, 645,604,240 units in AT were on issue (2007: 578,633,460). Units on issue increased net 66,970,780 during the year ended 30 June 2008.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

AT paid a management fee of $8.3 million and property acquisition fee of $2.6 million out of scheme property to the responsible entity for the year ended 30 June 2008 (2007: management fee of $2 million and nil property acquisition fee). In addition, AT paid property management fees to an associate of the responsible entity, Abacus Property Services Pty Limited of $0.7 million for the year ended 30 June 2008 (2007: $0.5 million).

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) decreased by $14 million to $84 million at 30 June 2008 compared to $98 million at 30 June 2007; and
- Total equity increased by 10% from $620 million to $682 million at 30 June 2008 reflecting the additional capital raised, net of movements in retained earnings and revaluations during the year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed already in this report, 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 periods, the results of those operations or the Trust's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the Directors, disclosure of any further information on future developments and results than is already disclosed in this report or the financial statements would be unreasonably prejudicial to the interests 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.

AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 44.

NON-AUDIT SERVICES

There were no non-audit services provided by the Trust's auditor, Ernst & Young.

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.

JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

ERNST & YOUNG

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auditor's independence declaration

TO THE DIRECTORS OF ABACUS FUNDS MANAGEMENT LIMITED AS THE RESPONSIBLE ENTITY FOR ABACUS TRUST

In relation to our audit of the financial report of Abacus Trust for the year ended 30 June 2008, 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

Ernst & Young

Ed Psaltis
Partner
27 August 2008

Liability limited by a scheme approved under Professional Standards Legislation.

consolidated income and distribution statements

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Revenue			
Rental income		40,695	35,366
Finance income	4(a)	71,742	49,570
Share of profit from equity accounted investments		7,415	1,462
Other income		1,000	–
Net realised gains on investments	4(b)	–	9,823
Net unrealised gains/(losses) on investments	4(c)	(20,594)	20,156
Total Revenue and Other Income		**100,258**	**116,377**
Depreciation and amortisation expense	5(a)	(998)	(1,067)
Finance costs	5(b)	(23,248)	(10,432)
Other expenses	5(c)	(20,522)	(15,755)
Net profit attributable to unitholders of Abacus Trust		**55,490**	**89,123**
Basic earnings per stapled security (cents)		**8.87**	**16.11**
Diluted earnings per stapled security (cents)		**8.72**	**16.00**
Basic earnings per stapled security ex fair value adjustments*		11.69	11.64
Diluted earnings per stapled security ex fair value adjustments*		11.50	11.56

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

STATEMENT OF DISTRIBUTION

	NOTES	2008 $'000	2007 $'000
Net profit attributable to unitholders		55,490	89,123
Net transfer of undistributed income from/(to) unitholders' funds		11,935	(30,565)
Distributions paid and payable	6	**67,425**	**58,558**
Distribution per unit (cents per unit)	6	10.54	10.61
Weighted average number of units ('000)	7	**636,336**	**556,887**

consolidated balance sheet

AS AT 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Current assets			
Cash and cash equivalents		30,914	884
Trade and other receivables		2,998	50,169
Inventories		2,728	2,728
Property loans and other financial assets		434,141	392,382
Other		637	734
Total current assets		**471,418**	**446,897**
Non-current assets			
Investment properties	8	542,093	431,870
Equity accounted investments		92,947	59,201
Property loans and other financial assets		111,434	23,245
Other		1,530	4,174
Total non-current assets		748,004	518,490
Total assets		**1,219,422**	**965,387**
Current liabilities			
Trade and other payables		134,210	76,996
Interest-bearing loans and borrowings		7,000	169,372
Total current liabilities		**141,210**	**246,368**
Non-current liabilities			
Interest-bearing loans and borrowings		379,669	99,493
Other		16,705	–
Total non-current liabilities		**396,374**	**99,493**
Total liabilities		**537,584**	**345,861**
Net assets		**681,838**	**619,526**
Equity			
Contributed equity	9(a)	595,512	521,265
Retained earnings		86,326	98,261
Total equity		**681,838**	**619,526**

consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2008

	ISSUED CAPITAL $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
At 1 July 2007	**521,265**	**98,261**	**619,526**
Net income for the year	–	55,490	55,490
Total income for the year	**–**	**55,490**	**55,490**
Equity raisings	92,952	–	92,952
Issue costs	(2,000)	–	(2,000)
Treasury units	(16,705)	–	(16,705)
Distribution to unitholders	–	(67,425)	(67,425)
At 30 June 2008	**595,512**	**86,326**	**681,838**
At 1 July 2006	**446,550**	**67,357**	**513,907**
Recognition of 30% swap revaluation in AMSHT	–	339	339
Total income and expense for the year recognised directly in equity	**–**	**339**	**339**
Net income for the year	–	89,123	89,123
Total income for the year	**–**	**89,462**	**89,462**
Equity raisings	76,215	–	76,215
Issue costs	(1,500)	–	(1,500)
Distribution to unitholders	–	(58,558)	(58,558)
At 30 June 2007	**521,265**	**98,261**	**619,526**

consolidated cash flow statement

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	2007 $'000
Cash flows from operating activities			
Income receipts		79,406	24,079
Interest received		1,047	11,728
Borrowing costs paid		(25,176)	(13,860)
Operating payments		(24,814)	(3,230)
Net cash flows from operating activities	**10**	**30,463**	**18,717**
Cash flows from investing activities			
Payments for investments and funds advanced		(134,496)	(246,648)
Proceeds from sale and settlement of investments and funds repaid		126,178	241,554
Purchase of investment properties		(127,913)	(50,492)
Net cash flows from/(used in) investing activities		**(136,231)**	**(55,586)**
Cash flows from financing activities			
Proceeds from issue of units		79,978	43,071
Payment of finance costs		(4,199)	(2,373)
Repayment of borrowings		(226,818)	(84,000)
Proceeds from borrowings		345,844	135,285
Distributions paid		(59,007)	(66,073)
Net cash flows from/(used in) financing activities		**135,798**	**25,910**
Net increase/(decrease) in cash and cash equivalents		30,030	(10,959)
Cash and cash equivalents at beginning of year		884	11,843
Cash and cash equivalents at end of year	**10**	**30,914**	**884**

notes to the concise financial statements

30 JUNE 2008

1. TRUST INFORMATION

The concise financial report of the Trust for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 27 August 2008.

AT is a registered managed investment scheme and is a component entity of the Abacus Property Group (APG) – which now comprises Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Income Trust (AIT) and Abacus Group Projects Limited (AGPL). The securities of each respective component trade as one security on the Australian Stock Exchange (the ASX) under the code ABP.

Units in AT and AIT and shares in AGHL and AGPL have been stapled together so that neither can be dealt with without the other. An APG security consists of one unit in AT, one unit in AIT, one share in AGHL and one share in AGPL. A transfer, issue or reorganisation of a unit or share in each of the other component parts is accompanied by a transfer, issue or reorganisation of a unit or share in each of the other component parts.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) 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 Trust as the full financial report.

The concise financial report should be read in conjunction with the Annual Financial Report of Abacus Property Group, Abacus Group Projects Limited and Abacus Income Trust. It is also recommended that the annual financial report be considered together with any public announcements made by the Abacus Property Group during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The concise financial report has also been prepared on an 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 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 Trust is an entity to which the class order applies.

(B) STATEMENT OF COMPLIANCE

The concise financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the IASB.

(C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Except for the amendments arising from AASB 2007-7: *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 recently been issued or amended but are not yet effective have not been adopted by the Trust for the annual reporting period ended 30 June 2008. These are outlined in the table below.

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 8 and AASB 2007-3	New standard replacing AASB114 Segment Reporting, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Trust financial statements although, it may directly impact the level at which goodwill is tested for impairment. In addition, the amendments may have an impact on the Trust's segment disclosures.	1 July 2008
AASB 101 and AASB 2007-8	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Trust financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Trust has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Trust has share-based payment arrangements that may be affected by these amendments. However, the Trust has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Trust financial report as the Trust does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (revised)	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Trust may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Trust has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 8-3	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company account). The distinction between pre- and post- acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (i.e. share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Trust enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a carry-over basis' rather than at fair value.	1 July 2009
Amendments to International Financial Reporting Standards	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASG identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Trust has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-9, AASB 1004, AASB 1049, AASB 1050, AASB 1051, AASB 1052, IFRIC 15, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 4, 12, 13, 14, 129 and 1038 will have no application to the Trust.

notes to the concise financial statements

30 JUNE 2008

(D) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AT and its subsidiaries.

The concise 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 transferred to the Trust and cease to be consolidated from the date on which control is transferred out of the Trust. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Trust has control.

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 and Property Finance. The Property division comprises the investment in and ownership of commercial, retail and industrial properties. Property Finance provides mortgage lending and related property financing solutions. Other activities include equity accounted investments.

notes to the concise financial statements

30 JUNE 2008

Business segments	PROPERTY $'000	PROPERTY FINANCE $'000	OTHER $'000	TOTAL $'000
Year ended 30 June 2008				
Revenue				
Revenue from external customers	41,695	70,695	7,415	119,805
Unrealised gains/(losses) on investments	(20,594)	–	–	(20,594)
	21,101	70,695	7,415	99,211
Unallocated revenue				1,047
Total consolidated revenue				**100,258**
Result				
Segment result	10,235	60,578	6,878	77,691
Unallocated revenue				1,047
Profit/(loss) before tax and finance costs (EBIT)				78,738
Finance costs				(23,248)
Profit/(loss) before income tax				55,490
Income tax expense				–
Net profit for the year				**55,490**
Assets				
Segment assets	547,662	529,092	103,444	1,180,198
Unallocated assets				39,224
Total assets				**1,219,422**
Liabilities				
Segment liabilities	3,483	128,516	–	131,999
Unallocated liabilities				405,585
Total liabilities				**537,584**
Other segment information:				
Depreciation and amortisation	998	–	–	998
Increase in fair value of investments	20,594	–	–	20,594
Cash flow information				
Net cash flow from operating activities	25,632	(3,362)	8,193	30,463
Net cash flow from investing activities	(129,400)	37,413	(44,244)	(136,231)
Net cash flow from financing activities	49,612	81,919	4,267	135,798

[a] Unallocated assets include goodwill, cash and other assets.
[b] Unallocated liabilities include interest-bearing liabilities, tax liabilities and other liabilities.

notes to the concise financial statements

30 JUNE 2008

Business segments	PROPERTY $'000	PROPERTY FINANCE $'000	OTHER $'000	TOTAL $'000
Year ended 30 June 2007				
Revenue				
Revenue from external customers	35,366	48,712	1,462	85,540
Realised and unrealised gains on investments	29,979	–	–	29,979
Unallocated revenue				858
Total consolidated revenue				**116,377**
Result				
Segment results	64,112	33,402	1,183	98,697
Interest Income				858
Profit/(loss) before finance costs				99,555
Finance costs				(10,432)
Net profit for the year				**89,123**
Assets				
Segment assets	513,285	413,284	39,021	965,590
Total assets				**965,590**
Liabilities				
Segment liabilities	78,927	299	–	79,226
Interest bearing liabilities				266,838
Total liabilities				**346,064**
Other segment information:				
Capital expenditure	6,930	–	–	6,930
Depreciation and amortisation	1,067	–	–	1,067
Other non-cash expenses	**1,067**	**–**	**–**	**1,067**
Cashflow				
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

4. REVENUE

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Finance income		
Interest and fee income on secured loans	70,695	48,712
Bank interest	1,047	858
Total finance income	**71,742**	**49,570**
(b) Net realised gains on disposal of:		
Sale of investment properties	–	10,093
Expenses on sale of investment properties	–	(270)
Total net realised gains on investments	**–**	**9,823**
(c) Net Unrealised gains on investments		
Change in fair value of investment properties	(20,594)	20,156
Total net unrealised gains/(loss) on investments	**(20,594)**	**20,156**

5. EXPENSES

	2008 $'000	2007 $'000
(a) Depreciation and amortisation expense		
Amortisation of leasing incentives	998	1,067
Total depreciation and amortisation expense	**998**	**1,067**
(b) Finance costs		
Interest on loans	25,176	14,677
Amortisation of finance costs	970	330
Total finance costs (on historical basis)	26,146	15,007
Unrealised gains on interest rate swaps	(2,898)	(4,575)
Total finance costs	**23,248**	**10,432**
(c) Other expenses		
Property outgoings	6,849	6,871
Bad and doubtful debts	5,000	3,000
Auditor's remuneration	20	100
Custody fees	164	121
Registry maintenance costs	–	30
Other	8,489	5,633
Total other expenses	**20,522**	**15,755**

notes to the concise financial statements

30 JUNE 2008

6. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
(a) Distributions paid during the year		
Final distribution for financial year 30 June:		
1.36 cents per unit (2006: 3.00 cents)	7,844	15,491
Interim distributions paid during the year:		
September: 3.25 cents per unit (2007: 3.00 cents)	20,622	15,973
December: 3.25 cents per unit (2007: 3.00 cents)	20,862	16,059
March: 3.5 cents per unit (2007: 3.25 cents)	22,521	18,681
	71,849	**66,204**
(b) Distributions proposed and recognised as a liability		
Final distribution payable for the June quarter:		
0.54 cents per unit (2007: 1.36 cents)	**3,420**	**7,844**

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.

7. EARNINGS PER UNIT

Attributable to Unitholders of the Trust

The following reflects the income used in the basic and diluted earnings per unit computation:

	2008 $'000	2007 $'000
(a) Earnings used in calculating earnings per unit:		
Net profit attributable to unitholders	55,490	89,123
Net profit attributable to unitholders fair value adjustments[1]	73,186	64,392

[1] Fair value adjustments include property revaluations, revaluations of derivatives and other financial instruments and share based payments.

	2008 '000	2007 '000
(b) Weighted average number of units:		
Weighted average number of units for basic earnings per share	625,857	553,184
Effect of dilution:		
Stapled security options	10,479	3,703
Weighted average number of units adjusted for the effect of dilution	**636,336**	**556,887**

Options granted to employees (including key management personnel) are considered to be potential units 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.

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 valuations 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.

				CONSOLIDATED	
Property	ACQUISITION DATE	COSTS INCL ALL ADDITIONS $'000	INDEPENDENT VALUATION DATE	2008 $'000	2007 $'000
66 Christina Road, Villawood, NSW(i)	28-May-02	8,213	31-Dec-07	13,242	12,426
Properties owned by the parent entity, Abacus Trust				**13,242**	**12,426**
CSIRO, Limestone Ave., Campbell, ACT(vii)	21-Jun-02	12,686	30-Jun-08	20,000	20,000
4 Ray Road, Epping, NSW(ii)	30-Apr-97	27,043	30-Jun-08	52,100	54,500
Ashfield Mall, Ashfield, NSW(v)	15-Sep-97	86,806	30-Jun-08	112,000	116,842
10-12 Pike Street, Rydalmere, NSW(vii)	1-Oct-98	14,262	30-Jun-08	22,200	22,400
Liverpool Plaza, Liverpool, NSW(iv)	16-Aug-04	32,860	31-Dec-07	42,278	37,020
Macquarie Street, Liverpool, NSW(iii)	21-Sep-05	5,451	31-Dec-07	5,500	5,503
Moore Street, Liverpool, NSW(iii)	14-Oct-05	2,265	31-Dec-07	2,300	2,297
Aspley Village Shopping Centre(iii)	15-Feb-06	16,374	30-Jun-07	–	18,607
Westpac House, Adelaide SA(i) (50% interest)	5-Oct-04	54,328	30-Jun-08	69,700	68,850
970 Nepean Highway, Moorabbin, NSW(viii)	11-Aug-06	38,688	31-Dec-07	32,050	38,690
12-14 Butler Road, Hurstville(v)	31-May-07	18,714	30-Jun-08	17,750	18,714
27 Grant Street, Port Macquarie(viii)	26-Jun-07	16,021	30-Jun-08	15,100	16,021
8 Sylvania Way, Lisarow NSW(vii)	23-Jul-07	10,510	31-Dec-07	9,700	–
198-206 St Johns Rd, Glebe NSW	4-Oct-07	6,501	5-Sep-07	6,821	–
23 Norton St, Leichhardt NSW	22-Oct-07	9,062	30-Sep-07	9,063	–
144-168 National Boulevard, Campbellfield NSW	9-Nov-07	21,668	30-Jun-08	21,668	–
Lot 121 Orielton Rd, Smeaton Grange	22-Nov-07	10,198	12-Oct-07	10,197	–
169 Varsity Parade, Varsity Lakes QLD(viii)	17-Sep-07	24,042	30-Jun-08	23,000	–
95 and 117 Mina Parade, Alderly QLD	14-Sep-07	20,971	9-Jul-07	22,342	–
16-18, 20-21 Anzac St and 206-220 Hume Highway, Greenacre NSW	30-Nov-07	14,037	19-Sep-07	17,232	–
1769 Hume Highway, Campbellfield VIC(vii)	12-Nov-07	18,538	30-Jun-08	17,850	–
Properties owned by Abacus Trust and its controlled entities				**542,093**	**431,870**

notes to the concise financial statements

30 JUNE 2008

Notes:

[a] The aggregated value at 30 June 2008 includes capital expenditures after the last valuation date.
[i] As valued by Knight Frank Pty Limited
[ii] As valued by Colliers International Consultancy and Valuation Pty Ltd
[iii] As valued by Urbis Property Consultants
[iv] As valued by CB Richard Ellis Pty Ltd
[v] As valued by FPD Savills (NSW) Pty Limited
[vi] As valued by Jeffrey Reid Flanagan
[vii] As valued by DTZ
[viii] As valued by Landmarkwhite

RECONCILIATIONS

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

	CONSOLIDATED	
	2008 $'000	2007 $'000
Investment properties		
Carrying amount at beginning of the financial year	431,870	366,079
Additions and capital expenditure	130,817	85,635
Net revaluation increments/(decrements)	(20,594)	20,156
Disposals	–	(40,000)
Carrying amount at end of the financial year	**542,093**	**431,870**

9. CONTRIBUTED EQUITY

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
(a) Issued Units		
Issued Capital	611,936	535,690
Finance and issue costs	(16,424)	(14,425)
Total contributed equity	**595,512**	**521,265**

(b) Movement in units on issue

	CONSOLIDATED UNITS HELD NUMBER '000	VALUE $'000
At 1 July 2007	**578,633**	**521,265**
– institutional equity raising	52,632	74,453
– distribution reinvestment plan	10,348	12,973
– security purchase plan	3,991	5,526
– less transaction costs	–	(2,000)
– securities financed by APG under the ESLP	–	(16,705)
At 30 June 2008	**645,604**	**595,512**

10. EVENTS AFTER THE BALANCE SHEET DATE

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

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 2008 and of their performance for the year ended on that date; and

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

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 2008

On behalf of the Board

JOHN THAME	FRANK WOLF
Chairman	Managing Director

Sydney, 27 August 2008

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

Tel 61 2 9248 5555
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independent auditor's report

TO MEMBERS OF ABACUS TRUST

The accompanying concise financial report of Abacus Trust (the Trust) comprises the balance sheet as at 30 June 2008, 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 2008. 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 Abacus Funds Management Limited, the Responsible Entity of 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 2008. Our audit report on the financial report for the year was signed on 27 August 2008 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*.

independent auditor's report

TO MEMBERS OF ABACUS TRUST

Auditor's Opinion

In our opinion, the concise financial report and the directors' declaration of Abacus Trust for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst + Young

Ernst & Young

E Psaltis

Ed Psaltis

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

Directors of Abacus Funds Management Limited and the Responsible Entity
John Thame, Chairman
Frank Wolf, Managing Director
William Bartlett
David Bastian
Dennis Bluth
Malcolm Irving
Len Lloyd

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

Share 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

Contents

The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. It is recommended that this Concise Annual Financial Report should be read in conjunction with the Concise Annual Financial Reports of Abacus Trust and Abacus Group Projects Limited for the year ended 30 June 2008. 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 2008

The Directors of Abacus Funds Management Limited (AFML), the Responsible Entity of the Abacus Income Trust (AIT or the Trust) submit their report for the Trust for the year ended 30 June 2008 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 as follows. Directors were in office for this entire period unless otherwise stated.

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director
William Bartlett	Non-executive Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

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	55,378	–
F Wolf	9,718,341*	3,747,130
W Bartlett	8,000	–
D Bluth	20,000	–
D Bastian	4,503,497	–
M Irving	35,387	–
L Lloyd	795,925*	1,168,915

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

PRINCIPAL ACTIVITIES

The Trust operates predominantly in Australia and its principal activities during the course of the year ended 30 June 2008 included:

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

TRUST STRUCTURE

The Abacus Property Group (APG) is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects Limited (AGPL) and Abacus Income Trust (AIT). 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.

AIT is an 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 Trust earned a net profit attributable to members of $22.8 million for the year ended 30 June 2008 (June 2007: $29.5 million).

The Trust earned a net 'normalised' profit attributable to members (excluding net property, investments, derivative and employee entitlement fair value revaluations) of $19.5 million (June 2007: $14.6 million).

DISTRIBUTIONS

AIT has a distribution of $19.2 million (3.50 cents per unit) declared and provided for in respect of the quarter ended 30 June 2008. AT funded all other distributions to APG security holders for the year ended 30 June 2008.

REVIEW OF OPERATIONS

AIT's revenues, net profit and normalised earnings per unit contracted as a result of asset revaluation being $10 million less than the prior year. Distributions per unit grew strongly in the year ended 30 June 2008:

	30 JUNE 2008 $'000	30 JUNE 2007 $'000	% CHANGE
Total income*	39,580	43,928	-9.90%
Net profit attributable to unitholders	22,786	29,475	-22.69%
Earnings per unit (cents)	3.64c	5.33c	-31.71%
'Normalised earnings' per unit (cents)**	3.11c	2.64c	17.80%
Distributions per unit (cents)	3.50c	1.89c	85.19%

* Total revenue plus realised gains on sale of investments plus unrealised revaluation gains/(losses) on properties/investments

** Normalised earnings is net profit adjusted for AIFRS fair value adjustments (namely property revaluations, revaluations of derivatives and other financial instruments)

Similarly the AIT's financial condition remained comparable to the prior year:

	30 JUNE 2008	30 JUNE 2007	% CHANGE
Total assets ($ million)	354	313	13.10%
Gearing (%)	40.66%	42.94%	-5.31%
Net assets ($ million)	183	160	14.38%
Net tangible assets ($ million)	183	160	14.38%
NTA per security ($)	0.29	0.28	3.57%
Retained earnings ($million)	44	41	7.32%
Units on issue (million)	645	579	11.40%
Weighted average units on issue (million)	626	553	13.20%

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

Property

Total investment property assets at 30 June 2008 were $190 million (30 June 2007 $216 million). During the year the Trust acquired a property in Gordonvale ($3 million) and undertook capital improvements in North Bundaberg project ($2 million).

Revaluation of the property portfolio during the financial year contributed $3.5 million to the Trust's assets (2007: $13.1 million)

Gains from sale of 3 properties (Matson, Dingley and Noble Park) increased operating profit by $16.2 million (2007: $6.3 million).

Rental income decreased from $20 million (2007) to $17 million for the year due to a net reduction in the property portfolio.

directors' report

30 JUNE 2008

REVIEW OF FINANCIAL CONDITION

During the year ended 30 June 2008, the contributed equity of the Trust increased $20 million to $137 million compared to $117 million at 30 June 2007 as a result of capital raising on 25 July 2007.

Net tangible assets per unit marginally increased 3.57% to $0.29 at 30 June 2008 compared to $0.28 at 30 June 2007.

At 30 June 2008, existing bank loan facilities totalled approximately $135 million, of which $108 million was drawn. The weighted average maturity of its secured, non-recourse bank debt is 2.62 (2007: 5.02). The Trust manages interest rate exposure on debt facilities through the use of interest rate swap contracts. At 30 June 2008, 66% (2007: 53%) of total debt facilities were covered by interest rate swap arrangements at an average interest rate (including bank margin) of 7.33% (2007: 6.38%) and an average term to maturity of 2.66 years (2007: 5.00).

The Trust's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by the net of total asset and cash) was 40.66% at 30 June 2008 compared to 42.94% at 30 June 2007.

UNITS ON ISSUE

At 30 June 2008, 645,604,240 units in AIT were on issue (2007: 578,633,460).

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

The AIT paid a management fee out of scheme property to the Responsible Entity of $3.4 million for the year ended 30 June 2008 (2007: $2.2 million). In addition, AIT paid property management fees to an associate of the Responsible Entity, Abacus Property Services Pty Limited of $0.3 million (2007: $0.4 million) for the year ended 30 June 2008.

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 $3 million to $44 million at 30 June 2008 compared to $41 million at 30 June 2007; and
- total equity increased by 14.38% from $160 million to $183 million at 30 June 2008 reflecting the additional capital raised, growth in retained earnings and net positive revaluations during the year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed already in this report, 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 periods, the results of those operations or the Trust's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the Directors, disclosure of any further information on future developments and results than is already disclosed in this report or the financial statements would be unreasonably prejudicial to the interests 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 breach of any environmental requirements applicable to the Trust.

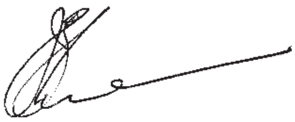
AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 68.

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.



JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

auditor's independence declaration

TO THE DIRECTORS OF ABACUS FUND MANAGEMENT LIMITED AS THE RESPONSIBLE ENTITY FOR ABACUS INCOME TRUST

In relation to our audit of the financial report of Abacus Income Trust for the year ended 30 June 2008, 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

Ernst & Young

E Psaltis

Ed Psaltis
Partner
27 August 2008

consolidated income and distribution statements

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Revenue			
Rental income		17,150	20,387
Finance income	4a	2,726	4,173
Income from distributions		–	–
Net realised gains on investments	4b	6,995	2,985
Net realised gain on property, plant and equipment	4c	9,252	3,269
Net unrealised gains on investments	4d	3,457	13,114
Total Revenue and Other Income		**39,580**	**43,928**
Depreciation and amortisation expense		(300)	(759)
Finance costs	4e	(9,613)	(7,630)
Other expenses	4f	(7,060)	(4,320)
Net profit		**22,607**	**31,219**
Attributable to:			
Minority interest		(179)	1,744
Unitholders of parent entity		22,786	29,475
		22,607	**31,219**
Basic earnings per unit (cents)		**3.64**	**5.33**
Diluted earnings per unit (cents)		**3.58**	**5.29**
Basic earnings per unit ex fair value adjustments*		3.11	2.64
Diluted earnings per unit ex fair value adjustments*		3.06	2.63

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

STATEMENT OF DISTRIBUTION

	NOTES	2008	2007
Net profit attributable to unitholders		22,786	29,475
Net transfer of undistributed income (to)/from unitholders' funds		(3,604)	(18,511)
Distributions paid and payable	5	**19,182**	**10,964**
Distribution per unit (cents)		3.50	1.89
Weighted average number of units ('000)	6	**625,857**	**553,184**

consolidated balance sheet

AS AT 30 JUNE 2008

		CONSOLIDATED	
	NOTES	2008 $'000	2007 $'000
Current assets			
Cash and cash equivalents		3,453	4,208
Trade and other receivables		114,208	46,516
Property loans and other financial assets		43,280	27,273
Other		584	641
Total current assets		**161,525**	**78,638**
Non-current assets			
Property, plant and equipment		–	15,991
Investment properties	7	190,158	215,558
Property loans and other financial assets		2,019	2,825
Other		252	307
Total non-current assets		**192,429**	**234,681**
Total assets		**353,954**	**313,319**
Current liabilities			
Trade and other payables		24,715	16,302
Interest-bearing loans and borrowings		4,987	32,171
Total current liabilities		**29,702**	**48,473**
Non-current liabilities			
Interest-bearing loans and borrowings		140,963	104,756
Total non-current liabilities		140,963	104,756
Total liabilities		**170,665**	**153,229**
Net assets		**183,289**	**160,090**
Equity			
Contributed equity	8a	136,970	117,196
Retained earnings		44,219	40,615
Total unitholders' interest in equity		181,189	157,811
Total external minority interest		2,100	2,279
Total equity		**183,289**	**160,090**

consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2008

	ISSUED CAPITAL $'000	ASSET REVALUATION RESERVE $'000	RETAINED EARNINGS $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
At 1 July 2007	**117,196**	**–**	**40,615**	**2,279**	**160,090**
Net income for the year	–	–	22,786	(179)	22,607
Total income for the year	**–**	**–**	**22,786**	**(179)**	**22,607**
Equity raisings	23,904	–	–	–	23,904
Issue costs	110				110
Treasury units	(4,240)	–	–	–	(4,240)
Distribution to securityholders	–	–	(19,182)	–	(19,182)
At 30 June 2008	**136,970**	**–**	**44,219**	**2,100**	**183,289**
At 1 July 2006	**99,672**	**1,907**	**20,196**	**535**	**122,310**
Sale of property, plant and equipment	–	(1,907)	1,907	–	–
Total income and expense for the year recognised directly in equity	–	(1,907)	1,907	–	–
Net income for the year	–	–	29,475	1,744	31,219
Total income for the year	**–**	**(1,907)**	**31,382**	**1,744**	**31,219**
Equity raisings	17,524	–	–	–	17,524
Distribution to securityholders	–	–	(10,963)	–	(10,963)
At 30 June 2007	**117,196**	**–**	**40,615**	**2,279**	**160,090**

consolidated cash flow statement

YEAR ENDED 30 JUNE 2008

	CONSOLIDATED 2008 $'000	2007 $'000
Cash flows from operating activities		
Income receipts	17,918	18,027
Interest received	233	4,042
Borrowing costs paid	(6,916)	(8,321)
Operating payments	(10,509)	(2,405)
Net cash flows from operating activities	**726**	**11,343**
Cash flows from investing activities		
Payments for investments and funds advanced	(13,807)	(7,134)
Proceeds from sale and settlement of investments and funds repaid	–	11,000
Advances to related entities	(62,366)	(43,329)
Disposal of property, plant and equipment	16,549	17,735
Purchase of investment properties	(5,512)	(19,113)
Disposal of investment properties	43,050	23,575
Payment for other investments	(4)	3
Net cash flows from/(used in) investing activities	**(22,090)**	**(17,263)**
Cash flows from financing activities		
Proceeds from issue of units	23,905	17,524
Payment of finance costs	–	(432)
Repayment of borrowings	(1,742)	(35,245)
Proceeds from borrowings	9,410	26,935
Distributions paid	(10,964)	(2)
Net cash flows from/(used in) financing activities	**20,609**	**8,780**
Net increase/(decrease) in cash and cash equivalents	(755)	2,860
Cash and cash equivalents at beginning of year	4,208	1,348
Cash and cash equivalents at end of year	**3,453**	**4,208**

notes to the concise financial statements

30 JUNE 2008

1. TRUST INFORMATION

AIT is a registered managed investment scheme and is a component entity of the Abacus Property Group (APG) – which comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) 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 Abacus Trust and Abacus Group Projects Limited. It is also recommended that the annual financial report be considered together with any public announcements made by the Abacus Property Group during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The concise financial report has also been prepared on an 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 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.

(B) STATEMENT OF COMPLIANCE

The concise financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the IASB.

(C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Except for the amendments arising from AASB 2007-7: *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 recently been issued or amended but are not yet effective have not been adopted by the Trust for the annual reporting period ended 30 June 2008. These are outlined in the table below.

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON TRUST FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 8 and AASB 2007-3	New standard replacing AASB114 Segment Reporting, which adopts a management reporting approach to segment reporting.	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 although, it may directly impact the level at which goodwill is tested for impairment. In addition, the amendments may have an impact on the Trust's segment disclosures.	1 July 2008
AASB 101 and AASB 2007-8	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Trust's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Trust has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Trust has share-based payment arrangements that may be affected by these amendments. However, the Trust has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Trust's financial report as the Trust does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (revised)	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Trust may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Trust has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON TRUST FINANCIAL REPORT	APPLICATION DATE FOR TRUST*
AASB 8-3	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company account). The distinction between pre- and post- acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (i.e. share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Trust enters into any trust reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a carry-over basis' rather than at fair value.	1 July 2009
Amendments to International Financial Reporting Standards	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASG identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Trust has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-9, AASB 1004, AASB 1049, AASB 1050, AASB 1051, AASB 1052, IFRIC 15, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 4, 12, 13, 14, 129 and 1038 will have no application to the Trust.

notes to the concise financial statements

30 JUNE 2008

(D) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AIT and its subsidiaries.

The concise 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 transferred to the Trust and cease to be consolidated from the date on which control is transferred out of the Trust. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Trust has control.

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 investment in and ownership of commercial, retail and industrial properties. Property Finance provides mortgage lending and related property financing solutions.

Business segments	PROPERTY $'000	PROPERTY FINANCE $'000	TOTAL $'000
Year ended 30 June 2008			
Revenue			
Revenue from external customers	17,150	2,726	19,876
Realised gains on investments	16,247	–	16,247
Unrealised gains on investments	3,457	–	3,457
Total consolidated revenue	**36,854**	**2,726**	**39,580**
Result			
Segment result	29,494	2,726	32,220
Finance costs			(9,613)
Net profit for the year			**22,607**
Assets			
Segment assets	310,674	43,280	353,954
Liabilities			
Segment liabilities	127,385	43,280	170,665
Other segment information:			
Depreciation and amortisation	300	–	300
Increase in fair value of investments	3,457	–	3,457
Cash flow information			
Net cash flow from operating activities	493	233	726
Net cash flow from investing activities	(8,283)	(13,807)	(22,090)
Net cash flow from financing activities	20,609	–	20,609

notes to the concise financial statements

30 JUNE 2008

Business segments	PROPERTY $'000	PROPERTY FINANCE $'000	TOTAL $'000
Year ended 30 June 2007			
Revenue			
Revenue from external customers	20,387	4,173	24,560
Realised gains on investments	6,254	–	6,254
Unrealised gains on investments	13,114	–	13,114
Total consolidated revenue	**39,755**	**4,173**	**43,928**
Result			
Segment result	35,738	3,111	38,849
Finance costs			(7,630)
Net profit for the year			**31,219**
Assets			
Segment assets	283,221	30,098	313,319
Liabilities			
Segment liabilities	123,131	30,098	153,229
Other segment information:			
Depreciation and amortisation	759	–	759
Increase in fair value of investments	13,114	–	13,114
Cash flow information			
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

4. REVENUE AND EXPENSES

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Finance income		
Interest and fee income on secured loans	2,493	3,905
Bank interest	233	268
Total finance income	**2,726**	**4,173**
(b) Net realised gains on investments		
Investment properties	43,050	23,600
Expenses on sale of investment properties	(36,055)	(20,615)
Total net realised gains on investments	**6,995**	**2,985**
(c) Net realised gains on property, plant and equipment		
Sale of property, plant and equipment	16,549	18,148
Expenses on sale of property, plant and equipment	(7,297)	(14,879)
Total net realised gains on property plant and equipment	**9,252**	**3,269**
(d) Net unrealised gains on investments		
Change in fair value of investment properties	3,457	13,114
Total net unrealised gains on investments	**3,457**	**13,114**
(e) Finance costs		
Interest on loans	9,121	9,285
Amortisation of finance costs	329	77
Total finance costs (on historical basis)	9,450	9,362
Unrealised (gains)/losses on interest rate swaps	163	(1,732)
Total finance costs	**9,613**	**7,630**
(f) Other expenses		
Property outgoings	3,248	1,841
Audit fees	32	118
Custody fees	49	43
Management fees	3,396	2,204
Other administrative expenses	335	114
Total other expenses	**7,060**	**4,320**

notes to the concise financial statements

30 JUNE 2008

5. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Distributions paid during the year		
Final distribution for financial year 30 June:		
3.00 cents per unit (2006: nil)	–	10,963
	–	**10,963**
(b) Distributions proposed and recognised as a liability		
Final distribution payable for the June quarter:		
3.5 cents per unit (2007: 3.25 cents)	**19,182**	**10,963**

6. EARNINGS PER UNIT

The following reflects the income used in the basic and diluted earnings per unit computations:

Earnings used in calculating earnings per unit:		
Net profit attributable to unitholders	22,786	29,475
Net profit attributable to unitholders excluding fair value adjustments[1]	19,492	14,628

	2008 '000	2007 '000
Weighted average number of units:		
Weighted average number of units for basic earnings per unit	625,857	553,184
Effect of dilution:		
Options	10,479	3,703
Weighted average number of units adjusted for the effect of dilution	**636,336**	**556,887**

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.

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

7. 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 valuations 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.

				CONSOLIDATED	
Property	ACQUISITION DATE	COSTS INCL ALL ADDITIONS $'000	INDEPENDENT VALUATION DATE	2008 $'000	2007 $'000
8 Station Street, Wollongong, NSW[iv]	30-Jun-03	7,866	30-Jun-08	12,000	12,000
1-5 Lake Dingley, Melbourne,VIC	28-May-03	11,956	30-Jun-06	–	13,300
367 Peel Street, Tamworth, NSW[i]	22-Feb-04	11,961	30-Jun-08	11,000	12,700
500 Princes Highway,Noble Park,VIC	27-Nov-03	19,222	30-Jun-07	–	21,000
31-33 Windorah Avenue, Stafford, QLD[ii]	3-Nov-03	5,109	30-Jun-08	6,500	6,500
Lennons Plaza, 66 Queen St., QLD[iii]	19-Dec-03	32,272	31-Dec-07	43,596	39,000
26 Savage Street and 681 Curtin Avenue, Pinkenba, QLD[ii]	23-Jan-04	5,040	30-Jun-08	13,300	12,000
671 Gympie Rd, Chermside, QLD[iv]	17-Dec-04	4,722	30-Jun-08	6,050	5,877
9-14 Yates Street, Mawson Lakes, SA[ii]	7-Jun-05	6,857	31-Dec-07	5,750	5,700
36-52 National Blvd, Campbellfield, VIC[ii]	18-Jul-05	8,832	30-Jun-08	10,200	10,300
Gympie Market Place, Gympie, QLD[iv]	7-Jun-04	7,340	30-Jun-08	9,000	9,000
29-33 Marshall St, Cobar NSW[iv]	5-Aug-04	1,713	30-Jun-08	2,000	1,950
50 Mostyn Street, Castlemaine, VIC[iv]	11-May-05	8,092	30-Jun-08	10,800	10,200
29 Queen Street, North Bundaberg, QLD[ii]	18-Jul-05	15,536	30-Jun-08	15,000	15,536
93 Victoria Street, Eaglehawk, VIC[iv]	29-Sep-05	6,150	30-Jun-08	7,200	6,900
12 Docker Street, Wangaratta, QLD[vi]	31-Oct-05	2,965	30-Jun-08	3,200	3,100
Kingscote Kangaroo Island, SA[iv]	21-Dec-05	4,337	30-Jun-08	4,360	4,500
96-98 Victoria Street, St.George, QLD[ii]	18-Aug-05	3,030	30-Jun-08	3,460	3,200
293-295 Grt Eastern Highway, Midland WA[iii]	21-Jun-06	7,228	30-Jun-08	10,850	10,250
Mt View Plaza, Kirwan, QLD[v]	31-Aug-06	7,743	31-Dec-07	8,508	7,743
Mid City Plaza, Maryborough, VIC°[iv]	29-Jun-07	4,802	30-Jun-08	4,400	4,802
41-49 George St, Gordonvale, QLD	4-Mar-08	2,984	4-Mar-08	2,984	–
Properties owned by AIT and its controlled entities				**190,158**	**215,558**

(i) As valued by CB Richard Ellis Pty Ltd
(ii) As valued by FPD Savills (NSW) Pty Limited
(iii) As valued by DTZ Australia
(iv) As valued by Landmarkwhite
(v) As valued by Knight Frank

notes to the concise financial statements

30 JUNE 2008

Notes:

(a) The value of properties not externally valued at 30 June 2008 may include capital expenditures after the last valuation date.
(b) The Abacus Income Trust owns 98.4% of the units in the Wollongong Property Trust which owns 8 Station Street, Wollongong.
(c) Property is owned by Abacus Independent Retail Property Trust (AIRPT). Abacus Retail Property Trust, a wholly owned trust of Abacus Income Trust, owns 75% of the units in AIRPT.
(d) Properties undergoing major redevelopment were valued at cost including capitalised costs.
(e) Investment properties are used as security for secured bank debt.

RECONCILIATIONS

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

	CONSOLIDATED	
	2008 $'000	2007 $'000
Investment properties		
Carrying amount at beginning of the financial year	215,558	204,132
Additions and capital expenditures	5,438	18,902
Net revaluation increments	3,457	13,114
Disposals/transfer	(34,295)	(20,590)
Carrying amount at end of the financial year	**190,158**	**215,558**

8. CONTRIBUTED EQUITY

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
(a) Issued units		
Issued units	146,421	122,517
Finance and issue costs	(5,211)	(5,321)
Units financed by APG under the ESLP	(4,240)	–
Total contributed equity	**136,970**	**117,196**

(b) Movement in contributed equity for the year

	CONSOLIDATED UNITS ISSUED NUMBER '000	CONSOLIDATED UNITS ISSUED VALUE $'000
At 1 July 2007	578,633	117,196
– security purchase plan	3,991	1,412
– institutional equity raising	52,632	19,025
– distribution reinvestment plan	10,348	3,467
– transaction costs recovery	–	110
At 30 June 2008	645,604	141,210
– Units financed by APG under the ESLP	–	(4,240)
	645,604	**136,970**

9. EVENTS AFTER THE BALANCE SHEET DATE

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

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 2008 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 ended 30 June 2008.

On behalf of the Board

JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

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independent auditor's report

TO THE MEMBERS OF ABACUS INCOME TRUST

The accompanying concise financial report of Abacus Income Trust (the Trust) comprises the balance sheet as at 30 June 2008, 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 2008. 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 Abacus Funds Management Limited, the Responsible Entity of 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 2008. Our audit report on the financial report for the year was signed on 27 August 2008 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*.

ERNST & YOUNG

independent auditor's report

TO THE MEMBERS OF ABACUS INCOME TRUST

Auditor's Opinion

In our opinion, the concise financial report and the directors' declaration of Abacus Income Trust for the year ended 30 June 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst + Young

Ernst & Young

E Psaltis

Ed Psaltis
Partner
Sydney
27 August 2008

abacus group projects limited

Directory

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Contents

The concise financial report is an extract from the full financial report for the year ended 30 June 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. It is recommended that this Concise Annual Financial Report should be read in conjunction with the Concise Annual Financial Reports of Abacus Trust and Abacus Income Trust for the year ended 30 June 2008. 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' declaration

30 JUNE 2008

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

DIRECTORS

The Directors of Abacus Group Projects Limited 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
William Bartlett	Non-executive Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

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	55,378	–
F Wolf	9,718,341*	3,747,130
W Bartlett	8,000	–
D Bluth	20,000	–
D Bastian	4,503,497	–
M Irving	35,387	–
L Lloyd	795,925*	1,168,915

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

PRINCIPAL ACTIVITIES

The Company operates predominantly in Australia and its principal activities during the course of the year ended 30 June 2008 included:

- investment in commercial, retail and industrial properties;
- hotel operations management;
- self-storage management;
- funds management; and
- investment.

CORPORATE STRUCTURE

AGPL is a member of the Abacus Property Group (APG) which is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects Limited (AGPL) and Abacus Income Trust (AIT). 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.

AGPL is a company incorporated and domiciled in Australia.

OPERATING PROFIT

The Company earned a net profit attributable to members of $1.1 million for the year ended 30 June 2008 (June 2007: $0.4 million loss).

DIVIDENDS

There were no dividends paid by Abacus Group Projects Limited during the year ended 30 June 2008 (June 2007: nil).

REVIEW OF OPERATIONS

AGPL revenues, net profit grew strongly in the year ended 30 June 2008:

	30 JUNE 2008 $'000	30 JUNE 2007 $'000
Total revenue *	11,786	12,040
Pre-tax profit	3,741	(45)
Net profit	2,922	(543)
Earnings per security (cents)	0.13	(.08)

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

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

	30 JUNE 2008	30 JUNE 2007
Total Assets ($'000)	188,106	9,598
Net Assets ($'000)	31,817	6,095
Net Tangible Assets ($'000)	28,834	5,180
NTA per security ($)	4.6	0.9
Securities on issue (million)	645.6	578.6
Weighted average securities on issue (million)	625.9	553.2

During the year, AGPL purchased a $6.1 million storage facility at 31 Ruakura Road, Hamilton, New Zealand and storage facilities at Townsville, Queensland for $33.6 million and acquired 58.07% of the shareholdings in U-Stow-It Holdings Limited which operates self-storage facilities in Canberra. In addition, AGPL purchased a $19.6 million home park village at 106 Nelson Bay Road, Fern Bay and a commercial building in 51 Allara Street in Canberra for $56.2 million. These acquisitions increased AGPL's consolidated total assets to $188.6 million (June 30 2007 $9.6 million).

In December 2007, AGPL sold its interest in the hotel business which contributed a net gain of $0.12 million.

directors' declaration

30 JUNE 2008

FEES PAID TO ABACUS FUNDS MANAGEMENT LIMITED AND ASSOCIATES

AGPL paid a management fee to Abacus Funds Management Limited (AFML) of $0.47 million (2007: $0.04 million) for the year ended 30 June 2008. In addition, AGPL paid property management fees to an associate company, Abacus Property Services Pty Limited of $0.125 million (2007: $0.06 million) for the year ended 30 June 2008.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the Directors, disclosure of any further information on future developments and results than is already disclosed in this report or the financial statements would be unreasonably prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company'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 Company.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed already in this report, 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 Company's operations in future financial periods, the results of those operations or the Company's state of affairs in future financial periods.

AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 91.

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.

JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

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680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

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auditor's independence declaration

TO THE DIRECTORS OF ABACUS GROUP PROJECTS LIMITED

In relation to our audit of the financial report of Abacus Group Projects Limited for the year ended 30 June 2008, 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

Ernst & Young

Ed Psaltis
Partner
27 August 2008

Liability limited by a scheme approved under Professional Standards Legislation.

consolidated income and distribution statements

YEAR ENDED 30 JUNE 2008

	NOTES	CONSOLIDATED 2008 $'000	2007 $'000
Continuing operations			
Revenue			
Rental income		3,280	–
Storage-related income		6,914	–
Funds management income		420	–
Finance income	4a	77	–
Income from distribution		–	–
Net realised gains on investment	4b	115	–
Net unrealised gains on investment	4c	980	–
Total Revenue		**11,786**	**–**
Depreciation expense	4d	(30)	–
Finance costs	4e	(5,523)	–
Other expenses	4f	(2,492)	(45)
Profit/(loss) from continuing operations before tax		**3,741**	**(45)**
Income tax benefit/(expense)		(1,149)	13
Profit from/(loss) continuing operations after tax		**2,592**	**(32)**
Discontinued operation			
Profit/(loss) from discontinued operation after income tax		330	(511)
Net profit		**2,922**	**(543)**
Attributable to:			
Minority interest		1,786	128
Member of the parent		1,136	(415)
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary shareholders of the company:			
Basic earnings per share (cents)		**0.13**	**(0.08)**
Diluted earnings per share (cents)		**0.13**	**(0.07)**
Basic earnings per share ex fair value adjustments*		(0.11)	(0.11)
Diluted earnings per share ex fair value adjustments*		(0.11)	(0.11)
Earnings per share for profit/(loss) attributable to the ordinary shareholders of the company:			
Basic earnings per share (cents)		**0.18**	**(0.08)**
Diluted earnings per share (cents)		**0.18**	**(0.07)**
Basic earnings per share ex fair value adjustments*		(0.11)	(0.11)
Diluted earnings per share ex fair value adjustments*		(0.11)	(0.11)

* 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 2008

	NOTES	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000
Current assets			
Cash and cash equivalents		2,257	2,031
Trade and other receivables		464	4,585
Inventories		–	125
Other		355	64
Total current assets		**3,076**	**6,805**
Non-current assets			
Property, plant and equipment		193	924
Investment properties	6	170,273	–
Investment in subsidiaries		–	–
Property loan and other financial assets		11,109	–
Deferred tax assets		472	954
Intangible assets and goodwill		2,983	915
Total non-current assets		**185,030**	**2,793**
Total assets		**188,106**	**9,598**
Current liabilities			
Trade and other payables		5,926	3,155
Interest-bearing loans and borrowings		41,812	–
Income tax payable		222	–
Other		–	139
Total current liabilities		**47,960**	**3,294**
Non-current liabilities			
Interest-bearing loans and borrowings		101,410	–
Deferred tax liabilities		6,835	–
Other		84	209
Total non-current liabilities		**108,329**	**209**
Total liabilities		**156,289**	**3,503**
Net assets		**31,817**	**6,095**
Equity			
Contributed equity	7	7,259	6,437
Reserves		(483)	–
Retained earnings/(accumulated losses)		93	(1,043)
Total security holders' interest in equity		6,869	5,394
Total external minority interest		24,948	701
Total equity		**31,817**	**6,095**

consolidated statement of changes in equity

YEAR ENDED 30 JUNE 2008

	ISSUED CAPITAL $'000	FOREIGN CURRENCY TRANSLATION $'000	RETAINED EARNINGS $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
At 1 July 2007	**6,437**	**–**	**(1,043)**	**701**	**6,095**
Net income for the year	–	–	1,136	1,786	2,922
Total income for the year	**–**	**–**	**1,136**	**1,786**	**2,922**
Equity raisings	1,106	–	–	–	1,106
Issue costs	(87)	–	–	–	(87)
Treasury shares	(197)	–	–	–	(197)
Disposal of interest in Matson Resort	–	–	–	(701)	(701)
Foreign currency translation	–	(483)	–	–	(483)
Interest in Abacus Ventures Trust	–	–	–	8,827	8,827
Interest on acquisition of U-Stow-It Holdings Limited	–	–	–	14,335	14,335
At 30 June 2008	**7,259**	**(483)**	**93**	**24,948**	**31,817**
At 1 July 2006	**5,557**	**–**	**(628)**	**829**	**5,758**
Net income for the year	–	–	(415)	(128)	(543)
Total income for the year	**–**	**–**	**(415)**	**(128)**	**(543)**
Equity raisings	880	–	–	–	880
At 30 June 2007	**6,437**	**–**	**(1,043)**	**701**	**6,095**

consolidated cash flow statement

YEAR ENDED 30 JUNE 2008

	CONSOLIDATED	
	2008 $'000	2007 $'000
Cash flows from operating activities		
Income receipts	15,958	3,934
Interest received	80	15
Distributions received	–	3
Borrowing costs paid	(4,145)	–
Operating payments	(10,929)	(3,081)
Net cash flows from/(used in) operating activities	**964**	**871**
Cash flows from investing activities		
Payments for investments and funds advanced	(10,478)	–
Advances from related entities	6,627	36
Purchase of a controlled entity	(22,861)	–
Purchase of plant and equipment	–	(119)
Disposal of property, plant and equipment	926	–
Purchase of investment properties	(107,228)	–
Net cash flows from/(used in) investing activities	**(133,014)**	**(83)**
Cash flows from financing activities		
Proceeds from issue of stapled securities	1,106	–
Proceeds from borrowings	131,653	–
Net cash flows from/(used in) financing activities	**132,759**	**–**
Net increase/(decrease) in cash and cash equivalents	709	788
Net foreign exchange differences	(483)	–
Cash and cash equivalents at beginning of year	2,031	1,243
Cash and cash equivalents at end of year	**2,257**	**2,031**

notes to the concise financial statements

30 JUNE 2008

1. CORPORATE INFORMATION

Abacus Group Projects Limited (AGPL or the Company) is a member of Abacus Property Group (APG) which is comprised of Abacus Group Holdings Limited (AGHL), Abacus Trust (AT), Abacus Group Projects 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) 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 Company as the full financial report.

The concise financial report should be read in conjunction with the Annual Financial Report of Abacus Trust and Abacus Income Trust. It is also recommended that the annual financial report be considered together with any public announcements made by the Abacus Property Group during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The concise financial report has also been prepared on an 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 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.

(B) STATEMENT OF COMPLIANCE

The concise financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the IASB.

(C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Except for the amendments arising from AASB 2007-7: *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 ended 30 June 2008. These are outlined in the table below.

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON COMPANY FINANCIAL REPORT	APPLICATION DATE OF COMPANY*
AASB 8 and AASB 2007-3	New standard replacing AASB114 Segment Reporting, which adopts a management reporting approach to segment reporting.	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 although, it may directly impact the level at which goodwill is tested for impairment. In addition, the amendments may have an impact on the Company's segment disclosures.	1 July 2008
AASB 101 and AASB 2007-8	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Company's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Company has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Company has share-based payment arrangements that may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Company's financial report as the Company does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (revised)	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Company may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Company has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 8-3	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1 July 2009

REFERENCE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON COMPANY FINANCIAL REPORT	APPLICATION DATE OF COMPANY*
Amendments to International Financial Reporting Standards	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company account). The distinction between pre- and post- acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (i.e. share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Company enters into any Company reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a carry-over basis' rather than at fair value.	1 July 2009
Amendments to International Financial Reporting Standards	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASG identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	The Company has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

* designates the beginning of the applicable annual reporting period

AASB 2007-2, AASB 2007-9, AASB 1004, AASB 1049, AASB 1050, AASB 1051, AASB 1052, IFRIC 15, AASB 2007-5, AASB 2007-6, AASB 123 and AASB Interpretation 4, 12, 13, 14, 129 and 1038 will have no application to the Company.

(D) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AGPL and its subsidiaries.

The concise 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-Company transactions, have been eliminated in full and subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

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 Ventures Trust, Abacus Villages Trust, Abacus Allara Trust and U-Stow-It Holdings Limited that are not held by the Company and are presented separately in the income statement and within equity in the consolidated balance sheet.

3. SEGMENT INFORMATION

The Company predominantly operates in Australia. The Company'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 Company's primary business segments are Property, Funds management, Investment, Hotel and Self-storage management. The Property division comprises the investment in and ownership of commercial, retail and industrial properties.

	CONTINUING OPERATIONS					DISCONTINUING OPERATION	
Business segments	PROPERTY $'000	FUNDS MANAGEMENT $'000	INVESTMENT INCOME $'000	STORAGE RELATED INCOME $'000	TOTAL $'000	HOTEL OPERATIONS $'000	TOTAL OPERATIONS $'000
Year ended 30 June 2008							
Revenue							
Revenue from external customers	3,357	420	–	6,914	10,691	6089	16,780
Unrealised gains (loss) on investments	–	–	–	980	980		
Realised gains (loss) on investments	–	–	115	–	115	–	115
Total consolidated revenue and other income	**3,357**	**420**	**115**	**7,894**	**11,786**	**6,089**	**16,895**
Result							
Segment result	2,705	420	115	6,024	9,264	472	9,736
Finance costs					(5,523)		(5,523)
Profit/(loss) before income tax and minority interest					**3,741**		**4,213**
Assets							
Segment assets	77,735	7,970	–	102,401	188,106		188,106
Total assets							**188,106**
Liabilities							
Segment liabilities	76,635	7,808	–	71,846	156,289		156,289
Total liabilities							**156,289**
Other segment information:							
Depreciation and amortisation				30	30		
Increase in fair value of investments				980	980		
Cash flow information							
Net cash flow from operating activities	405	420	(40)	179	964		
Net cash flow from investing activities	(119,690)	–	927	(14,251)	(133,014)		
Net cash flow from financing activities	82,463	–	–	50,296	132,759		

notes to the concise financial statements

30 JUNE 2008

			CONTINUING OPERATIONS			DISCONTINUING OPERATION	
Business segments	PROPERTY $'000	FUNDS MANAGEMENT $'000	INVESTMENT INCOME $'000	STORAGE RELATED INCOME $'000	TOTAL $'000	HOTEL OPERATIONS $'000	TOTAL OPERATIONS $'000
Year ended 30 June 2007							
Revenue							
Revenue from external customers		–	–	–	–	12,040	12,040
Total consolidated revenue and other income	**–**			**–**	**–**	**12,040**	**12,040**
Result							
Segment result	–	–	–	–	–	(1,054)	(1,054)
Profit/(loss) before income tax and minority interest					**–**		**(1,054)**
Assets							
Segment assets	–	–	–	–	–	9,598	9,598
Total assets							**9,598**
Liabilities							
Segment liabilities	–	–	–	–	–	3,503	3,503
Total liabilities							**3,503**
Other segment information:							
Depreciation and amortisation						185	185
Cash flow information							
Net cash flow from operating activities						871	871
Net cash flow from investing activities						(83)	(83)

4. REVENUE AND EXPENSES

	CONSOLIDATED	
	2008 $'000	2007 $'000
(a) Finance income		
Bank interest	77	–
Total finance income	**77**	**–**
(b) Net realised gains on disposal of:		
Shares in Abacus Matson Holdings Pty Ltd	115	–
Total net realised gains on investments	**115**	**–**
(c) Unrealised gains on investments		
Change in fair value of investment properties	980	–
Total unrealised gains on investments	**980**	**–**
(d) Depreciation expense		
Depreciation of property, plant and equipment	30	–
Total depreciation expense	**30**	**–**
(e) Finance costs		
Interest on loans	6,211	–
Amortisation of finance costs	153	–
Total finance costs (on historical basis)	6,364	–
Unrealised gains on interest rate swaps	(841)	–
Total finance costs	**5,523**	**–**
(f) Other expenses		
Property outgoings	1,578	–
Other administrative expenses	914	45
Total other expenses	**2,492**	**45**

notes to the concise financial statements

30 JUNE 2008

5. EARNINGS PER SHARE

The following reflects the income used in the basic and diluted earnings per share computations:

	CONSOLIDATED	
	2008 $'000	2007 $'000
(a) Earnings used in calculating earnings per shares:		
Net profit/(loss) from continuing operations attributed to ordinary shareholders of the parent	806	(415)
Profit attributable to discontinued operations	330	–
Net profit/(loss) attributable to ordinary shareholders of the parent	**1,136**	**(415)**
Net profit/(loss) attributable to shareholders excluding fair value adjustments[1]	(678)	(415)

	2008 '000	2007 '000
(b) Weighted average number of shares:		
Weighted average number of shares for basic earnings per share	625,857	553,184
Effect of dilution:		
Share options	10,479	3,703
Weighted average number of shares adjusted for the effect of dilution	**636,336**	**556,887**

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

[1] Fair value adjustments include property revaluations, revaluations of derivatives and other financial instruments and share based payments.

6. 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 valuations 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.

				CONSOLIDATED	
Property	ACQUISITION DATE	COSTS INCL ALL ADDITIONS $'000	INDEPENDENT VALUATION DATE	2008 $'000	2007 $'000
Townsville Storage facilities(i)	13-Sep-07	33,537	13-Sep-07	33,564	–
Hamilton Storage facilities(ii)	10-Sep-07	6,150	10-Sep-07	6,150	–
U-Stow-It Storage facilities(iii)	23-Nov-07	54,967	30-Jun-08	54,846	–
106 Nelson Bay Rd, Bayway Village(iv)	6-Feb-08	19,800	21-Nov-07	19,556	–
51 Allara St, Canberra(v)	31-Jan-08	56,158	27-Nov-07	56,157	–
				170,273	**–**

(i) As valued by Blackwell Consulting
(ii) As valued by DTZ Australia
(iii) As valued by CB Richard Ellis Pty Ltd
(iv) As valued by Robertson & Robertson
(v) As valued by Knight Frank

Notes:

(a) The Group acquired 58.07% interest in U-Stow-It Holdings Pty Limited in November 2007.
(b) The investment properties are used as security for secured bank debt.

notes to the concise financial statements

30 JUNE 2008

RECONCILIATIONS

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

	CONSOLIDATED	
	2008 $'000	2007 $'000
Investment properties		
Carrying amount at beginning of the financial year	–	–
Additions and capital expenditures	115,427	–
Acquisition through business combinations	53,866	–
Net revaluation increments	980	–
Carrying amount at end of the financial year	**170,273**	**–**

7. CONTRIBUTED EQUITY

	CONSOLIDATED 2008 $'000	2007 $'000
(a) Issued Shares		
Issued Shares	7,456	6,437
– securities financed by APG under the ESLP	(197)	–
Total contributed equity	**7,259**	**6,437**

(b) Movement in stapled securities on issue

	CONSOLIDATED STAPLED SECURITIES NUMBER '000	VALUE $'000
At 1 July 2007	578,633	6,437
– security purchase plan	3,991	61
– institutional equity raising	52,632	825
– distribution reinvestment plan	10,348	220
– less transaction cost	–	(87)
At 30 June 2008	645,604	7,456
– securities financed by APG under the ESLP	–	(197)
	645,604	**7,259**

8. EVENTS AFTER THE BALANCE SHEET DATE

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 Company's operations in future financial years, the results of those operations or the Company's state of affairs in future financial years.

directors' declaration

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:

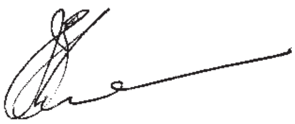
    (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

    (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 ended 30 June 2008.

On behalf of the Board



JOHN THAME
Chairman

FRANK WOLF
Managing Director

Sydney, 27 August 2008

ERNST & YOUNG

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Australia

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Sydney NSW 2001

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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 2008, 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 2008. 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 2008. Our audit report on the financial report for the year was signed on 27 August 2008 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*.

ERNST & YOUNG

independent auditor's report
TO THE MEMBERS OF ABACUS GROUP PROJECTS LIMITED

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 2008 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst + Young

Ernst & Young

E Psaltis

Ed Psaltis
Partner
Sydney
27 August 2008

corporate governance report

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 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 page 19.

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 21.

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 three 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 21.

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.

corporate governance report

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.

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 Business Risk Management Policy dealing with oversight and management of material business risks is set out in the corporate governance information section on the Abacus website at www.abacusproperty.com.au.

During the year in consultation with an external consultant the Group's risk management framework was updated. Under the compliance plan the responsible managers report regularly on the risks they manage and any emerging risks. The Audit Committee has responsibility for reviewing the Group's risk management framework.

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 risk management and internal compliance. The statement also confirms that these controls implement the policies adopted by the Board and that the Group's 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 21.

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 20 August 2008.

Number of holders of ordinary fully paid stapled securities	9,059
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	144
Secretary, Abacus Funds Management Limited Secretary, Abacus Group Holdings Limited Secretary, Abacus Group Projects Limited	Ellis Varejes
Registered office	Level 34, Australia Square 264-278 George Street Sydney NSW 2000 612 9253 8600
Abacus Funds Management Limited Abacus Group Holdings Limited Abacus Group Projects Limited	
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

Securityholders	NUMBER OF SECURITIES
UBS Nominees Pty Limited	46,014,131
ING Australia Holdings Limited	35,696,384
Australia and New Zealand Banking Group Limited	47,346,039

SECURITIES REGISTER

Number of Securities	NUMBER OF SECURITYHOLDERS
1-1000	276
1,001-5000	1,003
5,001-10000	1,888
10,001-100000	5,652
100,001 – over	240

asx additional information

TOP 20 LARGEST SECURITYHOLDINGS

Securityholders		NUMBER OF SECURITIES	% ISSUED SECURITIES
1	National Nominees Limited	72,762,246	11.23%
2	HSBC Custody Nominees (Australia) Limited	67,805,259	10.46%
3	J P Morgan Nominees Australia Limited	67,255,797	10.38%
4	Australian Executor Trustees Limited <No 1 Account>	22,783,538	3.52%
5	ANZ Nominees Limited <Cash Income A/C>	18,925,925	2.92%
6	ANZ Nominees Limited <SI Cash Income A/C>	18,351,968	2.83%
7	RBC Dexia Investor Services Australia Nominees Pty Ltd <APN A/C>	15,726,881	2.43%
8	RBC Dexia Investor Services Australia Nominees Pty Ltd <MLCI A/C>	14,650,822	2.26%
9	Citicorp Nominees Pty Limited	13,926,343	2.15%
10	AMP Life Limited	13,689,857	2.11%
11	Suncorp Custodian Services Pty Limited <AET>	12,593,346	1.94%
12	Netwealth Investments Limited <Wrap Services A/C>	11,686,484	1.80%
13	Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	10,900,839	1.68%
14	Tricom Nominees Pty Ltd	10,479,000	1.62%
15	Cogent Nominees Pty Limited <SMP Accounts>	9,940,264	1.53%
16	Avanteos Investments Limited <FSP Super Fund A/C>	7,548,766	1.17%
17	Cogent Nominees Pty Limited	5,744,520	0.89%
18	Avanteos Investments Limited <Avanteos Super Fund No 2 A/C>	5,345,446	0.83%
19	Citicorp Nominees Pty Limited <CFSIL Cwlth Property 6 A/C>	4,759,784	0.73%
20	Bond Street Custodians Limited <ENH Property Securities A/C>	4,543,868	0.70%

Abacus Property Group

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