2009

DEXUS Property Syndicates
Gordon Property Trust and
Gordon Property Investment Trust

ANNUAL REPORT

DEXUS
PROPERTY GROUP

All press releases, financial reports and other information are available on our website: www.dexus.com

LETTER FROM THE CHAIR

Dear Investor

I am pleased to present the Annual Report for the Gordon Property Trust and the Gordon Property Investment Trust (collectively the Trusts) for the year ending 30 June 2009.

Property highlights include:

- The income return for the year ending 30 June 2009 is 12.49 cents per unit
- The occupancy as at 30 June 2009 is 98.8%

On behalf of the Board, I wish to thank you for your continued support of the Gordon Property Trust and the Gordon Property Investment Trust.

Yours sincerely,

Christopher T Beare
Chair
26 September 2009
DEXUS Funds Management Limited

KEY FINANCIAL DATA

Gordon Property Trust

	June 2009	June 2008
Investment property	$80,400,000	$86,250,000
Total assets	$81,566,000	$87,098,000
Borrowings	$2,755,000	$1,070,000
Total liabilities	$6,813,000	$4,834,000
Net assets attributable to members	$74,753,000	$82,264,000
Net (loss)/profit before distributions to members	($3,033,000)	$4,829,000
Number of units on issue	21,700,000	21,700,000
Number of unitholders	135	129
Net asset backing per unit attributable to members	$3.44	$3.79
	Cents per unit	**Cents per unit**
Gross distribution	20.64	20.93
Less loan interest expense	8.15	7.73
Net distribution	12.49	13.20
Tax deferred amount	1.40	0.07
Assessable income	19.24	20.86
Tax advantage portion	6.78%	0.32%

Gordon Property Investment Trust

	June 2009	June 2008
Investment property	$50,758,000	$55,857,000
Total assets	$51,248,000	$56,761,000
Borrowings	$16,944,000	$16,944,000
Total liabilities	$18,247,000	$17,445,000
Net assets attributable to members	$33,001,000	$39,316,000
Net (loss)/profit before distributions to members	($4,474,000)	$2,407,000
Number of units on issue	14,734,000	14,734,000
Number of unitholders	304	305
Net asset backing per unit attributable to members	$2.24	$2.67
	Cents per unit	**Cents per unit**
Net distribution	12.49	13.20
Tax deferred amount	1.67	0.20
Assessable income	10.82	13.00
Tax advantage portion	13.33%	1.54%

MANAGER'S REPORT

Gordon Shopping Complex, Gordon, NSW

Description

The Gordon Shopping Complex (the Complex) comprises two retail assets, the Gordon Centre (the Centre) and the Gordon Village Arcade (the Arcade). The Complex has a total lettable area of 13,817 square metres. The Centre is anchored by a supermarket with specialty retail and commercial office tenancies located over three levels. The Arcade provides retail accommodation for approximately 26 specialty retailers over four levels and is linked by a foot bridge over the Pacific Highway to the Centre.

Location

The Complex is located on the Pacific Highway, Gordon, 16 kilometres north of the Sydney CBD.

Term

The future of the two Trusts that comprise the Syndicate, the Gordon Property Trust (GPT) and Gordon Property Investment Trust (GPIT), have been reviewed by the Responsible Entity (RE). In light of the pending expiration of the original term in June 2010 and in accordance with the Trusts' constitutions and the intention of the 1998 Prospectus the RE has determined that the Complex should be sold and the Trusts wound up.

The Complex will be offered for sale during the first half of 2010. If the Complex has not been sold prior to the expiration of the original syndicate term (i.e. 15 June 2010) the Trusts will terminate on that date with the winding up process to commence. The practical effect is that the Trusts continue to operate until the property has been sold.

Debt

Over the past year the headroom available within the debt facility for this Complex has reduced and an increase of $1.75 million in the working capital facility was approved.

Performance

The income distributions paid to unit holders of 12.49 cents per unit for the year is in line with expectations.

The net asset backing per unit as at 30 June 2009 attributable to members is $3.44 for Gordon Property Trust (previously reported at $3.79 at June 2008) and $2.24 for Gordon Property Investment Trust (previously $2.67 at June 2008).

Valuation

The property was independently valued at 30 June 2009 at $80.4 million, representing a 1.1% decrease over the previous internal valuation in December 2008 of $81.3 million. The Centre is now valued at $70.0 million and the Arcade at $10.4 million.

Centre Performance

The Complex trade is stable, assisted by the introduction of some new and vibrant retailers. Overall, Moving Annual Turnover (MAT) for the complex to June 2009 was $103.2 million ($96.8 million + $6.4 million), a decrease of 1.3% over the previous year. Poor performance of the travel sector in this current economic environment has also had a substantial impact on the result for the Complex with MAT for this category at $6.5 million, a decrease of 37.7% over the previous year, representing a loss of $3.95 million in sales.

Woolworths has shown consistent growth with supermarket sales increasing in the year to June 2009. Liquor sales also increased 2.8% on last year. Woolworths traded strongly throughout a minor store refurbishment during the latter part of the year, which included an entire store re-brand in line with Woolworths national branding. The refreshed look and feel of Woolworths has complemented the Centre's refurbishment program well.

The Centre is well positioned for maximising retail sales growth going forward.

Leasing

The Complex was 98.8% leased at 30 June 2009. The Centre is 98.61% leased and the Arcade is 100% leased.

Eight leasing deals were agreed in the Centre during the financial year at an average of 7.0% above budget for new tenants and 14.0% for existing tenants resulting in $1.02 million in gross income. Included in these deals were the reconfiguration of The Gordon Chemist and the secured new key restaurant anchor, The Gordon Grill.

The minor refurbishment program completed in December 2008 included replacing the escalators servicing Harvey Norman, adding an additional 81 square metres in area through the addition of two new specialty stores, reinvigorating under performing specialty space and creating a new main entry statement fronting the Pacific Highway. In addition to the new retailers, the renewal of Gordon Shoe Repairs was also concluded.

The Arcade was 100% leased as at 30 June 2009. Six leasing deals were agreed during the financial year providing $320,000 in gross income. Included in these deals was the lease to OPSM, a former tenant at the Centre to fill a long-term vacancy within the Arcade. Several renewals were also concluded in the Arcade.

The office component of the Centre was 94% leased at 30 June 2009 with one vacancy. This was a pleasing result given the highly competitive office suite market in Sydney's Upper North Shore region and the large number of vacancies in the area.

Eight office leasing deals were agreed during the year providing $507, 000 in gross income. Two new leases were agreed and a number of renewals were also completed.

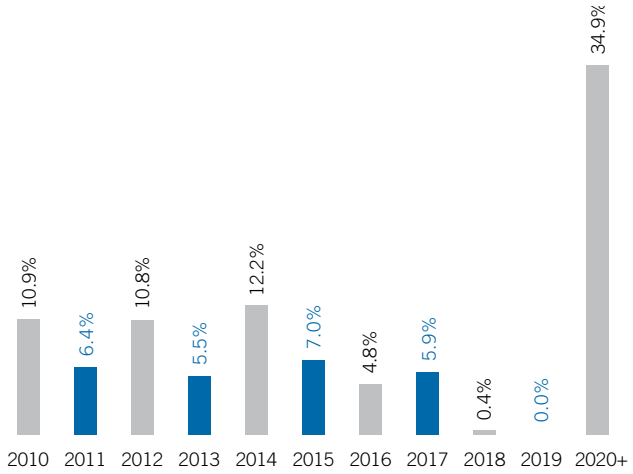
Market Commentary

The retail sector in NSW has been consistently weak in the last year, boosted only in recent months by Federal stimulus cash payments. Seasonally adjusted MAT for the year to July 2009 was just 2.5%, the lowest level of all states and well below the 20 year state average of 5.3%.

Despite a drop in household mortgage rates in the second half of 2008, consumer confidence recorded fairly pessimistic levels, rising only in June 2009. The global financial crisis has had considerable negative impact on the state's financial sector – ordinarily a source of strength for the economy – and, along with other sectors such as tourism, resulted in significant job losses in early 2009. Despite the likelihood of further job losses over the next 18 months, signs of an upcoming recovery in state growth are emerging. Business confidence has improved markedly due to a relatively stable household sector and a growing consensus that the global economy is likely to improve in 2010. A stronger Australian dollar is assisting retailers and finance for housing construction has been more buoyant. With official interest rates now forecasted to stay expansionary in the next 12 months, a recovery in the housing market is likely, though the positive flow through to retail is not likely to eventuate until late 2009 or early 2010.

Over the last 12 months, generally non-discretionary categories have outperformed discretionary with weaker sales growth evident in department stores, household goods, apparel and take-away food services. Access Economics is forecasting below average economic growth for NSW in the next financial year and this will likely temper sales growth. According to Jones Lang LaSalle, retail specialty rents are currently showing flat to minimal growth. This is likely to continue over the next year.

LEASE EXPIRY AT 30 JUNE 2009 BY NET PASSING INCOME



Property details

	Centre	Arcade
Type	Neighbourhood Centre	Retail Arcade
Date built	Established 1964	Established 1964
Site area (m^2)	7,928	651
Net lettable area (m^2)	11,973	1,844
Office content (%)	19.46	0
Car parking spaces	575	320[1]

1 Access to council car park at rear of Arcade.

	Complex
Acquisition date	30 November 1998
Purchase price ($ million)	40.965
Valuation date	30 June 2009
Valuation ($ million)	80.40
Valuer	Knight Frank
Major tenants	Woolworths, Harvey Norman
Occupancy at 30 June 2009 (%)	98.8

Distribution history

Gordon Property Trust

	30/6/09 cpu	30/6/08 cpu	30/6/07 cpu	30/6/06 cpu	30/6/05 cpu	30/6/04 cpu	30/6/03 cpu	30/6/02 cpu	30/6/01 cpu	30/6/00 cpu	30/6/99[1] cpu
Gross distribution	20.64	20.93	20.58	20.55	22.12	21.41	19.77	18.75	17.96	17.37	10.110
Loan interest expense	8.15	7.73	7.57	8.08	8.12	7.41	7.27	7.25	7.21	6.97	4.046
Net distribution	12.49	13.20	13.01	12.47	14.00	14.00	12.50	11.50	10.75	10.40	6.064
Tax free[2] (%)	–	–	–	–	–	–	–	–	2.28	3.68	0.00
Tax deferred (%)	6.78	0.32	53.06	3.65	16.11	6.71	3.21	2.25	0.00	8.03	0.00

Gordon Property Investment Trust

	30/6/09 cpu	30/6/08 cpu	30/6/07 cpu	30/6/06 cpu	30/6/05 cpu	30/6/04 cpu	30/6/03 cpu	30/6/02 cpu	30/6/01 cpu	30/6/00 cpu	30/6/99[1] cpu
Gross distribution	12.49	13.20	13.01	12.47	14.00	14.00	12.50	11.50	10.75	10.40	6.064
Tax free[2] (%)	–	–	–	–	–	–	–	–	3.80	6.15	0.00
Tax deferred (%)	13.33	1.54	86.04	5.22	25.45	11.24	8.33	7.21	3.78	17.31	0.00

1 Period from 30 November 1998, the inception of the Trust, to 30 June 1999.
2 From 1 July 2001, the treatment of tax free income for taxation purposes was changed and is now distributed as tax deferred income.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ABOUT DEXUS

Members of the DEXUS team at Australia Square, Sydney, NSW

L to R: Patricia Daniels – Head of Human Resources, John Easy – General Counsel, Tanya Cox – Chief Operating Officer, Mark Turner – Head of Funds Management, Craig Mitchell – Chief Financial Officer, Victor Hoog Antink – Chief Executive Officer, Louise Martin – Head of Office, Andrew Whiteside – Head of Industrial, Jane Lloyd – Head of Retail, Paul Say – Head of Corporate Development

DEXUS is one of Australia's leading diversified property groups specialising in world-class office, industrial and retail properties with total assets under management of $13.5 billion in Australia, New Zealand, North America and Europe. In Australia, DEXUS is the largest owner, manager of office, the third largest in industrial and a leading manager and developer of shopping centres.

The Gordon Property Trust and the Gordon Property Investment Trust are managed by the DEXUS Property Group.

The Group has two areas of operation:

- Our A$7.9 billion[1] direct property portfolio – DEXUS Property Group, one of the largest listed Australian REITs, which owns, manages and develops high quality office and industrial properties in Australia and select international markets
- Our A$5.6 billion third party property funds management business manages and develops Australian office, industrial and retail properties on behalf of third party investors. This includes DEXUS Wholesale Property Fund, two blue-chip private client mandates and two property syndicates, which collectively make up one of the largest third party property funds management businesses in Australia

DEXUS is committed to being a market leader in Corporate Responsibility and Sustainability and was recently recognised as one of the "Global 100 Most Sustainable Corporations" at the World Economic Forum in Davos, Switzerland.

For further information visit www.dexus.com

1 Includes cash and other assets.

DISCLOSURE FOR RETAIL INVESTORS

The Australian Securities & Investments Commission (ASIC) has developed eight disclosure principles for unlisted property schemes that are intended to assist retail investors to better understand the risks of investing in unlisted schemes, assess the rewards being offered and decide whether these investments are suitable for them.

Provided below is a summary of the guidelines and information specific to the Gordon Property Trust and the Gordon Property Investment Trust.

We recommend that you seek independent financial advice if you require further information in relation to your investment.

Disclosure

Syndicate Capital Management – Gordon	
Borrowings	$27.71 million
Gearing (percentage of total assets)	34%
Gearing covenant	n/a
Interest cover covenant	EBIT/IE > 2x
Interest cover	3.57x
LVR covenant	< 60%
Current LVR	35%
Debt maturity	June 2011

LVR – Loan to Value Ratio
IE – Interest expense
EBIT – Earnings before interest and tax

Table 1: Disclosure principles for unlisted property schemes

1. Gearing ratio	Scheme's gearing ratio indicates the extent to which a scheme's assets are funded by external liabilities.
2. Interest cover	Information on a scheme's interest cover indicates the scheme's ability to meet interest payments from earnings.
3. Scheme borrowing	This principle requires information on when the scheme's debts and credit facilities will mature and any associated risks. It is also important that investors are kept informed and updated with information they would reasonably require on breach of loan covenants.
4. Portfolio diversification	This information addresses the scheme's investment practices and portfolio risk.
5. Valuation policy	Key aspects of the scheme's valuation policy for real property assets should be disclosed so that investors can assess the reliability of the valuations.
6. Related party transactions	Investors need to be able assess the Responsible Entity's approach to related party transactions.
7. Distribution practices	Information on the scheme's distribution practices is required so that investors can assess the sources of the distributions and be informed as to the sustainability of distributions from sources other than realised income.
8. Withdrawal rights	If a scheme gives investors withdrawal rights, these rights should be clearly explained.

Source: Australian Securities & Investments Commission – Consultation Paper 100: *Unlisted property schemes – improving disclosure for retail investors, July 2008.*

Borrowings mature 12 months beyond the original termination date of the Gordon Property Trust and the Gordon Property Investment Trust.

Portfolio diversification

The Gordon Property Trust and the Gordon Property Investment Trust comprise a single asset syndicate. There is no portfolio diversification strategy.

Valuation policy

An external valuation is undertaken annually.

The DEXUS valuation policy states that:

- the valuer is appraised of all material issues which may affect the value of the asset; and
- the requirements of the Corporations Act, the Constitution and any relevant offer document are taken into account when instructing valuers; and valuers are changed every two years.

Related party transactions

Property management of the Gordon Property Trust and the Gordon Property Investment Trust assets is undertaken by DEXUS Property Services Pty Limited – a wholly owned subsidiary of the DEXUS Property Group. No other related party agreements exist.

Management of the property is subject to commercial agreement and monitoring of compliance with the agreement.

Distribution practices

Distributions are paid quarterly. The distribution is paid no later than 90 days after the end of the distribution period.

The distributable income of the Fund for a distribution period is an amount as determined by the RE prior to the end of the distribution period.

Withdrawal rights

As disclosed in the original offer document, investment in the Gordon Property Trust and the Gordon Property Investment Trust is illiquid. For the duration of the Trusts, no unitholder has the right to redeem units. The RE is not permitted to buy back units in the Trusts and there is unlikely to be a secondary market for the units in the Gordon Property Trust and the Gordon Property Investment Trust.

FINANCIAL REPORTS

GORDON PROPERTY INVESTMENT TRUST
(ARSN 092 631 297)
AND GORDON PROPERTY TRUST
(ARSN 092 632 052)

FINANCIAL REPORTS

The Directors of DEXUS Funds Management Limited (DXFM) as Responsible Entity of Gordon Property Investment Trust (GPIT) and the Gordon Property Trust (GPT) (together "the Trusts") present their Directors' Report together with the Consolidated Financial Statements for the year ended 30 June 2009.

1. Directors

The following persons were Directors or Alternate Directors of DXFM at all times during the year and up to the date of this Directors' report, unless otherwise stated:

Directors	Appointed	Resigned
Christopher T Beare	4 August 2004	
Elizabeth A Alexander AM	1 January 2005	
Barry R Brownjohn	1 January 2005	
John C Conde AO	29 April 2009	
Stewart F Ewen OAM	4 August 2004	
Victor P Hoog Antink	1 October 2004	
Charles B Leitner III	10 March 2005	29 April 2009
Brian E Scullin	1 January 2005	
Peter B St George	29 April 2009	
Alternate Director		
Andrew J Fay (Alternate to Charles B Leitner III)	30 January 2006	29 April 2009

Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board of Directors to be key management personnel during all of the financial year and up to the date of this report:

Name	Title	The date they qualified or ceased to qualify as a KMP during the 12 months ended 30 June 2009
Victor P Hoog Antink	Chief Executive Officer	
Tanya L Cox	Chief Operating Officer	
Craig D Mitchell	Chief Financial Officer	
John C Easy	General Counsel	
Patricia A Daniels	Head of Human Resources	
Paul G Say	Head of Corporate Development	
Mark F Turner	Head of Funds Management	
Louise J Martin	Head of Office	
Andrew P Whiteside	Head of Industrial	
Jane R Lloyd	Head of Retail	Qualified 14 July 2008

2. Remuneration report

Remuneration received by key management personnel of the Trusts is a cost of DEXUS Holdings Pty Limited (DXH) and not the Trusts. DXH does not recover any proportion of their remuneration from the Trusts.

3. Directors' interests

As at the date of this Directors' Report, no Director directly or indirectly held:

- options over, or any other contractual interest in, units in the Trusts; or
- units in the Trusts.

4. Principal activities

The principal activity of the Gordon Property Trust during the course of the year consisted of investment in real property in Australia, whilst the principal activity of the Gordon Property Investment Trust consisted of investment in units of the Gordon Property Trust.

5. Total value of trust assets

The total value of the assets of the Gordon Property Investment Trust as at 30 June 2009 was $51.25 million (2008: $56.76 million). The total value of the assets of the Gordon Property Trust as at 30 June 2009 was $81.57 million (2008: $87.10 million). Details of the basis of the valuation are outlined in note 1 of the Financial Statements and form part of this Directors' Report.

6. Review and results of operations

The Gordon Property Investment Trusts' results for the year ended 30 June 2009 were:

- (loss)/profit before finance costs was ($2.09) million (2008: $3.25 million);
- finance costs paid and payable to members were $1.84 million (2008: $1.95 million);
- total assets were $51.25 million (2008: $56.76 million); and
- net assets attributable to members were $33.00 million (2008: $39.32 million).

The Gordon Property Trusts' results for the year ended 30 June 2009 were:

- (loss)/profit before finance costs was ($2.92) million (2008: $4.89 million);
- finance costs paid and payable to members were $4.48 million (2008: $4.54 million);
- total assets were $ 81.57 million (2008: $87.10 million); and
- net assets attributable to members were $74.75 million (2008: $82.26 million).

The distribution payout policy has been reviewed. From 1 July 2009, distributions will be adjusted to pay out taxable income of the Trusts in order to preserve cash flow for working capital purposes.

7. Likely developments and expected results of operations

In accordance with their Trust Constitutions, both Gordon Property Trust and Gordon Property Investment Trust are due to expire on 15 June 2010. On 26 March 2009, the Board approved the proposed sale of the Gordon Centre in line with the expiration of the Trust and the subsequent wind up, including the realisation of all the Trusts assets and liabilities (inclusive of financial derivative liabilities), of Gordon Property Trust and Gordon Property Investment Trust as intended. Marketing with respect of the proposed sale is expected to commence within six months with the aim of securing a purchaser prior to 30 June 2010. The price may vary to the 30 June 2009 external valuation amount due to uncertain market conditions. Refer to note 1(a) of the Financial Statements that discusses the uncertainty of property valuations in current global financial markets.

In the opinion of the Directors, disclosure of any further information regarding business strategies and the future developments or results of the Trusts, other than the information already outlined in this Directors' Report or the Financial Statements accompanying this Directors' Report would be unreasonably prejudicial to the Trusts.

8. Significant changes in the state of affairs

The Directors are not aware of any matter or circumstance, not otherwise dealt with in this Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Trusts, the results of those operations, or the state of the Trusts' affairs in future financial periods.

9. Matters subsequent to the end of the financial year

Since the end of the year, the Directors of the DXFM are not aware of any matter or circumstance not otherwise dealt with in their report or the Financial Statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trusts' affairs in future financial years.

10. Finance costs/distributions

Finance costs/distributions paid or payable by the Trust for the year ended 30 June 2009 are outlined in note 19 of the Financial Statements and form part of this Directors' Report.

11. DXFM fees and associate interests

Details of fees paid or payable by the Trusts to DXFM for the year ended 30 June 2009 are outlined in note 23 of the Financial Statements and form part of this Directors' Report.

The number of units in the Trusts held by DXFM or its associates as at 30 June 2009 are disclosed in note 23 of the Financial Statements and form part of this Directors' Report.

12. Interests in the Trust

The movement in units on issue in the Trusts during the year and the number of units on issue as at 30 June 2009 are outlined in note 17 of the Financial Statements and form part of this Directors' Report.

13. Environmental regulation

The Trusts' senior management, through its Board Risk Management Committee, oversee the policies, procedures and systems that have been implemented to ensure the adequacy of its environmental risk management practices. It is the opinion of this Committee that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. Further, the Committee is not aware of any breaches of these requirements and to the best of its knowledge all activities have been undertaken in compliance with environmental requirements.

14. Indemnification and insurance

The insurance premium for a policy of insurance indemnifying Directors, officers and others (as defined in the relevant policy of insurance) is paid by DXH. The indemnity does not apply if prohibited by the *Corporations Act 2001*.

15. Audit

15.1 Auditor

PricewaterhouseCoopers (PwC or the Auditor) continues in office in accordance with section 327 of the *Corporations Act 2001*.

15.2 Non-audit services

The Trusts may decide to employ the auditors on assignments additional to their statutory audit duties where the Auditors expertise and experience with the Trusts are important.

Details of the amounts paid or payable to the Auditor, for audit and non-audit services provided during the year are outlined in note 7 of the Financial Statements.

The Board Audit Committee is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The reasons for the Directors being satisfied are:

- Board Audit Committee has determined that the external auditor will not provide services that have the potential to impair the independence of its audit role, including:
  - participating in activities that are normally undertaken by management; and
  - being remunerated on a "success fee" basis.
- Board Audit Committee has determined that the Auditor will not provide services where the Auditor may be required to review or audit its own work, including:
  - the preparation of accounting records;
  - the design and implementation of information technology systems;
  - conducting valuation, actuarial or legal services;
  - promoting, dealing in or underwriting securities; or
  - providing internal audit services.

- Board Audit Committee regularly reviews the performance and independence of the Auditor and whether the independence of this function has been maintained having regard to the provision of non-audit services. The Auditor has provided a written declaration to the Board regarding its independence at each reporting period and Board Audit Committee approval is required before engagement of the Auditor to perform any non-audit service for a fee in excess of $100,000.

The above Directors' statements are in accordance with the advice received from the Board Audit Committee.

15.3 Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out in the Financial Statements and form part of this Directors' Report.

16. Combined Financial Statements

The Trusts have applied Class Order 06/441 issued by the Australian Securities & Investments Commission which allows the Financial Statements of different registered schemes with a common Responsible Entity to be presented in adjacent columns in a single financial report.

17. Rounding of amounts and currency

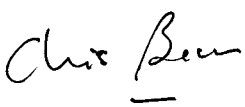
The Trusts are registered schemes of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in this Directors' Report and the Financial Statements. Amounts in this Directors' Report and Financial Statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Financial Statements, except where otherwise stated, are expressed in Australian dollars.

18. Management representation

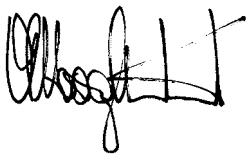
The Chief Executive Officer and Chief Financial Officer have reviewed the Trusts' financial reporting processes, policies and procedures together with its risk management and internal control and compliance policies and procedures. Following that review it is their opinion that the Trusts' financial records for the financial year have been properly maintained in accordance with the *Corporations Act 2001* and the Financial Statements and their Notes comply with the accounting standards and give a true and fair view.

19. Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The financial report was authorised for issue by the Directors on 28 August 2009. The Directors have the power to amend and reissue the financial report.



Christopher T Beare
Chair
28 August 2009



Victor P Hoog Antink
Chief Executive Officer
28 August 2009

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the audit of Gordon Property Investment Trust for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Gordon Property Investment Trust and the entities it controlled during the period.

JA Dunning

JA Dunning
Partner
PricewaterhouseCoopers

28 August 2009

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the audit of Gordon Property Trust for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Gordon Property Trust during the period.

JA Dunning
Partner
PricewaterhouseCoopers

28 August 2009

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		GPIT		GPT	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Revenue from ordinary activities							
Property revenue	2	7,663	7,271	–	–	7,663	7,271
Distribution revenue	3	–	–	3,041	3,085	–	–
Interest revenue	4	34	44	–	–	34	44
Total revenue from ordinary activities		**7,697**	**7,315**	**3,041**	**3,085**	**7,697**	**7,315**
Net fair value gain of investment properties		–	417	–	–	–	417
Net fair value gain of investments		–	–	–	193	–	–
Total income		**7,697**	**7,732**	**3,041**	**3,278**	**7,697**	**7,732**
Expenses (excluding finance costs)							
Property expenses		(2,059)	(1,877)	–	–	(2,059)	(1,877)
Responsible Entity fees	23	(710)	(898)	–	–	(710)	(898)
Other expenses	6	(116)	(96)	(28)	(25)	(88)	(71)
Net fair value loss of investment properties		(7,762)	–	–	–	(7,762)	–
Net fair value loss of investments		–	–	(5,099)	–	–	–
Total expenses (before finance costs)		**(10,647)**	**(2,871)**	**(5,127)**	**(25)**	**(10,619)**	**(2,846)**
(Loss)/profit (before finance costs)		**(2,950)**	**4,861**	**(2,086)**	**3,253**	**(2,922)**	**4,886**
Finance costs							
Finance costs to financial institutions	5	(2,499)	(903)	(2,388)	(846)	(111)	(57)
Finance costs to members	19	(1,841)	(1,945)	(1,841)	(1,945)	(4,478)	(4,543)
Finance costs to minority interests		975	(1,551)	–	–	–	–
Decrease/(increase) in net assets attributable to members	17	6,315	(462)	6,315	(462)	7,511	(286)
Net profit/(loss)		**–**	**–**	**–**	**–**	**–**	**–**

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

BALANCE SHEETS
AS AT 30 JUNE 2009

		Consolidated		GPIT		GPT	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current assets							
Cash and cash equivalents	8	859	584	–	–	859	584
Receivables	9	79	78	490	430	164	126
Derivative financial instruments	10	–	471	–	471	–	–
Other current assets	11	143	141	–	3	143	138
Total current assets		**1,081**	**1,274**	**490**	**904**	**1,166**	**848**
Non-current assets							
Investment properties	12	80,400	86,250	–	–	80,400	86,250
Other financial assets at fair value through profit or loss	13	–	–	50,758	55,857	–	–
Total non-current assets		**80,400**	**86,250**	**50,758**	**55,857**	**80,400**	**86,250**
Total assets		**81,481**	**87,524**	**51,248**	**56,761**	**81,566**	**87,098**
Current liabilities							
Payables	14	1,326	938	125	25	1,201	913
Provisions	15	732	702	460	476	847	705
Derivative financial instruments	10	718	–	718	–	–	–
Total current liabilities		**2,776**	**1,640**	**1,303**	**501**	**2,048**	**1,618**
Non-current liabilities							
Payables	14	2,010	2,146	–	–	2,010	2,146
Interest bearing liabilities	16	19,699	18,014	16,944	16,944	2,755	1,070
Total non-current liabilities		**21,709**	**20,160**	**16,944**	**16,944**	**4,765**	**3,216**
Total liabilities (excluding amounts attributable to members and minority interests)		**24,485**	**21,800**	**18,247**	**17,445**	**6,813**	**4,834**
Net assets attributable to members	17	33,001	39,316	33,001	39,316	74,753	82,264
Net assets attributable to minority interests	18	23,995	26,408	–	–	–	–
Net assets attributable to members and minority interests		**56,996**	**65,724**	**33,001**	**39,316**	**74,753**	**82,264**
Net assets		**–**	**–**	**–**	**–**	**–**	**–**

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Total equity at the beginning of the year	–	–	–	–	–	–
Net profit attributable to members	–	–	–	–	–	–
Total recognised income and expense for the period	–	–	–	–	–	–
Transactions with equity holders in their capacity as equity holders:						
Distributions provided for or paid	–	–	–	–	–	–
Transactions with minority interest:						
Distributions provided for or paid	–	–	–	–	–	–
Total transactions with equity holders	–	–	–	–	–	–
Total equity at the end of the period	–	–	–	–	–	–
Total recognised income and expense for the period is attributable to:						
Members of Gordon Property Investment Trust and Gordon Property Trust	–	–	–	–	–	–
Minority interest	–	–	–	–	–	–
Total recognised income and expense for the period	–	–	–	–	–	–

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

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

		Consolidated		GPIT		GPT	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash flows from operating activities							
Receipts in the course of operations (inclusive of GST)		8,558	7,413	–	53	8,517	7,364
Payments in the course of operations (inclusive of GST)		(3,524)	(2,504)	(96)	(43)	(3,485)	(2,461)
Interest received		37	44	–	–	37	44
Finance costs paid to financial institutions		(1,199)	(1,203)	(1,088)	(1,146)	(111)	(57)
Distributions received from unit trusts		–	–	3,041	3,085	–	–
Net cash inflow from operating activities	**25**	**3,872**	**3,750**	**1,857**	**1,949**	**4,958**	**4,890**
Cash flows from investing activities							
Payments for capital expenditure on investment properties		(2,032)	(518)	–	–	(2,032)	(518)
Net cash (outflow) from investing activities		**(2,032)**	**(518)**	**–**	**–**	**(2,032)**	**(518)**
Cash flows from financing activities							
Proceeds from borrowings		1,685	250	–	–	1,685	250
Finance costs paid to members		(1,857)	(1,949)	(1,857)	(1,949)	(4,336)	(4,548)
Finance costs paid to minority interests		(1,393)	(1,459)	–	–	–	–
Net cash (outflow) from financing activities		**(1,565)**	**(3,158)**	**(1,857)**	**(1,949)**	**(2,651)**	**(4,298)**
Net increase in cash and cash equivalents		**275**	**74**	**–**	**–**	**275**	**74**
Cash and cash equivalents at the beginning of the year		584	510	–	–	584	510
Cash and cash equivalents at the end of the year	**8**	**859**	**584**	**–**	**–**	**859**	**584**

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

Note 1. Summary of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the year ended 30 June 2009 has been prepared in accordance with the requirements of the Trusts' Constitution, the *Corporations Act 2001*, Australian Equivalents to International Financial Reporting Standards (AIFRS) and Interpretations. Compliance with AIFRS ensures that the Consolidated and Parent Financial Statements and Notes comply with International Financial Reporting Standards (IFRS).

This financial report is prepared on the going concern basis and historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except for the revaluation of certain non-current assets and financial instruments (refer notes 1(e) and 1(l)).

As at 30 June 2009, the Consolidated Gordon Syndicate had a net current asset deficiency of $1.7 million, GPIT net current asset deficiency of $0.8 million and GPT net current asset deficiency of $0.9 million. This financial report is prepared on a going concern basis as the Trusts have sufficient working capital (excluding the fair value of derivatives of $0.7m) together with positive cash flow from operations and unutilised facilities of $0.3 million as set out in note 16.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Critical accounting estimates

The preparation of Financial Statements in conformity with AIFRS may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Trusts' accounting policies. Other than the estimation of fair values described in notes 1(e) and 1(l), no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the Financial Statements in the next annual reporting period.

Uncertainty around property valuations

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

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

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

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

(b) Principles of consolidation

Controlled entities

The Financial Statements incorporate an elimination of inter-entity transactions and balances to present the Financial Statements on a consolidated basis.

The Financial Statements incorporate all the assets, liabilities and results of the parent and its controlled entities.

Where control of an entity is gained during the financial year, its results are included in the Income Statement from the date on which control is gained. Net profit and equity in controlled entities, which are attributable to the unit holdings of minority interests, are shown separately in the Income Statement and Balance Sheet respectively.

(c) Revenue recognition

(i) Rent

Rental income is brought to account on a straight-line basis over the lease term for leases with fixed rent review clauses. In all other circumstances rental income is brought to account on an accruals basis. If not received at balance date, rental income is reflected in the Balance Sheet as a receivable. Recoverability of receivables is reviewed on an ongoing basis. Debts which are known to be not collectable are written off.

(ii) Interest income

Interest income is brought to account on an accruals basis using the effective interest rate method and, if not received at the balance date, is reflected in the Balance Sheet as a receivable.

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at the balance date, are reflected in the Balance Sheet as a payable.

(i) Property expenses

Property expenses include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Trusts.

(ii) Financing costs to financial institutions

Financing costs include interest expense and other costs incurred in respect of obtaining finance. Other transaction costs incurred including loan establishment fees in respect of obtaining finance are applied against the related financings with the amortisation of such costs being recognised through the effective interest rate on the financing over the term of the respective agreements.

Financing costs are expensed unless they relate to qualifying assets. Qualifying assets are assets which take a substantial period of time to prepare for their intended use or sale. In these circumstances, financing costs are capitalised over the cost of the asset during the period of time required to complete and prepare the asset for its intended use or sale. Where funds are borrowed specifically for the

acquisition or construction of a qualifying asset, financing costs capitalised are those incurred in relation to that financing, net of any interest earned on those financings. Where funds are borrowed generally, financing costs are capitalised using a weighted average interest rate.

(iii) Responsible Entity fees

Under the constitution the Responsible Entity is entitled to a management fee and a performance fee.

(A) Management fee

The management fee is brought to account on an accruals basis and if not paid at balance date, is reflected in the Balance Sheet as a payable.

(B) Performance fee

A performance fee (refer note 23) is recognised when the Trusts have a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Performance fees are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at Balance Sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(e) Derivatives and other financial instruments

(i) Derivatives

The Trusts' activities expose them to changes in interest rates. Accordingly, the Trusts enter into various derivative financial instruments to manage their exposure to the movements in interest rates. There are policies and limits approved by the Board of Directors for the Responsible Entity in respect of the usage of derivatives and other financial instruments to hedge those cash flows and earnings which are subject to interest rate risks. In conjunction with its advisors, the Responsible Entity continually reviews the Trusts' exposures and updates its treasury policies and procedures. The Trusts do not trade in derivative instruments for speculative purposes. Even though the derivatives entered into aim to provide an economic hedge to interest rate risks, the Trusts have elected not to apply hedge accounting under AASB 139: *Financial Instruments: Recognition and Measurement*. Accordingly, interest rate swaps, are measured at fair value with any changes in fair value recognised immediately in the Income Statement.

(ii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the Income Statement.

(iii) Debt and equity instruments issued by the Trusts

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements. Units issued by the Trusts are classified as liabilities.

Interest and distributions are classified as expenses or as distributions of profit consistent with the Balance Sheet classification of the related debt or equity instruments.

Transaction costs arising on the issue of equity instruments are recognised directly in net assets attributable to members (net of tax) as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

All undistributed profits of the Trusts are classified as a liability on the Balance Sheet called net assets attributable to members, and all profits attributable to members are shown as finance costs to members on the Income Statement.

(iv) Other financial assets

Loans and other receivables are measured at amortised cost using the effective interest rate method less impairment.

(f) Goods and Services Tax

Revenues, expenses and capital assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

(g) Taxation

Under current legislation, the Trusts and its controlled entities are not liable for income tax, provided they satisfy certain legislative requirements.

(h) Finance costs/distributions

In accordance with the Trusts' Constitution, the Trusts distribute their distributable income to unitholders by cash. Distributions are provided for when they are approved by the Board of Directors and declared. As units in the Trusts are now classified as liabilities, distributions paid to unitholders are now classified as finance costs paid to members.

(i) Repairs and maintenance

Plant is required to be overhauled on a regular basis and is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the replaced component will be derecognised and the replacement costs capitalised in accordance with note 1(l). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly 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.

Note 1. Summary of significant accounting policies (continued)

(k) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, which is based on the invoiced amount less provision for doubtful debts. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Trusts will not be able to collect all amounts due according to the original terms of the receivables.

(l) Investment properties

Investment properties consist of properties held for long-term rental yields, capital appreciation or both. Investment properties are initially recognised at cost including transaction costs. Investment properties are subsequently recognised at fair value in the Financial Statements.

The basis of valuations of investment properties is fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Where this is not available, an appropriate valuation method is used, which may include the discounted cash flow and the capitalisation method. Discount rates and capitalisation rates are determined based on industry expertise and knowledge, and where possible a direct comparison to third party rates for similar assets in a comparable location. Rental income from current leases and assumptions about future leases, as well as any expected operational cash outflows in relation to the property, are also reflected in fair value. External valuations of the individual investments are carried out in accordance with the Trusts' Constitutions, or may be earlier where the Responsible Entity believes there is a potential for a material change in the fair value of the property.

Changes in fair values are recorded in the Income Statement. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Income Statement in the year of disposal.

Subsequent redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property. Repairs and maintenance are accounted for in accordance with note 1(i).

(m) Investment properties held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount or fair value less costs to sell, except for assets such as investment property that are accounted for in accordance with note 1(l).

Non-current assets classified as held for sale are presented separately from other assets in the Balance Sheet.

(n) Leasing fees

Leasing fees incurred are capitalised and amortised over the lease periods to which they relate.

(o) Lease incentives

Prospective lessees may be offered incentives as an inducement to enter into operating leases. These incentives may take various forms including cash payments, rent free periods, or a contribution to certain lessee costs such as fitout costs or relocation costs.

The costs of incentives are recognised as a reduction of rental income on a straight-line basis from the earlier of the date which the tenant has effective use of the premises or the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(p) Business combinations

The purchase method of accounting is used for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date. The excess of the acquisition cost over the fair value of the Trusts' share of identifiable net assets acquired is recorded as goodwill. If the cost is less than the fair value of the Trusts' share of the identifiable net assets acquired, the difference is recognised directly in the Income Statement.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange at the entity's incremental financing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparative terms and conditions.

(q) Other financial assets at fair value through profit or loss

Interests held by the Trusts in controlled entities and associates are measured at fair value through the profit or loss so as to reduce measurement or recognition inconsistencies.

(r) Payables

These amounts represent liabilities for amounts owing at balance date. The amounts are unsecured and are usually paid within 30 days of recognition. As such, all payable amounts are current for reporting purposes.

(s) Net assets attributable to members

Net assets attributable to members are equal to the unit price at balance date multiplied by the number of units on issue at balance date.

(t) Interest bearing liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing liabilities are 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 method. Interest bearing liabilities are classified as current liabilities unless the Trusts have an unconditional right to defer the liability for at least 12 months after the reporting date.

(u) Financial assets and liabilities

(i) Classification

The Trusts have classified its financial assets and liabilities as follows:

Financial Asset/Liability	Classification	Valuation basis	Reference
Cash and cash equivalents	Fair value through profit or loss	Fair value	Refer note 1(j)
Receivables	Loans and receivables	Amortised cost	Refer note 1(k)
Other financial assets	Loans and receivables	Amortised cost	Refer note 1(e) (iv)
Other financial assets	Fair value through profit or loss	Fair value	Refer note 1(q)
Payables	Financial liability at amortised cost	Amortised cost	Refer note 1(r)
Interest bearing liabilities	Financial liability at amortised cost	Amortised cost	Refer note 1(t)
Derivatives	Fair value through profit or loss	Fair value	Refer note 1(e)

Financial assets and liabilities are classified in accordance with the purpose for which they were acquired.

(ii) Fair value estimation of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and available for sale securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by the Trusts is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques including dealer quotes for similar instruments and discounted cash flows. In particular, the fair value of interest rate swaps are calculated as the present value of the estimated future cash flows.

(v) Combined financial statements

The Trusts have applied Class Order 06/441 issued by the Australian Securities & Investments Commission which allows the Financial Statements of different registered schemes with a common Responsible Entity to be presented in adjacent columns in a single financial report.

(w) Rounding of amounts

The Trusts are the kind referred to in Class Order 98/0100, issued by the Australian Securities & 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 to the nearest thousand dollars, or in certain cases, the nearest dollar.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. Our assessment of the impact of these new standards and interpretations is set out below:

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

The revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the Statements of Changes in Equity but will not affect any of the amounts recognised in the Financial Statements. If an entity has made a prior period adjustment or a reclassification of items in the Financial Statements, it will also need to disclose a third Balance Sheet (Statement of Financial Position), this one being as at the beginning of the comparative period. The Trusts intend to apply the revised standard from 1 July 2009.

(ii) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*.

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and when adopted will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Trusts, as the Trusts do not capitalise borrowing costs as they have no qualifying assets.

Note 1. Summary of significant accounting policies (continued)

(x) New accounting standards and interpretations (continued)

(iii) Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127.*

Revised accounting standards for business combinations and Consolidated Financial Statements were issued in March 2008 and are operative for annual reporting periods beginning on or after 1 July 2009, but may apply earlier. The Trusts will apply the revised standards from 1 July 2009. However, the new rules generally apply only prospectively to transactions that occur after the application date of the standard. Their impact will therefore depend on whether the Trusts will enter into any business combinations or other transactions that affect the level of ownership held in the controlled entities in the year of initial application.

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the Income Statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Trusts' current policy which is set out in note 1(p) above. For example, under the new rules:

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

(iv) AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009).

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AABS 127 *Consolidated and Separate Financial Statements*. The Trusts will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

(v) Amendments arising from the Annual Improvements Project. In July 2008, AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project was issued.

This is comprised of amendments to various standards and is effective from 1 January 2009. The following are considered relevant to the Trusts:

AASB 101 (Amendment) *Presentation of Financial Statements.*

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* are examples of current assets and liabilities respectively. The Trusts will apply the AASB 139 (Amendment) from 1 July 2009. This clarification will enable the Trusts to distinguish between current and non-current derivative balances.

AASB 123 (Amendment) *Borrowing Costs.*

The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in AASB 139 *Financial Instruments: Recognition and Measurement*. This eliminates the inconsistency of terms between AASB 139 and AASB 123. The Trusts will apply the AASB 123 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets from 1 July 2009. This is not expected to have any impact on the amounts recognised in the entity's Financial Statements.

AASB 127 (Amendment) *Consolidated and Separate Financial Statements* (effective from 1 January 2009).

Where an investment in a subsidiary that is accounted for under AASB 139 *Financial Instruments: Recognition and Measurement* is classified as held for sale under AASB5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 139 would continue to be applied. The amendment will not have an impact on the Trusts' operations because it is the Trusts' policy for an investment in subsidiary to be recorded at fair value through profit or loss in the standalone accounts of each Trust.

AASB 128 (Amendment) *Investments in Associates* (and consequential amendments to AASB 132 *Financial Instruments: Presentation* and AASB 7 *Financial Instruments: Disclosures*) (effective from 1 January 2009).

An investment in an associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Trusts will apply the AASB 128 (Amendment) to impairment tests related to investment in associates and any related impairment losses from 1 July 2009. Due to the prospective application this will not affect any of the amounts recognised at 30 June 2009.

AASB 136 (Amendment) *Impairment of Assets.*

Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for a value-in-use calculation should be made. The Trusts will apply the AASB 136 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 July 2009.

AASB 140 (Amendment) *Investment Property* (and consequential amendments to AASB 116).

Under this amendment, property that is under construction or development for future use as investment property falls within the scope of AASB 140. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable. The Trusts will apply the AASB 140 (Amendment) from 1 July 2009.

AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009).

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vi) AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 and Interpretation 2].*

The amendments made by AASB 2008-2 in March 2008 relate to puttable financial instruments and instruments that require the entity to pay the holder a pro-rata share of the entity's net assets on liquidation. The revised standards have to be applied from 1 January 2009. Under the revised rules, the relevant instruments will be classified as equity if certain conditions are satisfied. The Trusts do not expect that any adjustments will be necessary as the result of applying the revised rules.

(vii) 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 AASB 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 AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Trusts will apply the amendments from 1 January 2009. They will not affect any of the amounts recognised in the Financial Statements.

(viii) AASB 2009-3 *Amendments to Australian Accounting Standards – Embedded Derivatives* (effective for annual periods ending on or after 30 June 2009).

The amendments made by the AASB to Interpretation 9 and AASB 139 clarify that where a financial asset is reclassified out of the "at fair value through profit or loss" category, all derivatives embedded in that asset have to be assessed and, if necessary, separately accounted for in Financial Statements. The Trusts will apply the amendments retrospectively for the financial half year ending 31 December 2009. There will be no impact on the Trusts' Financial Statements as at 31 December 2009 as it has not reclassified any financial assets out of the "at fair value through profit or loss" category.

Note 2. Property revenue

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Rent and recoverable outgoings	7,593	7,332	–	–	7,593	7,332
Incentive amortisation	(120)	(85)	–	–	(120)	(85)
Other revenue	190	24	–	–	190	24
Total property revenue	**7,663**	**7,271**	**–**	**–**	**7,663**	**7,271**

Note 3. Distribution revenue

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Distribution from Gordon Property Trust	–	–	3,041	3,085	–	–
Total distribution revenue	**–**	**–**	**3,041**	**3,085**	**–**	**–**

Note 4. Interest revenue

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Interest revenue from financial institutions	34	44	–	–	34	44
Total interest revenue	**34**	**44**	**–**	**–**	**34**	**44**

Note 5. Finance costs to financial institutions

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Interest paid/payable	1,273	1,157	1,172	1,100	101	57
Fair value loss/(gain) of derivatives	1,189	(300)	1,189	(300)	–	–
Other finance costs	37	46	27	46	10	–
Total finance costs to financial institutions	**2,499**	**903**	**2,388**	**846**	**111**	**57**

Note 6. Other expenses

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Audit and advisory fees (refer note 7)	40	50	18	22	22	28
Registry costs	24	20	–	–	24	20
Legal and other professional fees	1	1	1	–	–	1
Valuation fees	18	30	–	–	18	30
Custodian fees	7	7	–	–	7	7
Other expenses	26	(12)	9	3	17	(15)
Total other expenses	**116**	**96**	**28**	**25**	**88**	**71**

Note 7. Audit and advisory fees

During the year the auditor of the parent entity and its related practices and non-related audit firms earned the following remuneration.

(a) Assurance services

	Consolidated		GPIT		GPT	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Fees paid to PwC Australia for audit and review of financial reports and other audit work under the *Corporations Act 2001*	32,434	38,534	16,217	19,367	16,217	19,167
Fees paid to PwC Australia in relation to outgoings	–	3,936	–	–	–	3,936
Total remuneration for assurance services	**32,434**	**42,470**	**16,217**	**19,367**	**16,217**	**23,103**

(b) Taxation services

Fees paid to PwC Australia	7,600	7,600	2,240	2,240	5,360	5,360
Total remuneration for taxation services	**7,600**	**7,600**	**2,240**	**2,240**	**5,360**	**5,360**
Total remuneration for assurance and taxation services	**40,034**	**50,070**	**18,457**	**21,607**	**21,577**	**28,463**

Note 8. Current assets – cash and cash equivalents

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash at bank	859	584	–	–	859	584
Total current assets – cash and cash equivalents	**859**	**584**	**–**	**–**	**859**	**584**

Note 9. Current assets – receivables

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Rent receivable	36	19	–	–	36	19
Total rental receivables	**36**	**19**	**–**	**–**	**36**	**19**
Finance costs to members of Gordon Property Trust	–	–	575	478	–	–
Other receivables from controlled entities	–	–	(85)	(48)	85	48
Interest receivable	–	3	–	–	–	3
Other receivables	43	56	–	–	43	56
Total other receivables	**43**	**59**	**490**	**430**	**129**	**107**
Total current assets – receivables	**79**	**78**	**490**	**430**	**164**	**126**

Other receivables from controlled entities

Other receivables from controlled entities is an inter-entity loan, which is a non-interest bearing loan between the parent and its controlled entities.

Note 10. Derivative financial instruments

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current assets						
Interest rate swap contracts	–	471	–	471	–	–
Total current assets – derivative financial instruments	**–**	**471**	**–**	**471**	**–**	**–**
Current liabilities						
Interest rate swap contracts	718	–	718	–	–	–
Total current liabilities – derivative financial instruments	**718**	**–**	**718**	**–**	**–**	**–**

Please refer note 20 for further discussion regarding derivative financial instruments.

Note 11. Current assets – other

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Prepayments	143	141	–	3	143	138
Total current assets – other	**143**	**141**	**–**	**3**	**143**	**138**

Note 12. Non-current assets – investment properties

Properties	Ownership	Acquisition date	Cost including all additions $'000	Independent valuation date	Independent valuation amount $'000	Independent valuer	Consolidated book value 30 June 2009 $'000	Consolidated book value 30 June 2008 $'000
Gordon Centre and Gordon Village Arcade, NSW	100%	Nov 98	47,934	Jun 09	80,400	Knight Frank	80,400	86,250
Total non-current assets – investment properties			**47,934**		**80,400**		**80,400**	**86,250**

The basis of valuation of investment properties is fair value, being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Properties independently valued in the last 12 months were based on independent assessments by a member of the Australian Property Institute. Refer to note 1(a) discussing the uncertainty of property valuations.

Key valuation assumptions

The below table illustrates the key valuation assumptions used in the determination of the investment properties fair value.

2009	Retail
Average capitalisation rate (%)	7.5
Average lease expiry by income (Years)	8.0
Vacancy by area (%)	1.2

2008	Retail
Average capitalisation rate (%)	6.5
Average lease expiry by income (Years)	9.5
Vacancy by area (%)	1.0

Together with taking active market evidence into account, ten year discounted cash flows and capitalisation valuation methods are used. In addition to the key assumptions set out in the table above, assumed portfolio downtime ranges from six to twelve months and tenant retention ranges from 65% to 75%.

Reconciliation	Consolidated and GPT	
	2009 $'000	2008 $'000
Carrying amount at the beginning of the year	86,250	85,400
Additions	1,855	281
Lease incentives	177	237
Amortisation of lease incentives	(120)	(85)
Net (loss)/gain from fair value adjustments	(7,762)	417
Carrying amount at the end of the year	**80,400**	**86,250**

Note 13. Non-current assets – other financial assets at fair value through profit or loss

Investments are adjusted to their fair value through the Income Statement.

Name of entity	Principal activity	Ownership interest		GPIT	
		2009 %	2008 %	2009 $'000	2008 $'000
Controlled Entities					
Gordon Property Trust	Retail property investment	67.90	67.90	50,758	55,587
Total non-current assets – other financial assets at fair value through profit or loss				**50,758**	**55,587**
Reconciliation					
Opening balance as at 1 July 2008				55,857	55,664
Fair value (loss)/gain				(5,099)	193
Closing balance as at 30 June 2009				**50,758**	**55,857**

Note 14. Payables

Current liabilities

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade creditors	183	312	–	–	183	312
Accrued interest	114	3	114	3	–	–
Prepaid income	360	329	–	–	360	329
Responsible Entity fee	497	71	–	–	497	71
Accruals	57	99	11	22	46	77
GST payable	115	124	–	–	115	124
Total current liabilities – payables	**1,326**	**938**	**125**	**25**	**1,201**	**913**

Non-current liabilities

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Performance fee	2,010	2,146	–	–	2,010	2,146
Total non-current liabilities – payables	**2,010**	**2,146**	**–**	**–**	**2,010**	**2,146**

Note 15. Current liabilities – provisions

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Provision for finance costs						
Opening balance as at 1 July 2008	702	707	476	480	705	710
Additional provisions	4,366	4,543	1,841	1,945	4,478	4,543
Payment of finance costs	(4,336)	(4,548)	(1,857)	(1,949)	(4,336)	(4,548)
Closing balance as at 30 June 2009	**732**	**702**	**460**	**476**	**847**	**705**

Note 15. Current liabilities – provisions (continued)

Provision for finance costs

Provision is made for distributions to be paid for the period ended 30 June 2009 payable 17 August 2009.

Note 16. Non-current liabilities – interest bearing liabilities

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Secured						
Bank loans	19,699	18,014	16,944	16,944	2,755	1,070
Total secured	19,699	18,014	16,944	16,944	2,755	1,070
Total non-current liabilities – interest bearing liabilities	**19,699**	**18,014**	**16,944**	**16,944**	**2,755**	**1,070**

Financing arrangements

The Trusts have access to the following lines of credit:

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Borrowing facilities						
Bank loans	28,000	28,000	25,000	25,000	3,000	3,000
Less: loans advanced to members of Gordon Property Trust in their personal capacity	(8,011)	(8,011)	(8,011)	(8,011)	–	–
	19,989	**19,989**	**16,989**	**16,989**	**3,000**	**3,000**
Used at balance date	**(19,699)**	**(18,014)**	**(16,944)**	**(16,944)**	**(2,755)**	**(1,070)**
Unused at balance date	**290**	**1,975**	**45**	**45**	**245**	**1,930**

Bank loans have been arranged for the Gordon Property Trust in the form of a drawdown facility of $3,000,000 ($2,755,000 drawn) (2008: $1,070,000 drawn). Bank loans have also been arranged on behalf of the Gordon Property Investment Trust $16,944,000 and the unitholders in the Gordon Property Trust of $8,011,000 in the form of a combined term facility of $25,000,000 ($24,955,000 drawn) (2008: $24,955,000 drawn) from the Commonwealth Bank of Australia. The maturity date of both loan facilities is 30 June 2011. The Gordon Property Investment Trust has currently borrowed $16,944,000 against the term facility and the balance of the facility represents loans advanced to the Gordon Property Trust unitholders, in their personal capacity.

Both loans to the Gordon Property Trust unitholders are secured by a first ranking registered mortgage over the property (refer note 12) and a first ranking fixed and floating charge over the assets and undertakings of the Gordon Property Trust. The Bank's recourse in the event of a default on the loan is limited to the property and assets of the Gordon Property Trust.

Interest expense has been fixed up to a value of $25,000,000 through interest rate swaps. The interest rate fixed on the swap is 6.75% per annum.

Note 17. Net assets attributable to members

(a) Number of units on issue

	Consolidated		GPIT		GPT	
	2009 No. of units	2008 No. of units	2009 No. of units	2008 No. of units	2009 No. of units	2008 No. of units
Opening balance as at 1 July 2008	14,734,000	14,734,000	14,734,000	14,734,000	21,700,000	21,700,000
Closing balance as at 30 June 2009	**14,734,000**	**14,734,000**	**14,734,000**	**14,734,000**	**21,700,000**	**21,700,000**

(b) Net assets attributable to members

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Net assets attributable to members at 1 July 2008	**39,316**	**38,854**	**39,316**	**38,854**	**82,264**	**81,978**
(Decrease)/increase in net assets attributable to members	(6,315)	462	(6,315)	462	(7,511)	286
Net assets attributable to members at 30 June 2009	**33,001**	**39,316**	**33,001**	**39,316**	**74,753**	**82,264**

Each unit ranks equally with all other ordinary units for the purposes of distributions and on termination of the Trusts. Ordinary units entitles the holder to one vote, either in person or by proxy, at a meeting of the Trusts.

Note 18. Minority Interests

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Contributed equity	14,229	14,229	–	–	–	–
Undistributed income	9,766	12,179	–	–	–	–
Total Minority Interests	**23,995**	**26,408**	**–**	**–**	**–**	**–**

Note 19. Finance costs to members paid and provided for

Finance costs to members paid and payable	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
30 September	461	516	461	516	1,096	1,183
31 December	460	476	460	476	1,116	1,124
31 March	460	477	460	477	1,133	1,116
30 June	460	476	460	476	1,133	1,120
Total finance costs to members paid and payable	**1,841**	**1,945**	**1,841**	**1,945**	**4,478**	**4,543**

Finance costs to members paid and payable	Consolidated		GPIT		GPT	
	2009 Cents per unit	2008 Cents per unit	2009 Cents per unit	2008 Cents per unit	2009 Cents per unit	2008 Cents per unit
30 September	3.13	3.50	3.13	3.50	5.05	5.45
31 December	3.12	3.23	3.12	3.23	5.14	5.18
31 March	3.12	3.24	3.12	3.24	5.22	5.14
30 June	3.12	3.23	3.12	3.23	5.22	5.16
Total cents per unit	**12.49**	**13.20**	**12.49**	**13.20**	**20.63**	**20.93**

Note 20. Financial risk management

To ensure the effective and prudent management of the Trusts' capital and financial risks, the Trusts have a well established framework consisting of a Board Finance Committee and a Capital Markets Committee. The Board Finance Committee is accountable to and primarily acts as an advisory body to the DXFM Board and includes three Directors of the DXFM Board. Its responsibilities include reviewing and recommending financial risk management polices and funding strategies for approval.

The Capital Markets Committee is a management committee that is accountable to both the Board Finance Committee and the Executive Committee. It convenes at least quarterly and conducts a review of financial risk management exposures including liquidity, funding strategies and hedging. It is also responsible for the development of financial risk management policies and funding strategies for recommendation to the Board Finance Committee, and the approval of treasury transactions within delegated limits and powers.

(a) Capital risk management

The Trusts manage its capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Trusts consists of debt (refer note 16), cash and cash equivalents, and net assets attributable to members. The capital structure is monitored and managed in consideration of a range of factors including:

- the cost of capital and the financial risks associated with each class of capital;
- gearing levels and other covenants; and
- other market factors and circumstances.

The security ratio states that the total commitment of the Trusts and the Responsible Entity with the bank is at no time more than 60% of the market value of the mortgaged property. The covenant security ratio as calculated in accordance with our covenant requirements as at 30 June 2009 was 34.83% (2008: 32.46%).

	Consolidated	
	2009 $'000	2008 $'000
Total commitments[1]	28,000	28,000
Market value[2]	80,400	86,250
Security ratio (%)	34.83%	32.46%

1 Refer note 16 for a summary of commitments.
2 Market value represents the most recent external valuation accepted by the bank (refer note 12 for latest external valuation).

The Responsible Entity for the Trusts has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to hold minimum net tangible assets (of $5 million), and maintaining a minimum level of surplus liquid funds. Furthermore, the Responsible Entity maintains trigger points in accordance with the requirements of the licence. These trigger points maintain a headroom value above the AFSL requirements and the entity has in place a number of processes and procedures should a trigger point be reached.

(b) Financial risk management

The Trusts' activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk), and liquidity risk. The Trusts' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trusts.

Accordingly, the Trusts enter into various derivative financial instruments such as interest rate swaps to manage their exposure to certain risks. The Trusts do not trade in derivative instruments for speculative purposes. The Trusts use different methods to measure the different types of risks to which they are exposed, including monitoring the current and forecast levels of exposure and conducting sensitivity analysis.

Risk management is implemented by a centralised treasury department in DEXUS Property Group (Group Treasury) whose members act under written policies approved by the Board of the Responsible Entity. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Trusts. The treasury policies approved by the Board of Directors cover overall risk management, as well as policies and limits covering specific areas such as liquidity risk, interest rate risk, credit risk and use of derivatives and other financial instruments. In conjunction with its advisers, the Responsible Entity continually reviews the Trusts' exposures and updates its treasury policies and procedures.

(i) Liquidity risk

Liquidity risk is the risk that the Trusts will not have sufficient available funds to meet financial obligations in an orderly manner when they fall due or at an acceptable cost.

The Trusts identify and manage liquidity risk across short, medium and long-term categories:

- short-term liquidity management includes continuously monitoring forecast and actual cash flows;
- medium-term liquidity management includes maintaining a level of borrowing facilities that cover forecast debt; and
- long-term liquidity risk is managed through aiming to match or exceed the maturity of borrowing facilities to the maturity of the Trusts.

If the Trusts require new or additional debt facilities, margin price risk will occur, whereby market conditions may result in an unfavourable change in credit margins on the new facilities.

An analysis of the contractual maturities of the Trusts' interest bearing liabilities and derivative financial instruments are shown in the table below. The amounts in the table represent undiscounted cash flows.

	Consolidated 30 June 2009			Consolidated 30 June 2008		
	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000
Receivables	79	–	–	78	–	–
Payables	1,326	–	–	938	–	–
Interest bearing liabilities (floating)	–	19,699	–	–	18,014	–
Loans advanced to members[1]	–	8,011	–	–	8,011	–
Derivative financial instruments[2]						
Derivative assets	–	–	–	352	386	–
Derivative liabilities	985	316	–	–	–	–

	GPIT 30 June 2009			GPIT 30 June 2008		
	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000
Receivables	490	–	–	430	–	–
Payables	125	–	–	25	–	–
Interest bearing liabilities (floating)	–	16,944	–	–	16,944	–
Loans advanced to members[1]	–	8,011	–	–	8,011	–
Derivative financial instruments[2]						
Derivative assets	–	–	–	352	386	–
Derivative liabilities	985	316	–	–	–	–

	GPT 30 June 2009			GPT 30 June 2008		
	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000	Expiring within one year $'000	Expiring between one and three years $'000	Expiring after three years $'000
Receivables	164	–	–	126	–	–
Payables	1,201	–	–	913	–	–
Interest bearing liabilities (floating)	–	2,755	–	–	1,070	–

1 Represents loans advanced to the Gordon Property Trust unitholders, in their personal capacity.

2 For derivative assets and liabilities, only the net interest cash flows (not the notional principal) are included.

Note 20. Financial risk management (continued)

(b) Financial risk management (continued)

(ii) Market risk

Market risk is the risk that the fair value or future cash flows of the Trusts' financial instruments will fluctuate because of changes in market prices. The market risks that the Trusts are exposed to are detailed further below.

Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will cause an adverse impact on interest payable (or receivable), or an adverse change on the capital value (present market value) of long-term fixed rate instruments.

Interest rate risk for the Trusts arises from interest bearing financial assets and liabilities that the Trusts hold. Borrowings issued at variable rates expose the Trusts to cash flow interest rate risk. The Trusts do not have any borrowings issued at fixed interest rates.

The primary objective of the Trusts' risk management policy for interest rate risk is to minimise the effects of interest rate movements on the Trusts' portfolio of financial assets and liabilities and financial performance. The policy sets out the minimum and maximum hedging amounts for the Trusts.

Cash flow interest rate risk on borrowings is managed through the use of interest rate swaps, whereby a floating interest rate exposure is converted to a fixed interest rate exposure. The mix of fixed and floating rate exposures is monitored regularly to ensure that the interest rate exposure on the Trusts' cash flows is managed within the parameters defined by the Group Treasury Policy.

As at 30 June 2009, 90% (2008: 94%) of the consolidated financial assets and liabilities of the Trusts have an effective fixed interest rate, and 100% (2008: 100%) of the loans advanced to members have an effective fixed interest rate.

The average net notional amount of interest rate swaps in place in each year and the weighted average effective hedge rate is set out in the table below:

Consolidated						
30 June 2009	**Jun 10 $'000**	**Jun 11 $'000**	**Jun 12 $'000**	**Jun 13 $'000**	**Jun 14 $'000**	**>Jun 14 $'000**
Interest rate swaps	25,000	10,342	–	–	–	–
Average hedge rate (%)	6.75%	6.75%	–	–	–	–
GPIT						
30 June 2009	**Jun 10 $'000**	**Jun 11 $'000**	**Jun 12 $'000**	**Jun 13 $'000**	**Jun 14 $'000**	**>Jun 14 $'000**
Interest rate swaps	25,000	10,342	–	–	–	–
Average hedge rate (%)	6.75%	6.75%	–	–	–	–

Sensitivity analysis

The following sensitivity on the Trusts' cash flow arises due to the impact that a change in interest rates will have on the Trusts' floating rate debt and derivative cash flows.

At balance date the Trusts have fixed 90% of their interest payable exposure and 100% of their finance costs to members. The remaining 10% of the total principal amount of $27.7 million is exposed to floating interest rates, at a floating rate as at 30 June 2009 of 3.64% including margin (2008: 96% hedged on $26.0 million). An increase (decrease) in the floating rate of 50 basis points would result in an increase (decrease) in interest expense of $14,000 (2008: $5,000). The increase or decrease in interest expense is proportional to the increase or decrease in the short-term and long-term market interest rates.

Changes in the fair value of interest rate swaps arise from the impact that changes in market interest rates have on the mark-to-market valuation of the interest rate swaps. An increase (decrease) in the floating rate of 50 basis points would result in an increase (decrease) in the mark-to-market valuation of the interest rate swaps of $200,000 (2008: $200,000). Although interest rate swaps are transacted for the purpose of providing the Trust with an economic hedge, the Trusts have elected not to apply hedge accounting to its interest rate derivatives. Accordingly, gains or losses arising from changes in the fair value are reflected in the Income Statements.

(iii) Credit risk

Credit risk is the risk of loss to the Trusts in the event of non-performance by the Trusts' financial instrument counterparties. Credit risk arises from cash and cash equivalents, loans and receivables, and derivative financial instruments. The Trusts have exposure to credit risk on all financial assets.

The Trusts counterparty risk to cash and cash equivalents and derivatives is to Commonwealth Bank of Australia, which is an Australian incorporated Financial Institution regulated by the Australian Prudential Regulation Authority (APRA) and is rated AA by Standard and Poor's as at 30 June 2009. Group Treasury policy limits counterparty risk to entities rated A- or better.

Additionally, the Trusts manage credit risk by:

- ensuring tenants, together with approved credit limits, are approved and ensuring that leases are undertaken with a large number of tenants;
- for some trade receivables, obtaining collateral where necessary in the form of bank guarantees and tenant bonds; and
- regularly monitoring loans and receivables on an ongoing basis.

The maximum exposure to credit risk at 30 June 2009 is the carrying amounts of financial assets recognised on the Balance Sheet of the Trusts. The Trusts do not hold any significant amounts of collateral as security.

As at 30 June 2009, the Trusts have no significant concentrations of credit risk for trade receivables. Trade receivable balances and the credit quality of trade debtors are consistently monitored on an ongoing basis. As a result, the Trusts' exposure to bad debts is not significant.

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Aging analysis of loans and receivables						
0-30 days	58	78	490	430	143	126
31-60 days	11	–	–	–	11	–
61-90 days	10	–	–	–	10	–
91+ days	–	–	–	–	–	–
Total aging analysis of loans and receivables	**79**	**78**	**490**	**430**	**164**	**126**

Amounts over 31 days are past due, however, no receivables are impaired.

The credit quality of financial assets that are neither past due or impaired is consistently monitored to ensure that there are no adverse changes in credit quality.

(iv) Fair value of financial instruments

Fair value interest rate risk is the risk of an adverse change in the net fair (or market) value of an asset or liability due to movements in interest rates. As at 30 June 2009, the carrying amounts and fair values of financial assets and liabilities are shown as follows:

	Consolidated		GPIT		GPT	
	2009 Carrying amount $'000	Fair value $'000	2009 Carrying amount $'000	Fair value $'000	2009 Carrying amount $'000	Fair value $'000
30 JUNE 2009						
Financial assets						
Cash and cash equivalents	859	–	–	–	859	–
Receivables	79	–	490	–	164	–
Total financial assets	**938**	**–**	**490**	**–**	**1,023**	**–**
Financial liabilities						
Payables – current	1,326	1,326	125	125	1,201	1,201
Payables – non-current	2,010	2,010	–	–	2,010	2,010
Derivative financial instruments	718	718	718	718	–	–
Interest bearing liabilities	19,699	19,699	16,944	16,944	2,755	2,755
Total financial liabilities	**23,753**	**23,753**	**17,787**	**17,787**	**5,966**	**5,966**

Note 20. Financial risk management (continued)

(b) Financial risk management (continued)

(iv) Fair value of financial instruments (continued)

30 JUNE 2008	Consolidated		GPIT		GPT	
	2009 Carrying amount $'000	Fair value $'000	2009 Carrying amount $'000	Fair value $'000	2009 Carrying amount $'000	Fair value $'000
Financial assets						
Cash and cash equivalents	584	584	–	–	584	584
Receivables	78	78	430	430	126	126
Derivative financial instruments	471	471	471	471	–	–
Total financial assets	**1,133**	**1,133**	**901**	**901**	**710**	**710**
Financial liabilities						
Payables – current	938	938	25	25	913	913
Payables – non-current	2,146	2,146	–	–	2,146	2,146
Interest bearing liabilities	18,014	18,014	16,944	16,944	1,070	1,070
Total financial liabilities	**21,098**	**21,098**	**16,969**	**16,969**	**4,129**	**4,129**

Note 21. Contingent liabilities

The Directors of the Responsible Entity are not aware of any contingent liabilities in relation to the Trusts as at 30 June 2009.

Note 22. Commitments

(a) Capital commitments

The following amounts represent capital expenditure on investment properties contracted at the reporting date but not recognised as liabilities payable:

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Capital expenditure commitments in relation to development works:						
Not longer than one year	–	1,138	–	–	–	1,138
	–	**1,138**	**–**	**–**	**–**	**1,138**

There are no capital commitments later than one year.

(b) Lease receivable commitments

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
The future minimum lease payments receivable by the Trusts are:						
Within one year	6,493	6,071	–	–	6,493	6,071
Later than one year but not later than five years	21,593	17,691	–	–	21,593	17,691
Later than five years	28,222	30,219	–	–	28,222	30,219
Total lease receivable commitments	**56,308**	**53,981**	**–**	**–**	**56,308**	**53,981**

Note 23. Related parties

Responsible Entity

DEXUS Funds Management Limited (DXFM), a wholly owned subsidiary of DEXUS Holdings Pty Limited is the Responsible Entity of the Trusts.

Responsible Entity fees

Under the terms of the Trust Constitutions, the Responsible Entity is entitled to receive fees in relation to the management of the Trusts.

In addition, the Responsible Entity is entitled to property management fees and to be reimbursed for expenses incurred on behalf of the Trusts.

Related party transactions

All related party transactions are conducted on normal commercial terms and conditions unless otherwise stated.

Unitholdings

DEXUS Holdings Pty Limited and its related parties, schemes and portfolios managed by DEXUS Holdings Pty Limited and its related parties held nil units (2008: nil) in the Trusts.

The Trusts have no investments in the Responsible Entity or its affiliates or any trusts managed by DEXUS Holdings Pty Ltd or its affiliates.

DEXUS Property Services Pty Limited

DEXUS Property Services Pty Limited (DXPS) manages the retail properties in GPT. There were a number of transactions and balances between the Trusts as detailed below:

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Property management fees and corporate recoveries paid and payable	799	443	–	–	799	443

DEXUS Funds Management Limited

There were a number of transactions and balances between the Trust and Responsible Entity and its related entities as detailed below:

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Responsible Entity fees paid and payable	846	866	–	–	846	866
Accrued performance fee[1]	(136)	32	–	–	(136)	32
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Trust's Constitution	83	23	–	–	83	23

1 Refer note 1 (d) (iii) (B)

Note 23. Related parties (continued)

The following persons were Directors or Alternate Directors of DXFM during the whole of the financial year and up to the date of this report, unless otherwise stated:

Directors

C T Beare, BSc, BE (Hons), MBA, PhD, FAICD[1,4,5]

E A Alexander AM, BComm, FCA, FAICD, CPA[1,2,6,8,9]

B R Brownjohn, BComm[1,2,5,6]

S F Ewen OAM[1,4]

V P Hoog Antink, BComm, MBA, FCA, FAPI, FRICS, MAICD

C B Leitner III, BA[17]

B E Scullin, BEc[1,3,4,7,10]

A J Fay, BAg.Ec (Hons), ASIA (Alternate to C B Leitner III)[17]

P B St George, CA(SA), MBA[11,14,15,16]

J C Conde AO, BSc, BE (Hons), MBA[12,13,16]

1 Independent Director
2 Audit Committee Member
3 Compliance Committee Member
4 Nomination and Remuneration Committee Member
5 Finance Committee Member
6 Risk Committee Member
7 Audit Committee Member from 1 July 2008 to 1 May 2009
8 Compliance Committee Member from 1 July 2008 to 1 May 2009
9 Finance Committee Member from 1 July 2008 to 1 May 2009
10 Risk Committee Member from 1 July 2008 to 1 May 2009
11 Audit Committee Member from 1 May 2009 to 30 June 2009
12 Compliance Committee Member from 1 May 2009 to 30 June 2009
13 Nomination and Remuneration Committee Member from 1 May 2009 to 30 June 2009
14 Finance Committee Member from 1 May 2009 to 30 June 2009
15 Risk Committee Member from 1 May 2009 to 30 June 2009
16 Appointed Independent Director 29 April 2009
17 Resigned 29 April 2009

No Directors held an interest in the Trusts as at 30 June 2009 or at the date of this report.

Other key management personnel

In addition to the Directors listed above the following persons were deemed by the Board of Directors to be key management personnel during all or part of the financial year and up to the date of this report:

Name	Title	The date they qualified or ceased to qualify as a KMP during the 12 months ended 30 June 2009
Victor P Hoog Antink	Chief Executive Officer	
Tanya L Cox	Chief Operating Officer	
Craig D Mitchell	Chief Financial Officer	
John C Easy	General Counsel	
Patricia A Daniels	Head of Human Resources	
Paul G Say	Head of Corporate Development	
Mark F Turner	Head of Funds Management	
Louise J Martin	Head of Office	
Andrew P Whiteside	Head of Industrial	
Jane R Lloyd	Head of Retail	Qualified 14 July 2008

No key management personnel or their related parties held an interest in the Trust for the years ended 30 June 2008 and 30 June 2009 or at the date of this report.

There were no loans or other transactions with key management personnel or their related parties during the years ended 30 June 2008 and 30 June 2009 or at the date of this report.

Note 24. Events occurring after reporting date

Since the end of the year, the Directors of the DXFM are not aware of any matter or circumstance not otherwise dealt with in their report or the Financial Statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trusts' affairs in future financial years.

Note 25. Reconciliation of net profit to net cash inflow from operating activities

	Consolidated		GPIT		GPT	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Net profit	–	–	–	–	–	–
Finance costs to members	1,841	1,945	1,841	1,945	4,478	4,543
Finance costs to minority interests	(975)	1,551	–	–	–	–
Net decrement/(increment) on revaluation of investments	–	–	5,099	(193)	–	–
Net decrement/(increment) on revaluation of investment properties	7,762	(417)	–	–	7,762	(417)
Net decrement/(increment) on revaluation of derivatives	1,189	(300)	1,189	(300)	–	–
(Decrease)/increase in net assets attributable to members	(6,315)	462	(6,315)	462	(7,511)	286
Incentive amortisation	120	85	–	–	120	85
Change in operating assets and liabilities						
(Increase)/decrease in receivables	(1)	56	(60)	52	(38)	8
(Increase)/decrease in other current assets	(2)	(38)	3	6	(5)	(44)
Increase/(decrease) in current payables	389	374	100	(23)	288	397
(Decrease)/increase in non-current payables	(136)	32	–	–	(136)	32
Net cash inflow from operating activities	**3,872**	**3,750**	**1,857**	**1,949**	**4,958**	**4,890**

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2009

The Directors of DEXUS Funds Management Limited (DXFM) as Responsible Entity of Gordon Property Investment Trust and the Gordon Property Trust (together "the Trusts") declare that the Financial Statements and notes set out on pages 18 to 41:

(i) comply with applicable Australian Equivalents to International Financing Reporting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the Trusts' and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date.

In the Directors' opinion:

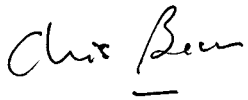
(a) the Financial Statements and notes are in accordance with the *Corporations Act 2001*;

(b) there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable; and

(c) the Trusts have operated in accordance with the provisions of the Constitution dated 14 August 1997 (as amended) during the year ended 30 June 2009.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



Christopher T Beare
Chair
28 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the members of Gordon Property Investment Trust

Report on the financial report

We have audited the accompanying financial report of Gordon Property Investment Trust (the Trust), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Gordon Property Investment Trust and the Gordon Property Investment Trust Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of DEXUS Funds Management Limited, as responsible entity of the Trust, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

PRICEWATERHOUSECOOPERS

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Gordon Property Investment Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2009 and of their 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

JA Dunning

JA Dunning
Partner

28 August 2009

PRICEWATERHOUSECOOPERS

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www.pwc.com/au

Independent auditor's report to the members of Gordon Property Trust

Report on the financial report

We have audited the accompanying financial report of Gordon Property Trust (the Trust), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement 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 DEXUS Funds Management Limited, as responsible entity of the Trust, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that 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.

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PRICEWATERHOUSECOOPERS

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(a) the financial report of Gordon Property Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's financial position as at 30 June 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 Trust's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers

JA Dunning

JA Dunning
Partner

28 August 2009

INVESTOR INFORMATION

Unit registry

If you have administrative inquiries such as change of address or the way in which you wish your distribution to be paid, please contact Link Market Services on 1300 554 474 or +61 2 8280 7111.

Link Market Services website can be accessed at www.linkmarketservices.com.au

The following information is available to view, update or download:

- Check your holding balance
- Choose your preferred annual report option
- Update your address details
- Update your bank details
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Check transaction and distribution history
- Download instruction forms

This information is accessed via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or Trust name) and postcode (this must be the postcode recorded on your holding record).

Website

Our website is www.dexus.com. You will be able to find information for the DEXUS Property Syndicates such as annual and half-year reports, DEXUS Property Group's privacy policy, corporate governance statement and sustainability report.

Complaints handling

DEXUS Funds Management Limited has established a procedure for dealing with formal complaints. Complaints should be made in writing and forwarded to:

Investor Relations
DEXUS Property Syndicates
C/– DEXUS Property Group
PO Box R1822
Royal Exchange NSW 1225

Alternatively, please phone Investor Relations on +61 2 9017 1221.

The Responsible Entity is a member of the Financial Ombudsman Service (FOS). This is an independent dispute resolution scheme. If you are unhappy with our dealings of your complaint, please contact FOS on 1300 780 808.

Payment of distribution

DEXUS Property Syndicates pay income distributions to unitholders on a quarterly basis. The income distribution is normally paid within two months of the end of each respective quarter end. With respect to your distributions, you can choose to:

- have a direct credit to your bank, building society or credit union account; or
- receive a cheque mailed to your postal address.

Please note that direct crediting of distribution payments enables you to access the monies more quickly. You will receive written confirmation of the payment from Link Market Services. If you have not nominated an account for direct credit, you will receive a cheque. To select direct credit payments, please contact Link Market Services on 1300 554 474.

Annual tax statement

After the end of a financial year you will receive a tax statement. This statement summarises the distributions paid to you during the year and includes information required to complete your tax return.

No buy back or redemption facility

There is no buy back or redemption facility in relation to DEXUS Property Syndicates. If you wish to transfer your unitholding please note that DEXUS Property Group must receive confirmation and verification of the transferee prior to any transfer being processed.

DIRECTORY

Responsible Entity

DEXUS Funds Management Limited
ABN 24 060 920 783

Registered office of Responsible Entity

Level 9, 343 George Street
Sydney NSW 2000

PO Box R1822
Royal Exchange
Sydney NSW 1225

Phone: +61 2 9017 1100
Fax: +61 2 9017 1101

Head of Funds Management

Mark Turner

Syndicate Manager

Renée Mooney

Investor Relations

Phone: +61 2 9017 1221
Email: syndicates@dexus.com
Website: www.dexus.com

Unit Registry Enquiries

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Phone: 1300 554 474
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

For enquiries regarding holding, change of address, or other matters please contact the unit registry.

Custodian

Perpetual Trustee Company Limited
Level 11, 123 Pitt Street
Sydney NSW 2000

Consistent with DEXUS's commitment to sustainability, this report is printed on an FSC Mixed Sources Certified paper, which ensures that all virgin pulp is derived from well-managed forests and controlled sources. It contains elemental chlorine free (ECF) bleached pulp and is manufactured by an ISO 14001 certified mill. The mill operates a three step, waste water and recycling treatment system. These steps involve chemical treatment; micro-organism treatment; and penton treatment. The mill utilises steam for energy sourced from its own cogeneration plant and has recently concluded a Voluntary Agreement for energy conservation. The printer of this report has Forest Stewardship Council (FSC), Chain of Custody Certification.

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