

WRF PROPERTY FUND

**ARSN 096 494 576
ABN 98 323 129 920**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

**WRF PROPERTY FUND
ARSN 096 494 576**

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REVIEW OF OPERATIONS

The Private Client Property Fund was redeveloped and rebranded as the WRF Property Fund in August 2006. The WRF Property Fund is an unlisted, open ended diversified Property Fund. The Fund aims to provide tax effective income and capital growth with low volatility.

New features of the Fund include daily unit pricing, monthly distributions and monthly redemptions. The Fund provides both retail and wholesale investment opportunities via financial planning networks and wrap accounts. It is also suitable for self managed super funds and direct investors.

The WRF Property Fund distribution for the year to 30 June 2007 was 7.94 cents per unit. The WRF Property Fund provided a total return of 10.351% for the 2007 financial year and grew gross assets by approximately \$21.5 million to \$39.1 million.

The Asset allocation as at the 30th June 2007 was as follows;

	Actual 30-06-07	Benchmark Asset Allocation
Cash	2%	3%
LPT's	1%	12%
Direct Property	<u>97%</u>	<u>85%</u>
	100%	100%

The Fund has had a successful year, with the acquisition of the Nightowl Convenience Shopping Centre in Underwood, Queensland for \$5.6m and 34 Chandos Street in St Leonards, New South Wales for \$9.735m. The Fund also purchased units in the Southern River residential subdivision in Western Australia for \$2.5m. Whilst this has left us slightly overweight in direct property the Fund is evaluating opportunistic acquisitions in the LPT sector which should further enhance Fund performance.

The Shopping Centre development in Singleton, NSW (held as an investment in the John Street Singleton Trust), has advanced to the point where the Development Approval has been achieved. The Coles Agreement for Lease & Lease has been finalised and presented for execution. Construction drawings and specifications are nearing completion with tenders to be sought in the first quarter of the 2008 financial year. Construction is due to commence in October 2007 with an anticipated construction period of 40 weeks.

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DIRECTORS' REPORT

Report by Directors of the Responsible Entity

The Directors of WRF Property Limited (ABN 51 095 920 648), the Responsible Entity of the WRF Property Fund – formerly the Private Client Property Fund (“the Fund”) present their report together with the Financial Report of the Fund for the year ended 30 June 2007 and the auditor’s report thereon.

Responsible Entity

The responsible entity of the WRF Property Fund is WRF Property Limited (“the Responsible Entity”), which has been the responsible entity since 15 April 2002.

The Directors of WRF Property Limited in office at any time during or since the end of the year are:

Name and Qualifications	Age	Experience and Special responsibilities
R C Nichevich FCA, FAICD Director since 15 February 2001.	59	Extensive experience in management and chartered accounting. He is also Executive Chairman of the parent company, WRF Securities Ltd.
S A Barrett Assoc Dip Bus Mgt, DFS(FP), RE Agts Rep, MBA Director since 4 September 2003.	38	Has 15 years experience in the Investment and Finance industries. She is Head of Marketing and Distribution for the WRF Securities Ltd group of companies.
A Micelotta Director since 26 June 2006.	42	Is a licensed real estate agent with over 15 years experience in the commercial real estate industry. He is Head of Property for the WRF Securities Ltd group of companies.
O S Lennie MUP, BA, Dip Fin Mgt, Grad Dip App Fin & Inv, FCPA, FAPI, FRAPI, FAICD, ASIA Resigned as a Director on 31 December 2006.	62	Has been involved in property asset management and investment evaluation for over 20 years.

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DIRECTORS' REPORT (Cont.)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The registered office of the Responsible Entity is Ground Floor, 50 Colin Street, West Perth, Western Australia. The register of investors is located at the office of the Responsible Entity at Level 3, 11 Queens Road, Melbourne, Victoria.

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The investment activities continue to be in accordance with the investment policy of the Fund as outlined in the current Product Disclosure Statement. Due to recent direct property asset acquisitions, the Fund's direct property holding as at 30 June 2007 was 97%.

The Fund invests in a range of Property assets including direct property, listed and unlisted property trusts and property syndicates. Gearing may be used to enhance performance and yield of the Fund.

The investment policy of the Fund continues to be that detailed in the current Product Disclosure Statement and in accordance with the Constitution of the Fund.

The Fund itself did not have any employees during the year, and there has been no significant change in its activities.

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DIRECTORS' REPORT (Cont.)

Operating Results

The profit from continuing operations of the Fund for the year ended 30 June 2007 was \$870,965 (2006: \$721,688). This includes unrealised gains on investment property of \$87,997 (2006: \$343,000).

From 1 August 2006 distributions were paid on a monthly basis.

Distributions paid or payable in respect of the financial year were:

	2007		2006	
	\$	Cents per unit	\$	Cents per unit
July – August	143,402	1.30	-	-
September	74,428	0.65	-	-
October	76,158	0.65	-	-
November	82,861	0.65	-	-
December	85,963	0.65	-	-
January	80,471	0.60	-	-
February	82,464	0.60	-	-
March	92,703	0.65	255,947	4.50
April	113,520	0.77	-	-
May	117,450	0.77	-	-
Final distribution payable	106,011	0.65	215,372	2.10
	1,055,431	7.94	471,319	6.60

Review and Results of Operations

The review of operations for the year ended 30 June 2007 is discussed in the Review of Operations contained on page 2 of this report.

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DIRECTORS' REPORT (Cont.)

Performance

	2007	2006
	%	%
Growth return	1.35	3.50
Distribution return	9.00	7.82
Total return	10.35	11.32
The relevant benchmark (i)	10.34	8.07

(i) The relevant benchmark is the 10-year bond yield + 2.25%.

Returns have been calculated after fees and assuming reinvestment of distributions, in accordance with IFSA Standard 6.0 Product Performance – calculation and presentation of returns.

Units on Issue

The movement of the units on issue of the Fund for the year was as follows:

	2007	2006
	no.	no.
Opening balance	10,255,823	2,764,514
Units issued	6,890,336	8,506,499
Units redeemed	(262,539)	(1,015,190)
	16,883,620	10,255,823

\$

\$

Value of the Fund's net assets attributable to unitholders – liability as at 30 June

14,953,444

9,466,383

The basis for the valuation of the Fund's assets is disclosed in Note 1 to the financial statements.

Interests of the Responsible Entity and Associates

Interests of the Responsible Entity and its associates have been disclosed in Note 20 to the financial statements.

Fees paid to the Responsible Entity

The following fees were paid or payable to WRF Property Limited (Responsible Entity) and WRF Securities Ltd (Parent Company) out of Fund property during the financial year.

	\$	\$
WRF Property Limited		
Manager's fees paid or payable	113,105	9,650
Acquisition fees on the purchase of properties	414,553	58,500
Reimbursable expenses paid or payable	63,053	-
Trailing commissions paid or payable	69,362	14,429
	660,073	82,579
WRF Securities Ltd		
Accounting and registry fees paid or payable	40,000	-
	700,073	82,579

Derivatives and Other Financial Instruments

The Fund's investments and trading activities expose it to changes in interest rates as well as credit and liquidity risk. WRF Property Ltd has policies and procedures in each of these areas to manage these exposures.

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DIRECTORS' REPORT (Cont.)

State of Affairs

The WRF Property Fund (the "Fund") was created by a Constitution dated 24 April 2001 (the Constitution). The Constitution and the Compliance Plan dated 24 April 2001 have been lodged with the Australian Securities and Investments Commission.

The Fund was formed to invest in a range of Property assets including property, listed and unlisted property trusts and property syndicates.

On 30 December 2005 the Fund acquired all the issued units in the John Street Singleton Trust ("the Trust") from WRF Securities Ltd for a total consideration of \$20. The Trust consists of 4 parcels of land located on John Street, Singleton, NSW. The proposal for the trust is to develop the land into a convenience based Shopping centre comprising of a major Coles Supermarket and approximately 12 specialty stores. Development approval has been received and the project is expected to be fully completed mid way through 2008. The completed retail centre is expected to provide solid future yields for the fund along with strong capital growth as the consumer base of the centre expands.

On 18 January 2007, the Fund purchased the Nightowl Village Shopping Centre, located at 2770 Logan Road, Underwood, Queensland. The property was purchased for \$5,600,000.

On 29 March 2007 the Fund purchased an office building located at 34-36 Chandos Street, St Leonards, NSW. The property was purchased for \$9,735,000.

In January 2007, a loan facility of \$19,875,000 (of which \$885,000 was repaid in May and June 2007) was put in place with the National Australia Bank to refinance the loans over the existing properties and to finance the purchase of the Underwood and St Leonards properties.

Proceedings on Behalf of a Company

No person has applied for leave of the Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

Subsequent Events

On 21 August 2007 the Coles Agreement for Lease for the Singleton Shopping Centre was executed by Coles and submitted to our solicitors for their review and certification, at which point it will be forwarded to the Custodian for counter signing. The commitment by Coles underpins the development of the shopping centre in The John Street Singleton Trust. The shopping centre will comprise a total net lettable area of 4,848 square metres, with Coles occupying 3,368 square metres and the balance of 1,480 will be occupied by specialty retailers. The Coles lease is for an initial term of 15 years, with a commencement gross rental of \$937,125 per annum. The development will have an end value of approximately \$23 million.

Other than the matters discussed above, there are no matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent financial years.

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DIRECTORS' REPORT (Cont.)

Likely Developments

Likely developments in the operations of the Fund and the expected results of the operations in future financial years have been discussed where appropriate within this financial report.

It is the Directors intention to focus on growing the size of the Fund which will enable it to purchase further direct property and other property related investments (in accordance with the Fund's investment policy). The major benefits being increased property, geographic and manager diversification and the reduction of the associated risks.

The directors resolved to pay unit holder distributions monthly rather than quarterly starting from 1 August 2006.

Environmental Issues

The Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory legislation.

Indemnifying Officers or Auditor

During or since the end of the financial year no insurance premiums have been paid out of the Fund's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Compliance Committee or auditors of the Fund.

Under the Constitution the Responsible Entity, including its directors and officers, is entitled to be indemnified out of the Fund's assets for any loss, damage, expense or other liability, incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund. This right of indemnity does not apply to the extent any loss, damage or costs are attributable to a breach of trust where the Responsible Entity failed to show the degree of care and diligence required of a trustee.

The Responsible Entity has paid premiums in respect of a contract insuring persons who are or have been a director or secretary of the Responsible Entity and includes any other person who is concerned, or takes part, in the management of the Responsible Entity. The liabilities include costs and expenses that may be incurred in defending civil proceedings that may be brought against the officers in their capacity as officers of the Responsible Entity or a related body corporate. The insurance contract prohibits the disclosure of the amount of the premium and the nature of the liability insured.

The Responsible Entity has agreed to indemnify all directors and officers against all liabilities to another person (other than the Responsible Entity or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith.

DIRECTORS' REPORT (Cont.)

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 34 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors of WRF Property Limited.



R.C. Nichevich
Director
WRF Property Limited

Dated this 7th day of September 2007
Perth, Western Australia.

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**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<i>Investment Income</i>					
Rental income		1,813,835	842,085	1,693,392	779,383
Interest		478,503	99,327	462,397	97,431
Changes in fair value of investment property	8	87,997	343,000	87,997	343,000
Distributions	3	31,597	22,371	31,597	22,371
<i>Total Investment Income</i>		<u>2,411,932</u>	<u>1,306,783</u>	<u>2,275,383</u>	<u>1,242,185</u>
<i>Expenses</i>					
Direct property expenses	3	(464,025)	(180,321)	(332,430)	(115,041)
Administration expenses - Other	3	(210,034)	(77,426)	(198,795)	(78,185)
Borrowing costs	3	(866,908)	(327,348)	(866,908)	(327,348)
<i>Total Expenses</i>		<u>(1,540,967)</u>	<u>(585,095)</u>	<u>(1,398,133)</u>	<u>(520,574)</u>
<i>Profit from Continuing Operations</i>		<u>870,965</u>	<u>721,688</u>	<u>877,250</u>	<u>721,611</u>
<i>Finance Costs</i>					
Distributions to unitholders		(1,055,431)	(471,319)	(1,055,431)	(471,319)
<i>Total Finance Costs</i>		<u>(1,055,431)</u>	<u>(471,319)</u>	<u>(1,055,431)</u>	<u>(471,319)</u>
<i>Change in Net Assets Attributable to Unitholders</i>	12	184,466	(250,369)	178,181	(250,292)
<i>Net Profit Attributable to Unitholders</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

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BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	14(a)	859,285	2,269,255	733,085	2,218,067
Trade and other receivables	4	346,954	299,419	346,007	290,448
Other current assets	5	91,201	87,858	47,023	-
Total Current Assets		<u>1,297,440</u>	<u>2,656,532</u>	<u>1,126,115</u>	<u>2,508,515</u>
Non-Current Assets					
Financial assets	6	2,956,635	448,115	7,125,684	2,467,164
Inventories	7	6,431,002	3,030,956	-	-
Investment property	8	28,137,525	11,449,045	28,137,525	11,449,045
Other non current assets	5	31,681	-	31,681	-
Intangibles	9	250,744	-	250,744	-
Total Non-Current Assets		<u>37,807,587</u>	<u>14,928,116</u>	<u>35,545,634</u>	<u>13,916,209</u>
Total Assets		<u>39,105,027</u>	<u>17,584,648</u>	<u>36,671,749</u>	<u>16,424,724</u>
Current Liabilities					
Trade and other payables	10	438,857	359,882	399,371	320,035
Short-term borrowings	11	4,271,296	914,177	4,271,296	4,177
Total Current Liabilities		<u>4,710,153</u>	<u>1,274,059</u>	<u>4,670,667</u>	<u>324,212</u>
Non-Current Liabilities					
Long-term borrowings	11	19,441,430	6,844,206	17,041,430	6,634,206
Total Non-Current Liabilities		<u>19,441,430</u>	<u>6,844,206</u>	<u>17,041,430</u>	<u>6,634,206</u>
Total Liabilities Excluding Net Assets Attributable to Unitholders		<u>24,151,583</u>	<u>8,118,265</u>	<u>21,712,097</u>	<u>6,958,418</u>
Net assets attributable to unitholders - Liability		<u>14,953,444</u>	<u>9,466,383</u>	<u>14,959,652</u>	<u>9,466,306</u>

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<i>Unitholders Funds</i>					
Opening balance at 1 July		9,404,650	2,414,025	9,404,573	2,414,025
Net contributions by unitholders (net of transactions costs)		5,638,425	6,740,256	5,638,425	6,740,256
Increase/(Decrease) in net assets attributable to unitholders - liability		<u>(184,466)</u>	<u>250,369</u>	<u>(178,181)</u>	<u>250,292</u>
	12	<u>14,858,609</u>	<u>9,404,650</u>	<u>14,864,817</u>	<u>9,404,573</u>
<i>Financial Assets Reserve</i>					
Opening balance at 1 July		61,733	66,894	61,733	66,894
Revaluation of available for sale assets		<u>33,102</u>	<u>(5,161)</u>	<u>33,102</u>	<u>(5,161)</u>
	13	<u>94,835</u>	<u>61,733</u>	<u>94,835</u>	<u>61,733</u>
<i>Total Net Assets Attributable to Unitholders - Liability at the End of the Year</i>		<u>14,953,444</u>	<u>9,466,383</u>	<u>14,959,652</u>	<u>9,466,306</u>

The accompanying notes form part of these financial statements

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<i>Cash Flows from Operating Activities</i>					
Interest received		478,503	99,327	462,397	97,431
Distributions received		40,552	13,416	40,552	13,416
Receipts from customers		1,990,442	705,515	1,857,499	635,463
Payments to suppliers		(773,347)	(331,702)	(639,401)	(214,813)
Borrowing costs		(1,019,684)	(304,598)	(1,019,684)	(304,598)
<i>Net Cash Provided by Operating Activities</i>	14(b)	<u>716,466</u>	<u>181,958</u>	<u>701,363</u>	<u>226,899</u>
<i>Cash Flows from Investing Activities</i>					
Payments for investment properties		(15,335,000)	(5,850,000)	(15,335,000)	(5,850,000)
Acquisition costs - property		(1,265,484)	(456,045)	(1,265,484)	(456,045)
Payments for unlisted property trusts		(281,922)	(230,000)	(31,178)	(230,000)
Payments for John Street Singleton Trust		-	-	(2,400,744)	(2,019,049)
Payments for inventories		(3,370,091)	(3,042,920)	-	-
Proceeds on sale of unlisted property trusts		50,000	-	50,000	-
<i>Net Cash (used in)/provided by Investing Activities</i>		<u>(20,202,497)</u>	<u>(9,578,965)</u>	<u>(18,982,406)</u>	<u>(8,555,094)</u>
<i>Cash Flows from Financing Activities</i>					
Proceeds from borrowings		15,640,422	4,920,000	13,240,422	3,800,000
Net proceeds from issue of units		6,612,937	7,544,629	6,612,937	7,544,629
Proceeds from redemption of units		(825,981)	(865,783)	(825,981)	(865,783)
Repayments of borrowings		(2,027,543)	-	(907,543)	-
Finance costs - distribution to unitholders		(1,175,244)	(371,504)	(1,175,244)	(371,504)
Payment for establishment costs		(148,530)	(4,853)	(148,530)	(4,853)
<i>Net Cash provided by Financing Activities</i>		<u>18,076,061</u>	<u>11,222,489</u>	<u>16,796,061</u>	<u>10,102,489</u>
Net (decrease)/increase in cash and cash equivalents		(1,409,970)	1,825,482	(1,484,982)	1,774,294
Cash and cash equivalents at the beginning of the year		2,269,255	443,773	2,218,067	443,773
<i>Cash and Cash Equivalents at the End of the Year</i>	14(a)	<u>859,285</u>	<u>2,269,255</u>	<u>733,085</u>	<u>2,218,067</u>

The accompanying notes from part of these financial statements

WRF PROPERTY FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1 Basis of Preparation

The Fund is a registered Managed Investment Scheme under the Corporations Act 2001. The Financial Report of the Fund is for the year ended 30 June 2007.

The Financial Report is a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Financial Report covers the economic entity of the WRF Property Fund and controlled entities. The WRF Property Fund is domiciled in Australia.

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising of the financial statements and notes thereto, complies with International Financial Reporting Standards.

The Financial Report covers the economic entity of the WRF Property Fund and controlled entities. The WRF Property Fund is a registered managed investment scheme established and domiciled in Australia.

It is recommended that this financial report be read in conjunction with any public announcements made by the Fund during the financial year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

b) Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

c) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2 Significant Accounting Policies

The accounting policies set out below have been adopted by the Fund in the preparation of the Financial Report and have been consistently applied to all years presented.

(a) Principles of Consolidation

A controlled entity is an entity the Fund has the power to control the financial and operating policies so as to obtain benefits from its activities. The Fund has one controlled entity being the wholly owned John Street Singleton Trust ('JSST').

All inter-entity balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

The JSST entered the economic entity during the 2006 financial year, and therefore for comparative purposes its operating results have been included from the date control was obtained.

(b) Investment Property

Investment property is carried at fair value, determined by the directors or independent valuation. Changes in fair value are recorded in the income statement. Refer to Note 8 Investment Property for further details on fair value determination.

An independent valuation is carried out on each property at least every 2 years.

Investment property is not depreciated.

(c) Revenue and Expenses

Revenue

Lease income from operating leases, where substantially all the risks and benefits remain with the lessor, are recognised on a straight line basis over the term of the lease. Lease income includes gross rental revenue and recoverable outgoings.

Interest income is recognised in the income statement using the effective interest rate method.

Distribution and dividend income is recognised when the right to receive a distribution or dividend has been established.

Other income is recognised on an accruals basis, which is when the Fund becomes entitled to receive it.

All revenue is stated net of the amount of goods and services tax (GST).

Expenses

Expenses are brought to account on an accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2 Significant Accounting Policies (cont.)

(c) Revenue and Expenses (cont.)

Borrowing Costs

Borrowing costs include interest and bank charges, which are expensed as incurred, and impairment of borrowing costs. Loan establishment costs are initially capitalised by being offset against the loan amount and then impaired over the life of the loan or five years, whichever is the lesser.

(d) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO'). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability.

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

(e) Financial Instruments

Financial instruments are initially measured at cost on transaction date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to a reserve.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Issued Units

As the Fund has a fixed termination date a contractual obligation exists for the Fund to deliver cash or another financial asset to the unitholders. AASB 132: Financial Instruments: Presentation, therefore requires the issued units and retained profits to be classified as a financial liability, titled net assets attributable to unitholders. Accordingly the Fund has no equity and the distributions paid and payable to unitholders are classified as a finance cost in the income statement, while distributions payable are classified as a payable in the balance sheet.

Bank Borrowings

Interest-bearing bank loans and overdrafts are recognised at fair value, net of transaction costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2 Significant Accounting Policies (cont.)

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(g) Finance Costs

Finance costs – distribution to unitholders, represents amounts distributed to unitholders based upon their unitholding during the financial year and are recognised when a distribution is declared by the Fund. Finance costs (excluding distributions to unitholders), are recognised using the effective interest rate applicable to the respective financial liability.

(h) Inventory of Development Property

AASB 102 “Inventories” prescribes the measurement of inventories (including development property for sale), including the amount to be initially recognised as an asset in the balance sheet and later recognised as an expense in the income statement.

Inventories are measured at the lower of cost or net realisable value on an item by item basis. Net realisable value is the net amount an entity expects to realise from the sale of inventory in the ordinary course of business.

The costs of inventories, such as sub-divided blocks of land being developed for re-sale, is the aggregation of all of the costs of purchase net of any discounts or rebates, the cost of conversion to finished or saleable product, and other costs involved in the development of land, administration and selling.

Upon sale of an item of inventory the carrying amount of that item is recognised as an expense in the income statement in the period in which the related revenue is recognised.

(i) Distributions and Taxation

Under current legislation the Fund is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unitholders. The Fund fully distributes its taxable income in accordance with the Fund constitution and applicable taxation legislation, to the unitholders who are presently entitled to the income under the constitution. Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any future realised capital gains.

(j) Transfers to/from Unitholders’ Funds

Non-distributable income, which may comprise unrealised changes in the fair value of financial assets, net capital losses, tax-deferred income, accrued income not yet assessable and non-deductible expenses are transferred to unitholders’ funds.

These items are transferred from the unitholders’ funds to be included in the determination of distributable income in the period for which they are assessable for taxation purposes.

(k) Determination of Unit Exit Prices

The unit exit price is determined as the net asset value of the Fund adjusted for estimated transaction costs, divided by the number of units on issue.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

2 Significant Accounting Policies (cont.)

(l) Accounting Estimates and Judgments

Critical accounting estimates and judgments

The Directors of the Responsible Entity evaluate estimates and judgments incorporated in the financial report based on the historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund and Responsible Entity.

(m) Intangibles

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment losses. Gains or losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
3 Investment Income and Expenses					
Investment Income					
Rental income		1,813,835	842,085	1,693,392	779,383
Interest		478,503	99,327	462,397	97,431
Changes in fair value of investment properties		87,997	343,000	87,997	343,000
Distributions - Listed Property Trusts		10,991	17,236	10,991	17,236
Distributions - Unlisted Property Trusts		20,606	5,135	20,606	5,135
Total Investment Income		<u>2,411,932</u>	<u>1,306,783</u>	<u>2,275,383</u>	<u>1,242,185</u>
Expenses					
Direct property expenses		464,025	180,321	332,430	115,041
Custodian fees		30,500	19,779	25,000	19,779
Managers fees		122,755	9,650	122,755	9,650
Other administration expenses		56,779	47,997	51,040	48,756
Borrowings Costs					
Other persons		812,593	308,774	812,593	308,774
Amortisation of loan establishment costs		54,315	18,574	54,315	18,574
Total Expenses		<u>1,540,967</u>	<u>585,095</u>	<u>1,398,133</u>	<u>520,574</u>
4 Trade and Other Receivables					
Current					
Rental debtors		205,446	80,838	205,446	80,838
Prepayments		21,400	19,274	21,034	10,303
Accrued income		82,158	128,939	81,577	128,939
Distributions receivable		11,685	8,958	11,685	8,958
Other debtors		26,265	61,410	26,265	61,410
		<u>346,954</u>	<u>299,419</u>	<u>346,007</u>	<u>290,448</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
5 Other Assets					
Current					
Security deposits		81,877	38,430	37,699	-
Lease incentives		9,324	49,428	9,324	-
		91,201	87,858	47,023	-
Non-Current					
Lease incentives		31,681	-	31,681	-
		31,681	-	31,681	-
6 Financial Assets					
Non-Current					
<i>Listed Property Trust: Westfield Group</i>					
(i)					
Opening balance at 1 July		218,115	223,276	218,115	223,276
Revaluation increment/(decrement) to fair value		33,102	(5,161)	33,102	(5,161)
		251,217	218,115	251,217	218,115
<i>Unlisted Property Trusts:</i>					
WRF 925 Syndicate (ii)		180,000	205,000	180,000	205,000
New Enterprise Property Syndicate (ii)		-	25,000	-	25,000
WRF Southern River (iii)		2,525,418	-	2,525,418	-
John Street Singleton Trust (iv)		-	-	4,169,049	2,019,049
		2,705,418	230,000	6,874,467	2,249,049
Total available for sale financial assets		2,956,635	448,115	7,125,684	2,467,164

- (i) The Westfield Group is a retail property group.
The Fund holds 12,586 units at \$19.96 each as at 30 June 2007
- (ii) Both entities have the same Responsible entity as the Fund. 25,000 units in both Syndicates were sold during the financial year. 180,000 units (at \$1.00 each) are held in the WRF 925 Syndicate as at 30 June 2007.
- (iii) The Fund holds 1,834,000 ordinary units and 1,320,480 bonus units in WRF Southern River Syndicate at a total value of \$2,494,240. Capitalised acquisition fee of the Southern River units amounted to \$31,178.
- (iv) The Fund owns all of the units issued in the trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
7 Inventories					
Non-Current					
Land - John Street, Singleton		5,057,315	2,335,489	-	-
Development expenses capitalised		1,373,687	695,467	-	-
		6,431,002	3,030,956	-	-

The proposal for the 4 parcels of land in John Street, Singleton is to develop them into a convenience based Shopping Centre comprising of a major Coles supermarket and approximately 15 specialty stores. Development approval has been received and the project is expected to be fully completed mid way through 2008.

8 Investment Property

	Opening balance 1 July \$	Purchases \$	Acquisition costs \$	Source of valuation / appraisal	Valuation / Appraisal \$	Revaluation Amount \$	Fair value 30 June \$
2007							
Devonport Cinema Complex, TAS	5,143,000	-	15	WRF Property Ltd	5,200,000	56,985	5,200,000
Trinity Heights Shopping Centre, Bathurst, NSW	6,306,045	-	-	WRF Property Ltd	6,070,000	-	6,306,045
Nightowl Village, Underwood, QLD (i)	-	5,600,000	441,480	WRF Property Ltd	5,600,000	-	6,041,480
34-36 Chandos Street, St Leonards, NSW (ii)	-	9,735,000	823,988	WRF Property Ltd	10,590,000	31,012	10,590,000
						87,997	28,137,525

(i) On 18 January 2007 the Fund purchased the Nightowl Village in Underwood, Queensland for \$5,600,000.

(ii) On 29 March 2007 the Fund purchased 34 – 36 Chandos Street, St Leonards, New South Wales for \$9,735,000.

WRF PROPERTY FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

8 Investment Property (Cont.)

	Opening balance 1 July \$	Purchases \$	Acquisition costs \$	Source of valuation / appraisal	Valuation / Appraisal \$	Revaluation Amount \$	Fair value 30 June \$
2006							
Devonport Cinema Complex, TAS	4,800,000	-	-	Savills	5,143,000	343,000	5,143,000
Trinity Heights Shopping Centre, Bathurst, NSW (i)	-	5,850,000	456,045	WRF Property Ltd	5,850,000	-	6,306,045
						343,000	11,449,045

Valuation basis:

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction. The determination of fair value was mainly based on the present values of net future cash flows and the capitalisation of future rental income and, where available, market data for comparable properties. The independent valuations (as indicated above), which conform to Australian Valuation Standards, were based on assessments made by an independent valuer who is a member of the Australian Property Institute. The Directors appraisals have been prepared by executive directors' of the Responsible Entity. Both the independent valuers and directors of the Responsible Entity have recent experience in the relevant location and category of the investment properties being valued.

	Notes	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
9 Intangible Assets					
Goodwill					
Cost		250,744	-	250,744	-
Accumulated impaired losses		-	-	-	-
Net carrying value		250,744	-	250,744	-
Year ended 30 June 2007					
Balance at the beginning of the year		-	-	-	-
Additions		250,744	-	250,744	-
Net carrying value		250,744	-	250,744	-

Intangible assets relate to goodwill on the purchase of the JSST. Goodwill has an infinite life and is assessed for impairment for loss annually.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
10 Trade and Other Payables					
Current					
Accounts payable		140,903	37,464	107,081	-
Accrued expenses		150,850	87,412	137,200	81,762
Unearned income		5,563	4,215	5,563	4,215
Distributions payable		95,559	215,372	95,559	215,372
GST payable		8,283	15,419	16,269	18,686
Other liabilities		37,699	-	37,699	-
		<u>438,857</u>	<u>359,882</u>	<u>399,371</u>	<u>320,035</u>
11 Interest Bearing Liabilities					
Current					
<i>Short-term borrowings</i>					
Secured loans (iii)		1,770,000	910,000	1,770,000	-
Unsecured loans - other (ii)		2,501,296	4,177	2,501,296	4,177
		<u>4,271,296</u>	<u>914,177</u>	<u>4,271,296</u>	<u>4,177</u>
Non-Current					
<i>Long-term borrowings</i>					
Secured loans (i), (iii)		19,620,000	6,870,000	17,220,000	6,660,000
Less: borrowings costs		(178,570)	(25,794)	(178,570)	(25,794)
		<u>19,441,430</u>	<u>6,844,206</u>	<u>17,041,430</u>	<u>6,634,206</u>

- (i) The Fund's wholly owned subsidiary, the John Street Singleton Trust (the Trust), has a cash advance facility with the National Australia Bank Limited for \$2,400,000. The interest rate on the loan is BBSY plus a facility fee of 0.9% per annum. The loan is secured by a registered first mortgage over the land owned by the Trust and also by a fixed and floating charge over the assets of the Trust. The loan expires on 30 September 2007 and will be refinanced.
- (ii) On 30 March 2007 the Fund entered into a loan agreement with WRF Securities Ltd (the Lender) for \$2,494,240 to finance the acquisition of 1,834,000 ordinary units and 1,320,480 bonus units in WRF Southern River Syndicate from WRF Securities Ltd. The loan is repayable in 6 equal instalments commencing on 30 June 2007. An instalment may be postponed at the discretion of the Fund by providing written notice to the Lender not less than 7 days prior to the due date of the instalment (notice was given by the Fund to postpone the instalment due on 30 June 2007). If any amount owing by the Fund to the Lender remains outstanding after 30 November 2007, at the absolute discretion of the Lender:
- (a) the Fund must pay to the Lender interest on the outstanding amount; or
- (b) the Fund will issue units in the Fund in lieu of repayment of the outstanding amount.
- or any combination of the above.

The interest rate payable, if applicable is the 30 bank bill swap reference rate – average bid rate plus 1% per annum.

In addition, the Fund has an unsecured premium funding loan of \$7,056 (2006: \$4,177) for its property insurances. The loan is over a 10 month period from October 2006. The interest rate on the loan is 6.58%.

- (iii) During the year the Fund had a loan of \$19,875,000 with National Australia Bank. The loan was reduced to \$18,990,000 as at 30 June 2007. Further reductions in the loan of \$1,770,000 are required to be made, half by 30 September 2007 and the other half by 31 December 2007. \$12,918,750 of the total loan was fixed via an interest rate swap at a rate of 6.75% per annum, with the balance at BBSY. A facility fee of 0.75% per annum is payable on \$17,225,000 of the loan with a facility fee of 1.50% per annum on the balance of the loan. The facility will terminate on 18 January 2010. The loan is secured by a registered mortgage over the properties in Devonport, Trinity Heights, Underwood and St Leonards.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
12 Unitholders' Funds					
<i>Movements in unitholders' funds during the year were as follows:</i>					
Opening balance		9,404,650	2,414,025	9,404,573	2,414,025
Applications paid		6,612,937	7,606,039	6,612,937	7,606,039
Redemptions paid		(825,981)	(865,783)	(825,981)	(865,783)
Transaction costs paid		(148,531)	-	(148,531)	-
Net Contributions by Unitholders		<u>5,638,425</u>	<u>6,740,256</u>	<u>5,638,425</u>	<u>6,740,256</u>
Net profit		870,965	721,688	877,250	721,611
Distributions paid or payable		<u>(1,055,431)</u>	<u>(471,319)</u>	<u>(1,055,431)</u>	<u>(471,319)</u>
Change in Net Assets Attributable to Unitholders -Liability		(184,466)	250,369	(178,181)	250,292
Total Unitholders Funds		<u><u>14,858,609</u></u>	<u><u>9,404,650</u></u>	<u><u>14,864,817</u></u>	<u><u>9,404,573</u></u>
Financial Assets Reserve (refer Note 13)		<u>94,835</u>	<u>61,733</u>	<u>94,835</u>	<u>61,733</u>
Total Net Assets Attributable to Unitholders - Liability		<u><u>14,953,444</u></u>	<u><u>9,466,383</u></u>	<u><u>14,959,652</u></u>	<u><u>9,466,306</u></u>
		No. of units	No. of units	No. of units	No. of units
<i>Movements in units on issue in the Fund were as follows:</i>					
Opening balance		10,255,823	2,764,514	10,255,823	2,764,514
Applications		6,890,336	8,506,499	6,890,336	8,506,499
Redemptions		<u>(262,539)</u>	<u>(1,015,190)</u>	<u>(262,539)</u>	<u>(1,015,190)</u>
Closing balance		<u><u>16,883,620</u></u>	<u><u>10,255,823</u></u>	<u><u>16,883,620</u></u>	<u><u>10,255,823</u></u>

All units in the Fund are of the same class and carry equal rights. Each unit confers upon the holder of that unit an undivided interest in the assets of the Fund in the proportion that the unit bears to the total number of units on issue. A unit does not entitle the holder to any particular asset or any particular part of the assets of the Fund.

13 Reserves	\$	\$	\$	\$
Financial Assets Reserve	<u>94,835</u>	<u>61,733</u>	<u>94,835</u>	<u>61,733</u>
Opening balance	61,733	66,894	61,733	66,894
Fair value increment/(decrement) on listed property trusts	<u>33,102</u>	<u>(5,161)</u>	<u>33,102</u>	<u>(5,161)</u>
Closing balance	<u><u>94,835</u></u>	<u><u>61,733</u></u>	<u><u>94,835</u></u>	<u><u>61,733</u></u>

The Financial Assets Reserve records the revaluation of Available-for-Sale Financial Assets.

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NOTES TO THE FINANCIAL STATEMENTS
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	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
14 Notes to the Statement of Cash Flows					
a) Cash					
For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.		859,285	2,269,255	733,085	2,218,067
		<u>859,285</u>	<u>2,269,255</u>	<u>733,085</u>	<u>2,218,067</u>
b) Reconciliation of Profit from continuing operations to Net Cash Flows from Operations					
Profit from continuing operations		870,965	721,688	877,250	721,611
Non-cash flows in Profit from continuing operations					
Changes in fair value of investment properties		(87,997)	(343,000)	(87,997)	(343,000)
Amortisation expense		54,315	18,573	54,315	18,573
Write back of non-recoverable expenses		(76,201)	-	(76,201)	-
Changes in Assets and Liabilities					
(Increase)/Decrease in receivables		(135,885)	(93,388)	(167,830)	(89,139)
(Increase)/Decrease in other assets		(252,825)	(181,782)	(223,149)	(134,382)
Increase/(Decrease) in payables		344,094	59,867	324,975	53,236
		<u>716,466</u>	<u>181,958</u>	<u>701,363</u>	<u>226,899</u>
c) Loan Facilities					
Loan facilities		23,534,156	7,784,177	21,134,156	6,664,177
Amount utilised		(23,534,156)	(7,784,177)	(21,134,156)	(6,664,177)
Unused Loan Facilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Refer to Note 11 for further details on the loan facilities.

15 Commitments and Contingent Liabilities

There were no commitments for capital expenditure or any contingent liabilities at 30 June 2007.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

16 Financial Instruments

a) Interest Rate Risk

The Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate %pa	Floating Interest Rate \$	Fixed interest maturing in or repriced at			Non- Interest Bearing \$	Total \$
			Within Year \$	1 to 5 Years \$	Over 5 Years \$		
2007							
Financial Assets:							
Cash		859,285	-	-	-	-	859,285
Receivables		-	-	-	-	346,954	346,954
Other current assets		-	-	-	-	91,201	91,201
Available for sale financial assets		-	-	-	-	251,217	251,217
Other financial assets		-	-	-	-	2,705,418	2,705,418
Other non-current assets		-	-	-	-	31,681	31,681
		<u>859,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,426,471</u>	<u>4,285,756</u>
Financial Liabilities:							
Payables		-	-	-	-	(438,857)	(438,857)
Short term borrowings	6.38%	-	(4,177,056)	-	-	-	(4,177,056)
Long term borrowings	6.37%	-	-	(17,220,000)	-	(2,494,240)	(19,714,240)
		<u>-</u>	<u>(4,177,056)</u>	<u>(17,220,000)</u>	<u>-</u>	<u>(2,933,097)</u>	<u>(24,330,153)</u>
Net financial assets /(liabilities)		<u>859,285</u>	<u>(4,177,056)</u>	<u>(17,220,000)</u>	<u>-</u>	<u>493,374</u>	<u>(20,044,397)</u>

	Weighted Average Effective Interest Rate %pa	Floating Interest Rate \$	Fixed interest maturing in or repriced at			Non- Interest Bearing \$	Total \$
			Within Year \$	1 to 5 Years \$	Over 5 Years \$		
2006							
Financial Assets:							
Cash	4.34%	2,269,255	-	-	-	-	2,269,255
Receivables	-	-	-	-	-	299,419	299,419
Other current assets	-	-	-	-	-	87,858	87,858
Available for sale financial assets	-	-	-	-	-	218,115	218,115
Other financial assets	-	-	-	-	-	230,000	230,000
		<u>2,269,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835,392</u>	<u>3,104,647</u>
Financial Liabilities:							
Payables	-	-	-	-	-	(359,882)	(359,882)
Short term borrowings	5.64%	-	(914,177)	-	-	-	(914,177)
Long term borrowings	6.97%	-	-	(6,870,000)	-	-	(6,870,000)
		<u>-</u>	<u>(914,177)</u>	<u>(6,870,000)</u>	<u>-</u>	<u>(359,882)</u>	<u>(8,144,059)</u>
Net financial assets /(liabilities)		<u>2,269,255</u>	<u>(914,177)</u>	<u>(6,870,000)</u>	<u>-</u>	<u>475,510</u>	<u>(5,039,412)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16 Financial Instruments (cont.)

b) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Fund will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount.

To control liquidity and cash flow risk, the Fund invests in financial instruments which, under normal market conditions, are readily convertible into cash. In addition, the Fund invests within established limits to ensure there is no concentration of risk.

c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

Concentrations of credit risk are minimised primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved, and
- Ensuring that transactions are undertaken with a large number of counterparties.

As such, the Fund does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Fund does not have a material exposure to a group of counterparties, which are expected to be affected similarly by changes in economic or other conditions.

d) Net Fair Values

The Fund's net fair values and carrying amount of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial report.

17 Operating Leases

Minimum future lease payments receivable under non-cancellable leases are as follows:

	Within Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2007				
Devonport Cinema Complex, TAS	569,727	2,142,954	1,343,233	4,055,914
Trinity Heights Shopping Centre, Bathurst, NSW	502,985	1,429,103	761,973	2,694,061
Nightowl Village, Underwood, QLD	497,736	1,219,350	-	1,717,086
34-36 Chandos Street, St Leonards, NSW	810,669	442,840	-	1,253,509
	<u>2,381,117</u>	<u>5,234,247</u>	<u>2,105,206</u>	<u>9,720,570</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17 Operating Leases (cont.)

	Within Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2006				
Devonport Cinema Complex, TAS	497,869	1,724,346	1,444,483	3,666,698
Trinity Heights Shopping Centre, Bathurst, NSW	544,851	1,668,276	1,071,234	3,284,361
	<u>1,042,720</u>	<u>3,392,622</u>	<u>2,515,717</u>	<u>6,951,059</u>

Leases are negotiated on a tenant by tenant basis reflective of commercial terms and prevailing market conditions at the time of the negotiations. The Responsible Entity utilizes a standard lease document and follows a prescribed process in relation to the preparation and execution of same.

18 Segment Information

The Fund operates solely in the business of property investment within Australia

	Notes	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
19 Auditors' Remuneration					
<i>Remuneration of the auditor of the Fund for:</i>					
- Audit and review of the financial reports		14,903	6,420	12,403	6,420
- Compliance plan audit		3,200	2,600	3,200	2,600
		<u>18,103</u>	<u>9,020</u>	<u>15,603</u>	<u>9,020</u>

20 Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned	
		2007	2006
Parent Entity:			
WRF Property Fund	Aust	-	-
Subsidiaries of WRF Property Fund:			
The John Street Singleton Trust	Aust	100%	100%

WRF PROPERTY FUND
ARSN 096 494 576

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

21 Related Party Disclosures

The Responsible Entity of the WRF Property Fund is WRF Property Limited (ABN 51 095 920 648). WRF Property Limited is a wholly owned subsidiary of WRF Securities Ltd (ABN 000 714 054), an Australian public company listed on the Australian Stock Exchange (Code: WRF).

a) Remuneration of Directors and Key Management Personnel

The Syndicate does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Syndicate. The directors and executives of the Responsible Entity are the Key Management Personnel ('KMP').

The Directors and Executives of the Responsible Entity are KMP of that entity and their names are:

Mr R C Nichevich	Chairman
Mr T Micelotta	Head of Property
Mr G McAnulty	General Manager Property
Ms S A Barrett	Head of Marketing & Distribution
Mr C J Carey	Company Secretary
Mr O S Lennie	Managing Director (resigned 31 December 2006)

The Responsible Entity is entitled to a management fee which is calculated as a proportion of gross asset value.

No compensation is paid directly by the Fund to directors or to any of the KMPs' of the Responsible Entity.

Since the end of the financial year, no Director or KMP of the Responsible Entity has received or become entitled to any benefit because of a contract made by the Responsible Entity with a Director or KMP, or with a firm of which the Director or KMP is a member, or with an Entity in which the Director or KMP has a substantial interest.

Loans to Directors and Key Management Personnel of the Responsible Entity

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the Directors and KMP or their personally-related entities at any time during the reporting period.

Other Transactions with Directors and Key Management Personnel of the Responsible Entity

From time to time Directors and KMP or their personally-related entities, may buy or sell units in the Fund. These transactions are subject to the same terms and conditions as those entered into by other Fund investors.

Apart from those details disclosed in this note, no Director or KMP has entered into a contract for services with the Responsible Entity since the end of the previous financial year and there were no contracts involving Directors or KMP subsisting at year end.

**WRF PROPERTY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

21 Related Party Disclosures (cont.)

b) Responsible Entity's Fees and other Transactions

	Notes	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
<u>WRF Property Limited</u>					
Manager's fees paid or payable		113,105	9,650	113,105	9,650
Acquisition fees on the purchase of properties		414,553	58,500	414,553	58,500
Reimbursable expenses paid or payable		63,053	-	58,395	-
Trailing Commissions paid or payable		69,362	14,429	69,362	14,429
		<u>660,073</u>	<u>82,579</u>	<u>655,415</u>	<u>82,579</u>
<u>WRF Securities Ltd</u>					
Accounting and registry fees paid or payable		40,000	-	40,000	-
		<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
		<u>700,073</u>	<u>82,579</u>	<u>695,415</u>	<u>82,579</u>

c) Related Party Transactions

(i) WRF Securities Ltd (WRFS) entered into an agreement on 30 December 2005 with WRF Property Limited, in its capacity as trustee for The John Street Singleton Trust (JSST), as part of the sale of JSST by the company to the WRF Property Fund (WRFPF). In accordance with the terms of that agreement, WRFS is required to pay an investment return of 9% per annum, payable monthly in arrears, on the amount of capital invested by the WRFPF in the JSST until the completion of the development of the shopping centre. All rents or other financial returns received by the JSST in relation to the properties being used for the development of the shopping centre are offset against the amount payable by WRFS.

The interest on investment in JSST amounted to \$338,006 during the financial year (2006: \$57,624). The net rent paid or payable to WRFS by JSST for the year ended 30 June 2007 amounted to \$119,486 (2006: \$55,334).

At 30 June 2007 the amount of capital invested by WRFPF was \$4,419,793. For the 2008 financial year it is not possible to quantify the amount of investment return payable by WRFS to the WRFPF due to variability of the capital invested.

(ii) On 30 March 2007, WRF Securities Ltd (WRFS) entered into an agreement with WRF Property Limited (WRFPL), in its capacity as responsible entity for the WRF Property Fund (WRFPF), for the purpose of the acquisition of 1,834,000 ordinary units and 1,320,480 bonus units in WRF Southern River Syndicate amounted to \$2,494,240. WRF Property Limited borrowed the fund from WRFS and is required to repay the principal in six equal monthly instalments commencing on 30 June 2007. In accordance with the agreement, interest is applicable to any outstanding balance after 30 November 2007.

**WRF PROPERTY FUND
ARSN 096 494 576**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

21 Related Party Disclosures (cont.)

c) Related Party Transactions

Related Party investments held by the Fund

The Fund may purchase and sell units in other approved funds and funds managed by the Responsible Entity in the ordinary course of business. Details of the Fund's investments in other funds and syndicates are set out below.

30 June 2007

Entity	Units held	Fair value \$	Interest held %	Units purchased	Units sold	Distribution paid / payable \$
WRF 925 Property Syndicate	180,000	180,000	1.29%	205,000	(25,000)	18,233
New Enterprise Property Syndicate	-	-		25,000	(25,000)	2,373
WRF Southern River Syndicate ⁽ⁱ⁾		2,494,240	19.19%	1,834,000	-	-
		<u>2,674,240</u>		<u>2,064,000</u>	<u>(50,000)</u>	<u>20,606</u>

(i) 1,834,000 ordinary units and 1,320,480 bonus units

30 June 2006

Entity	Units held	Fair value \$	Interest held %	Units purchased	Units sold	Distribution paid / payable \$
WRF 925 Property Syndicate	205,000	205,000	1.47%	205,000	-	4,510
New Enterprise Property Syndicate	25,000	25,000	0.11%	25,000	-	625
		<u>230,000</u>		<u>230,000</u>	<u>-</u>	<u>5,135</u>

**WRF PROPERTY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

21 Related Party Disclosures (cont.)

c) Related Party Transactions (cont.)

Units in the Fund held by Related Parties

Details of holdings in the Fund by Related Parties is set out below. No other related parties held units in the Fund during the year. There were no units in the Fund held by key management personnel.

30 June 2007						
Entity	Relationship	Unit holding \$	Interest held %	Units issued	Units redeemed	Distribution paid / payable \$
WRF Securities Limited	Parent of Responsible Entity	-	-	10,820	(10,820)	70
		<u>-</u>		<u>10,820</u>	<u>(10,820)</u>	<u>70</u>

30 June 2006						
Entity	Relationship	Unit holding \$	Interest held %	Units issued	Units redeemed	Distribution paid / payable \$
WRF Securities Ltd	Parent of Responsible Entity	-	-	-	840,986	-
		<u>-</u>		<u>-</u>	<u>840,986</u>	<u>-</u>

22 Subsequent Events

On 21 August 2007 the Coles Agreement for Lease for the Singleton Shopping Centre was executed by Coles and submitted to our solicitors for their review and certification, at which point it will be forwarded to the Custodian for counter signing. The commitment by Coles underpins the development of the shopping centre in The John Street Singleton Trust. The shopping centre will comprise a total net lettable area of 4,848 square metres, with Coles occupying 3,368 square metres and the balance of 1,480 will be occupied by specialty retailers. The Coles lease is for an initial term of 15 years, with a commencement gross rental of \$937,125 per annum. The development will have an end value of approximately \$23 million.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

The directors of WRF Property Limited, the Responsible Entity of the WRF Property Fund, declare that:

1. The financial statements and notes, as set out on pages 10 to 32 are in accordance with the *Corporations Act 2001*, including:
 - (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Fund's financial position as at 30 June 2007 and of its performance for the period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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



R C Nichevich
Director

Dated this 7th day of September 2007

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WRF Property Fund for the year ended 30 June 2007, 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.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Dated this 7th day of September 2007

INDEPENDENT AUDIT REPORT TO THE UNIT HOLDERS OF WRF PROPERTY FUND

We have audited the accompanying financial report of WRF Property Fund (the Syndicate), which comprises the balance sheet as at 30 June 2007, 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 and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

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 judgment, 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of WRF Property Ltd as the Responsible Entity for WRF Property Fund are in the same terms as this auditor's report.

Auditor's Opinion

In our opinion, the financial report of WRF Property Fund is in accordance with the Corporations Act 2001 including:

- a) i. giving a true and fair view of the Syndicate's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA
Dated this 7th day of September 2007

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