

Annual Financial Report

30 JUNE 2009

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975

Australian Financial Services Licence No 230523

BlackRock Property Trust (Aust)

ARSN 093 132 757



BLACKROCK

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Directors' Report

The directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of the BlackRock Property Trust (Aust), present its report together with the financial report of BlackRock Property Trust (Aust) (the "Trust") for the financial year ended 30 June 2009 and the auditor's report thereon.

Responsible Entity

The Responsible Entity of the Trust is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) ("the Responsible Entity").

The registered office and principal place of business of the Responsible Entity and the Trust is 120 Collins Street, Melbourne, Australia.

Principal Activities

The Trust invests in accordance with the provisions of the Trust's Constitution. The Trust did not have any employees during the year. There were no significant changes in the nature of the Trust's activities during the year.

Directors

The following persons held office as directors of BlackRock Investment Management (Australia) Limited during the year or since the end of the year up to the date of this report:

Director	Date appointed/resigned
M J O'Shannassy	Appointed 23 July 1997
R Fairbairn	Appointed 29 November 2004, resigned 2 March 2009
D Frawley	Appointed 18 March 2005
G A Boyle	Appointed 7 March 2007
C Tzatzakis	Appointed 11 September 2007
J R Kushel	Appointed 2 March 2009

Review and Results of Operations

The Trust is invested in a portfolio of direct property, unlisted property trusts, cash and financial derivatives with underlying property exposure. The aim is to grow the Trust by prudent acquisition of traditional investment grade properties. Where deemed appropriate, redevelopment of existing or newly acquired properties may be undertaken following detailed feasibility studies being carried out, taking account of tenancy pre-commitments.

On 16 July 2009 the BlackRock Property Trust (Aust) was declared to be "non-liquid". It is a breach of the Corporations Act to redeem any units in the Trust except via a formal withdrawal offer to all unit holders as set out in the Act.

Results

The returns of the Trust are summarised in the following table:

Fund	Return*				
	2009 % p.a.	2008 % p.a.	2007 % p.a.	2006 % p.a.	2005 % p.a.
BlackRock Property Trust (Aust)					
X Class Units	-17.90	8.39	18.50	15.34	11.84
E Class Units [^]	-17.91	8.39	11.43	-	-

* Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Trust, and include the effect of compounding.

[^] BlackRock Property Trust (Aust) E Class commenced operations on 9 September 2003, ceased operations on 24 May 2004 and re-commenced operations on 19 December 2006.

Detailed information on the Trust's distribution is provided in note 11 of the financial statements.

Directors' Report (continued)

Reconciliation of Net Asset Value for Unit Pricing Purposes to Net Assets Attributable to Unitholders

It is the opinion of the directors that the application of AIFRS does not have unit pricing consequences, as the basis of determining the unit price is as outlined in the Trust's Constitution and product disclosure statement. The key differences between net assets for unit pricing and AIFRS Financial Reporting have been outlined below:

	BlackRock Property Trust (Aust)	
	30 June 2009	30 June 2008
	\$'000	\$'000
Net Assets for Unit Pricing purposes	425,266	576,540
Timing Differences		
Distribution Payable	(8,819)	(7,347)
Acquisition Costs*	(5,292)	(9,626)
Other	(7,302)	(1,645)
Net Assets Attributable to Unitholders as at 30 June	403,853	557,922

* A difference arises between the treatment of acquisition costs under AIFRS and for unit pricing purposes. For the purposes of unit pricing, acquisition costs are amortised over 3 years, however under AIFRS, on first revaluation of a property these amounts are taken to the Income Statement.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial year under review.

Matters Subsequent to the End of the Financial Year

On 16 July 2009 the Board of BlackRock Investment Management (Australia) declared the BlackRock Property Trust (Aust) to be "non-liquid" in accordance with the requirements under the Corporation Act. As a result of this declaration and for as long as the Fund continues to be non-liquid, it is a breach of the Corporations Act to redeem any units in the Trust except via a formal withdrawal offer to all unit holders as set out in the Act.

Except as disclosed in the Financial Statements, no other matters or circumstances have arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Trust in future financial years.

Likely Developments and Expected Results of Operations

The Trust will continue to be managed in accordance with its investment objectives and guidelines and in accordance with the provisions of the Constitution.

Future results will accordingly depend on the performance of the investment markets to which the Trust is exposed. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns. Therefore future results have not been included in this report because it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and Insurance of Officers and Auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of BlackRock Investment Management (Australia) Limited or the auditors of the Trust. So long as the officers of BlackRock Investment Management (Australia) Limited act in accordance with the Trust's Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

No fees were paid out of Trust property to the directors of the responsible entity during the year.

Directors' Report (continued)

Environmental Regulations

The operation of the Trust is not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of Amounts to the Nearest Thousand Dollars

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise stated.

Additional Disclosures

The Trust has applied the relief available in Class Order 06/441 issued by the Australian Securities and Investments Commission in the preparation of this report. Accordingly, the additional information otherwise required to be included in the directors' report has been disclosed in notes 5, 9 and 11 to the financial statements.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required by section 307C of the Corporations Act 2001 is set out on page 6.

The financial statements were authorised for issue by the directors on 28 September 2009.

This report is made in accordance with a resolution of the directors.

M J O'Shannassy
Director

G A Boyle
Director

Melbourne, 28 September 2009

Auditor's Independence Declaration

The Board of Directors
BlackRock Investment Management (Australia) Limited
120 Collins Street
Melbourne VIC 3000

INDEPENDENCE DECLARATION – BLACKROCK PROPERTY TRUST (AUST)

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Property Trust (Aust).

As lead audit partner for the audit of the financial statements of BlackRock Property Trust (Aust) for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Neil A. Brown
Partner
Chartered Accountants
Melbourne, 28 September 2009

Liability limited by a scheme approved under
Professional Standards Legislation

Balance Sheet as at 30 June 2009

BlackRock Property Trust (Aust)			
	Notes	2009 \$'000	2008 \$'000
ASSETS			
Cash and Cash Equivalents	10(a)	1,287	392
Income Receivable		859	152
Prepayments		691	864
Receivables from Unlisted Property Trusts		446	1,528
Receivables from Related Schemes	5	30	104
Other Receivables		84	513
Investment Properties	4	465,459	588,072
Deposits and Acquisition Costs		–	207
Loan Establishment Costs		1,254	814
Financial Assets Designated at Fair Value through Profit or Loss			
– Units in Related Schemes	5	11,288	9,504
– Units in Unlisted Property Trusts	13	73,637	122,973
Financial Assets Held for Trading			
– Low Exercise Price Option	12(b)	19,775	16,109
– Swaps	12(b)	1,729	2,736
TOTAL ASSETS		576,539	743,968
LIABILITIES			
Distribution Payable	11	8,819	7,347
Accounts Payable and Accrued Expenses	7	789	1,877
Loan Facility			
– Interest Payable	16	78	269
– Current		–	–
– Non-Current	16	163,000	176,553
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		172,686	186,046
Net Assets Attributable to Unitholders (Liability)	9	403,853	557,922
NET ASSETS		–	–

The above Balance Sheet should be read in conjunction with the notes to the accompanying notes.

Income Statement for the year ended 30 June 2009

BlackRock Property Trust (Aust)			
	Notes	2009 \$'000	2008 \$'000
INVESTMENT INCOME			
Net Gain/(Loss) on Financial Assets designated at Fair Value through Profit or Loss		(26,375)	(6,023)
Net Gain/(Loss) on Financial Assets held for Trading		1,511	1,532
Net Gain/(Loss) on Fair Value of Investment Properties		(104,598)	265
Property Rental Income		47,850	40,142
Distributions from Unlisted Property Trust		7,191	7,538
Distributions from Related Schemes	5(b)	376	1,351
Interest Income		89	60
Other Income		97	-
TOTAL INVESTMENT INCOME/(LOSS)		(73,859)	44,865
EXPENSES			
Property Expenses	6	10,229	8,179
Amortisation of Lease Incentives and Future Rent Expenses		(668)	(2,160)
Land Tax		2,512	1,610
Interest Paid		10,566	6,133
Other Operating Expenses		558	236
TOTAL OPERATING EXPENSES		23,197	13,998
NET OPERATING PROFIT/(LOSS)		(97,056)	30,867
FINANCING COSTS ATTRIBUTABLE TO UNITHOLDERS			
Distributions to Unitholders	11	32,886	34,350
Increase/(Decrease) in Net Assets Attributable to Unitholders	9	(129,942)	(3,483)
NET PROFIT/(LOSS) FOR THE YEAR		-	-

The above Income Statement should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ended 30 June 2009

BlackRock Property Trust (Aust)			
	Notes	2009 \$'000	2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Sale of Financial Instruments held at Fair Value through Profit or Loss		104,235	175,083
Purchase of Financial Instruments held at Fair Value through Profit or Loss		(84,646)	(170,103)
Property Rental Income Received		47,143	39,274
Interest Received		39	47
Distributions from Related Schemes		499	1,905
Distributions from Unlisted Property Trust		8,719	9,324
Operating Expenses Paid		(24,700)	(16,891)
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	10(b)	51,289	38,639
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Capital Expenditure on Investment Properties		(5,429)	(6,420)
Payments for Acquisition Costs on Sales of Investment Properties		24,320	-
Payments for Acquisition Costs on Purchase of Investment Properties		-	(229,884)
Payment for Acquisition Costs on Deposit of Purchase of Property		-	-
NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES		18,891	(236,304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Applications by Unitholders		25,118	169,962
Payments for Redemptions by Unitholders		(62,410)	(146,054)
Distributions Paid		(18,248)	(3,614)
Net movement on Loan Facility		(13,745)	176,822
NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES		(69,285)	197,116
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		895	(549)
Cash and Cash Equivalents at the beginning of the financial year		392	941
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10(a)	1,287	392
Non-cash Financing Activities	10(c)		

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2009

	BlackRock Property Trust (Aust)	
	2009	2008
	\$'000	\$'000
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	-	-
Profit/(Loss) for the year	-	-
Net income/(expense) recognised directly in equity	-	-
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	-	-
Transactions with equity holders in their capacity as equity holders	-	-
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	-	-

Under Australian equivalents to International Financial Reporting Standards, a net asset attributable to unitholders is classified as a liability rather than equity. As a result there was no equity at the start or end of the financial year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of Significant Accounting Policies

(a) Statement of Compliance & Basis of Preparation

This financial report includes financial statements for BlackRock Property Trust (Aust) (the "Trust") as an individual entity. The Trust was constituted on 23 December 1986.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the Corporations Act 2001 in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Trust, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 28th September 2009. The directors of the Responsible Entity have the power to amend and reissue the financial report.

The principal accounting policies applied in the preparation of these financial statements are set out below.

(b) Investment Properties

Investment properties are investments in direct properties which are held either to earn rental income or for capital appreciation or both. Land and Buildings and Plant and Equipment are not depreciated / amortised over their estimated useful lives as they are held for investment purposes. All investment properties of the Trust are not restricted, in terms of realisability of investments or remittance of income and disposal of proceeds.

Investment properties are measured at cost initially, including related acquisition costs and are subsequently measured at fair value. Acquisition costs include statutory charges, legal fees and professional fees and are capitalised and included as book value of the property. Additions and other expenditure on investment properties which are capital in nature are capitalised as incurred. Where capital expenditure is incurred, rent receivable, future rent and lease incentives balances have changed since the valuation of the property, these changes are reflected in the Balance Sheet in addition to the fair value valuation.

Investment properties are held at fair value. The fair value is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arms length transaction after proper marketing where the parties have each acted knowledgeably, prudently and without compulsion.

Investment properties are independently valued fully by an independent external valuer every twelve months, with the valuer providing a valuation update each quarter. Additional independent valuations may be carried out on investment properties in the event of material movements in fair value due to changes in underlying property market conditions, leasing arrangements and significant capital improvements. Independent valuations have been instructed and conducted pursuant to the Constitution.

Fair value is based on active market prices, market yields, discounted cash flows and active market prices, adjusted, if necessary for any difference in nature, location or condition of the specific property. The fair value of investment properties reflect, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. It also reflects, on a similar basis, any cash outflows (excluding those relating to future capital expenditure) that could be expected in respect of the properties. Some of the outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Changes in fair value of investment properties are recorded in the Income Statement.

(c) Financial Instruments

This category has two sub-categories: financial instruments held for trading, and those designated at fair value through profit or loss at inception.

■ Financial instruments held for trading

Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. These include derivative financial instruments including futures, forward contracts, options and interest rate swaps. The Trust does not designate any derivatives as hedges in a hedging relationship.

■ Financial instruments designated at fair value through profit or loss at inception.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

1. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The Trust recognises financial assets and liabilities on the date it becomes party to the contractual agreement (trade date).

Investments are derecognised when the rights to receive cashflows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

The Trust has designated all of its financial instruments (except derivatives) as at fair value through profit or loss. These financial instruments are initially recognised at fair value, typically represented by cost excluding transaction costs, which are expensed as incurred. Subsequent to initial recognition all instruments are measured at fair value. Changes in fair value are taken to the Income Statement.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The basis used to value particular classes of investments is as follows:

Units in Unlisted Property Trusts

The fair value of units in the unlisted property trusts are valued at the redemption prices of the investment schemes as provided by the Investment Issuers as at balance date.

Units in Related Managed Investment Schemes ("schemes")

The fair value of units in related schemes is determined as the redemption price of the investment schemes as established by the underlying schemes' Responsible Entity at balance date.

(d) Derivative Financial Instruments

In the normal course of business the Trust enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility.
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The following assumptions and methodologies have been applied in reporting the derivative financial instruments utilised by the Trust:

1. Summary of Significant Accounting Policies (continued)

(d) Derivative Financial Instruments (continued)

Over-the-Counter Contracts

When the Trust writes or purchases put or call options, an amount equal to the premium received or paid is recorded as a liability or an asset and is subsequently fair valued in the Balance Sheet. Premiums received or paid from writing or purchasing put or call options which expire or were unexercised are recognised on the expiration date as realised gains or losses in the Income Statement. If an option is exercised, the premium received or paid is included with the proceeds or the cost of the transaction to determine whether the Trust has realised a gain or loss on the related investment transaction in the Income Statement. When the Trust enters into a closing transaction, the Trust will realise a gain or loss in the Income Statement depending upon whether the amount from the closing transaction is greater or less than the premium received or paid.

Cross Currency Swaps

The differential expected to be paid or received on the maturity of cross currency agreements has been consistently fair valued throughout the financial year with any gains or losses being recorded in the relevant period as a change in the fair value of investments in the Income Statement.

(e) Cash and Cash Equivalents

For Cash Flow Statement presentation, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(f) Foreign Currency Translations

Functional and Presentation Currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Income Statement.

The Trust does not isolate that portion of gains or losses on financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included in the net gains or losses on financial instruments at fair value through profit or loss.

(g) Investment Income and Expenses

Rental income from operating leases with fixed rent reviews is recognised on a straight line basis over the lease term. As it differs from cash transactions, an amount of lease income receivable will form part of the investment property asset and this would be offset by notional fair value to rental income. Other than operating leases with fixed rent reviews, all other leases, including those with rental increases through consumer price index, market rent reviews and other variable terms are accounted for on a rental income accruals basis.

Interest income and expense are recognised in the Income Statement for all debt instruments using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in notes 2(b), 2(c) and 2(d).

1. Summary of Significant Accounting Policies (continued)

(g) Investment Income and Expenses (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows, considering all contractual terms of the financial instrument (for example, prepayment options), but does not consider future credit losses. The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Trust distributions are recognised on an entitlements basis as the Trust is presently entitled to the distributable income of its investee trusts.

(h) Distributions

In accordance with the Trust's Constitution and Amendments, the Trust fully distributes the distributable (taxable) income to unitholders by cash or reinvestment. Distributions are recognised in the Income Statement as finance costs attributable to unitholders.

(i) Income Tax

Under current taxation legislation, the Trust is not subject to income tax provided the taxable income of the Trust is distributed either by way of cash or reinvestment (ie. unitholders are presently entitled to the income of the Trust).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax. Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

Deferred tax benefits including building capital allowances and depreciation allowances are passed on to unitholders.

(j) Good and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust such as Responsible Entity fees, audit fees, custody fees and other expenses, have been passed onto the Trust.

The Trust qualifies for input tax credits, hence property rental income, property expenses, audit fees and other expenses have been recognised in the Income Statement net of the amount of GST recoverable from the Australian Tax Office ("ATO").

Accounts Payable and Accrued Expenses are stated inclusive of GST.

The net amount of GST recoverable from the ATO is included in Other Receivables in the Balance Sheet.

Cash flows relating to GST are included in the Cash Flow Statement on a gross basis.

(k) Increase/Decrease in Net Assets Attributable to Unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Income Statement as financing costs.

(l) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment using the effective interest rate method. Amounts due from brokers represent receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within three business days.

Other receivables are generally due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of any impairment loss is recognised in the Income Statement within other expenses.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

1. Summary of Significant Accounting Policies (continued)

(m) Payables

Payables include amounts due to brokers, liabilities and accrued expenses owing by the Trust which are unpaid at balance date. Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables. Other payables represent liabilities for goods and services provided to the Trust prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to unitholders at the reporting date has been recognised separately on the Balance Sheet as the unitholders are presently entitled to the distributable income as at 30 June 2009 under the Trust's constitution.

(n) Applications and Redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

(o) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time for cash equal to a proportionate share of the Trust's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Balance Sheet date if unitholders exercised their right to put the units back to the Trust. Changes in the value of this financial liability are recognised in the Income Statement as they arise.

Because the Trust's redemption unit price is based on different valuation principles to those applied in financial reporting, a valuation difference exists, which forms part of changes in unitholder funds.

(p) Expenses

All expenses, including Property outgoings, Responsible Entity's fees and audit fees, are recognised in the Income Statement on an accruals basis.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest rate method. Fees including legal costs paid on the establishment of the loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings which expire within twelve months from the end of the financial year are classified as current.

(r) New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set below:

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.

AASB 8 and AASB 2007 3 are effective for annual reporting periods beginning on or after 1 January 2009. In the current year, the Trust has elected to early adopt these standards. The early adoption of these standards has not impacted the reported financial position, financial performance and cash flows of the Trust.

The Trust has adopted AASB 8 'Operating Segments', with effect from 1 July 2008, in advance of its effective date of 1 January 2009. AASB 8 'Operating Segments' is not applicable to the Trust as it applies only to entities which have on issue debt or equity securities that are traded in a public market (or which are in the process of issuing any class of instruments in a public market). Accordingly no disclosures have been made for operating segments.

1. Summary of Significant Accounting Policies (continued)

(r) New Accounting Standards (continued)

(ii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

AASB 101 (Revised) is applicable to annual reporting periods beginning on or after 1 January 2009. The Trust has not adopted this standard early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If the Trust makes a prior period adjustment or re-classifies items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period.

(iii) AASB 132 Financial Instruments: Presentation and AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation (Revised AASB 132).

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2008. The Trust has not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements as the Trust is obligated to distribute all of its taxable income in accordance with the Trust's Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and equity.

(iv) AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

In April 2009, the Australian Accounting Standards Board published amendments to AASB 7 Financial Instruments: Disclosure to improve the information that entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The Australian Accounting Standards Board also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Fund has not early adopted the amendments. The amendments will not affect any of the amounts recognised in the financial statements but may affect certain disclosures.

(s) Rounding of Amounts

The Trust is an entity of the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order, unless otherwise indicated.

(t) Use of Estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For certain other financial instruments, including amounts due from/to brokers and payables and the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(u) Lease incentives

Lease incentives may be provided to lessees to enter into an operating lease. These incentives may be in the form of cash, rent free periods, lessee or lessor owned fitouts. The cost of incentives are amortised on a straight line basis over the term of the lease as a reduction of rental income. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

2. Property Leasing Arrangements

The Trust has appointed independent professional property managers to manage the directly owned properties. Contracts of engagement of property managers are for periods of up to 3 years with an option to renegotiate and rollover on expiry.

The services provided include tenants management, maintenance of buildings and facilities, record keeping and reporting to the Trust. The property managers invoice tenants for rent, collect rent, secure new tenants and ensure that property buildings have minimal vacancies. Building maintenance and support services are also provided by property managers.

The Trust receives property management reports and net rental income from the property managers on a monthly basis.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

3. Future Lease Payments

The Trust has committed non cancellable operating leases with current tenants in direct properties as at 30 June 2009. Future minimum lease payments comprise base rental and contingent rents which includes future increases to base rents due to consumer price index increases and rent reviews as provided in the lease agreements. Future minimum lease payments from 1 July 2009, excludes rental receivable during optional renewal periods and rental expense recoveries, are provided as follows:

(a) Base Lease Payments

Properties	Not later than 1 year	Later than 1 and not more than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2009				
Rosemeadow Marketplace Shopping Centre	1,109	2,360	46	3,515
Riverview Business Park – Epping Road, Lane Cove	1,403	3,133	725	5,261
60 Holbeche Road, Arndell Park	1,822	5,472	–	7,294
Tally Ho Business Park, Burwood	1,426	5,645	–	7,071
NEC House – Rodborough Road Frenchs Forest	368	983	–	1,351
883 Whitehorse Road, Box Hill	1,998	7,997	1,998	11,993
Tattersall's House – St Kilda Road	2,341	6,639	–	8,980
Marsh Centre – Lonsdale Street	3,527	5,763	3,059	12,349
Austar National Customer Operations Centre – Robina	2,603	10,418	6,032	19,053
87 Chifley Drive, Preston	708	976	–	1,684
50 Raubers Road, Banyo	890	769	–	1,659
Shore St West Shopping Centre, Cleveland	518	1,080	20	1,618
Woodville Rd, East Fairfield	710	1,025	–	1,735
34–42 Sheppard St, Hume	605	693	–	1,298
107 Pitt St, Sydney	736	888	–	1,624
41–45 Hydrive Drive, Dandenong	521	1,187	–	1,708
79–90 Link Drive, Campbellfield	1,143	4,574	1,143	6,860
289–313 Bayswater Road, Bayswater	669	2,678	2,623	5,970
7–15 Groves Road, Bennetts Green	758	2,618	–	3,376
10 Barrack Street, Sydney	4,860	9,005	531	14,396
Perry Park, Perry Park Estate, Alexandria	2,327	2,652	–	4,979
Centrelink Aitkenvale, Ross River Road, Aitkenvale	1,436	5,748	850	8,034
369 Ann Street, Brisbane	995	3,770	1,841	6,606
Total Base Lease Payments	33,473	86,073	18,868	138,414
2008				
Rosemeadow Marketplace Shopping Centre	1,082	2,997	157	4,236
Riverview Business Park – Epping Road, Lane Cove	1,488	4,365	1,181	7,034
60 Holbeche Road, Arndell Park	1,212	–	–	1,212
Tally Ho Business Park, Burwood*	–	–	–	–
NEC House – Rodborough Road, Frenchs Forest	427	–	–	427
883 Whitehorse Road, Box Hill	1,987	7,955	9,278	19,221
Tattersall's House – St Kilda Road	2,340	8,982	–	11,322
Marsh Centre – Lonsdale Street	4,073	6,001	1,588	11,662
Austar National Customer Operations Centre – Robina	2,603	10,418	8,635	21,655
Tyco Building, Cannon Hill	566	614	–	1,180
87 Chifley Drive, Preston	708	1,684	–	2,392
50 Raubers Road, Banyo	980	1,643	–	2,623
Shore St West Shopping Centre, Cleveland, QLD	503	1,311	176	1,990
Woodville Rd, East Fairfield, NSW	687	1,608	207	2,503
34–42 Sheppard St, Hume ACT	769	651	–	1,420
107 Pitt St, Sydney, NSW	1,500	1,817	–	3,317
41–45 Hydrive Drive, Dandenong, VIC	459	1,504	–	1,963
79–90 Link Drive, Campbellfield, VIC	1,143	4,574	3,720	9,437
1667–1669 Centre Rd, Springvale, VIC	516	1,022	64	1,603
289–313 Bayswater Road, Bayswater, VIC	1,101	4,083	5,019	10,203
7–15 Groves Road, Bennetts Green, NSW	764	3,056	305	4,124
10 Barrack Street, Sydney, NSW	4,883	11,928	1,128	17,939
4 Sirius & 5 Orion Roads, Lane Cove, NSW	952	2,892	142	3,986
Perry Park, Perry Park Estate, Alexandria, NSW	3,407	4,979	–	8,386
Centrelink Aitkenvale, Ross River Road, Aitkenvale, QLD	1,436	5,748	2,286	9,469
369 Ann Street, Brisbane, QLD	–	–	–	–
Total Base Lease Payments	35,586	89,832	33,886	159,304

* Lease negotiations for this Property are still continuing with the existing tenants.

3. Future Lease Payments (continued)

(b) Contingent Lease Payments

Properties	Not later than 1 year	Later than 1 and not more than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2009				
Rosemeadow Marketplace Shopping Centre	34	74	–	108
Riverview Business Park – Epping Road, Lane Cove	–	–	–	–
60 Holbeche Road, Arndell Park	–	–	–	–
Tally Ho Business Park, Burwood	134	529	–	663
NEC House – Rodborough Road Frenchs Forest	–	–	–	–
883 Whitehorse Road, Box Hill	–	–	–	–
Tattersall's House – St Kilda Road	–	–	–	–
Marsh Centre – Lonsdale Street	71	239	209	519
Austar National Customer Operations Centre – Robina	1,056	4,227	2,448	7,731
87 Chifley Drive, Preston	4	4	–	8
50 Raubers Road, Banyo	51	35	–	86
Shore St West Shopping Centre, Cleveland	25	28	–	53
Woodville Rd, East Fairfield	59	89	–	148
34–42 Sheppard St, Hume	9	–	–	9
107 Pitt St, Sydney	51	75	–	126
41–45 Hydrive Drive, Dandenong	–	–	–	–
79–90 Link Drive, Campbellfield	–	–	–	–
289–313 Bayswater Road, Bayswater	–	–	–	–
7–15 Groves Road, Bennetts Green	–	–	–	–
10 Barrack Street, Sydney	107	298	–	405
Perry Park, Perry Park Estate, Alexandria	127	149	–	276
Centrelink Aitkenvale, Ross River Road, Aitkenvale	–	–	–	–
369 Ann Street, Brisbane	19	155	155	329
Total Contingent Lease Payments	1,747	5,902	2,812	10,461
2008				
Rosemeadow Marketplace Shopping Centre	30	71	4	105
Riverview Business Park – Epping Road, Lane Cove	14	14	–	28
60 Holbeche Road, Arndell Park	–	–	–	–
Tally Ho Business Park, Burwood	–	–	–	–
NEC House – Rodborough Road, Frenchs Forest	13	–	–	13
883 Whitehorse Road, Box Hill	–	–	–	–
Tattersall's House – St Kilda Road	–	–	–	–
Marsh Centre – Lonsdale Street	40	243	269	552
Austar National Customer Operations Centre – Robina	741	2,966	2,459	6,166
Tyco Building, Cannon Hill	247	268	–	515
87 Chifley Drive, Preston	3	6	–	9
50 Raubers Road, Banyo	55	84	–	139
Shore St West Shopping Centre, Cleveland, QLD	18	41	–	59
Woodville Rd, East Fairfield, NSW	59	134	13	206
34–42 Sheppard St, Hume NSW	5	5	–	10
107 Pitt St, Sydney, NSW	30	140	–	170
41–45 Hydrive Drive, Dandenong, VIC	–	–	–	–
79–90 Link Drive, Campbellfield, VIC	–	–	–	–
1667–1669 Centre Rd, Springvale, VIC	30	96	6	132
289–313 Bayswater Road, Bayswater, VIC	–	–	–	–
7–15 Groves Road, Bennetts Green, NSW	–	–	–	–
10 Barrack Street, Sydney, NSW	99	385	13	497
4 Sirius & 5 Orion Roads, Lane Cove, NSW	27	159	10	196
Perry Park, Perry Park Estate, Alexandria, NSW	224	276	–	500
Centrelink Aitkenvale, Ross River Road, Aitkenvale, QLD	–	–	–	–
369 Ann Street, Brisbane, QLD	–	–	–	–
Total Contingent Lease Payments	1,635	4,888	2,774	9,297

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

3. Future Lease Payments (continued)

(c) Total Lease Payments

	Not later than 1 year	Later than 1 and not more than 5 years	Later than 5 years	Total
Properties	\$'000	\$'000	\$'000	\$'000
2009				
Rosemeadow Marketplace Shopping Centre	1,143	2,434	46	3,623
Riverview Business Park – Epping Road, Lane Cove	1,403	3,133	725	5,261
60 Holbeche Road, Arndell Park	1,822	5,472	–	7,294
Tally Ho Business Park, Burwood	1,560	6,174	–	7,734
NEC House – Rodborough Road Frenchs Forest	368	983	–	1,351
883 Whitehorse Road, Box Hill	1,998	7,997	1,998	11,993
Tattersall's House – St Kilda Road	2,341	6,639	–	8,980
Marsh Centre – Lonsdale Street	3,598	6,002	3,268	12,868
Austar National Customer Operations Centre – Robina	3,659	14,645	8,480	26,784
87 Chifley Drive, Preston	712	980	–	1,692
50 Raubers Road, Banyo	941	804	–	1,745
Shore St West Shopping Centre, Cleveland	543	1,108	20	1,671
Woodville Rd, East Fairfield	769	1,114	–	1,883
34–42 Sheppard St, Hume	614	693	–	1,307
107 Pitt St, Sydney, NSW	787	963	–	1,750
41–45 Hydrive Drive, Dandenong	521	1,187	–	1,708
79–90 Link Drive, Campbellfield	1,143	4,574	1,143	6,860
289–313 Bayswater Road, Bayswater	669	2,678	2,623	5,970
7–15 Groves Road, Bennetts Green	758	2,618	–	3,376
10 Barrack Street, Sydney	4,967	9,303	531	14,801
Perry Park, Perry Park Estate, Alexandria	2,454	2,801	–	5,255
Centrelink Aitkenvale, Ross River Road, Aitkenvale	1,436	5,748	850	8,034
369 Ann Street, Brisbane	1,014	3,925	1,996	6,935
Total Lease Payments	35,220	91,975	21,680	148,875
2008				
Rosemeadow Marketplace Shopping Centre	1,112	3,068	160	4,340
Riverview Business Park – Epping Road, Lane Cove	1,502	4,379	1,181	7,062
60 Holbeche Road, Arndell Park	1,212	–	–	1,212
Tally Ho Business Park, Burwood	–	–	–	–
NEC House – Rodborough Road, Frenchs Forest	440	–	–	440
883 Whitehorse Road, Box Hill	1,987	7,955	9,278	19,221
Tattersall's House – St Kilda Road	2,340	8,982	–	11,322
Marsh Centre – Lonsdale Street	4,113	6,245	1,856	12,214
Austar National Customer Operations Centre – Robina	3,344	13,384	11,094	27,822
Tyco Building, Cannon Hill	813	882	–	1,695
87 Chifley Drive, Preston	711	1,690	–	2,402
50 Raubers Road, Banyo	1,035	1,727	–	2,762
Shore St West Shopping Centre, Cleveland, QLD	522	1,351	176	2,049
Woodville Rd, East Fairfield, NSW	746	1,742	221	2,709
34–42 Sheppard St, Hume NSW	774	657	–	1,431
107 Pitt St, Sydney, NSW	1,529	1,957	–	3,487
41–45 Hydrive Drive, Dandenong, VIC	459	1,504	–	1,963
79–90 Link Drive, Campbellfield, VIC	1,143	4,574	3,720	9,437
1667–1669 Centre Rd, Springvale, VIC	546	1,118	70	1,734
289–313 Bayswater Road, Bayswater, VIC	1,101	4,083	5,019	10,203
7–15 Groves Road, Bennetts Green, NSW	764	3,056	305	4,124
10 Barrack Street, Sydney, NSW	4,982	12,311	1,142	18,436
4 Sirius & 5 Orion Roads, Lane Cove, NSW	979	3,051	152	4,181
Perry Park, Perry Park Estate, Alexandria, NSW	3,631	5,255	–	8,886
Centrelink Aitkenvale, Ross River Road, Aitkenvale, QLD	1,436	5,748	2,287	9,470
369 Ann Street, Brisbane, QLD	–	–	–	–
Total Lease Payments	37,221	94,718	36,662	168,601

4. Investment Properties

Name of Property 2009	Rosemeadow Marketplace Shopping Centre, Copperfield Dve, Rosemeadow, NSW	Riverview Business Park, Epping Rd, Lane Cove, NSW	Tally Ho Business Park, Burwood, VIC	NEC House, Rodborough Rd, Frenchs Forest, NSW	883 Whitehorse Rd, Box Hill, VIC	Tattersall's House, St Kilda Rd, VIC	Marsh Centre, Lonsdale St, Melbourne, VIC
Type of Property	Retail	Office	Office	Office	Office	Office	Office
Ownership	100%	100%	100%	100%	100%	100%	100%
Acquisition Date	13-May-94	27-Jul-99	5-Dec-95	2-Feb-01	25-Jan-01	18-Dec-97	10-Sep-98
Acquisition Price	\$12,793,784	\$16,580,670	\$8,747,251	\$9,267,984	\$16,473,977	\$23,237,367	\$29,687,931
Total Cost including Additions and Lease Incentives	\$15,737,915	\$24,313,898	\$19,982,786	\$9,143,021	\$28,310,164	\$34,710,059	\$68,267,726
Property Manager	Knight Frank	CB Richard Ellis	Fitzroys	CB Richard Ellis	Jones Lang LaSalle	CB Richard Ellis	Fitzroys
Date of Latest Valuation	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09
Independent valuer	Savills	DTZ Australia	DTZ Australia	m3 Property Strategists	Knight Frank	DTZ Australia	Savills
Latest Valuation amount	\$13,200,000	\$21,900,000	\$17,000,000	\$8,000,000	\$23,100,000	\$28,500,000	\$55,300,000
Movement since last reporting date	(\$2,597,000)	(\$1,987,440)	(\$1,345,500)	(\$598,000)	(\$3,398,250)	(\$4,113,580)	(\$10,676,500)
Fair Value at Reporting Date	\$13,200,000	\$21,900,000	\$17,000,000	\$8,000,000	\$23,100,000	\$28,500,000	\$55,300,000
Name of Property 2009	Austar Communications Building, Robina Town Centre Dve, Gold Coast, QLD	Holbeche Rd, Arndell Park, NSW	87 Chifley Dve, Preston, VIC	Northlands, Raubers Rd, Banyo, QLD	Shore St West Shopping Centre, Cleveland, QLD	Woodville Rd, East Fairfield, NSW	34-42 Sheppard St, Hume, NSW
Type of Property	Office	Industrial	Industrial	Industrial	Retail	Industrial	Industrial
Ownership	100%	100%	100%	100%	100%	100%	100%
Acquisition Date	1-Nov-01	19-May-95	30-Sep-05	31-Aug-05	7-Jul-06	13-Sep-06	3-Nov-06
Acquisition Price	\$20,222,909	\$11,394,344	\$8,500,000	\$11,634,500	\$8,013,212	\$7,986,109	\$12,231,481
Total Cost including Additions and Lease Incentives	\$41,884,205	\$14,075,030	\$8,982,426	\$14,354,121	\$9,631,877	\$8,621,216	\$14,214,965
Property Manager	CB Richard Ellis	McGees Poperty	Colliers International	Knight Frank	CB Knight Frank	CB Richard Ellis	Ray White
Date of Latest Valuation	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-June-09	30-Jun-09	30-Jun-09
Independent valuer	LandMark White	International	Colliers CBRE	m3 Property Strategists	Savills	Jones Lang LaSalle	Knight Frank
Latest Valuation amount	\$41,000,000	\$19,500,000	\$7,450,000	\$11,320,000	\$6,400,000	\$7,350,000	\$14,000,000
Movement since last reporting date	(\$2,053,400)	(\$999,000)	(\$1,648,500)	(\$2,474,000)	\$2,998,500	(\$998,100)	(\$102,000)
Fair Value at Reporting Date	\$41,000,000	\$19,500,000	\$7,450,000	\$11,320,000	\$6,400,000	\$7,350,000	\$14,000,000
Name of Property 2009	107 Pitt St, Sydney, NSW	41-45 Hydrive Dve, Dandenong, VIC	79-90 Link Dve, Campbellfield, VIC	289-313 Bayswater Rd, Bayswater, VIC	7-15 Groves Rd, Bennetts Green, NSW	10 Barrack St, Sydney, NSW	Perry Park, Perry Park Estate, Alexandria, NSW
Type of Property	Office	Industrial	Industrial	Industrial	Retail	Office	Industrial
Ownership	100%	100%	100%	100%	100%	100%	100%
Acquisition Date	21-Dec-06	21-Dec-06	21-Dec-06	3-Aug-07	3-Jul-07	7-Dec-07	7-Dec-07
Acquisition Price	\$24,813,798	\$7,084,963	\$8,682,852	\$8,458,471	\$9,886,289	\$86,525,097	\$69,653,881
Total Cost including Additions and Lease Incentives	\$30,631,670	\$6,988,601	\$12,036,165	\$12,055,558	\$9,007,289	\$78,896,408	\$62,124,557
Property Manager	CB Richard Ellis	Colliers International	Fitzroys	Colliers International	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis
Date of Latest Valuation	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09
Independent valuer	m3 Property Strategists	m3 Property Strategists	m3 Property Strategists	CB Richard Ellis	DTZ Australia	Savills	DTZ Australia
Latest Valuation amount	\$23,900,000	\$5,700,000	\$9,700,000	\$9,400,000	\$7,600,000	\$53,500,000	\$50,100,000
Movement since last reporting date	(\$6,477,775)	(\$1,098,500)	(\$2,548,500)	(\$2,124,466)	(\$1,195,000)	(\$23,797,000)	(\$10,896,000)
Fair Value at Reporting Date	\$23,918,725	\$5,700,000	\$9,700,000	\$9,400,000	\$7,600,000	\$53,500,000	\$50,100,000
Name of Property 2009	Centrelink Aitkenvale, 307-311 Ross River Rd, Aitkenvale, QLD	369 Ann St, Brisbane, QLD					
Type of Property		Office				Office	Office
Ownership		100%				50%	50%
Acquisition Date		26-Nov-07				1-May-08	1-May-08
Acquisition Price		\$17,065,000				\$25,202,802	\$25,202,802
Total Cost including Additions and Lease Incentives		\$16,590,317				\$25,650,197	\$25,650,197
Property Manager		Knight Frank				Knight Frank	Knight Frank
Date of Latest Valuation		30-Jun-09				30-Jun-09	30-Jun-09
Independent valuer		Jones Lang LaSalle				Knight Frank	Knight Frank
Latest Valuation amount		\$14,500,000				\$17,000,000	\$17,000,000
Movement since last reporting date		(\$1,598,200)				(\$6,099,487)	(\$6,099,487)
Fair Value at Reporting Date		\$14,500,000				\$17,020,513	\$17,020,513
Total Fair Value of Investment Properties							\$465,459,238

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

4. Investment Properties (continued)

Name of Property 2008	Rosemeadow Marketplace Shopping Centre, Copperfield Dve, Rosemeadow, NSW	Riverview Business Park, Epping Rd, Lane Cove, NSW	Tally Ho Business Park, Burwood, VIC	NEC House, Rodborough Rd, Frenchs Forest, NSW	883 Whitehorse Rd, Box Hill, VIC	Tattersall's House, St Kilda Rd, VIC	Marsh Centre, Lonsdale St, Melbourne, VIC
Type of Property	Retail	Office	Office	Office	Office	Office	Office
Ownership	100%	100%	100%	100%	100%	100%	100%
Acquisition Date	13-May-94	27-Jul-99	5-Dec-95	2-Feb-01	25-Jan-01	18-Dec-97	10-Sep-98
Acquisition Price	\$12,793,784	\$16,580,670	\$8,747,251	\$9,267,984	\$16,473,977	\$23,237,367	\$29,687,931
Total Cost including Additions and Lease Incentives	\$16,596,926	\$19,003,727	\$17,800,000	\$9,386,025	\$20,924,612	\$30,662,037	\$62,168,290
Property Manager	Knight Frank	CB Richard Ellis	Fitzroys	CB Richard Ellis	Jones Lang LaSalle	CB Richard Ellis	Fitzroys
Date of Latest Valuation	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08
Independent valuer	Savills	m3 Property Strategists	Savills	Knight Frank	m3 Property Strategists	Savills	Savills
Latest Valuation amount	\$15,797,000	\$23,891,500	\$18,345,500	\$8,598,000	\$26,498,250	\$32,493,000	\$65,697,500
Movement since last reporting date	(\$803,000)	\$5,520,583	\$545,500	(\$705,991)	\$5,680,664	\$2,113,580	\$5,564,110
Fair Value at Reporting Date	\$15,797,000	\$23,887,440	\$18,345,500	\$8,598,000	\$26,498,250	\$32,613,580	\$65,976,500
Name of Property 2008	Austar Communications Building, Robina Town Centre Dve, Gold Coast, QLD	Holbeche Rd, Arndell Park, NSW	Tyco Building, Cannon Hill, QLD	87 Chifley Dve, Preston, VIC	Northlands, Raubers Rd, Banyo, QLD	Shore St West Shopping Centre, Cleveland, QLD	Woodville Rd, East Fairfield, NSW
Type of Property	Office	Industrial	Industrial	Industrial	Industrial	Retail	Industrial
Ownership	100%	100%	100%	100%	100%	100%	100%
Acquisition Date	1-Nov-01	19-May-95	1-Jun-05	30-Sep-05	31-Aug-05	7-Jul-06	13-Sep-06
Acquisition Price	\$20,222,909	\$11,394,344	\$10,840,088	\$8,500,000	\$11,634,500	\$8,013,212	\$7,986,109
Total Cost including Additions and Lease Incentives	\$37,068,348	\$19,701,817	\$13,256,150	\$9,179,628	\$13,802,987	\$8,476,982	\$8,491,046
Property Manager	CB Richard Ellis	McGees	CB Richard Ellis	Colliers International	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis
Date of Latest Valuation	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08
Independent valuer	LandMark White	Colliers	Jones Lang LaSalle	CBRE	Jones Lang LaSalle	Savills	m3 Property Strategists
Latest Valuation amount	\$42,998,900	\$20,499,000	\$13,195,500	\$9,098,500	\$13,794,000	\$9,398,500	\$8,348,100
Movement since last reporting date	\$6,039,552	\$999,000	(\$60,650)	\$164,552	(\$8,987)	\$912,820	(\$122,893)
Fair Value at Reporting Date	\$43,053,400	\$20,499,000	\$13,195,500	\$9,098,500	\$13,794,000	\$9,398,500	\$8,348,100
Name of Property 2008	34-42 Sheppard St, Hume, NSW	107 Pitt St, Sydney, NSW	41-45 Hydrive Dve, Dandenong, VIC	79-90 Link Dve, Campbellfield, VIC	1667-1669 Centre Rd, Springvale, VIC	289-313 Bayswater Rd, Bayswater, VIC	
Type of Property	Industrial	Office	Industrial	Industrial	Industrial	Industrial	
Ownership	100%	100%	100%	100%	100%	100%	
Acquisition Date	3-Nov-06	21-Dec-06	21-Dec-06	21-Dec-06	28-Feb-07	3-Aug-07	
Acquisition Price	\$12,231,481	\$24,813,798	\$7,084,963	\$8,682,852	\$5,985,702	\$8,458,471	
Total Cost including Additions and Lease Incentives	\$12,555,989	\$26,485,899	\$7,563,848	\$12,984,367	\$6,391,850	\$13,034,649	
Property Manager	Ray White	CB Richard Ellis	Colliers	Colliers	Colliers	Colliers	
Date of Latest Valuation	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	
Independent valuer	CB Richard Ellis	Jones Lang LaSalle	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis	
Latest Valuation amount	\$13,898,000	\$30,396,500	\$6,798,500	\$12,248,500	\$5,798,500	\$11,498,500	
Movement since last reporting date	\$725,030	\$4,131,287	(\$730,936)	\$767,869	(\$593,350)	\$11,524,466	
Fair Value at Reporting Date	\$13,898,000	\$30,396,500	\$6,798,500	\$12,248,500	\$5,798,500	\$11,524,466	
Name of Property 2008	7-15 Groves Rd, Bennetts Green, NSW	10 Barrack St, Sydney, NSW	4 Sirius & 5 Orion Rds, Lane Cove, NSW	Perry Park, Perry Park Estate, Alexandria, NSW	Centrelink Aitkenvale, 307-311 Ross River Rd, Aitkenvale, QLD	369 Ann St, Brisbane, QLD	
Type of Property	Retail	Office	Industrial	Industrial	Office	Office	
Ownership	100%	100%	100%	100%	100%	50%	
Acquisition Date	3-Jul-07	7-Dec-07	7-Dec-07	7-Dec-07	26-Nov-07	1-May-08	
Acquisition Price	\$9,886,289	\$86,525,097	\$12,663,739	\$69,653,881	\$17,065,000	\$25,202,802	
Total Cost including Additions and Lease Incentives	\$10,053,169	\$87,423,888	\$12,797,340	\$70,347,996	\$17,500,057	\$25,552,397	
Property Manager	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis	CB Richard Ellis	Knight Frank	Jones Lang LaSalle	
Date of Latest Valuation	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	30-Jun-08	
Independent valuer	Savills	Savills	Savills	DTZ Australia	Jones Lang LaSalle	Knight Frank	
Latest Valuation amount	\$8,795,500	\$77,297,000	\$11,998,000	\$60,996,000	\$16,098,200	\$23,120,000	
Movement since last reporting date	\$8,795,000	\$77,297,000	\$11,998,000	\$60,996,000	\$16,098,200	\$23,120,000	
Fair Value at Reporting Date	\$8,795,000	\$77,297,000	\$11,998,000	\$60,996,000	\$16,098,200	\$23,120,000	
Total Fair Value of Investment Properties							\$588,071,937

5. Related Parties

Responsible Entity

The Responsible Entity of the Trust is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) whose ultimate holding company is BlackRock, Inc.

BlackRock Investment Management (Australia) Limited is incorporated in Australia and BlackRock, Inc is incorporated in the United States of America.

Key Management Personnel

Directors

Key management personnel include persons who were directors of BlackRock Investment Management (Australia) Limited during the financial period and up to the date of this report

Director	Date appointed/resigned
M J O'Shannassy	Appointed 23 July 1997
R Fairbairn	Appointed 29 November 2004, resigned 2 March 2009
D Frawley	Appointed 18 March 2005
G A Boyle	Appointed 7 March 2007
C Tzatzakis	Appointed 11 September 2007
J R Kushel	Appointed 2 March 2009

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, during the financial year.

Name	Position	Employer
R J Maddox	Managing Director and Co/Chief Investment Officer	BlackRock Investment Management (Australia) Limited
K Liow	Head of Quantitative Investors/Co-Chief Investment Officer	BlackRock Investment Management (Australia) Limited

Key Management Personnel Unitholding

During or since the end of the financial year, none of the key management personnel including directors or their personally related entities held units in the Trust, either directly, indirectly, or beneficially.

Key Management Personnel Compensation

Key management personnel are paid by BlackRock Investment Management (Australia) Limited. Payments made from the Trust to BlackRock Investment Management (Australia) Limited do not include any amounts attributable to the compensation of key management personnel.

Key Management Personnel Loan Disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other Transactions within the Trust

Apart from those details disclosed in this note, no key management personnel has entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving key management personnel's interests subsisting at year end.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

5. Related Parties (continued)

Related Party Transactions and Balances

All related party transactions are conducted on normal commercial terms and conditions. Transactions with related parties include the following:

(a) Responsible Entity's Fees and other transactions

Responsible Entity fees are accrued daily at the rate specified by the Constitution and Amendments based on the asset value of the Trust. Fees charged for the year are included in the Income Statement.

From time to time the Responsible Entity may waive fees in accordance with the terms of the Constitution and Amendments. Where responsible entity fees charged are less than the maximum permitted under the Constitution and Amendments, any amount forgone cannot be claimed in future years.

(b) Expense Reimbursement

Operating expenses include administration expenses incurred by the Responsible Entity and reimbursed by the Trust in accordance with the provisions of the Constitution and Amendments. Total operating expenses incurred for the year are brought to account on an accruals basis and are included in the Income Statement.

The Responsibility Entity ceased to charge management fees on 4 August 2004.

Investing Activities

The Trust may purchase and sell units in other approved schemes managed by the Responsible Entity or its associates in the ordinary course of business.

Distributions from investments to which the Trust is presently entitled, are included in the Income Statement. The portions of these amounts not received at balance date are included in the Balance Sheet.

Details of the Trust's investments are set out in the following pages.

	Number of Units Held at Year End	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Value of Units Sold During the Year	Interest Held in Related Schemes at Year End	Distribution Received from the Related Scheme During the Year	Distribution Receivable from the Related Scheme at Year End
2009	#	\$	\$	\$	%	\$	\$
BlackRock Money Market Fund	11,287,816	11,287,816	106,018,106	104,234,461	4.31	346,088	29,865
2008	#	\$	\$	\$	%	\$	\$
BlackRock Money Market Fund	9,504,171	9,504,171	143,199,599	175,083,180	2.49	1,247,072	103,536

5. Related Parties (continued)

Related Party Schemes' Unitholding

Parties related to the Trust including BlackRock Investment Management (Australia) Limited, its related parties and other schemes managed by BlackRock Investment Management (Australia) Limited, held units in the Trust as follows:

	Number of Units Held Opening	Number of Units Held Closing	Interest Held	Number of Units Acquired	Number of Units Disposed	Distributions Paid/Payable by the Trust
2009	Units	Units	%	Units	Units	\$
BlackRock Balanced Pooled Super Fund	4,796,623	4,765,409	1.15	–	93,212	309,700
BlackRock Combined Property Income Fund (Aust)	262,992,985	245,875,482	59.43	4,505,316	25,022,066	15,979,247
BlackRock Direct Real Estate Fund (Aust)	23,990,575	122,017,636	29.49	953,920	1,583,688	1,599,608
BlackRock Direct Property Fund (Aust)	133,156,825	24,531,666	5.93	14,507,539	32,231,377	8,008,994
BlackRock Wholesale Balanced Fund	8,578,183	8,541,932	2.06	–	147,127	555,133
BlackRock Wholesale Managed Income Fund	8,079,010	7,974,558	1.94	–	208,875	518,260
2008	Units	Units	%	Units	Units	\$
BlackRock Balanced Pooled Super Fund	19,353,754	4,796,623	1.09	–	17,021,639	530,474
BlackRock Combined Property Income Fund (Aust)	237,945,086	262,992,985	59.56	29,544,063	20,632,623	16,630,032
BlackRock Direct Real Estate Fund (Aust)	599,283	23,990,575	5.43	24,564,073	1,820,879	1,032,987
BlackRock Direct Property Fund (Aust)	146,964,432	133,156,825	30.15	40,897,264	59,503,581	10,148,591
BlackRock Wholesale Balanced Fund	30,219,253	8,578,183	1.94	–	24,931,939	881,526
BlackRock Wholesale Managed Income Fund	20,551,554	8,079,010	1.83	–	14,340,661	733,132

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

6. Property Expenses

(a) Property Expenses arising from investment properties that generated rental income

	2009 \$'000	2008 \$'000
Administration Costs	232	464
Air-conditioning	441	583
Building Supervision	289	229
Cleaning	1,200	1,083
Consulting Fee	628	346
Electricity and Gas	774	795
Fire Protection	218	217
GST Credits Claimed	-	(608)
Insurance	736	599
Leasing Costs	969	798
Lifts and Escalators	198	193
Pest Control	17	16
Plants and Gardens	118	102
Property Management Fees	651	559
Rates and Taxes	1,536	1,482
Repairs and Maintenance	636	499
Security	209	303
Valuation Fees	275	231
Property Expenses arising from investment properties that generated rental income	9,127	7,891

(b) Property Expenses arising from investment properties that did not generated rental income

	2009 \$'000	2008 \$'000
Administration Costs	9	5
Air-conditioning	37	27
Building Supervision	39	13
Cleaning	127	33
Consulting Fee	86	4
Electricity and Gas	124	71
Fire Protection	41	13
GST Credits Claimed	-	-
Insurance	67	17
Leasing Costs	145	16
Lifts and Escalators	28	8
Pest Control	1	1
Plants and Gardens	14	4
Property Management Fees	59	16
Rates and Taxes	184	24
Repairs and Maintenance	77	17
Security	25	13
Valuation Fees	39	6
Total Expenses arising from investment properties that did not generated rental income	1,102	288
Total Expenses arising from investment properties	10,229	8,179

7. Accounts Payable and Accrued Expenses

	2009 \$'000	2008 \$'000
Valuation Fees	23	73
GST payable	408	461
Land Tax Accrual	356	5
Building costs	-	472
Redemptions Payable	-	800
Professional Fees	2	47
Lease Fees	-	19
	789	1,877

8. Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	Audit Services [^]		Other Services [^]			
	2009* \$	2008* \$	2009* \$	2008* \$	Tax Compliance Services	Tax Compliance Services
Amounts received, or due and receivable, by the auditors:						
BlackRock Property Trust (Aust)	13,897	23,705	6,000	1,365	8,347	2,376

[^] The fees for the above services were paid to PricewaterhouseCoopers Australia for the year ended 30 June 2008 and for the year ended 30 June 2009 fees were paid to Deloitte Touche Tohmatsu.

* These amounts have been paid by the Responsible Entity. Amounts disclosed for Auditor's Remuneration include non-recoverable GST.

9. Net Assets Attributable to Unitholders

As stipulated within the Trust's Constitution, each unit represents a right to an individual share in the Trust and does not extend the right to the underlying assets of the Trust. Units are issued and redeemed at the holders' options at prices based on the value of the Trust's net assets at the time of issue/redemption less transaction costs.

The Trust considers its capital to be Unitholders' Funds. The Trust manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The objective of the Trust is to provide unitholders with returns in accordance with the Product Disclosure Statement ("PDS"). The Trust aims to deliver this objective mainly through investing in a portfolio in accordance with the limitations set by the PDS, while maintaining sufficient liquidity to meet unitholders' redemptions.

Movements in number of units and net assets attributable to unitholders during the financial year were as follows:

BlackRock Property Trust (Aust) – X Class				
	2009		2008	
	No of Units '000	\$ '000	No of Units '000	\$ '000
Opening Unitholders' Funds	441,594	460,244	455,633	478,103
Applications				
– Cash	19,967	22,117	90,311	98,962
– Distribution Reinvestment Plan	12,985	13,165	29,953	32,135
Redemptions	(60,839)	(62,410)	(134,303)	(146,055)
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(106,456)	–	(2,901)
Closing Balance	413,707	326,660	441,594	460,244
BlackRock Property Trust (Aust) – E Class				
	2009		2008	
	No of Units '000	\$ '000	No of Units '000	\$ '000
Opening Unitholders' Funds	88,549	97,678	24,589	27,260
Applications				
– Cash	2,723	3,001	63,960	71,000
– Distribution Reinvestment Plan	–	–	–	–
Redemptions	–	–	–	–
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(23,486)	–	(582)
Closing Balance	91,272	77,193	88,549	97,678
Total	504,979	403,853	530,143	557,922

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

10. Notes to Cash Flow Statement

(a) Reconciliation of Cash

Cash and cash equivalents at the end of the financial year is reconciled to the Balance Sheet as follows:

	2009 \$'000	2008 \$'000
Cash	1,287	392
	1,287	392

(b) Reconciliation of Net Operating Profit/(Loss) to Net Cash from Operating Activities

	2009 \$'000	2008 \$'000
Net Operating Profit/(Loss)	(97,056)	30,867
Add/(Less) Items Classified as Investing Activities		
Net Gain/(Loss) on Fair Value of Investment Properties	104,598	(265)
Amortisation of Lease Incentives and Future Rent Expenses	(668)	(2,160)
Change in Assets and Liabilities During the Year:		
(Increase)/Decrease in Financial Instruments held at Fair Value through Profit or Loss	44,892	11,902
(Increase)/Decrease in Financial Instruments held for Trading	-	(1,616)
(Increase)/Decrease in Rent Receivable	(706)	729
(Increase)/Decrease in Loan Establishment Costs	(440)	(814)
(Increase)/Decrease in Prepayments	173	(674)
(Increase)/Decrease in Deposits & Acquisition costs	-	770
(Increase)/Decrease in Receivables from Related Schemes	74	540
(Increase)/Decrease in Unlisted Property Trust	1,083	349
(Increase)/Decrease in Other Receivables	427	(399)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(1,088)	(590)
Net Cash Inflow/(Outflow) from Operating Activities	51,289	38,639

(c) Non-Cash Financing Activities

During the financial year, the following units were created as a result of distributions reinvested in the Trust under the distribution reinvestment plan:

	2009		2008	
	Units '000	\$'000	Units '000	\$'000
BlackRock Property Trust (Aust) – E Class	-	-	-	-
BlackRock Property Trust (Aust) – X Class	12,985	13,165	29,953	32,135

As described in note 2(k), non-distributable income is included in net assets attributable to unitholders. The change in this amount each year represents non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

11. Distributions

During the financial year, the following amounts of distributions were paid and payable:

	2009		2008	
	Distributions Payable Cents/Unit	Distributions Paid Cents/Unit	Distributions Payable Cents/Unit	Distributions Paid Cents/Unit
BlackRock Property Trust (Aust)				
X Class Units	1.75	4.75	1.39	5.09
E Class Units	1.73	4.75	1.38	5.08
	2009		2008	
	Distributions Payable \$'000	Distributions Paid \$'000	Distributions Payable \$'000	Distributions Paid \$'000
BlackRock Property Trust (Aust)				
X Class Units	7,236	19,735	6,120	23,837
E Class Units	1,583	4,332	1,227	3,166

12. Financial Risk Management

The Trust's activities expose it to a variety of financial risks: including market risk (comprising currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust may use derivative financial instruments to alter certain risk exposures subject to the policies and procedures set out in BlackRock's Derivative Risk Statement. Financial risk management is carried out by the Investment Management teams and the Risk and Quantitative Analysis team under policies approved by the Responsible Entity.

The Board of the Responsible Entity (Board) has established a Risk Management Committee ("RMC") which is chaired by the Manager of the Risk and Quantitative Analysis team and is comprised of senior management, investment and compliance staff. The RMC meets at least quarterly, and as otherwise required, to review aspects of portfolio performance, independent monitoring reports, risk management compliance and derivative usage. The RMC reports to the Board and is subject at all times to the direction and supervision of the Board.

The Trust uses different methods to measure different types of risks to which it is exposed. These methods include Sensitivity analysis as disclosed in note (c) Summarised Sensitivity Analysis.

(a) Strategy

BlackRock Property Trust (Aust)

The Trust aims to provide investors with exposure to a diversified portfolio of property investments by selectively acquiring quality investment properties which provide a blend of income and capital growth.

The Property Trust is invested primarily in a portfolio of direct property and also can invest up to 25% of assets in unlisted property trusts. The Property Trust aims to outperform the Mercer Unlisted Property Trusts Index (before fees and taxes) over rolling five year periods.

Compliance with the Trust's tracking error with reference to the relative index is monitored daily by the Risk and Quantitative Analysis team and reported to the RMC quarterly.

12. Financial Risk Management (continued)

(a) Strategy (continued)

As part of the risk management programme BlackRock have established risk limits (Trust guidelines) within which the Trust is managed. The Trust's guidelines detail the following risk limits:

Fund	Risk Limits
BlackRock Property Trust (Aust)	<ul style="list-style-type: none"> ■ No investment in a single property can constitute more than 30% of the Trust's net asset value. ■ The Trust will consider development projects (generally land and development) agreements when: <ul style="list-style-type: none"> (i) cost of development will not exceed 15% of total portfolio value; and (ii) Risk transferred (eg. Development with majority pre-leased or income guarantees provided). ■ The Trust may borrow for investment purposes up to 40% of the Trust's value to: <ul style="list-style-type: none"> (i) Facilitate a purchase of a building, ensuring diversification of the property portfolio with the income yield servicing the debt. (ii) In anticipation of receipt of proceeds from the sale of a building whereby the sale contract has been signed and the Trust is awaiting settlement.

As at 30 June 2009 the Trust held investment properties, unlisted property trusts, a low exercise price option used to gain exposure to the Macquarie Goodman Hong Kong Wholesale Fund and a loan facility.

Investment properties are not defined as financial assets by Accounting Standards and therefore detailed disclosures in respect of direct property is outside of the scope of the following disclosures.

Risk exposure calculations are prepared and reviewed by the Risk and Quantitative Analysis team. Compliance with the Trust's policies is reported to the RMC quarterly.

(b) Market risk

(i) Price risk

Price risk is the risk that the value of the Trust's investment portfolios will fluctuate as a result of changes in market prices. The Trusts are exposed to unit trust and derivative securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain. They are classified on the balance sheet as fair value through profit or loss. All securities investments present a risk of loss of capital.

The Investment Manager mitigates price risk through a careful selection of securities and other financial instruments and manages it through ensuring all activities are transacted in accordance with mandates, overall investment strategy and within approved limits as detailed below:

	Minimum %	Benchmark %	Maximum %
BlackRock Property Trust (Aust)			
Direct Property	50	100	140
Unlisted Property Trusts	-	-	25
Cash	-40	-	25

Market price risk analysis is conducted regularly on a total portfolio basis which includes the effect of derivatives.

Section (c) *Summarised Sensitivity analysis* explains how the risk is measured and summarises the potential exposure of the Trust's net assets attributable to unitholders.

12. Financial Risk Management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

At the reporting date, the notional principal amounts of derivative financial instruments, excluding foreign exchange instruments, held by the Trust were as follows:

	2009			Fair Value \$'000
	Notional Principal Amount			
	Asset \$'000	Liability \$'000	Net \$'000	
Low exercise price option	19,775	-	19,775	19,775
Swaps	19,276	(17,546)	1,729	1,729
	2008			
	Notional Principal Amount			Fair Value \$'000
	Asset \$'000	Liability \$'000	Net \$'000	
	Asset \$'000	Liability \$'000	Net \$'000	
Low exercise price option	16,109	-	16,109	16,109
Swaps	16,633	(13,897)	2,736	2,736

(ii) Foreign exchange risk

The Trust holds non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other countries will fluctuate due to changes in exchange rates. This risk is measured using sensitivity analysis.

The Trust also enters into currency swaps to hedge some or all of its exposure. To ensure that the investment and income will be protected in the low exercise price option ("LEPO") arrangements from adverse foreign exchange movements, cross currency swaps have been implemented for both the capital and forecast distributions.

The foreign exchange risk exposures have been prepared on the basis of the Trust's direct investments and not on a look through basis for investments held indirectly through units in unit trusts and related schemes. Consequently, the disclosure of currency risk in the note may not represent the true currency risk profile of the Trust where the Trust has significant investments in unit trusts which also have exposure to currency markets.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

12. Financial Risk Management (continued)

(b) Market risk (continued)

(iii) Foreign exchange risk (continued)

	Hong Kong Dollar A\$'000	Australian Dollar A\$'000	Total A\$'000
2009			
Assets			
Cash and Cash Equivalents	287	1,000	1,287
Financial Instruments designated at Fair Value through Profit or Loss	–	84,925	84,925
Financial Instruments held for Trading at Fair Value through Profit or Loss	19,775	1,729	21,504
Other Assets	–	468,823	468,823
Total Assets	20,062	556,477	576,539
Liabilities			
Accounts Payable and Accrued Expenses	–	789	789
Distribution Payable	–	8,819	8,819
Financial Instruments held for Trading at Fair Value through Profit or Loss	–	–	–
Loan Facility	–	163,078	163,078
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	–	172,686	172,686
Net Assets Attributable to Unitholders – Liability	20,062	383,791	403,853
	Hong Kong Dollar A\$'000	Australian Dollar A\$'000	Total A\$'000
2008			
Assets			
Cash and Cash Equivalents	10	382	392
Financial Instruments designated at Fair Value through Profit or Loss	–	132,477	132,477
Financial Instruments held for Trading at Fair Value through Profit or Loss	16,109	2,736	18,845
Other Assets	–	592,254	592,254
Total Assets	16,119	727,849	743,968
Liabilities			
Accounts Payable and Accrued Expenses	–	1,877	1,877
Distribution Payable	–	7,347	7,347
Financial Instruments held for Trading at Fair Value through Profit or Loss	–	–	–
Loan Facility	–	176,822	176,822
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	–	186,046	186,046
Net Assets Attributable to Unitholders – Liability	16,119	541,803	557,922

(iii) Interest rate risk

The Trust's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

During the year, the BlackRock Property Trust (Aust) refinanced its portfolio level debt facility, extending its maturity to 30 June 2012. Previously, the Fund had a \$200m facility with Westpac Banking Corporation which was due to mature in December 2010. Both the Fund and the lender agreed to amend the facility size to \$170m to reflect the Fund's reduced current and future debt requirements. The Trust has implemented this gearing strategy for both transactional and strategic purposes. The Trust may enter into fixed rate hedging strategies to reduce this risk to interest rate movements however currently the Trust does not use any interest rate hedging.

12. Financial Risk Management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and liabilities at fair value.

BlackRock Property Trust (Aust)	Floating Interest Rate \$'000	Fixed Interest Rate \$'000	Non-Interest Bearing \$'000	Total \$'000
2009				
Financial Assets				
Cash & Cash Equivalents	1,287	-	-	1,287
Rent Receivable	-	-	859	859
Prepayments	-	-	691	691
Receivables from Unlisted Property Trusts	-	-	446	446
Receivables from Related Schemes	-	-	30	30
Other Receivables	-	-	84	84
Investment Properties	-	-	465,459	465,459
Deposit and Acquisition Costs	-	-	-	-
Loan Establishment Costs	-	-	1,254	1,254
Financial Instruments designated at Fair Value through Profit or Loss				
- Units in Related Schemes	-	-	11,288	11,288
- Units in Unlisted Property Trusts	-	-	73,637	73,637
Financial Assets Held for Trading				
- Low Exercise Price Options	-	-	19,775	19,775
- Swaps	-	-	1,729	1,729
Total Assets	1,287	-	575,252	576,539
Financial Liabilities				
Distribution Payable	-	-	8,819	8,819
Accounts Payable and Accrued Expenses	-	-	789	789
Loan Facility	163,078	-	-	163,078
Total Liabilities (Excluding Net Assets Attributable to Unitholders of the Parent Entity)	163,078	-	9,808	172,886
Net Assets Attributable to Unitholders - Liability	(161,791)	-	565,444	403,953
2008				
Financial Assets				
Cash & Cash Equivalents	392	-	-	392
Rent Receivable	-	-	152	152
Prepayments	-	-	864	864
Receivables from Unlisted Property Trusts	-	-	1,528	1,528
Receivables from Related Schemes	-	-	104	104
Other Receivables	-	-	513	513
Investment Properties	-	-	588,072	588,072
Deposit and Acquisition Costs	-	-	207	207
Loan Establishment Costs	-	-	814	814
Financial Instruments designated at Fair Value through Profit or Loss				
- Units in Related Schemes	-	-	9,504	9,504
- Units in Unlisted Property Trusts	-	-	122,973	122,973
Financial Assets Held for Trading				
- Low Exercise Price Options	-	-	16,109	16,109
- Swaps	-	-	2,736	2,736
Total Assets	392	-	743,576	743,968
Financial Liabilities				
Distribution Payable	-	-	7,347	7,347
Accounts Payable and Accrued Expenses	-	-	1,877	1,877
Loan Facility	176,822	-	-	176,822
Total Liabilities (Excluding Net Assets Attributable to Unitholders of the Parent Entity)	176,822	-	9,224	186,046
Net Assets Attributable to Unitholders - Liability	(176,430)	-	734,352	557,922

An analysis of financial liabilities by maturities is provided in paragraph (d) below.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

12. Financial Risk Management (continued)

(c) Summarised Sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to interest rate risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Trust's investments with relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations are not a definitive indicator of future variations in risk variables.

To determine what is a reasonably possible movement BlackRock has applied historical data for the past three years and applied two standard deviations to the outcome.

	Price Risk		Interest Rate Risk	
30 June 2009	+52.84%	-52.84%	+85bps	-85bps
Indirect Property	38,910,084	(38,910,084)	-	-
Loan	-	-	1,382,252	(1,382,252)
Cash	-	-	10,911	(10,911)
30 June 2008	+35.6%	-35.6%	+42bps	-42bps
Indirect Property	43,740,363	(43,740,363)	-	-
Loan	-	-	1,382,252	(1,382,252)
Cash	-	-	1,646	(1,646)

(d) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under contract. Credit risk primarily arises from trading derivative products and the risk that a tenant will fail to perform contractual obligations including honouring the terms of a lease agreement in whole or in part. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. At 30 June 2009 the total carrying amount of financial assets exposed to credit risk amounted to \$26,155,000 (2008: \$23,419,000). None of these assets were impaired. Past due but not impaired assets have been disclosed below.

(i) Derivatives

All exchange traded derivatives are executed through brokers, and cleared through a clearing broker and approved by the RMC. Over the counter derivative transactions are conducted only with approved counterparties, who meet the applicable specific Trust requirements and where trading documentation is in place. Foreign exchange contracts are subject to credit risk in relation to the relevant counterparties, which is principally the NAB.

To minimise credit risk, the Trust only transacts with counterparties of investment grade quality (BBB- or above as rated by Standard & Poor's). BlackRock has a process in place to assess the creditworthiness of counterparties and assess that the risk is evenly distributed. Matters arising in relation to counterparties are reviewed regularly by the RMC. The counterparty in relation to the LEPO is Merrill Lynch (Australia) Futures Limited.

(ii) Rent Receivable

Credit risk from tenants is minimised by securing bank guarantees and security deposits, and drawing on these in the case of default by a tenant. Ongoing credit evaluation is performed on the financial condition of tenants and, where appropriate, an allowance for doubtful debtors is raised.

Concentration of credit risk from tenants are minimised primarily by:

- Ensuring tenants, together with respective credit limits, are approved, and
- Ensuring that leases are undertaken with a large number of tenants.

As such, the Trust does not have a concentration of credit risk that arises from an exposure to a single tenant.

12. Financial Risk Management (continued)

(d) Credit risk (continued)

(ii) Rent Receivable (continued)

Past due, but not impaired

As at 30 June 2009, rent receivables of \$858,867 (2008 \$152,377) were past due but not impaired. The ageing analysis of the Trust's rent receivables is as follows:

	2009 \$	2008 \$
Not past due	-	-
Renegotiated	-	-
Past due 0 – 30 days, but not impaired	727,858	47,234
Past due 31 – 60 days	(165,815)	7,116
Past due 61 – 90 days	(77,244)	6,541
Past 90 days	374,068	91,486
Total	858,867	152,377

(iii) Other credit risk

Exposure to credit risk on cash and cash equivalents, margin accounts and amounts due from brokers (receivables) is considered to be minimal due to the high credit rating of the relevant financial institutions and the short time to settlement, in the case of brokers.

(e) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due.

In the ordinary course of business the Trust is exposed to daily cash redemptions of redeemable units. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes. The Trust also maintain continuous monitoring of forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities. It should be noted that the Trust is "non-liquid" as set out in note 16.

From time to time liquidity can be restricted in this sector due to market conditions limiting transactions in the commercial markets. During these times BlackRock will review the liquidity provisions of the Trust and closely monitor the cash inflows and outflows. These restrictions will not impact the normal operations of the Trust.

BlackRock investment management staff consider and maintain the liquidity of the Trust, in the context of the investment objectives and liquidity requirements of the Trust.

The table below analyses the Trust's financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are the contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 12 month	1–3 years	3–5 years	> 5 years	On Call
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2009					
Distribution Payable	8,819	-	-	-	-
Accounts payable & Accrued expenses	789	-	-	-	-
Loan Facility	615	165,177	-	-	-
Net assets attributable to unitholders	-	-	-	-	403,853
Total	10,223	165,177	-	-	403,583
As at 30 June 2008					
Distribution Payable	7,347	-	-	-	-
Accounts payable & Accrued expenses	1,877	-	-	-	-
Loan Facility	16,167	224,193	-	-	-
Net assets attributable to unitholders	-	-	-	-	557,922
Total	25,391	224,193	-	-	557,922

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

12. Financial Risk Management (continued)

(f) Fair value estimation

The financial assets and liabilities which are included in the Balance Sheets for the Trusts are carried at fair value.

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

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Trust may from time to time hold financial instruments that are not quoted in active markets, such as over-the-counter (OTC) derivatives. Fair values of such instruments are determined by using internal valuation models. Where valuation models are used to determine fair values, they are periodically reviewed and validated by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practical. However, areas such as credit risk (both the Trust and counterparty), volatilities and correlations require management to make reasonable estimates. Changes in assumptions about these factors will affect the reported fair value of financial instruments.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such Trusts.

13. Units in Unlisted Property Trusts

	2009 \$'000	2008 \$'000
Investments in Unlisted Property Trusts		
GPT Wholesale Office Fund	–	25,615
Japara Aged Care & Retirement Trust	9,123	10,143
Macquarie Goodman Wholesale Fund	40,085	49,928
Retail Co-Investment Trust	19,311	29,221
Retirement Villages Trust	5,118	8,066
	73,637	122,973

As at 30 June 2009 the values of units in Unlisted Property Trusts were valued at fair value.

In addition to the above, BlackRock Property Trust (Aust) also held a low exercise price option used to gain exposure to the Macquarie Goodman Hong Kong Wholesale Fund. As at 30 June 2009 its fair value was \$19,775,000 (2008: \$16,109,000).

14. Commitments and Contingencies

There are no outstanding commitments or contingent assets and liabilities as at 30 June 2009.

The Trust has no restriction on realisability of investment property or the remittance of income and proceeds of disposal. There is no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements other than normal operating maintenance of properties.

15. Events Occurring After the Balance Sheet Date

On 16 July 2009 the Board of BlackRock Investment Management (Australia) declared the BlackRock Property Trust (Aust) to be "non-liquid" in accordance with the requirements under the Corporation Act. As a result of this declaration and for as long as the Trust continues to be non-liquid, it is a breach of the Corporations Act to redeem any units in the Trust except via a formal withdrawal offer to all unit holders as set out in the Act.

With the exception of the above and current market volatility, which is reflected in the daily unit prices, there have been no other significant events which have occurred since balance date which would impact on the financial position of the Trust disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Trust for the year ended on that date.

16. Loan

	2009 \$'000	2008 \$'000
Interest expense payable	78	269
Secured bank loans	163,000	176,553
Total	163,078	176,822

All carrying values represent fair values at the end of the financial year. The maturity date of the current loan is 30 June 2012.

(a) Assets pledged as security

The Lender does not have security over the individual assets of the Trust, however in the event of a default, the Lender does have the right to claim against the Responsible Entity's right to be indemnified out of the assets of the Trust.

(b) Financing arrangements

Unrestricted access was available at balance date to the following.

	2009 \$'000	2008 \$'000
Secured Bank Loan		
Total facilities	180,000	200,000
Used at balance date	163,000	176,553
Unused at balance date	17,000	23,447

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes attached are in accordance with the Corporations Act 2001, including
 - (i) complying with Accounting Standards; the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

M J O'Shannassy
Director

G A Boyle
Director

Melbourne, 28 September 2009

Independent Auditor's Report

Independent Auditor's Report to the Unitholders of BlackRock Property Trust (Aust)

We have audited the accompanying financial report of BlackRock Property Trust (Aust) ("the Fund"), which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of BlackRock Property Trust (Aust) is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of BlackRock Property Trust's (Aust) as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

DELOITTE TOUCHE TOHMATSU

Neil A. Brown
Partner
Chartered Accountants
Melbourne, 28 September 2009

Liability limited by a scheme approved under Professional Standards Legislation.