

Centro Australia Wholesale Fund and Controlled Entities

ARSN 122 223 974

Responsible Entity
CPT Manager Limited

ABN 37 054 494 307

Financial report
for the year ended 30 June 2011

	Page
Corporate directory	1
Directors' report	2
Auditor's independence declaration	6
Financial report	
Income statement	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Cash flow statement	11
Notes to the financial statements	12
Directors' declaration	41
Independent auditor's report to the unitholders	42

This financial report covers Centro Australia Wholesale Fund ("CAWF", "the Fund", "the Trust" or "the Parent") and its controlled entities ("the Group" or "CAWF Group"). The financial report is presented in Australian currency.

Centro Australia Wholesale Fund is a trust, incorporated and domiciled in Australia. The registered office and principal place of business is:

3rd Floor, Centro The Glen
235 Springvale Road
Glen Waverley VIC 3150

A description of the nature of the Group's operations and its principal activities are included in the Directors' report on page 2, which does not form part of this financial report.

The financial report was authorised for issue by the Directors of the Responsible Entity on 28 August 2011. The Responsible Entity has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our reporting is timely, complete and available globally at minimum cost. All press releases, financial reports and other information are available on our website: www.centro.com.au

Responsible Entity	CPT Manager Limited A.B.N. 37 054 494 307 3rd Floor, Centro The Glen 235 Springvale Road Glen Waverley, VIC 3150 Telephone: (03) 8847 0000
Directors of the Responsible Entity	Paul Cooper (Chairman) Robert Tsenin (Managing Director) Anna Buduls Jim Hall Susan Oliver Robert Wylie
Secretaries of the Responsible Entity	Elizabeth Hourigan Dimitri Kiriakoulacos Paul Flanigan
Auditor	Ernst & Young Ernst & Young Building 8 Exhibition Street Melbourne, VIC 3000
Security Registry	CPT Manager Limited

Directors' report

The Directors of CPT Manager Limited, the Responsible Entity, present their report on Centro Australia Wholesale Fund ("CAWF", "the Fund" or "the Trust" or "the Parent") and its controlled entities ("the Group" or "CAWF Group") for the year ended 30 June 2011.

The registered office and principal place of business of the Responsible Entity is 3rd floor, Centro The Glen, 235 Springvale Road, Glen Waverley, VIC 3150.

Responsible Entity

Pursuant to the Managed Investments Act, which came into effect on 1 July 1998, CPT Manager Limited was appointed and registered as the Responsible Entity of the Group on 13 October 2008.

Directors

The following persons were Directors of CPT Manager Limited during the financial year and up to the date of this report (unless otherwise stated):

Paul Cooper (Chairman)
 Robert Tsenin (Managing Director)
 Anna Buduls
 Jim Hall
 Susan Oliver
 Robert Wylie

Company Secretaries

The Company Secretaries of CPT Manager Limited are Elizabeth Hourigan and Dimitri Kiriakoulacos. Paul Flanigan is the Assistant Company Secretary and acts as the Company Secretary as required.

Principal activities

The principal activity of the Group during the course of the year was investment in retail properties in Australia.

There was no significant change in the nature of these activities during the year.

Review of operations

CAWF Group recorded a net profit after tax of \$197.0 million for the year ended 30 June 2011 (2010: \$68.7 million).

The movement in net profit after tax for the year compared to the corresponding year is largely due to higher share of net profits from investments accounted for using the equity method, driven by favourable underlying property revaluations.

At 30 June 2011 CAWF Group total assets were \$2,024.1 million (2010: \$1,908.5 million).

The net assets of CAWF are higher than the corresponding year, primarily due to increases in equity accounted investment values, driven by favourable underlying property revaluations.

Distributions attributable to unitholders

Final distributions of 1.10 cents per unit have been declared for the quarter ended 30 June 2011. It consists of 0.65 cents per unit for 30 June 2011 quarter income distribution and 0.45 cents per unit of special distribution. Distributions paid or payable to unitholders for the year totalled \$61.4 million (2010: \$60.0 million). Distributions paid or to be paid in respect of the current financial year are as follows:

Quarter	Cents per unit	Date paid
Special distribution	0.61	6 August 2010
September 2010	0.59	5 November 2010
December 2010	0.59	7 February 2011
March 2011	0.84	5 May 2011
June 2011	0.65	5 August 2011
Special distribution	<u>0.45</u>	
Total paid/payable to unitholders	<u>3.73</u>	

Distributions attributable to unitholders (continued)

The tax components of the annual distribution are set out below:

For tax purposes the net distribution paid/payable is comprised of the following quarters: September 2010, December 2010, March 2011 and June 2011.

	Cents per unit
Taxable income	2.24
Deferred tax component	<u>1.49</u>
Net distribution paid/payable to unitholders	<u>3.73</u>

Significant changes in the state of affairs

(a) Signing of Implementation Agreement - Restructuring Milestone

On 9 August 2011, CAWF entered into an agreement ("Implementation Agreement") with Centro Properties Group ("CNP"), a majority of CNP's senior lenders and certain CNP managed funds to create a new listed Australian retail property vehicle ("A-REIT"). This involves aggregating the assets of CAWF and certain CNP managed funds, acquiring the funds and property management platform ("Services Business") from CNP, and acquiring property and other assets from CNP and certain CNP managed funds ("Aggregation").

The Aggregation will involve the stapling of the securities in each of CAWF, Centro Retail Trust (CER) and Centro DPF Holding Trust ("DPF Holding Trust"), which is a subsidiary trust of Centro Direct Property Fund ("DPF") ("Aggregation Funds") to establish the A-REIT which will, subject to ASX approval, be listed on the Australian Securities Exchange.

The Aggregation is subject to numerous conditions precedent as outlined in note 24 that must be satisfied or waived in order for the Aggregation to be implemented.

If approved by all relevant parties, Aggregation will result in a simplification of CAWF's asset ownership structure and give CAWF securityholders an equity interest in a quality portfolio of property assets largely wholly-owned by A-REIT and anchored by the large supermarket chains and other retailers catering to consumers' non-discretionary spending needs.

The A-REIT will have:

- Significant platform size and scale, which is important to retaining relationships with key retailers and achieving the benefits of dealing with those retailers on a national scale;
- Simpler, transparent governance and internal management structure;
- Simplified debt structure with a sustainable level of gearing;
- An experienced and proven property management team which has effectively managed the portfolio during difficult market conditions and continued to achieve very strong property income growth over the past 3 years;
- The potential for strong long-term value enhancement through the strategic management of the property portfolio, including a significant development pipeline; and
- An established services business that will manage one of the largest unlisted retail property syndicate platforms in Australia.

Aggregation also removes the uncertainty and risks that CAWF could face if CNP was placed into external administration outside of the Aggregation process, arising from the fact that CNP is a majority investor in CAWF, a provider of property and funds management services to CAWF and is property and fund manager to the co-owner of the majority of CAWF's assets.

CAWF's Board has focused on optimising the strong underlying value of its own Australian portfolio for its securityholders and has determined, following in-depth considerations of the available options, that Aggregation represents a superior outcome for securityholders, subject to the opinion of the Independent Expert.

Significant changes in the state of affairs (continued)

(b) Asset sale

On 4 April 2011, Centro Hervey Bay (the sole investment asset held by Wholesale Fund Hervey Bay Sub-Trust) was sold for \$31 million which was equal to the book value at that time. The proceeds were applied against the CAWF Group's CBA borrowing facility.

Matters subsequent to the end of the financial year

(a) Major restructure update

On 9 August 2011, CAWF entered into an Implementation Agreement. Please refer to 'Significant changes in affairs' for further information.

Except for the matters discussed above, no other matter or circumstance has arisen in the interval between 30 June 2011 and the date hereof that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on the likely developments in the operations of the CAWF Group, other than the major restructuring update provided above, has not been included in the report because the Directors believe it would be likely to result in unreasonable prejudice to the CAWF Group.

Environmental regulation

As a property owner, the Group is subject to the normal environmental regulations of landowners within Australia. These include regulation against air pollution, liquid discharge and soil contamination. The Group has plans in place regarding the proper care and maintenance of asbestos, which is present in a number of properties and there are no matters requiring specific disclosure.

Other information

CAWF Group Issued Units

No units were issued or redeemed in the current or previous financial year. At 30 June 2011, total units on issue were 1,644,887,630 (2010: 1,644,887,630 units).

Fees paid to and interests held in CAWF Group by the Responsible Entity or its related entities

Fees paid to the Responsible Entity and its related entities by the Group during the year are disclosed in note 20 to the financial statements.

No fees were paid by the CAWF Group to the directors of the Responsible Entity during the year.

The number of interests in CAWF Group held by the Responsible Entity or its related entities as at the end of the year are disclosed in note 20.

Remuneration report

Key Management Personnel ("KMP") are defined in AASB 124 *Related Party Disclosures* as those having the responsibility for planning, directing and controlling the activities of the Trust. The Responsible Entity (RE) meets the definition of a KMP as it has authority in relation to the activities of the Group.

Fees paid to the Responsible Entity during the year totalled \$10.0 million (2010: \$9.9 million).

Indemnification and Insurance of Directors and Officers

The Responsible Entity must indemnify the Directors on a full indemnity basis and to the extent permitted by law, against all losses or liabilities incurred by the Directors as an officer of the Responsible Entity or of a related body corporate provided that the loss or liability does not arise out of misconduct including lack of good faith.

Indemnification and Insurance of Directors and Officers (continued)

During the financial year the Responsible Entity insured its Directors, Secretaries and Officers against liability to third parties and for costs incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors or Officers of CPT Manager Limited. This excludes a liability which arises out of a wilful breach of duty or improper use of inside information. The premium also insures the Responsible Entity for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

Proceedings on behalf of the Trust

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

The Responsible Entity of the Trust was not a party to any such proceedings during the year.

Meetings of Directors

The following table sets out the numbers of meetings of Directors of CPT Manager Limited, the Responsible Entity of the Group (including meetings of committees of Directors), held during the year ended 30 June 2011 and the number of meetings attended by each Director.

CPT Manager Limited	Board Meetings	Risk Committee Meetings	Audit Committee Meetings	Compliance Committee Meetings	Remuneration & HR Committee Meetings	Finance Committee Meetings
Number of meetings held:	44	4	13	5	10	5
Number of meetings attended:						
Paul Cooper	44	#	#	4	8	#
Robert Tsenin	42	#	#	#	#	#
Anna Buduls	44	4	13	5	10	#
Jim Hall	40	4	12	#	#	5
Susan Oliver	39	4	#	5	#	5
Robert Wylie	40	#	13	#	10	5

Not a member of the relevant committee

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 on page 6.

Rounding of amounts to the nearest thousand dollars

The Group is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with that Class Order, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

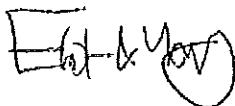
Signed in accordance with a resolution of the Board of Directors.


Paul Cooper
Director

Melbourne
28 August 2011

Auditor's Independence Declaration to the Directors of CPT Manager Limited

In relation to our audit of the financial report of Centro Australia Wholesale Fund and Controlled Entities for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized signature of the Ernst & Young firm, consisting of the letters 'EY' in a cursive, handwritten style.

Ernst & Young

A handwritten signature of D.J. Shewring, appearing as a series of loops and a long horizontal stroke.

D.J. Shewring
Partner
Melbourne
28 August 2011

Centro Australia Wholesale Fund
Income statement
For the year ended 30 June 2011

		CAWF Group	
		30 June	30 June
		2011	2010
		\$'000	\$'000
Notes			
	Revenue		
	Interest revenue	5 <u>8,504</u>	<u>5,357</u>
	Total revenue	<u>8,504</u>	<u>5,357</u>
	Other income	4 <u>550</u>	<u>-</u>
	Responsible Entity management fees	(10,024)	(9,862)
	Financing costs	(58,557)	(59,779)
	Other expenses	(2,055)	(1,154)
	Net movement on mark-to-market of derivatives	10,814	836
	Share of net profits from investments accounted for using the equity method	9 <u>245,767</u>	<u>133,269</u>
	Net profit before income tax expense	<u>196,999</u>	<u>68,667</u>
	Income tax benefit/(expense)	<u>-</u>	<u>-</u>
	Net profit for the year	15 <u>196,999</u>	<u>68,667</u>
	Net profit for the year is attributable to:		
	Unitholders of Centro Australia Wholesale Fund	<u>196,999</u>	<u>68,667</u>
		<u>196,999</u>	<u>68,667</u>

The above income statement should be read in conjunction with the accompanying notes.

Centro Australia Wholesale Fund
Statement of comprehensive income
For the year ended 30 June 2011

	CAWF Group	
	30 June	30 June
	2011	2010
	\$'000	\$'000
Net profit for the year	196,999	68,667
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>196,999</u>	<u>68,667</u>
Total comprehensive income for the year is attributable to:		
Unitholders of Centro Australia Wholesale Fund	<u>196,999</u>	<u>68,667</u>
	<u>196,999</u>	<u>68,667</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Centro Australia Wholesale Fund
Balance sheet
As at 30 June 2011

		CAWF Group	
		30 June	30 June
		2011	2010
		\$'000	\$'000
Notes			
ASSETS			
Current assets			
	6	12,710	11,410
Cash and cash equivalents			
Trade and other receivables	7	<u>16,784</u>	<u>13,993</u>
Total current assets		<u>29,494</u>	<u>25,403</u>
Non-current assets			
Trade and other receivables	8	7,014	-
Investments accounted for using the equity method	9	<u>1,987,591</u>	<u>1,883,085</u>
Total non-current assets		<u>1,994,605</u>	<u>1,883,085</u>
Total assets		<u>2,024,099</u>	<u>1,908,488</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	12,140	7,179
Interest bearing liabilities	12	610,559	-
Derivative financial instruments	10	31	11,560
Provisions	13	<u>18,150</u>	<u>7,000</u>
Total current liabilities		<u>640,880</u>	<u>25,739</u>
Non-current liabilities			
Interest bearing liabilities	12	-	635,845
Derivative financial instruments	10	<u>19,444</u>	<u>18,728</u>
Total non-current liabilities		<u>19,444</u>	<u>654,573</u>
Total liabilities		<u>660,324</u>	<u>680,312</u>
Net assets		<u>1,363,775</u>	<u>1,228,176</u>
EQUITY			
Contributed equity	14	1,618,370	1,618,370
Accumulated losses		<u>(254,595)</u>	<u>(390,194)</u>
Total equity		<u>1,363,775</u>	<u>1,228,176</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**Centro Australia Wholesale Fund
Statement of changes in equity
For the year ended 30 June 2011**

CAWF Group	Notes	Contributed equity \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2009		1,618,370	(398,861)	1,219,509
Net profit for the year		-	68,667	68,667
Other comprehensive income/(loss)		-	-	-
Total comprehensive income for the year		-	68,667	68,667
Transactions with owners in their capacity as owners:				
Distributions provided for or paid		-	(60,000)	(60,000)
Balance at 30 June 2010		1,618,370	(390,194)	1,228,176
CAWF Group	Notes	Contributed equity \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2010		1,618,370	(390,194)	1,228,176
Net profit for the year		-	196,999	196,999
Other comprehensive income/(loss)		-	-	-
Total comprehensive income for the year		-	196,999	196,999
Transactions with owners in their capacity as owners:				
Distributions provided for or paid		-	(61,400)	(61,400)
Balance at 30 June 2011		1,618,370	(254,595)	1,363,775

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Centro Australia Wholesale Fund
Cash flow statement
For the year ended 30 June 2011

		CAWF Group	
		30 June	30 June
		2011	2010
Notes		\$'000	\$'000
Cash flows from operating activities			
	Payments to suppliers (inclusive of goods and services tax)	(10,966)	(11,892)
	Distributions received	108,914	125,677
	Interest received	5,496	5,366
	Interest paid	(55,729)	(62,269)
17	Net cash inflow from operating activities	47,715	56,882
Cash flows from investing activities			
	Return of capital	-	150,000
	Proceeds from disposal of investment asset	31,000	-
	Payments for investment property	-	(238)
	Net cash inflow from investing activities	31,000	149,762
Cash flows from financing activities			
	Distributions paid	(50,250)	(71,000)
	Proceeds from interest bearing liabilities	3,835	13,500
	Repayments of interest bearing liabilities	(31,000)	(150,000)
	Repayments of related party loans	-	(943)
	Net cash outflow from financing activities	(77,415)	(208,443)
	Net increase/(decrease) in cash and cash equivalents	1,300	(1,799)
6	Cash and cash equivalents at the beginning of the financial year	11,410	13,209
6	Cash and cash equivalents at the end of the financial year	12,710	11,410

The above cash flow statement should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for Centro Australia Wholesale Fund ("CAWF", "the Fund", "the Trust" or "the Parent") and its controlled entities ("the Group" or "CAWF Group").

(a) Statement of compliance with International Financial Reporting Standards

This general purpose financial report complies with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year except as detailed in note 1(v). When the presentation or classification of items in the financial report is amended, comparative amounts are also reclassified unless it is impractical.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated.

The Group has not elected to early adopt any new Australian Accounting Standards that have been issued but are not yet effective.

Going concern

The financial report for the year ended 30 June 2011 has been prepared on a going concern basis.

As at 30 June 2011 the current liabilities of the Group exceed its current assets by \$611.4 million primarily due to loan facilities expiring within 12 months.

As a result, a significant uncertainty exists in relation to CAWF Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

On 9 August 2011 CAWF entered into an agreement ("Implementation Agreement") with Centro Properties Group ("CNP"), a majority of CNP's senior lenders and certain CNP managed funds to create a new listed Australian retail property vehicle ("A-REIT"). This involves aggregating the assets of CAWF and certain CNP managed funds, acquiring the funds and property management platform ("Services Business") from CNP, and acquiring property and other assets from CNP and certain CNP managed funds ("Aggregation"). A successful Aggregation will lead to the refinancing of CAWF's maturing facilities.

The Aggregation is subject to numerous conditions precedent as outlined in note 24 that must be satisfied or waived in order for the Aggregation to be implemented.

After taking into account all available information, the Directors have concluded that there are reasonable grounds to believe:

- Maturing facilities will be able to be refinanced as part of the proposed Aggregation, or separately refinanced;
- CAWF will be able to pay its debts as and when they become due and payable; and
- The basis of preparation of the financial report on a going concern basis is appropriate.

The Directors have formed this view based on a number factors including:

- The expectation that Aggregation will proceed or maturing facilities will be able to be refinanced separately;
- The Group's net asset position of \$1,363.8 million as at 30 June 2011;
- The underlying performance of the Fund's investment portfolio; and
- Forecast cashflows, including any actions management can take to address potential risks.

No adjustments were made to the assets and liabilities within the financial report in relation to this uncertainty.

1 Summary of significant accounting policies (continued)

Historical cost convention

These financial statements have been prepared on an historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which have all been recognised at fair value.

Significant accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CAWF Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(c) Principles of consolidation

These financial statements comprise the consolidated accounts of CAWF and its controlled entities.

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Where control of an entity is obtained during a financial year, its results are included in the Group's income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The effects of all transactions between entities in the Group are eliminated on consolidation.

(d) Investments in associates

Investments in associates and joint ventures are accounted for using the equity method in the financial statements. Under the equity method, the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the Group exercises significant influence, but not control.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved.

Revenue is recognised for the following activities:

(i) Interest revenue

Interest revenue is recognised on a time proportion basis using the effective interest method.

1 Summary of significant accounting policies (continued)

(f) Income tax

Under current income tax legislation no income tax is payable by the Group provided the taxable income is fully distributed to unitholders or the unitholders become presently entitled to all the taxable income.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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 and bank overdrafts.

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less a provision for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off when identified. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(i) Investment properties

Investment properties are initially measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Group.

Subsequent to initial recognition as assets, investment properties are revalued to fair value. Directors assess fair value of the investment properties at the end of each reporting period and obtain independent valuations on a regular basis to assist in assessing fair value.

Property that is being constructed or redeveloped for future use as investment property is measured at fair value. The best measure of fair value is the previous valuation (if applicable) plus redevelopment costs, operational capital expenditure, expected underlying income and yield of the developments.

Changes in fair values are recorded in the income statement.

The CAWF Group does not directly hold any investment properties at 30 June 2011 (2010: none).

(j) Financial assets

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Classification

(i) Financial assets at fair value through profit or loss

These include financial assets that are held for trading purposes which may be sold.

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets and will be discounted to present value. Loans and receivables are included in receivables in the balance sheet.

1 Summary of significant accounting policies (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. The Group does not hold held-to-maturity investments.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. The Group does not hold available-for-sale financial assets.

Recognition and derecognition

Purchases and sales of investments are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in unitholders' funds in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments deferred in equity are recycled to the income statement.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

A change in the fair value of any derivative instrument that does not qualify for hedge accounting is immediately recognised in the income statement. For the year ended 30 June 2011, no derivative financial instruments were designated into a hedging relationship and therefore all movements in fair value have been taken to the income statement.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are carried at amortised cost and are not discounted due to their short term nature.

1 Summary of significant accounting policies (continued)

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(n) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed as incurred.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(p) Fair value estimation

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are valued at bid prices, while financial liabilities are valued at asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

The fair value of derivatives that are not exchange traded is estimated at the amount that the entity would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (e.g. appropriate yield curve) and the current credit worthiness of the counterparties. Specifically, the fair value of a forward exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates on the valuation date. The fair value of interest rate swaps and cross currency interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the end of the reporting period taking into account current interest rates, foreign exchange rates and the current credit worthiness of swap counterparties.

Investments in other unlisted funds are recorded at the exit price as reported by the managers of the funds.

(q) Contributed equity

Ordinary units are classified as equity.

1 Summary of significant accounting policies (continued)

Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new units for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Net tangible asset backing per unit

(i) Basic net tangible asset backing per unit

Basic net tangible asset backing per unit is determined by dividing the net assets attributable to unitholders (excluding intangible assets) by the number of units outstanding at balance date.

(ii) Adjusted net tangible asset backing per unit

Adjusted net asset backing per unit adjusts the figures used in the determination of basic net tangible asset backing per unit by taking into account the effects associated with any dilutive potential ordinary units.

(s) Distributions

A provision is made for the amount of any distribution declared by the Directors on or before the end of the reporting period but not distributed at the end of the reporting period.

(t) Distributable income per unit

(i) Basic distributable income per unit

Basic distributable income per unit is determined by dividing the distributable income before tax by the weighted average number of equivalent units outstanding during the year, adjusted for bonus elements in units issued during the year.

(ii) Adjusted distributable income per unit

Adjusted distributable income per unit adjusts the figures used in the determination of basic distributable income per unit by including the dilutive impact of financial instruments which may be converted to ordinary units.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets of Australian entities are recognised net of the amount of GST, except where the amount of the GST incurred is not recoverable from the Australian Tax Office. 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 in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from or payable to the taxation authority is included in other receivables or payables in the balance sheet.

Cashflows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority, are presented as operating cashflow.

(v) Changes in accounting policies

From 1 July 2010 the Group has adopted the following Australian Accounting Standards and Interpretations.

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (mandatory for annual reporting periods beginning on or after 1 January 2010)
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (mandatory for annual reporting periods beginning on or after 1 July 2010)
- Interpretation 19 *Extinguishing financial liabilities with equity instruments* (mandatory for annual reporting periods beginning on or after 1 July 2010)

Adoption of these Accounting Standards and Interpretations did not have any material effect on the financial position or performance of the Group. The amending standards which introduce the changes to these standards have also been adopted from 1 July 2010 and 1 July 2009 as necessary.

1 Summary of significant accounting policies (continued)

(w) Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards have been published that are not mandatory for 30 June 2011 reporting periods and have not yet been applied in the financial report. The Group's assessment of the impact of these new Australian Accounting Standards that are relevant to the Group are set out below.

(i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*

AASB 9 is applicable for annual reporting periods beginning on or after 1 January 2013. AASB 9 replaces the multiple classification and measurement models in AASB 139 *Financial Instruments: Recognition and measurement* with a single model that has only two classification categories: amortised cost and fair value. These changes may impact the classification and measurement of investments held by the Group. The Group is still assessing the impacts of this standard; however it is not expected to have a material impact on total comprehensive income.

(ii) Revised AASB 124 *Related Party Disclosures*

The amended AASB 124 is applicable for annual reporting periods beginning on or after 1 January 2011, and requires prior period disclosures to be revised accordingly. The amendment provides simplification of the definition of a related party, clarifying its intended meaning and eliminating inconsistencies in the definition. The Group will apply the amended standard from 1 July 2011 and its effects are not expected to have an impact on the related party disclosures of the Group.

(iii) AASB 2009-12 *Amendments to Australian Accounting Standards*

AASB 2009-12 is applicable for annual reporting periods beginning on or after 1 January 2011. The amendments introduced by AASB 2009-12 are primarily editorial amendments and changes in terminology and are not expected to have a material impact on the Group's financial statements. The Group will apply the amended standard from 1 July 2011.

(iv) AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2010-4 is applicable for annual reporting periods beginning on or after 1 January 2011, with specific application dates for each of the standards it amends. The amendments are part of the IASB's third annual improvements project and introduce various changes that are not expected to have a material impact on the Group's financial statements. The Group will apply the amended standard from 1 July 2011.

(v) AASB 2010-5 *Amendments to Australian Accounting Standards*

AASB 2010-5 is applicable for annual reporting periods beginning on or after 1 January 2011 and is available for early adoption in certain circumstances. The amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

The Group will apply this standard from 1 July 2011 and it is not expected to have a material impact on the Group's net assets or net results.

(vi) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfer of Financial Assets*

AASB 2010-6 is applicable for annual reporting periods beginning on or after 1 July 2011 and is available for early adoption. The amendments add and amend the disclosure requirements relating to transfers of financial assets, namely where risk exposures arise or are retained on transfer. The amendments will affect entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.

The Group will apply this amendment prospectively from 1 July 2011. The amendment is not expected to have a material impact on the net results or net position of the Group upon adoption.

(vii) AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9*

AASB 2010-7 is applicable for annual reporting periods beginning on or after 1 January 2013 and is available for early adoption. The amendment addresses the current measurement models of financial liabilities in AASB 139 *Financial Instruments: Recognition and Measurement*. Under the revised model, financial liabilities which are designated at Fair Value through Profit or Loss are required to have any 'own credit' adjustments pass through other comprehensive income and there is no recycling of these adjustments to profit or loss on extinguishment.

The amendment will be applied from 1 July 2013, and is not expected to have a material impact on the financial statements as the Group currently does not have any financial liabilities designated at Fair Value through Profit or Loss.

1 Summary of significant accounting policies (continued)

(viii) *AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project - Reduced disclosure regime*

This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053, and is applicable from 1 January 2013.

The amendment will be applied from 1 July 2012, and is not expected to have a material impact on the net results or net assets of the Group.

(ix) *IFRS 10 Consolidated Financial Statements*

IFRS 10 was issued by the International Accounting Standards Board, but not yet adopted by the Australian Accounting Standards Board.

IFRS 10 is applicable for annual reporting periods beginning on or after 1 January 2013, and is available for early adoption under certain circumstances. IFRS 10 replaces both AASB 127 *Consolidated Financial Statements* and AASB Interpretation 112 *Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

The Group anticipates it will apply this standard from 1 July 2013. The adoption of IFRS 10 is not expected to have a material impact on the Group's net assets or net results.

(x) *IFRS 11 Joint arrangements*

IFRS 11 was issued by the International Accounting Standards Board, but not yet adopted by the Australian Accounting Standards Board.

IFRS 11 replaces the recognition and measurement requirements of AASB 131 *Joint Ventures*. The standard is applicable for annual reporting periods beginning on or after 1 January 2013, and is available for early adoption under certain circumstances. IFRS 11 clarifies the distinction between joint operations and joint ventures, and eliminates the option to use proportionate consolidation in accounting for joint ventures.

The Group anticipates it will apply this standard from 1 July 2013. The adoption of IFRS 11 is not expected to have any material impact on the net assets or net results of the Group.

(xi) *IFRS 12 Disclosure of interest in other entities*

IFRS 12 was issued by the International Accounting Standards Board, but not yet adopted by the Australian Accounting Standards Board.

IFRS 12 is applicable for annual reporting periods beginning on or after 1 January 2013, and is available for early adoption under certain circumstances. IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

The Group anticipates it will apply this standard from 1 July 2013. Additional disclosures are likely to be required on adoption of IFRS 12; however there will be no impact on the Group's net assets or net results.

(xii) *IFRS 13 Fair value measurement*

IFRS 13 was issued by the International Accounting Standards Board, but not yet adopted by the Australian Accounting Standards Board.

IFRS 13 is applicable for annual reporting periods beginning on or after 1 January 2013 and is available for early adoption. The amendment does not change when an entity is required to use fair value, but rather establishes a single source of guidance on how fair value is determined under IFRS when fair value is required or permitted by IFRS. IFRS 13 also expands the disclosure requirements for all assets or liabilities recognised at fair value, including where disclosures of assets at fair value are required. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The Group anticipates it will apply the standard from 1 July 2013. Other than additional disclosures on how fair value is determined, the adoption of IFRS 13 is not expected to have a material impact on the net assets or net results of the entity as the fair value methods used by the entity are consistent with the guidance under IFRS 13.

1 Summary of significant accounting policies (continued)

(xiii) *AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

AASB 1053 is applicable for annual reporting periods beginning on or after 1 July 2013 and is available for early adoption. AASB 1053 introduces a differential reporting framework with Tier 1 and Tier 2 reporting requirements for preparing general purpose financial statements. Whilst the recognition, measurement and presentation requirements will remain unchanged under the second tier, there will be substantially reduced disclosures in relation to these requirements for entities that do not have public accountability (as defined by the standard). The Group is still assessing the appropriateness of application of Tier 2 reporting requirements and the impacts of this standard.

(xiv) *AASB 1054 Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project*

This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

- (a) Compliance with Australian Accounting Standards
- (b) The statutory basis or reporting framework for financial statements
- (c) Whether the financial statements are general purpose or special purpose
- (d) Audit fees
- (e) Imputation credits

The amendment will be applied from 1 July 2012, and is not expected to have a material impact on the net results or net assets of the Group.

(xv) *Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)*

The amendment is applicable for annual reporting periods beginning on or after 1 July 2012 and is available for early adoption. The amendment requires entities to group items presented in Other Comprehensive Income (OCI), on the basis of whether they are potentially required to be recycled to profit or loss subsequently (reclassification adjustments). This includes the tax effect if OCI items are presented before tax.

The amendment will be applied from 1 July 2012, and is not expected to have a material impact on the net results or net assets of the Group.

(x) Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments 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 (\$'000), or in certain cases, the nearest dollar.

2 Significant accounting estimates, judgements and assumptions

The preparation of financial statements requires estimates and assumptions concerning the application of accounting policies to be made by the Group. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Investment Property Values

Investment properties are carried at their fair value. Valuations are either based on an independent valuation or on a Director's valuation which is supported by the extrapolation of independent valuations on similar properties. Valuations are determined based on assessments and estimates of uncertain future events, including upturns and downturns in property markets and availability of similar properties, vacancy rates, market rents and capitalisation and discount rates.

All investment properties held by equity accounted investments of the Group were independently valued at 30 June 2011 (2010: combination of Independent and Directors' valuations).

At 30 June 2011, the carrying value of investment properties held by equity accounted investments of the Group was \$2.289 billion (2010: \$2.184 billion).

Fair value of mark to market derivatives and other financial instruments

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For mark to market derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

3 Parent entity financial information

(a) Parent entity

The parent entity of the CAWF Group is Centro Australia Wholesale Fund (CAWF).

(b) Financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	CAWF	
	30 June 2011 \$'000	30 June 2010 \$'000
Income statement information		
Net profit attributable to members of Centro Australia Wholesale Fund	<u>197,025</u>	<u>68,661</u>
Comprehensive income information		
Total comprehensive income attributable to members of Centro Australia Wholesale Fund	<u>197,025</u>	<u>68,661</u>
Balance sheet		
Current assets	30,355	26,628
Non-current assets	<u>1,993,825</u>	<u>1,884,101</u>
Total assets	<u>2,024,180</u>	<u>1,910,729</u>
Current liabilities	640,880	25,738
Non-current liabilities	<u>19,444</u>	<u>656,761</u>
Total liabilities	<u>660,324</u>	<u>682,499</u>
Equity attributable to unitholders of Centro Australia Wholesale Fund		
Contributed equity	1,618,370	1,618,370
Accumulated losses	<u>(254,514)</u>	<u>(390,140)</u>
	<u>1,363,856</u>	<u>1,228,230</u>

(c) Guarantees

CAWF has not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Contingent liabilities

CAWF has the same contingent liabilities as those outlined in Note 22. The same contingent liabilities existed at 30 June 2010.

(e) Contractual commitments

CAWF does not have any contractual commitments as at 30 June 2011 (2010: none).

4 Other income

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Other Income	<u>550</u>	<u>-</u>
	<u>550</u>	<u>-</u>

Other income received primarily relates to reimbursements received from Centro Property Trust (Centro) to compensate the Group for amounts it had paid on behalf of Centro.

5 Interest revenue

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Loan guarantee interest revenue from related parties	7,755	4,800
Bank interest revenue	<u>749</u>	<u>557</u>
	<u>8,504</u>	<u>5,357</u>

6 Current assets - Cash and cash equivalents

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Cash at bank and on hand	<u>12,710</u>	<u>11,410</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Balances as above	<u>12,710</u>	<u>11,410</u>
Balances per statement of cash flows	<u>12,710</u>	<u>11,410</u>

7 Current assets - Trade and other receivables

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Related party receivables	16,121	13,723
GST receivables	163	270
Prepayments	500	-
	<u>16,784</u>	<u>13,993</u>

There are no impaired trade receivables at 30 June 2011 or 30 June 2010.

There are no current trade receivables past due but not impaired.

8 Non-current assets - Trade and other receivables

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Related party receivables	6,806	-
Prepayments	208	-
	<u>7,014</u>	<u>-</u>

There are no non-current trade receivables past due but not impaired.

9 Non-current assets - Investments accounted for using the equity method

(a) Investments accounted for using the equity method

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Investments in associates	<u>1,987,591</u>	<u>1,883,085</u>

The reconciliation below details the movements for the year:

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Opening balance at 1 July	1,883,085	2,041,519
Share of net profits from investments accounted for using the equity method	245,767	133,269
Distribution received/receivable	(135,289)	(156,414)
Disposals	(30,923)	-
Capitalised expenditure	24,951	14,711
Return of capital	-	(150,000)
Closing balance at 30 June	<u>1,987,591</u>	<u>1,883,085</u>

9 Non-current assets - Investments accounted for using the equity method (continued)

Name of entity	Ownership Interest		Carrying value		Share of associates profit/(loss)	
	2011 %	2010 %	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Unlisted</i>						
Wholesale Fund Arndale Trust ("Centro Arndale") *	100.00	100.00	48,500	48,000	3,792	291
Wholesale Fund Bankstown Trust ("Centro Bankstown") *	100.00	100.00	277,500	260,000	34,400	18,071
Wholesale Fund Box Hill Trust ("Centro Box Hill South") *	100.00	100.00	54,250	47,000	7,253	6,749
Wholesale Fund Whitsundays Trust ("Centro Whitsunday") *	100.00	100.00	24,925	25,150	1,338	1,562
Centro Karratha Holding Trust ("Centro Karratha") *	100.00	100.00	47,000	44,000	6,167	4,716
Centro CTT Holding Trust 2 ("Centro Goulburn")	50.00	50.00	24,000	23,800	1,992	2,373
Centro Tweed Holding Trust ("Centro Tweed") *	100.00	100.00	36,500	43,150	(4,087)	(1,253)
Wholesale Fund Colonnades Trust ("Centro Colonnades") *	100.00	100.00	148,700	145,250	12,835	6,281
Wholesale Fund Cranbourne Trust ("Centro Cranbourne") *	100.00	100.00	31,510	31,526	1,038	1,270
Glen Holding Trust 2 ("Centro The Glen") *	100.00	100.00	205,750	192,150	25,832	15,191
Centro Galleria Morley Head Trust ("Centro Galleria")	50.00	50.00	307,500	275,000	50,317	29,629
Halls Head Trust ("Centro Halls Head")	50.00	50.00	14,375	13,625	1,332	1,320
Wholesale Fund Hervey Bay Trust ("Centro Hervey Bay") *	100.00	100.00	-	28,750	3,044	(4,208)
Wholesale Fund Lavington Trust ("Centro Lavington") *	100.00	100.00	30,500	30,500	1,964	1,898
Wholesale Fund Mildura Trust ("Centro Mildura") *	100.00	100.00	44,850	42,300	4,740	3,724
Centro Mandurah Holding Trust ("Centro Mandurah")	50.00	50.00	67,050	58,879	11,002	8,747
Wholesale Fund Mornington Trust ("Centro Mornington") *	100.00	100.00	27,000	25,750	3,264	1,637
Wholesale Fund Roselands Trust ("Centro Roselands") *	100.00	100.00	162,935	152,935	19,812	12,067
Wholesale Fund Southport Trust ("Centro Southport") *	100.00	100.00	-	-	5	810
Wholesale Fund Springwood Trust ("Centro Springwood") *	100.00	100.00	26,000	25,100	2,821	480
Centro Karingal Wholesale Fund Holding Trust ("Centro Karingal" and "Karingal-Entertainment Centre") *	100.00	100.00	48,731	47,254	3,811	4,816
Wholesale Fund Taigum Trust ("Centro Taigum") *	100.00	100.00	38,625	36,250	4,869	(465)
Wholesale Fund Toombul Trust ("Centro Toombul") *	100.00	100.00	99,200	85,000	15,072	3,481
Centro Tuggeranong Holding Trust ("Tuggeranong Hyperdome SC") *	100.00	100.00	40,114	27,613	14,458	2,157
Wholesale Fund Victoria Gardens Trust ("Centro Victoria Gardens") *	100.00	100.00	50,500	47,500	5,851	4,707
Wholesale Fund Warriewood Trust ("Centro Warriewood" and "Centro Cranbourne") *	100.00	100.00	37,286	34,753	4,138	2,497
Wholesale Fund Whitehorse Trust ("Centro Box Hill North") *	100.00	100.00	30,540	30,350	2,403	(219)

9 Non-current assets - Investments accounted for using the equity method (continued)

Name of entity	Ownership Interest		Carrying value		Share of associates profit/(loss)	
	2011 %	2010 %	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Warwick Grove Trust ("Centro Warwick")	50.00	50.00	<u>63,750</u>	<u>61,500</u>	<u>6,304</u>	<u>4,940</u>
			<u>1,987,591</u>	<u>1,883,085</u>	<u>245,767</u>	<u>133,269</u>

* Whilst the CAWF Group owns 100% of a number of trusts as presented above, due to the trust structure of each respective underlying investment, the CAWF Group's ultimate ownership in the underlying investment properties are 50.00% (2010: 50.00%) and are not controlled by CAWF, therefore are not consolidated by the CAWF Group.

The principal activity of the above named entities is property investment.

(b) Summarised financial information and performance of associates

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Total assets	2,442,166	2,333,878
Total liabilities	(318,012)	(349,685)
Revenues	272,450	259,603
Net profit	246,444	118,567
Share of associates capital commitments	6,662	9,666

10 Derivative financial instruments

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Current liabilities		
Interest rate swap contracts	31	11,560
Non-current liabilities		
Interest rate swap contracts	<u>19,444</u>	<u>18,728</u>
Total derivative financial instrument liabilities	<u>19,475</u>	<u>30,288</u>

11 Current liabilities - Trade and other payables

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Related party payables	8,122	3,737
Accrued expenses	697	43
Accrued interest	<u>3,321</u>	<u>3,399</u>
Total trade and other payables	<u>12,140</u>	<u>7,179</u>

12 Interest bearing liabilities

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Current		
Secured borrowings	610,867	-
Prepaid facility establishment fees	(308)	-
Total secured current borrowings	<u>610,559</u>	<u>-</u>
Total current interest bearing liabilities	<u>610,559</u>	<u>-</u>
Non-current		
Secured borrowings	-	638,033
Prepaid facility establishment fees	-	(2,188)
Total secured non-current borrowings	<u>-</u>	<u>635,845</u>
Total non-current interest bearing liabilities	<u>-</u>	<u>635,845</u>

(a) Financing arrangements

The CAWF Group had access to the following undrawn borrowing facilities at the reporting date:

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Total facilities		
Interest bearing liabilities	<u>640,533</u>	<u>654,533</u>
	<u>640,533</u>	<u>654,533</u>
Used at balance date		
Interest bearing liabilities	<u>610,867</u>	<u>638,033</u>
	<u>610,867</u>	<u>638,033</u>
Unused at balance date		
Interest bearing liabilities	<u>29,666</u>	<u>16,500</u>
	<u>29,666</u>	<u>16,500</u>

12 Interest bearing liabilities (continued)

(b) Fair values

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

The net fair value of financial assets and liabilities of the CAWF Group approximates their carrying amounts, except as disclosed below.

The carrying amount of the Group's interest-bearing liabilities compared to fair value have been disclosed below. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates:

CAWF Group	30 June 2011		30 June 2010	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Interest bearing liabilities	<u>610,559</u>	<u>616,467</u>	<u>635,845</u>	<u>655,969</u>
	610,559	616,467	635,845	655,969

(c) Secured borrowings

Secured borrowings are provided by Commonwealth Bank of Australia ("CBA") under Australian dollar facilities. They have variable interest rates and mature on 15 December 2011. The borrowings are secured by a fixed and floating charge over all the assets of CAWF.

(d) Repayment of loan facilities upon sale of assets

In accordance with the loan facilities with CBA, all proceeds from the sale of any assets held by CAWF must be used to repay the loan facilities.

Following the sale of Centro Hervey Bay in April 2011, the \$31 million proceeds were used to pay down the CBA Facilities.

(e) Borrowings of associates

Tuggeranong Town Centre Trust

The Group has a 50% interest in The Tuggeranong Town Centre Trust ("TTCT"), of which the Group's share of loan outstanding with ANZ at 30 June 2011 was \$113.6 million (2010: \$113.8 million).

The Loan to Value Ratio (LVR) covenant in the ANZ loan facility has been in breach since 2008 and was subject to a short-term waiver, which expired on 9 July 2010. Documentation effecting an extension of the ANZ facility to 15 December 2011 was executed on 17 August 2010.

As a result of the LVR covenant breach, all distributions receivable by the Group from TTCT, net of capital expenditures, must be applied to the facility. The Group therefore has a receivable from TTCT for distributions that have been retained in an ANZ interest bearing account to be applied against the Group's share of the facility.

Victoria Gardens Retail Trust

The Group also has a 50% interest in Victoria Gardens Retail Trust ("VGRT"). VGRT has a \$66 million loan outstanding with ANZ, which matures on 15 December 2011 (2010: \$66.0 million), of which the Group's share is \$33.0 million (2010: \$33.0 million).

12 Interest bearing liabilities (continued)

CER/CAWF Syndicated Loan Facility

The Group equity accounts its 50% interest in Centro Cranbourne, Centro Karingal, Centro Mandurah, and Centro Warriewood. During the prior financial year these entities entered into a combined \$300.0 million syndicated bank facility of which the Group's 50% share was \$150.0 million. These entities then paid a return of capital for the same amount, which the Group used to repay maturing CMBS facilities. The new syndicated bank facility expires on 4 December 2012.

13 Current liabilities - Provisions

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Provision for distribution	18,150	7,000

(a) Movements in provisions

The reconciliation below details the movements for the year:

Opening balance at 1 July	7,000	18,000
Distributions paid	(50,250)	(71,000)
Provision recognised during the year	61,400	60,000
Closing balance at 30 June	18,150	7,000

14 Contributed equity

(a) Units issued

The reconciliation below details the movements for the year:

	CAWF Group	
	30 June 2011 No. '000	30 June 2010 No. '000
Number of units		
Opening balance at 1 July	1,644,888	1,644,888
Issued during the year	-	-
Redeemed during the year	-	-
Closing balance at 30 June	1,644,888	1,644,888

The reconciliation below details the movements for the year:

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Opening balance at 1 July	1,618,370	1,618,370
Issued during the year	-	-
Redeemed during the year	-	-
Closing balance at 30 June	1,618,370	1,618,370

15 Distributable income

Calculation of distributable income

The Directors of the Responsible Entity do not consider it appropriate to use profit under Australian Accounting Standards to determine distributions to unitholders.

Distributable income is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised, non-cash items and reserve transfers. Per the Fund Constitution, the adjustments and therefore the amount distributed to unitholders are at the discretion of the Responsible Entity.

The table below outlines the adjustments to profit under Australian Accounting Standards to determine the amount the Directors believe should be available for distribution. The Directors use this amount as guidance for distribution determination.

The adjustments made to profit under Australian Accounting Standards in order to solely determine distributable income may change from time to time depending on future changes to accounting standards.

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Net profit for the year before income tax expense	196,999	68,667
Adjusted for:		
Net gain on derivative financial instruments	(10,814)	(836)
Share of non-distributable items from investments accounted for using the equity method	(110,478)	6,345
Distributable income	<u>75,707</u>	<u>74,176</u>

	CAWF Group	
	30 June 2011	30 June 2010
(a) Basic		
Distributable income attributable to unitholders used in calculating basic distributable income per unit (\$'000)	<u>75,707</u>	<u>74,176</u>
Weighted average number of units on issue for the year (being the weighted average number of units outstanding during the year) ('000)	<u>1,644,888</u>	<u>1,644,888</u>
Basic distributable income per unit (cents)	<u>4.60</u>	<u>4.51</u>
(b) Adjusted		
Distributable income attributable to unitholders used in calculating adjusted distributable income per unit (\$'000)	<u>75,707</u>	<u>74,176</u>
Weighted average number of units used as the denominator in calculating adjusted distributable income per unit ('000)	<u>1,644,888</u>	<u>1,644,888</u>
Adjusted distributable income per unit (cents)	<u>4.60</u>	<u>4.51</u>

16 Net tangible asset backing (NTA)

	CAWF Group	
	30 June 2011	30 June 2010
Net assets attributable to unitholders (\$'000)	<u>1,363,775</u>	<u>1,228,176</u>
(a) Basic		
Number of units		
Number of units outstanding at the end of the year used in calculating basic net tangible asset backing per unit ('000)	<u>1,644,888</u>	<u>1,644,888</u>
Basic NTA (\$)	<u>0.83</u>	<u>0.75</u>
(b) Adjusted		
Number of units		
Number of units outstanding at the end of the year used in calculating basic net tangible asset backing per unit ('000)	<u>1,644,888</u>	<u>1,644,888</u>
Adjusted NTA (\$)	<u>0.83</u>	<u>0.75</u>

17 Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Net profit for the year	196,999	68,667
Share of non-distributable items from investments accounted for using the equity method	(110,478)	6,345
Net gains on derivative financial instruments	(10,814)	(836)
(Increase)/Decrease in assets		
Trade and other receivables	(29,549)	1,462
Increase/(decrease) in liabilities		
Trade and other payables	1,557	(18,756)
Net cash inflow from operating activities	<u>47,715</u>	<u>56,882</u>

18 Financial risk management

This note details the requirements of AASB 7 *Financial Instrument Disclosures*, which mandates disclosures regarding only financial assets and financial liabilities. As a result, these disclosures, in particular the sensitivity analysis, do not take into account movements in non-financial assets such as investments accounted for using the equity method.

The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. To the extent that they are able to access them the Group uses derivative financial instruments such as interest rate swaps to manage its exposures to interest rate risk, whenever possible.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board and subject to periodic review. Group Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. Group Treasury reports to the Board periodically through the Finance Committee on the Group's derivative and debt positions and compliance with policy.

The Group holds the following financial instruments:

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Financial assets (current and non-current)		
Cash and cash equivalents	12,710	11,410
Trade and other receivables	23,798	13,993
	<u>36,508</u>	<u>25,403</u>
Financial liabilities (current and non-current)		
Trade and other payables	12,140	7,179
Interest bearing liabilities	610,559	635,845
Derivative financial instruments	19,475	30,288
Provision for distribution	18,150	7,000
	<u>660,324</u>	<u>680,312</u>

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and unit prices, will affect future cash flows or the fair value of financial instruments.

(i) Price risk

The Group is not exposed to any significant concentrations of price risk.

(ii) Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates that are measured at fair value expose the Group to fair value interest rate risk. Group policy is to manage cash flow interest rate risk by fixing rates on variable rate debt.

Where available the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under the terms of interest rate swaps, the Group agrees to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

18 Financial risk management (continued)

As at the reporting date, the Group had the following variable rate instruments outstanding:

	30 June 2011 \$'000	30 June 2010 \$'000
Secured borrowings	610,867	638,033
Interest rate swaps (notional principal amount)	(900,000)	(900,000)
Net exposure to cash flow interest rate risk ⁽¹⁾	(289,133)	(261,967)

⁽¹⁾ Net exposure represents the difference between the outstanding variable rate borrowings and the notional amount for interest rate swap contracts.

Sensitivity analysis

While interest rates can move up or down, having regard to the forward interest rate curve for BBSW at 30 June 2011, the tables below disclose the impact that a +50 bps or -20 bps (i.e. +0.50% or -0.20%) (2010: +40bps) shift in the interest rates would have on the Group's post-tax profits and equity (excluding retained profits). The sensitivities have been reassessed by management during the financial year in light of the current interest rate curve. This should not be considered a projection.

CAWF Group

	Interest rate risk			
	-0.2%		+0.5%	
30 June 2011	Post-tax profit or (loss) \$'000	Equity \$'000	Post-tax profit or (loss) \$'000	Equity \$'000
Financial liabilities				
Derivative financial instruments	(4,407)	-	10,969	-
Secured borrowings	1,222	-	(3,054)	-
Total increase/(decrease)	(3,185)	-	7,915	-

CAWF Group

	Interest rate risk			
	-0%		+0.4%	
30 June 2010	Post-tax profit or (loss) \$'000	Equity \$'000	Post-tax profit or (loss) \$'000	Equity \$'000
Financial liabilities				
Derivative financial instruments	-	-	8,511	-
Secured borrowings	-	-	(2,552)	-
Total increase/(decrease)	-	-	5,959	-

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. These counterparties include, but are not limited to; entities within the Centro Properties Group, banks and tenants at rental properties. Procedures have been established to ensure that the Group deals only with approved counterparties and the risk of loss is mitigated.

Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable.

Tenant risk assessment is performed taking into consideration the financial background of the tenant and the amount of any guarantee provided under the lease. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

The maximum exposure to credit risk at the balance date is the carrying amount of the Group's financial assets.

18 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Prudent liquidity risk management involves maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

The Group manages liquidity risk by continuously monitoring forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities. The Group hold a large portion of their investments in direct property where there is not an immediate liquid market, however the underlying investment properties of these funds are stable and management expect that sufficient cash flows will be generated and available to meet cash outflow liabilities arising from the day to day operations of the Group.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swap contracts and variable debt the cash flows have been estimated using forward interest rates applicable at the balance date.

CAWF Group - At 30 June 2011	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives							
Trade and other payables	(12,140)	-	-	-	-	(12,140)	(12,140)
Borrowings - variable rate	(633,574)	-	-	-	-	(633,574)	(610,867)
Provisions	(18,150)	-	-	-	-	(18,150)	(18,150)
Total non-derivatives	(663,864)	-	-	-	-	(663,864)	(641,157)
Derivatives							
Interest rate swap	(5,232)	(5,254)	(10,412)	(2,475)	-	(23,373)	(19,475)
Total derivatives	(5,232)	(5,254)	(10,412)	(2,475)	-	(23,373)	(19,475)
CAWF Group - At 30 June 2010							
	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivatives							
Trade and other payables	(7,179)	-	-	-	-	(7,179)	(7,179)
Borrowings - variable rate	(22,146)	(21,540)	(661,143)	-	-	(704,829)	(638,033)
Provisions	(7,000)	-	-	-	-	(7,000)	(7,000)
Total non-derivatives	(36,325)	(21,540)	(661,143)	-	-	(719,008)	(652,212)
Derivatives							
Interest rate swap	(5,881)	(5,519)	(11,384)	(12,984)	-	(35,768)	(30,288)
Total derivatives	(5,881)	(5,519)	(11,384)	(12,984)	-	(35,768)	(30,288)

18 Financial risk management (continued)

(d) Fair value estimation

The net fair value of financial assets and financial liabilities of the Group approximate their carrying value, except for the secured borrowings stated in note 12(b).

AASB 7 introduces the concept of a fair value hierarchy which requires entities to classify fair value measurements of its financial assets and liabilities based on how observable the inputs to the fair value measurement are.

The Group uses various methods in estimating the fair value of a financial instrument. The methods used comprise the following inputs:

- Level 1 - quoted prices in active markets;
- Level 2 - inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; or
- Level 3 - inputs are not based on observable market data (unobservable inputs).

The classification of the Group's financial assets and liabilities are summarised below:

CAWF Group

30 June 2011

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Liabilities			
Derivative financial instruments	-	(19,475)	-
Total liabilities	-	(19,475)	-

CAWF Group

30 June 2010

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Liabilities			
Derivative financial instruments	-	(30,288)	-
Total liabilities	-	(30,288)	-

The Group's derivative financial instruments are not traded in active markets, hence they are considered to include Level 2 inputs. Fair values are estimated using valuation techniques, including use of recent arm's length market transactions, reference to current fair value of another instrument that is substantially the same or discounted cash flow techniques.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current or previous financial year.

19 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for unitholders and benefits for other stakeholders and wherever possible, to maintain an optimal capital structure to reduce the cost of capital. The Group's strategy was unchanged from 2010.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units or sell assets.

Consistent with other direct retail property schemes in the industry the Group monitors capital on the basis of the following gearing ratio:

Gearing Ratio = Total interest bearing liabilities ÷ Total assets

	CAWF Group	
	30 June 2011 \$'000	30 June 2010 \$'000
Total interest bearing liabilities	610,559	638,033
Total assets	2,024,099	1,908,488
Gearing ratio	30.16%	33.43%

The gearing ratio is monitored on a group basis.

This gearing ratio shows the net asset position and equity accounted investment in total assets and therefore does not include the interest bearing liabilities of the Group's associates as detailed in note 12(e).

20 Related party transactions

(a) Parent entities

The parent entity within the Group is Centro Australia Wholesale Fund. Centro Australia Wholesale Fund is controlled by Centro Property Trust ("CPT") whose ultimate Australian parent entity is Centro Properties Limited ("CPL"). CPT together with its related parties control 76.80% (2010: 76.80%) of the voting power of Centro Australia Wholesale Fund.

The Responsible Entity does not hold any units in the CAWF Group (2010: no units held).

(b) Associates

Interests in associates are set out in note 9.

(c) Key Management Personnel

Key Management Personnel ('KMP') are defined in AASB 124 *Related Party Disclosures* as those having the authority and responsibility for planning, directing and controlling the activities of the Group. The Responsible Entity meets the definition of KMP as it has authority in relation to the activities of the Group.

Fees paid to the Responsible Entity during the year totalled \$10,023,905 (2010: \$9,861,975).

(d) Transactions with related parties

The following transactions occurred with related parties:

	CAWF Group	
	30 June 2011	30 June 2010
	\$	\$
Transactions by the Responsible Entity in accordance with the management agreements of the Group for the period:		
Fees charged:		
<i>CPT Manager Limited</i>		
Responsible Entity management fees	<u>10,023,905</u>	<u>9,861,975</u>
<i>Centro MCS Manager Limited - other related party</i>		
Property management fees	9,433,448	9,493,448
Development and leasing fees	53,826	155,493
Tax fees	<u>23,733</u>	<u>25,722</u>
	<u>9,511,008</u>	<u>9,674,663</u>
Other transactions:		
<i>CPT Manager Limited</i>		
Other income	(454,000)	-
Interest rate swap settlement	<u>11,333,458</u>	<u>18,476,783</u>
	<u>10,879,458</u>	<u>18,476,783</u>
<i>Centro Capital Pty Ltd</i>		
CMBS interest	-	<u>2,687,178</u>
<i>Tuggeranong Town Centre Trust - associates</i>		
Tuggeranong interest revenue	<u>(248,322)</u>	<u>(158,670)</u>

20 Related party transactions (continued)

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CAWF Group	
	30 June 2011	30 June 2010
	\$	\$
<i>Distributions receivable from:</i>		
Associates	16,280,568	15,179,094
Other related parties	-	4,141,696
	<u>16,280,568</u>	<u>19,320,790</u>
<i>Other receivables from:</i>		
Associates	<u>3,185,989</u>	<u>3,185,989</u>
<i>Interest receivable from:</i>		
Centro Retail Trust	<u>3,460,018</u>	<u>394,521</u>
<i>Payables to:</i>		
CPT Manager Limited		
Responsible Entity management fees	826,039	814,161
Interest rate swap settlement	<u>2,799,937</u>	<u>3,066,238</u>
	<u>3,625,976</u>	<u>3,880,399</u>
Centro Properties Limited - other related party		
Other payable	<u>3,185,989</u>	<u>3,185,989</u>
Centro MCS Manager Limited - other related party		
Property management fees	777,692	773,043
Development and leasing fees	<u>4,308</u>	<u>-</u>
	<u>782,000</u>	<u>773,043</u>
Centro Corporate Services Pty Ltd - other related party		
Short term loan from Centro Corporate Services	<u>374,854</u>	<u>32,614</u>
Associates		
Distributions received in advance	936,218	4,119,483
Other payables	<u>-</u>	<u>1,695,937</u>
	<u>936,218</u>	<u>5,815,420</u>

(f) Terms and conditions

Outstanding balances are unsecured and are repayable in cash.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

21 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices:

	CAWF Group	
	30 June 2011	30 June 2010
	\$	\$
(a) Audit services		
Ernst & Young Australian firm:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	104,236	-
Moore Stephens Australian firm:		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	-	97,850
Total remuneration for audit services	104,236	97,850

22 Contingencies

(a) CER Security Lend

Under an agreement dated 10 February 2009, at the request of CER, CAWF agreed to act as a security guarantor for a \$160.0 million financing facility. As a condition of this agreement, CAWF agreed that it cannot require CER to release CAWF from all liability in connection with the securities prior to 15 December 2011. CER agreed to indemnify CAWF for certain liabilities and loss if the securities are enforced by the lenders and the assets subject to these securities are sold.

CER settled this facility in full on 29 June 2011 and the CAWF security guarantee is in the process of being released.

(b) Other Contingent Liabilities

The Victorian State Revenue Office (SRO) has assessed CAWF in 2011 in relation to its acquisition of Victorian property interests on the establishment of the fund and is subject to investigation in relation to its interest in the Centro Karingal/Starzone centre. The assessed amount, including penalties and interest, is approximately \$33.3 million. The SRO also assessed CAWF (jointly with the Centro Direct Property Fund (DPF)) in 2010 in relation to the acquisition of units in CAWF by DPF on the basis that CAWF was not an eligible wholesale trust at the time of the acquisition. The assessed amount (including penalties and interest) is approximately \$18.7 million.

Where assessments have been raised in relation to these transactions, objections have been lodged and arrangements have been made to stay payment of the duty (subject to certain conditions) until such time as the matters are ultimately determined. Management and its stamp duty advisors consider that no stamp duty is payable on these transactions. No amount has been provided for in respect of these assessments.

South Australian (SA) Revenue is also currently investigating CAWF in relation to its acquisition of South Australian property interests on establishment.

23 Commitments

There are no capital, lease or remuneration commitments at the reporting date which have not been recognised as liabilities, other than those of associates which are set out in Note 9(b).

24 Events occurring after the reporting period

(a) Signing of Implementation Agreement - Restructuring Milestone

On 9 August 2011, CAWF entered into an agreement ("Implementation Agreement") with Centro Properties Group ("CNP"), a majority of CNP's senior lenders and certain CNP managed funds to create a new listed Australian retail property vehicle ("A-REIT"). This involves aggregating the assets of CAWF and certain CNP managed funds, acquiring the funds and property management platform ("Services Business") from CNP, and acquiring property and other assets from CNP and certain CNP managed funds ("Aggregation").

The Aggregation will involve the stapling of the securities in each of CAWF, Centro Retail Trust (CER) and Centro DPF Holding Trust ("DPF Holding Trust"), which is a subsidiary trust of Centro Direct Property Fund ("DPF") ("Aggregation Funds") to establish the A-REIT which will, subject to ASX approval, be listed on the Australian Securities Exchange.

The Aggregation is subject to numerous conditions precedent that must be satisfied or waived in order for the Aggregation to be implemented. These include:

- Approvals by each of the DPF Holding Trust Unitholders, CER securityholders, CAWF Unitholders, various stakeholders of CNP, the Court, ASIC, ASX and FIRB;
- Execution of various deeds and agreements, including the CNP sale agreements and the conditions precedent to those agreements being satisfied or waived, thirdparty consents and consent of the New RE being obtained;
- Approval by the Court of the Debt Cancellation and the satisfaction or waiver of the conditions precedent to the Debt Cancellation;
- Independent Expert Reports being received which conclude that the Aggregation is in the best interests of each of DPF, CER and CAWF securityholders and that the acquisition of the CNP Services Business (and other property and fund assets) is fair and reasonable to CER securityholders (other than CNP);
- ASX approval of the listing of DPF Holding Trust and CAWF as a step to Aggregation;
- No "Prescribed Occurrences" arising (e.g. capital raising, disposal of material assets, altering material contractual arrangements) and no restraints preventing the Aggregation;
- Acceptable refinancing terms for the existing secured debt of CAWF, CER, Centro Syndicate Investment Fund ("CSIF") and the Syndicates being negotiated and the relevant agreements entered into; and
- Any other necessary third party consents to the Aggregation being obtained.

CAWF unitholders will receive an Explanatory Memorandum detailing the terms of the Aggregation and containing Notices of Meetings setting out the various resolutions required to effect Aggregation. It is anticipated that these documents will be mailed to CAWF unitholders in September 2011, with the relevant meetings expected to be held in October 2011.

For further details readers should refer to the announcement of 9 August 2011 which was lodged with the ASX or can be found at www.centro.com.au. The announcement includes the signed Implementation Agreement.

Except for the matters discussed above, no other matter or circumstance has arisen in the interval between 30 June 2011 and the date hereof that has significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Group's state of affairs in future financial years.

The Directors of the Responsible Entity, CPT Manager Limited, declare that in their opinion:

- (a) the financial statements and notes set out on pages 7 to 40 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001*, its Constitution and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and
- (b) There are reasonable grounds to believe that the Group will be able to successfully complete the Aggregation or refinance maturing facilities separately, as detailed in Note 1(b) of the financial statements and therefore be able to pay its debts as and when they become due and payable; and
- (c) The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Paul Cooper
Director

Melbourne
28 August 2011

Independent auditor's report to the unitholders of the Centro Australia Wholesale Fund and Controlled Entities

Report on the financial report

We have audited the accompanying financial report of Centro Australia Wholesale Fund and Controlled Entities (the 'Trust'), which comprises the consolidated balance sheet as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising 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 CPT Manager Limited, the Responsible Entity of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls 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 controls. 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 have given to the directors of CPT Manager Limited, a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

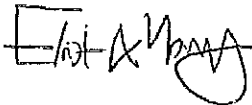
Opinion

In our opinion:

- a. the financial report of the Centro Australia Wholesale Fund and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualifying the opinion expressed above, we draw attention to Note 1(b) in the financial report, which states that the Trust had a net current deficiency of \$611.4 million at 30 June 2011 primarily due to loan facilities expiring within 12 months. As a result, a significant uncertainty exists as to whether the Trust will be able to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary should the Trust not continue as a going concern.

A stylized signature of the Ernst & Young firm, consisting of the letters 'EY' followed by a flourish.

Ernst & Young

A handwritten signature of D.J. Shewring, appearing as 'D.J. Shewring' with a long horizontal stroke extending to the right.

D.J. Shewring
Partner
Melbourne
28 August 2011