

ANNUAL FINANCIAL REPORT**30 JUNE 2009****Directory****Responsible Entity:**

Abacus Storage Funds Management Limited
Level 34, Australia Square
264-278 George Street
SYDNEY NSW 2000
Tel: (02) 9253 8600
Fax: (02) 9253 8616
Website: www.abacusproperty.com.au

Directors of Responsible Entity:

John Thame, Chairman
Frank Wolf, Managing Director
David Bastian
Dennis Bluth
Malcolm Irving
Len Lloyd

Company Secretary:

Ellis Varejes

Custodian:

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

Share Registry:

Registries
Level 7
207 Kent Street
SYDNEY NSW 2000
Tel: 1300 737 760
Fax: 1300 653 459

Auditor:

Ernst & Young
Ernst & Young Centre
680 George Street
SYDNEY NSW 2000

Directors of Abacus Storage Operations Ltd:

John Thame, Chairman
Frank Wolf, Managing Director
David Bastian
Dennis Bluth
Malcolm Irving
Len Lloyd

Compliance Plan Auditor:

Ernst & Young
Ernst & Young Centre
680 George Street
SYDNEY NSW 2000

Company Secretary:

Ellis Varejes

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It is recommended that this Annual Financial Report should be read in conjunction with the Annual Financial Report of Abacus Storage Property Trust for the year ended 30 June 2009. It is also recommended that the report be considered together with any public announcements made by the Abacus Storage Fund in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

DIRECTORS' REPORT

30 June 2009

The Directors present their report together with the consolidated financial reports of Abacus Storage Operations Limited and the auditor's report thereon.

Abacus Storage Operations Limited ("ASOL" or the "Company") has been identified as the parent entity of the group referred to as the Abacus Storage Fund ("ASF" or the "Fund"). The consolidated financial reports of ASF comprise the consolidated financial reports of ASOL and its controlled entities and Abacus Storage Property Trust and its controlled entities ("ASPT") for the year ended 2009.

DIRECTORS

The Directors of ASOL in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

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

PRINCIPAL ACTIVITIES

The principal activity of the Fund during the year ended 30 June 2009 was the ownership and operation of self-storage facilities in Australia and New Zealand.

FUND STRUCTURE

The Fund represents the consolidation of ASOL and its subsidiaries and ASPT and its subsidiaries. Units in ASPT and shares in ASOL have been stapled together so that neither can be dealt without the other. An ASF security consists of one unit in ASPT and one share in ASOL. A transfer, issue or reorganisation of a unit or share in any of the component parts is accompanied by a transfer, issue or reorganisation of a unit or share in the other component parts.

ASOL is a company incorporated and domiciled in Australia. ASPT is an Australian registered managed investment scheme. Abacus Storage Funds Management Limited ("ASFML"), the Responsible Entity of ASPT, is incorporated and domiciled in Australia and is a wholly owned subsidiary of Abacus Group Holdings Limited ("AGHL").

The registered office and principal place of AGHL and ASFML is located at Level 34, 264-278 George Street, Sydney NSW 2000.

REVIEW OF OPERATIONS

The Fund incurred a net loss attributable to unitholders of \$8.2 million for the year ended 30 June 2009 (2008: \$19.5 million profit). This loss has been calculated in accordance with Australian Accounting Standards and includes certain significant items that need adjustment to enable security holders to obtain an understanding of the Fund's underlying profit of \$4.0 million (2008 \$3.5 million).

DIRECTORS' REPORT

30 June 2009

REVIEW OF OPERATIONS (continued)

The underlying profit reflects the statutory loss as adjusted in order to present a figure which reflects the Directors' assessment of the result for the ongoing business activities of the Fund, in accordance with the AICD / Finsia principles for reporting Underlying Profit.

	2009	2008
	\$'000	\$'000
Statutory net (loss) / profit attributable to security holders	(8,652)	19,514
Certain significant items:		
Net change in fair value of investments held at balance date	3,939	(15,370)
Net change in fair value of derivatives	8,752	(582)
Underlying profit	4,039	3,562

The statutory loss was principally caused by a devaluation of the property portfolio by \$3.9 million and adverse fair value movements of \$8.8 million in the Fund's interest rate swap book, which is used to fix the cost of borrowings and align borrowings with the net revenue earned by the portfolio. The 4.25% fall in official interest rates during the year was unprecedented. It resulted in a fair value adjustment in the accounts from an asset of \$4.7 million at 30 June 2008 to a liability of \$4.1 million at 30 June 2009, a fair value decrement of \$8.8 million which was taken to profit and loss.

	2009	2008
	\$'000	\$'000
Basic earnings / (loss) per security (cents)	(10.99)	25.75
Underlying earnings / (loss) per security (cents)	5.31	4.70
Distributions per security (cents) (including proposed distribution)	8.50	8.25

The impact of the fair value adjustments in respect of property devaluations and interest rate swaps on ASF's financial condition was as follows:

	2009	2008
Total Assets (\$ '000)	328,193	220,982
Gearing (%) *	54.5%	52.2%
Net Assets (\$ '000)	100,628	104,138
Net Tangible Assets (\$ '000)	94,050	104,138
Net Asset Value per security (\$)	1.17	1.35
Securities on issue ('000)	81,944	77,046
Weighted average securities on issue ('000)	78,691	75,788

* Abacus working capital loan is excluded in calculating net debt gearing ratios.

DIRECTORS' REPORT**30 June 2009****REVIEW OF FINANCIAL CONDITION**

At 30 June 2009, existing bank loan facilities totalled approximately \$126.7 million in Australian dollar denominated loans, of which \$118.9 million was drawn, and NZ\$76.1 million (A\$61.3 million) in New Zealand dollar denominated loans, which facilities are fully drawn. The Fund manages interest rate exposure on debt facilities through the use of fixed rate loans and interest rate swap contracts. At 30 June 2009, approximately \$153.8 million or 85.3% of total debt facilities were covered by either a fixed rate loan or interest rate swap arrangements at an average effective interest rate (including bank margin) of 7.5% with an average term to maturity of 3.4 years.

The Fund's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets divided by total assets) excluding the Abacus working capital was 54.4% at 30 June 2009 compared to 52.2% at 30 June 2008.

DISTRIBUTIONS

The Fund distributions in respect of the year ended 30 June 2009 were \$6.7 million (June 2008: \$6.3 million), which is equivalent to 8.50 cents per stapled security (June 2008: 8.25 cents). Further details on the distributions are set out in note 8 of the financial statements.

INDIRECT COST RATIO

The Indirect Cost Ratio (ICR) is the ratio of the Fund's management costs over the Fund's average net assets attributed for the year, expressed as a percentage.

Management costs include management fees, custody fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional or operation costs.

The ICR for the Fund for the year ended 30 June 2009 was 1.31% (2008: 2.82%)

STAPLED SECURITIES ON ISSUE

At 30 June 2009, 81,943,518 stapled securities in ASF were on issue (2008: 77,045,973). The number of units issued during the year are disclosed in note 17.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Net assets and total equity decreased from \$104.1 million to \$101.5 million reflecting property revaluations during the year ended 30 June 2009.

On 24 December 2008 ASF issued a prospectus and product disclosure statement to raise \$37 million through the issue of 31.3 million stapled securities at \$1.18 per stapled security.

On 29 December 2008, ASF acquired 100% of the voting shares of Abacus Storage Solutions Pty Ltd (ASSPL), a company based in Australia that operates self-storage in Townsville and Brisbane as well as a single self-storage facility in Hamilton, New Zealand. This acquisition was from Abacus Ventures Trust (a Trust wholly owned by the Abacus Property Group) resulting in a related party transaction. ASSPL at the time of the acquisition, owned 58% of the voting shares of U Stow It Holdings Ltd (USI), an unlisted public company that owns and operates three self-storage businesses in Canberra, has one storage development site in the area and also owns some ancillary commercial property. ASF acquired 100% of issued ASSPL shares for a total consideration of \$26.9 million.

On 31 December 2008, ASF acquired a further 28% of the issued shares in U Stow It Holdings Limited (USI) for a total consideration of \$12.7 million.

DIRECTORS' REPORT**30 June 2009****SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (continued)**

The Fund acquired the following additional assets in December 2008 from the Abacus Property Group:

- 148 Evans Road, Salisbury Qld, Australia
- 1 Regiment Court, Thuringowa, Qld, Australia
- 8-10 Ingham Road, West End, Qld, Australia
- Lot 5 Darcy Drive, Idalia, Qld, Australia
- 161-169 Bayswater Road, Currajong, Qld, Australia
- 4-8 Catalyst Court, Mt St John, Qld, Australia
- 989 Fairfield Road, Yeerongpilly, Qld, Australia
- 31 Ruakura Road, Hamilton, New Zealand

The Fund operates within Australia and New Zealand and now holds an investment portfolio of 41 self-storage facilities at 30 June 2009.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 17 July 2009 ASF sold a commercial property in Queanbeyan for \$2.4 million.

On 31 July 2009 ASF acquired the remaining 14.32% of the issued shares in U Stow It Holdings Limited (USI) for a total consideration of \$6.0 million.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

INFORMATION ON DIRECTORS AND OFFICERS

The Directors and Company Secretary of ASOL and ASFML (the Responsible Entity of ASPT) in office during the financial year and until the date of this report are as set out below, with qualifications, experience and special responsibilities.

John Thame AIBF, FCPA Chairman

Mr Thame has over 30 years' experience in the retail financial services industry in senior management positions. His 26-year career with Advance Bank included 10 years as Managing Director until the Bank's merger with St George Bank Limited in 1997. Mr Thame was Chairman (2004 to 2008) and a director (1997 to 2008) of St George Bank Limited and St George Life Limited. He is also a director of Reckon Limited and The Village Building Co Limited (Group).

Frank Wolf PhD, BA Hons Managing Director

Dr Wolf has over 20 years' experience in the property and financial services industries, including involvement in retail, commercial, industrial and hospitality-related assets in Australia, New Zealand and the United States. Dr Wolf has been instrumental in over \$2 billion worth of property related transactions, corporate acquisitions and divestments and has financed specialist property-based assets in retirement and hospitality sectors. Dr Wolf is the Chairman of FSP Group Pty Limited and a Director of Kingston Capital Limited (financial planning groups). He is also a director of HGL Limited, a diversified publicly listed investment company.

DIRECTORS' REPORT

30 June 2009

INFORMATION ON DIRECTORS AND OFFICERS (continued)

David Bastian CPA Non-executive Director

Mr Bastian has almost 40 years' experience in the financial services industry, in particular in the packaging of commercial, retail and residential property projects and was the Managing Director of the Group until September 2006. He was Managing Director of the Canberra Building Society for 20 years and an Executive Director of Godfrey Pembroke Financial Services Pty Limited for 7 years.

Malcolm Irving AM Non-executive Director
FCPA, SF Fin, BCom,
Hon DLitt

Mr Irving has over 40 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. He was a director of Keycorp Limited (2001 to 2008). He is also a director of O'Connell Street Associates Pty Ltd and Thales Australia Limited.

Dennis Bluth Non-executive Director
LLM, LLB, BA, FAPI

Mr Bluth holds Bachelor of Arts, Bachelor of Law and Masters of Law degrees and has practised as a solicitor for over 25 years, principally in the area of property law. Mr Bluth is a partner of HWL Ebsworth, Lawyers and is a member of a number of Law Society and Law Council Committees. He is also a member of the Australian Valuation & Professional Standards Board.

Len Lloyd FAPI, WDA Director

Mr Lloyd is a licensed Real Estate Agent and a registered Real Estate Valuer. He has 40 years experience in the development, management and funding of commercial, retail and residential property. Mr Lloyd joined the Abacus Group in October 2000 and now holds the position of Managing Director of Abacus Property Services Pty Limited responsible for property administration and development opportunities in the Abacus portfolio. In previous positions Mr Lloyd held responsibility for the property portfolios of the Advance Bank and St George Bank and provided valuation and lending advice while with the Commonwealth Development Bank for 21 years.

Ellis Varejes BCom, LLB Company Secretary

Mr Varejes has been the Company Secretary since September 2006. He has over 25 years' experience as a corporate lawyer in private practice.

The Directors and Officers were in office from the beginning of the financial year until the date of this report unless otherwise stated.

DIRECTORS' REPORT**30 June 2009****Directors' Benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit, other than any benefit disclosed in the financial statements as compensation or the fixed salary of key management personnel of the Fund or a related entity by reason of a contract made by the Fund or a related body corporate with the director or a with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Indemnification and Insurance of Directors and Officers

ASFML has paid an insurance premium in respect of a contract insuring all directors, full time executive officers and secretary. The terms of this policy prohibit disclosure of the nature of the risks insured or the premium paid.

AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 8.

NON-AUDIT SERVICES

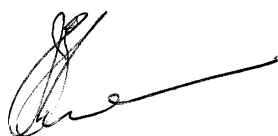
No non- audit services were provided by the Fund's auditor, Ernst & Young.

ROUNDING

The amounts contained in this report and in the annual financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Abacus Storage Funds Management Limited (ABN 66 007 415 590)



John Thame
Chairman

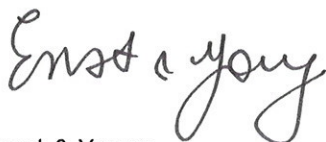


Frank Wolf
Managing Director

Sydney, 24 September 2009

Auditor's Independence Declaration to the Directors of Abacus Storage Operations Limited

In relation to our audit of the financial report of Abacus Storage Operations Limited for the financial year ended 30 June 2009, 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 handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'K. Zdrilic'.

K. Zdrilic
Partner
24 September 2009

ABACUS STORAGE FUND

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 30 JUNE 2009

	Notes	CONSOLIDATED		PARENT	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
REVENUE					
Rental income		28,742	23,631	13,528	12,644
Finance income		76	137	23	32
Merchandising income		2,661	2,318	1,540	1,687
Total Revenue and Other Income		31,479	26,086	15,091	14,363
Operating expenses		(5,866)	(4,812)	(2,425)	(2,402)
Management and supervision fees		(4,158)	(3,620)	(2,263)	(2,181)
Responsible entity fees		(1,196)	(1,844)	(138)	(883)
License and retainer fees		(1,128)	(1,773)	(528)	(497)
Depreciation expense		(366)	(564)	(288)	(497)
Net change in fair value of investments held at balance date		(3,939)	15,370	-	-
Net change in fair value of derivatives		(8,752)	582	-	-
Finance costs	6	(12,530)	(8,747)	(969)	-
Other expenses		(656)	(423)	(8,124)	(8,156)
PROFIT/ (LOSS) BEFORE TAX		(7,112)	20,255	356	(253)
Income tax benefit / (expense)	7	(1,120)	(741)	(107)	78
NET PROFIT/ (LOSS) AFTER TAX		(8,232)	19,514	249	(175)
PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent entity (minority interest)		2,218	(82)	249	(175)
Equity holders of the other stapled entity					
- Abacus Storage Property Trust		(10,870)	19,596	-	-
Stapled security holders		(8,652)	19,514	249	(175)
Net profit attributable to external minority interests		420	-	-	-
NET PROFIT/ (LOSS)		(8,232)	19,514	249	(175)
Basic and diluted earnings per stapled security (cents)	9	(10.99)	25.75		

ABACUS STORAGE FUND

CONSOLIDATED DISTRIBUTION STATEMENT

YEAR ENDED 30 JUNE 2009

		CONSOLIDATED		PARENT	
		2009	2008	2009	2008
	Notes	\$'000	\$'000	\$'000	\$'000
STATEMENT OF DISTRIBUTION					
Net profit/(loss) attributable to stapled security holders		(8,232)	19,514	249	(175)
Transfer from/ (to) retained earnings		14,955	(13,251)	(249)	175
Distributions paid and payable	8	6,723	6,263	-	-
Distribution per stapled security (cents per security)	8	8.50	8.25	-	-
Weighted average number of securities ('000)	9	78,691	75,778	-	-

ABACUS STORAGE FUND

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

		CONSOLIDATED		PARENT	
		2009	2008	2009	2008
	Notes	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS					
Cash and cash equivalents	10	3,014	2,212	1,284	1,168
Trade and other receivables	11	793	446	17,289	3,490
Investment property	13	2,400	-	-	-
Prepayments and other assets		1,602	1,442	314	162
TOTAL CURRENT ASSETS		7,809	4,100	18,887	4,820
NON-CURRENT ASSETS					
Investment properties	13	311,863	214,808	-	-
Property, plant and equipment	14	956	1,012	605	857
Investment in subsidiaries		-	-	26,866	-
Deferred tax assets	7c	987	1,062	713	820
Goodwill	12	6,578	-	-	-
TOTAL NON-CURRENT ASSETS		320,384	216,882	28,184	1,677
TOTAL ASSETS					
		328,193	220,982	47,071	6,497
CURRENT LIABILITIES					
Trade and other payables	15	4,281	1,168	2,513	673
Interest-bearing loans and borrowings	16	8,895	42,819	-	-
Income tax payable		242	-	-	-
Distribution payable	8b	1,793	1,589	-	-
TOTAL CURRENT LIABILITIES		15,211	45,576	2,513	673
NON-CURRENT LIABILITIES					
Interest-bearing loans and borrowings	16	201,030	75,923	38,079	-
Derivatives at fair value		4,097	(4,655)	-	-
Deferred tax liability	7c	7,227	-	-	-
TOTAL NON-CURRENT LIABILITIES		212,354	71,268	38,079	-
TOTAL LIABILITIES					
		227,565	116,844	40,592	673
NET ASSETS					
		100,628	104,138	6,479	5,824
TOTAL EQUITY					
		100,628	104,138	6,479	5,824

ABACUS STORAGE FUND

CONSOLIDATED BALANCE SHEET (continued)

AS AT 30 JUNE 2009

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Total equity attributable to shareholders of ASOL:				
Contributed equity	8,136	7,732	8,136	7,730
Foreign currency translation reserve	322	332	-	-
Retained earnings/ (accumulated losses)	(494)	(2,632)	(1,657)	(1,906)
Total equity attributable to members of ASOL	7,964	5,432	6,479	5,824
Total equity attributable to unitholders of ASPT:				
Contributed equity	69,051	63,849	-	-
Foreign currency translation reserve	(2,395)	(2,699)	-	-
Retained earnings	19,960	37,556	-	-
Total equity attributable to members of ASPT	86,616	98,706	-	-
Equity attributable to external minority interest:				
Contributed equity	5,628	-	-	-
Retained earnings	420	-	-	-
Total equity attributable to external minority interest	6,048	-	-	-
TOTAL EQUITY	100,628	104,138	6,479	5,824
EQUITY				
Contributed equity	17	77,187	71,581	8,136
Reserves		(2,073)	(2,367)	-
Retained earnings / (accumulated losses)		19,466	34,924	(1,657)
Total stapled security holders' interest in equity		94,580	104,138	6,479
Total external minority interest		6,048	-	-
TOTAL EQUITY		100,628	104,138	6,479

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2009

	Attributable to the stapled security holder		External		
	Issued capital	Foreign currency translation	Retained earnings	Minority interest	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2008	71,581	(2,367)	34,924	-	104,138
Foreign currency translation	-	294	-	-	294
Total income and expense for the year recognised directly in equity	-	294	-	-	294
Net loss for the year	-	-	(8,652)	420	(8,232)
Total income / (expense) for the year	-	294	(8,652)	420	(7,938)
Issue costs	(198)	-	-	-	(198)
Distribution reinvestment plan	32	-	-	-	32
Units issued	5,772	-	-	-	5,772
Acquisition of interest in Abacus Storage Solutions Limited	-	-	-	5,628	5,628
Distribution to security holders	-	-	(6,806)	-	(6,806)
At 30 June 2009	77,187	(2,073)	19,466	6,048	100,628

	Attributable to the stapled security holder		External		
	Issued capital	Foreign currency translation	Retained earnings	Minority interest	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	69,781	(440)	21,673	-	91,014
Foreign currency translation		(1,927)			(1,927)
Total income and expense for the year recognised directly in equity	-	(1,927)	-	-	(1,927)
Net income for the year	-	-	19,514	-	19,514
Total income / (expense) for the year	-	(1,927)	19,514	-	17,587
Units issued	1,800	-	-	-	1,800
Distribution to security holders	-	-	(6,263)	-	(6,263)
At 30 June 2008	71,581	(2,367)	34,924	-	104,138

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

YEAR ENDED 30 JUNE 2009

	Issued capital \$'000	Foreign currency translation \$'000	Retained earnings \$'000	Total Equity \$'000
PARENT				
At 1 July 2008	7,730	-	(1,906)	5,824
Net profit for the year	-	-	249	249
Total income for the year	-	-	249	249
Distribution reinvestment plan	3	-	-	-
Units issued	403	-	-	406
At 30 June 2009	8,136	-	(1,657)	6,479

	Issued capital \$'000	Foreign currency translation \$'000	Retained earnings \$'000	Total Equity \$'000
PARENT				
At 1 July 2007	7,581	-	(1,731)	5,850
Net loss for the year	-	-	(175)	(175)
Total income / (expense) for the year	-	-	(175)	(175)
Units issued	149	-	-	149
At 30 June 2008	7,730	-	(1,906)	5,824

ABACUS STORAGE FUND

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2009

		CONSOLIDATED		PARENT	
		2009	2008	2009	2008
	Notes	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Income receipts		31,256	26,270	15,012	12,817
Interest received		76	136	23	32
Borrowing costs paid		(11,928)	(8,580)	-	(82)
Operating payments		(12,434)	(11,957)	(12,751)	(12,415)
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	6,970	5,869	2,284	352
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of controlled entity	20	(39,587)	-	(39,587)	-
Purchase of self storage properties		(44,983)	(2,281)	-	-
Payment of capital expenditure		(2,095)	(6,156)	(37)	(101)
NET CASH FLOWS USED IN INVESTING		(86,665)	(8,437)	(39,624)	(101)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of stapled securities		5,772	-	406	-
Payments of issue costs		(198)	(2)	-	-
Proceeds from borrowings		81,481	8,924	37,050	(431)
Distributions paid		(6,575)	(6,234)	-	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		80,480	2,688	37,456	(431)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		785	120	116	(180)
Net foreign exchange difference		17	(152)	-	-
Cash and cash equivalents at beginning of year		2,212	2,244	1,168	1,348
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	3,014	2,212	1,284	1,168

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****1. CORPORATE INFORMATION**

ASF is comprised of ASOL and its subsidiaries and ASPT and its subsidiaries.

Shares in ASOL and units in ASPT have been stapled together so that neither can be dealt without the other. An ASF security consists of one share in ASOL and one unit in ASPT. A transfer, issue or reorganisation of a unit or share in either of the component parts is accompanied by a transfer, issue or reorganisation of a unit or share in the other component parts.

The financial report of the ASF for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 24 September 2009.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value and certain investments measured at net market value. The carrying values of recognised assets and liabilities that are covered by interest rate swap arrangements, are adjusted to record changes in the fair values attributable to the risks that are being covered by derivative financial instruments.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the class order applies.

At 30 June 2009, ASF has a net current asset deficiency of \$7.4m (2008: deficiency of \$41.5m). ASF has obtained a letter from Abacus Property Group ("APG") that APG intends not to request repayment of its loan of \$29.7m (current \$8.9m and non-current \$20.8m) for a period of 12 months from the date of this financial report and to the extent necessary APG intends to provide financial support to enable ASF to pay its debts as and when they fall due.

ASF has term loan facilities of \$188.0m (\$180.3m drawn at 30 June 2009) with Australian banks, with \$129.8m maturing in the year ending 30 June 2011 and the remainder maturing in the year ending 30 June 2012.

(b) Statement of Compliance

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

(c) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the annual reporting period ended 30 June 2009. These are outlined in the table below.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2009
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Summary	Application date of standard*	Impact on Fund financial report	Application date for Fundt*
AASB 8 and AASB 2007-3	New standard replacing AASB114 Segment Reporting, which adopts a management reporting approach to segment reporting.	1 January 2009	The Fund has only one segment and the new standard is unlikely to impact on the Fund's financial report.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	The amendment to AASB 114 requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset, unless the qualifying asset is measured at fair value.	1 January 2009	This revision will not have any impact on assets currently classified as Investment Properties and measured at fair value. For properties that are under development, interest incurred will need to be capitalised but this is not expected to have a significant impact on current practice of the Fund.	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Fund's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Fund has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 3 (revised)	Main changes are as follows: - For each business combination entered into, entities will have a choice to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. - Acquisition related costs will be expensed through profit or loss at the time that such services are rendered. The changes apply prospectively.	1 July 2009	This will impact the financial statements in FY10 should the Fund enter business combinations.	1 July 2009
AASB127 (Revised)	Under the revised standard, a change in the ownership interest of a subsidiary (whether that does not result in loss of control, or the reduction in non-controlling interests) will be accounted for as an equity transaction.	1 July 2009	Impacts will be assessed upon actual transactions completed by the Fund in FY10.	1 July 2009

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Summary	Application date of standard*	Impact on Fund financial report	Application date for Fund*
AASB 2008-7	The main amendments of relevance are those made to AASB 127 removing the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e. parent company accounts) rather than just dividends from post-acquisition profits. The distinction between pre and post acquisition profits no longer exists. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment of the investment in that subsidiary. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	This may impact the accounting of investments in subsidiaries, joint controlled entities and associates in certain circumstances, with respect to dividends from these entities going forward. Any pre-acquisition profits previously included in dividends from these entities, whilst going forward will be included in the P&L (rather than reducing the carrying value of investment), may result in an impairment of the investment.	1 July 2009
AASB 140	AASB 140.8 has been amended to bring property that is being constructed or developed for future use as an investment property within the scope of AASB 140 (instead of AASB 116). The impact is that if the final intention of the owner is to use this property for capital appreciation or rent, the property through construction will be measured at fair value (versus at cost in the former standard).	1 January 2009	This standard could impact the financial statements should the Fund have properties undergoing significant construction and development for future use as investment property, in terms of measuring the property through construction at fair value and not only at construction costs incurred.	1 July 2009
Amendments to International Financial Reporting Standards	The amended IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: - Quoted prices in active markets for identical assets or liabilities (Level 1) e.g. investment in listed securities - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, wither directly (as prices) or indirectly (derived from prices) (Level 2) e.g. investment in unlisted securities - Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)	1 January 2009	This will impact the disclosures of the Fund's related entities in FY10, with respect to financial instruments such as investment in listed and unlisted securities or options.	1 July 2010

*designates the beginning of the applicable annual reporting period

AASB 2008-1 and AASB 2008-2 will have no application to the Fund.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(d) Basis of consolidation**

The consolidated financial statements comprise the financial statements of ASOL and its subsidiaries and ASPT and its subsidiaries. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits from intra-group transactions, have been eliminated in full and subsidiaries are consolidated from the date on which control is transferred to the Fund and cease to be consolidated from the date on which control is transferred out of the Fund. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Fund has control.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests not held by the Fund are allocated their share of net profit after tax in the income statement and are presented within equity in the consolidated balance sheet, separately from parent, shareholders' equity.

An increase in ownership after control is accounted for using the parent entity method. Under this approach, the minority interest component of equity is adjusted to reflect the minority's revised share of the net carrying value of the subsidiary's net assets. The difference between the consideration paid and the proportionate increase in the parent's interest in the carrying values of the subsidiary's net assets is recorded as additional goodwill. No adjustment is made to the carrying values of the subsidiary's net assets as reported in the consolidated financial statements.

(e) Foreign currency translation*Functional and presentation currency*

Both the functional and presentation currency of the Fund are in Australian dollars. Each entity in the Fund determines its own functional currency and items are included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

At reporting date the assets and liabilities of these entities are translated into the presentation currency of the Fund at the rate of exchange prevailing at balance date and the financial performance is translated at the average exchange rate prevailing during the reporting period. The exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

Rendering of services

Revenue from rendering of services is recognised in accordance with the terms and conditions of the service agreements and relevant accounting standards.

Net change in fair value of investments derecognised during the year

Revenue from sale of investment properties is recognised on settlement when the significant risks and rewards of the ownership of the properties have been transferred to the buyer. Risks and rewards are generally considered to have passed to the buyer at the time of settlement of the sale.

Net change in fair value of investments held at balance date

Change in net market value of investments is recognised as revenue or expense in determining the net profit for the period. Refer note 2(n) for detailed commentary on investment properties.

(g) Expenses

Expenses including rates, taxes and other outgoings, are brought to account on an accrual basis and any related payables are carried at cost.

(h) Finance costs

Finance costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront establishment and arrangement costs, which are deferred and amortised as an expense over the life of the facility or five years whichever is shorter. A qualifying asset is an asset that generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised into the cost of the asset. Where funds are borrowed by the Fund for the acquisition or construction of a qualifying asset, the amount of the finance costs capitalised are those incurred in relation to the borrowing.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Trade and other receivables**

Trade receivables, which generally have 30 day terms, are recognised at amortised cost, which in the case of the Fund, is the original invoice amount less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that collection of the full amount is no longer probable. Bad debts are written off when identified.

(k) Derivative financial instruments and hedging

The Fund uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the year.

The fair values of interest rate swap are determined by reference to market values for similar instruments.

(l) Investments and other financial assets

All investments are initially recognised at cost, being the fair value of the consideration given.

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available-for-sale financial assets. The Fund determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. At 30 June 2009 the Fund's investments have been classified as loans and receivables.

Recognition and derecognition

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Fund commits to purchase the assets. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

Financial assets at fair value through profit or loss

For investments where there is no quoted market or unit price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

After initial recognition, investments, which are classified as held for trading, are measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Gains or losses on investments held for trading are recognised in the income statement.

Subsidiaries

Investments in subsidiaries are held at cost.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Property, plant and equipment**

Land and buildings are measured at fair value, based on periodic valuations by external independent valuers, less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings – 40 years

Plant and equipment – over 5 to 15 years

Revaluations of land and buildings

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the balance sheet except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss except to the extent that it offsets a previous revaluation increase for the same asset in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amounts of the assets and depreciation based on the assets' original costs.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

(n) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time that the cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of development with a view to sale.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Investment properties - continued**

For a transfer from investment property to inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss. When the Fund completes the construction or development of a "self-constructed investment property", any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

Land and buildings are considered to have the function of an investment and are therefore regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than diminution in value of the building content due to the passing of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

The directors obtain independent valuations on investment properties annually to ensure that the carrying amount does not differ materially from the assets' fair value. The cycle of this review is staggered such that investment properties are independently revalued in either the June or the December reporting cycles. In determining fair value, the capitalisation of net income method and the discounting of future cashflows to their present value have been used.

Lease incentives provided by the Fund to lessees, and rental guarantees which may be received by the Fund from third parties (arising from the acquisition of investment properties) are included in the measurement of fair value of investment property and are treated as separate assets. Such assets are amortised over the respective periods to which the lease incentives and rental guarantees apply, either using a straight-line basis, or a basis that is more representative of the pattern of benefits.

Under AASB 140, investment properties, including any plant and equipment, are not subject to depreciation. However, depreciation allowances in respect of certain buildings, plant and equipment are currently available to investors for taxation purposes.

Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of investment properties are recognised in the income statement in the year of sale.

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Distributions and dividends

All distributions to ASF stapled security holders were paid by ASPT.

ASF generally distribute its distributable assessable income to their unitholders. Distributions are payable at the end of each quarter. Such distributions are determined by reference to the taxable income of the respective Trusts. Distributable income may include capital gains arising from the disposal of investments and tax-deferred income. Unrealised gains and losses on investments that are recognised as income are usually retained and are generally not assessable or distributable until realised. Capital losses are not distributed to security holders but are retained to be offset against any future realised capital gains.

A liability for dividend or distribution is recognised in the Balance Sheet if the dividend or distribution has been declared, determined or publicly recommended prior to balance date.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Fund as a lessor

Leases in which the Fund retains substantially all the risks and benefits of ownership of the lease assets are classified as operating leases. Initial direct cost incurred in negotiating an operating lease and added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

(r) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Fund's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Fund are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Fund at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the Fund's primary or the Fund's secondary reporting format determined in accordance with AASB 114 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid in the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowing costs are recognised as an expense when incurred.

(t) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Fund. Stapled securities are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds.

(u) Transfers to/(from) total equity

In respect of the Fund revaluation increments or decrements arising from changes in the fair value of investment properties and derivative financial instruments, unrealised gains and losses in the net value of investments, accrued income not yet assessable and expenses provided for or accrued not yet deductible, net capital losses and tax free or tax deferred amounts maybe transferred to equity and may not be included in the determination of distributable income.

(v) Taxation

The Fund comprises taxable and non-taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax as detailed below.

Trust income tax

Under current Australian income tax legislation, the Trust is not liable to Australian income tax provided security holders are presently entitled to the taxable income of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(v) Taxation - continued***Company income tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax liabilities are recognised for all taxable temporary differences, except when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(v) Taxation - continued***New Zealand income tax*

ASPT operating in New Zealand (NZ) is treated as a company for NZ income tax purposes and is taxed at the corporate tax rate of 30%. NZ income tax paid by ASPT can be claimed as foreign tax credits to offset against foreign income and distributable to security holders. NZ tax losses are carried forward provided the continuity test of ownership is satisfied. Interest expense from ASPT is fully deductible subject to thin capitalisation considerations. Property revaluation gains or losses are to be excluded from taxable income, with no deferred tax implications as capital gains are not taxed in NZ.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Earnings per stapled security (EPSS)

Basic EPSS is calculated as net profit attributable to stapled security holders, adjusted to exclude costs of servicing equity (other than distributions) divided by the weighted average number of stapled securities on issue during the period under review.

(x) Recoverable amount of assets

At each reporting date, the Fund assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Fund makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

3. FINANCIAL RISK MANAGEMENT

The risks arising from the use of the Fund's financial instruments are credit risk, liquidity risk and market risk (interest rate risk and foreign currency risk).

The Fund's financial risk management focuses on mitigating the unpredictability of the financial markets and its impact on the financial performance of the Fund. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

The main purpose of the financial instruments used by the Fund is to raise finance for the Fund's operations. The Fund has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Fund also enters into derivative transactions principally interest rate swaps. The purpose is to manage the interest rate arising from the Fund's operations and its sources of finance.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****3. FINANCIAL RISK MANAGEMENT (continued)**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 4 to the financial statements.

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Fund's receivables from customers and interest bearing liabilities.

The Fund manages its exposure to risk by:

- derivative counterparties and cash transactions are limited to high credit quality financial institutions;
- policy which limits the amount of credit exposure to any one financial institution;
- regularly monitoring receivables balances on an ongoing basis;

With respect to credit risk arising from the other financial assets and liabilities of the Fund, which comprise cash and cash equivalents and certain derivative instruments, the Trust's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate and diverse amount of committed credit facilities, the ability to close out market positions and the flexibility to raise funds through the issue of new units or the distribution reinvestment plan.

The Fund's policy is to maintain an available loan facilities sufficient to meet expected operational expenses and to finance investment acquisitions for a period of 90 days, including the servicing of financial obligations. Current loan facilities are assessed and extended for a maximum period based on the Fund's expectations of future interest and market conditions.

As at 30 June 2009, the Fund had undrawn committed facilities of \$7.8 million for future property acquisitions and cash of \$3.0 million which are adequate to cover short term funding requirements.

Further information regarding the Fund's debt profile is disclosed in Note 16.

(c) Refinancing Risk

Refinancing risk is the risk that unfavorable interest rate and credit market conditions result in an unacceptable increase in the Fund's credit margins and interest cost. Refinancing risk arises when the Fund is required to obtain debt to fund existing and new debt positions.

The Fund is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Fund manages this risk by spreading maturities of borrowings and interest rate swaps and reviewing potential transactions to understand the impact on the Fund's credit worthiness.

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2009****3. FINANCIAL RISK MANAGEMENT (continued)***Interest rate risk*

The Fund's exposure to the risk of changes in market interest rates relates primarily to the Fund's long-term debt obligations with a floating interest rate.

The Fund's policy is to manage its interest cost using a mix of fixed and variable rate debt. The Fund's aim is to keep its borrowings at fixed rates of interest within an acceptable range. To manage this mix in a cost-efficient manner, the Fund enters into interest rate swaps, in which the Fund agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 30 June 2009, after taking into account the effect of interest rate swaps, approximately 85.4% of the Fund's borrowings are at a fixed rate of interest (2008: 88.4%).

Fair value interest rate risk

As the Fund holds fixed rate debt there is a risk that the economic value of a financial instrument will fluctuate because of changes in market interest rates. The level of fixed rate debt is disclosed in note 19 and it is acknowledged that this risk is a by-product of the Fund's attempt to manage its cash flow interest rate risk.

Foreign currency risk

The Fund is exposed to currency risk on its investment in foreign operations and property loans denominated in a currency other than the functional currency of Fund entities. The currencies in which these transactions primarily are denominated in AUD and NZD.

As a result the Fund's balance sheet can be affected by movements in the A\$/NZ\$ exchange rates.

The Fund borrows loan funds in New Zealand dollars to substantially match the foreign currency property asset value exposure with a corresponding foreign currency liability and therefore expects to substantially mitigate foreign currency risk on its New Zealand denominated asset values.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Fund's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Fund. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments*Operating lease commitments – Fund as lessor*

The Fund has entered into commercial property leases on its investment property portfolio. The Fund has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Impairment of non-financial assets other than goodwill

The Fund assesses impairment of all assets at each reporting date by evaluating conditions specific to the Fund and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

*(ii) Significant accounting estimates and assumptions**Fair value of derivatives*

The fair value of derivatives is determined using closing quoted market prices (where there is an active market) or a suitable pricing model based on discounted cash flow analysis using assumptions supported by observable market rates. Where the derivatives are not quoted in an active market their fair value has been determined using (where available) quoted market inputs and other data relevant to assessing the value of the financial instrument, including financial guarantees granted by the Fund, estimates of the probability of exercise.

Valuation of investment properties

The Fund makes judgements in respect of the fair value of investment properties (note 2(n)). The fair value of these properties are reviewed regularly by management with reference to annual external independent property valuations and market conditions existing at reporting date, using generally accepted market practices. The assumptions underlying estimated fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, capitalisation rates discount rates that reflect current market uncertainties and current and recent property investment prices. If there is any material change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may differ and may need to be re-estimated.

Impairment of goodwill

The Fund determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

5. SEGMENT INFORMATION

The Fund operates wholly within one business segment only, being the letting of self-storage facilities, which are located in Australasia.

6. FINANCE COSTS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Finance costs				
Amortisation expenses	219	168	-	-
Interest on bank loans	11,186	8,579	-	-
Interest on related party loan	1,125	-	969	-
Total finance costs	12,530	8,747	969	-

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

7. INCOME TAX

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(a) Income tax expense				
The major components of income tax expense are:				
Income Statement				
<i>Current income tax</i>				
Current income tax charge	561	168	113	(76)
<i>Deferred income tax</i>				
Movement in depreciable assets tax depreciation	152	-	-	-
Relating to origination and reversal of temporary differences	407	(909)	(6)	(2)
Income tax expense / (benefit) reported in the income statement	1,120	(741)	107	(78)

(b) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

(Loss) / profit before income tax expense	(7,112)	20,255	356	(253)
Prima facie income tax (benefit) / expense calculated at 30%	(2,134)	6,077	107	(76)
Less prima facie income tax or loss / (profit) from the Trust	3,273	(6,098)	-	-
Prima Facie income tax of entities subject to income tax	1,139	(21)	107	(76)
Adjustment of benefit	-	732	-	-
Others	(19)	30	-	(2)
Income tax expense / (benefit)	1,120	741	107	(78)
Income tax expense / (benefit) reported in the consolidated income statement	1,120	741	107	(78)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

7. INCOME TAX (continued)

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(c) Recognised deferred tax assets and liabilities				
Deferred income tax at 30 June 2009 relates to the following:				
Deferred tax liabilities				
Revaluation of investment properties to fair value *	7,051	-	-	-
Other	176	-	-	-
Gross deferred income tax liabilities	7,227	-	-	-
Deferred tax assets				
Provisions	29	-	6	-
Losses available for offset against future taxable income	958	1,062	707	820
Gross deferred income tax assets	987	1,062	713	820

* Includes \$6.643 million on the acquisition of Abacus Storage Solutions Pty Limited. Refer to Note 20.

The Fund has tax losses (tax effected at prevailing rates) arising in Australia of \$3,194,662 (2008: \$3,538,687) that is available indefinitely for offset against future taxable profits of the companies in which the losses arose.

At 30 June 2009, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Fund's subsidiaries as the Fund has no liability for additional taxation should such amounts be remitted.

Unrecognised temporary differences

At 30 June 2009, there are no unrecognised temporary differences associated with the Fund's investments in subsidiaries, associate or joint venture, as the Fund has no liability for additional taxation should unremitted earnings be remitted (2008: \$nil).

Tax consolidation

ASOL and its 100% owned Australian resident subsidiaries have formed a tax consolidated group. ASOL is the head entity of the tax consolidated group. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. ASOL has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the allocation of tax within the tax group is based on accounting profit. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount allocated under the tax funding agreement and the allocation under UIG 1052, the head entity accounts for these as equity transactions.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2009

8. DISTRIBUTIONS PAID AND PROPOSED

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(a) Distributions paid during the year				
June 2008 quarter 2.0625 cents per unit (2007: 2.0625 cents)	1,589	1,558	-	-
September 2008 quarter: 2.0625 cents per unit (2008: 2.0625 cents)	1,589	1,558	-	-
December 2008 quarter: 2.0625 cents per unit (2008: 2.0625 cents)	1,589	1,558	-	-
March 2009 quarter: 2.1875 cents per unit (2008: 2.0625 cents)	1,752	1,558	-	-
	6,519	6,232	-	-

(b) Distributions proposed and recognised as a liability

June 2009 quarter: 2.1875 cents per unit (2008: 2.0625 cents)	1,793	1,589	-	-
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9. EARNINGS PER STAPLED SECURITY

	2009	2008
Basic and diluted earnings / (loss) per stapled security (cents)	(10.99)	25.75
Reconciliation of earnings used in calculating earnings per stapled security		
<i>Basic and diluted earnings per stapled security</i>		
Net profit / (loss)	(8,652)	19,514
Weighted average number of stapled securities	78,691	75,778

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

10. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000

Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June 2009:

Cash at bank and in hand ⁽¹⁾	3,014	2,212	1,284	1,168
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(1) Cash at bank earns interest at floating rates. The carrying amounts of cash and cash equivalents represent fair value

Reconciliation of net profit after tax to net cash flows from operations

Net profit/ (loss)	(8,232)	19,514	249	(175)
Adjustments for:				
Depreciation of non-current assets	366	564	288	497
Amortisation of non-current assets	219	168	-	-
Net change in fair value of derivatives	8,752	(582)	-	-
Net change in fair value of investments held at balance date	3,939	(15,370)	-	-
Foreign exchange loss	1	26	-	1
Increase/(decrease) in payables	1,902	1,429	1,952	(11)
Decrease/(increase) in receivables and other assets	23	120	(205)	40
Net cash from operating activities	6,970	5,869	2,284	352

Disclosure of financing facilities

Refer to note 16.

Disclosure of non-cash financing activities

Non-cash financing activities include capital raised pursuant to ASF's distribution reinvestment plan. During the year 0.028 million stapled securities were issued with a cash equivalent of \$0.032 million.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

11. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Trade debtors	793	446	327	278
Related party receivables	-	-	16,962	3,212
Total trade and other receivables	793	446	17,289	3,490

12. GOODWILL

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Goodwill				
Balance at 1 July	-	-	-	-
Acquisition through business combinations	6,578	-	-	-
Balance at 30 June	6,578	-	-	-

Description of the Fund's goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

The goodwill relates to the acquisition of U-Stow-It Holdings Limited during the year and arises as the purchase price did not value the deferred tax liability acquired.

The acquisition accounting for the purchase of 85.7% of the equity of U-Stow -It Holdings is provisional at 30 June 2009. The acquisition accounting will be completed in FY10 following the purchase of the remaining minority interest which occurred on 31 July 2009. Refer to Note 20 for disclosure of the business combination.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009
13. INVESTMENT PROPERTIES

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
(a) Current		
Australia	2,400	-
	2,400	-
(b) Non-current		
Australia	242,318	152,929
New Zealand (a)	69,545	61,879
	311,863	214,808
Average market capitalisation rate	9.1%	8.6%

Notes:

(a) Subsidiaries of the Fund wholly own these NZ assets (and the NZD financing of these NZ assets) and consequently the impact of AUD / NZD FX rate revaluations against rates at acquisition date have been measured and reported separately on a net basis in the foreign currency translation reserve. For the purposes of disclosing unrealised gains on investment properties, "Cost" has been translated at year end AUD / NZD FX rates per the RBA: \$A1 = \$NZ1.2428 (30-Jun-08: RBA: \$A1 = \$NZ1.2609)

Investment properties are carried at the Directors' determination of fair value and are based on independent valuations where appropriate. The determination of fair value includes reference to the original acquisition cost together with capital expenditure since acquisition and either the latest full independent valuation, latest independent update or director's valuation. Total acquisition costs include incidental costs of acquisition such as property taxes on acquisition, legal and professional fees and other acquisition related costs.

Independent valuations of each investment property are conducted annually either in December or June of each year. This schedule was adopted in the current financial year. The key assumptions on a portfolio basis contained within the independent director valuations above are as follows:

- A weighted average capitalisation rate for the portfolio of 9.1%
- The stabilised weighted average occupancy level, after assessing historical performance and other critical matters likely to affect occupancy performance was 92%.
- Current storage fee rates.

Independent valuations are prepared using both the capitalisation of net income method and the discounting of future cash flows to their present value method. Capital expenditure since valuation may include purchases of sundry properties (and associated expenses of stamp duty, legal fees etc) and other capital refurbishment and repair expenditure.

The investment properties are used as security for secured bank debt.

The current investment property is a commercial property located in Queanbeyan. The property was sold on 17 July 2009 for \$2.4 million.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

13. INVESTMENT PROPERTIES (continued)

	Consolidated	
	2009	2008
	\$'000	\$'000
Reconciliations		
Reconciliations of the carrying amounts of investment properties at the beginning		
And end of the current and previous financial year:		
Carrying amount at beginning of the financial period	215,820	202,701
Additions and capital expenditure	2,095	7,194
Acquisition of new investment properties	44,983	-
Acquisition through business combinations	55,682	-
Fair value adjustments for properties held at balance date	(3,939)	15,370
Foreign Exchange Gains/ (Losses)	578	(9,427)
Other	-	(18)
Carrying amount at end of the financial year	315,219	215,820
Less assets of the operating companies	(956)	(1,012)
Carrying amount at end of the financial year owned by the Trust	314,263	214,808

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

14. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
At 1 July, net of accumulated depreciation	1,012	1,440	857	1,252
Acquisition of subsidiary (note 20)	188	-	-	-
Additions	122	136	36	102
Depreciation charge for the year	(366)	(564)	(288)	(497)
At 30 June, net of accumulated depreciation	956	1,012	605	857
Cost or fair value	2,813	2,503	2,181	2,145
Accumulated depreciation	(1,857)	(1,491)	(1,576)	(1,288)
Net carrying amount at end of period	956	1,012	605	857

15. TRADE AND OTHER PAYABLES

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Trade creditors	832	82	303	(4)
Payables due to related parties	730	-	1,620	-
Security deposits	368	155	99	125
Unearned revenue	1,355	853	439	472
Goods and services tax	529	(93)	17	33
Accruals and other	467	171	36	47
Total trade and other payables	4,281	1,168	2,513	673

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

16. INTEREST BEARING LOANS AND BORROWINGS

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(a) Current				
Loan from related parties	8,895	3	-	-
Bank loans - A\$	-	3,955	-	-
Bank loans - NZ\$	-	38,861	-	-
	8,895	42,819	-	-
(b) Non-current				
Bank loans - A\$	119,013	60,894	-	-
Bank loans - NZ\$	61,262	15,029	-	-
Loan from related parties	20,755	-	38,079	-
	201,030	75,923	38,079	-
(c) Maturity profile of current and non-current interest bearing loans				
Due within one year	8,895	42,819	-	-
Due between one and five years	201,030	75,923	38,079	-
Due after five years	-	-	-	-
	209,925	118,742	38,079	-

ASF maintains a range of interest-bearing loans and borrowings. The sources of funding are split between two counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and cost of debt.

- (1) Bank loans – A\$ are provided by two major banks at floating interest rates. The loans are denominated in Australian dollars and the term to maturity varies from August 2010 to December 2011. The interest on floating rate borrowings are paid quarterly based on existing swap and yield rates quoted on the rate reset date. The bank loans are secured by a charge over the investment properties and certain property, plant and equipment as detailed in note 13 and 14. Approximately 83.3% (2008: 78.6%) of available bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 4.5 years (2008: 7.17 years). ASF's effective interest rate as at 30 June 2009 was 7.03% (2008: 6.75%).
- (2) Bank loans – NZ\$ are provided by two major banks at interest rates that include both fixed and floating arrangements. The loans are denominated in New Zealand dollars and the term to maturity varies from September 2010 to December 2011. The bank loans are secured by a charge over the investment properties and certain property, plant and equipment detailed in Note 13 and 14. The interest on floating rate borrowings is paid quarterly based on existing swap and yield rates quoted on the rate reset date. Approximately 89.2% (2008: 100%) of available bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 1.29 years (2008: 2.40 years). ASF's effective interest rate as at 30 June 2009 was 8.45% (2008: 8.2%).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

16. INTEREST BEARING LOANS AND BORROWINGS (continued)

- (3) Loans from related parties relates to a fixed rate loan provided by Abacus Property Group to assist in funding the acquisition of storage sites and provide working capital during equity capital raising from the public. The interest rate on the borrowing was 8.25% p.a for the first half of the year and 7.42% for the second half of the year (2008:8.25%). The loan matures in July 2010 and has a remaining term to maturity of 1.08 years, and whilst anticipated may be paid earlier (portion classified as current) is not required to be paid until July 2010 and may be renegotiated if necessary, dependant upon equity inflows. If the Working Capital Facility is not repaid from equity subscriptions it may be converted to equity (see Note 17).

The Working Capital Facility attracts an interest charge in addition to the quoted 7.42% interest rate. The further interest charge is equivalent to the percentage increase or decrease of the current unit issue price during the financial year applied to the balance of the Working Capital Facility. In addition, the Working Capital Facility is subordinated to bank debt and creditors and ranks proportionally with security holders on a return of capital in the event of a deficit/ shortfall to issue price.

(d) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Total facilities				
Bank loans	188,008	120,700	-	-
Facilities used at reporting date				
Bank loans	180,275	118,739	-	-
Facilities unused at reporting date				
Bank loans	7,733	1,961	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009
17. CONTRIBUTED EQUITY

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
(a) Issued stapled securities				
Stapled securities	77,187	71,581	8,136	7,730
Total contributed equity	77,187	71,581	8,136	7,730

(b) Movement in stapled securities on issue

	CONSOLIDATED Stapled securities		PARENT Shares	
	Number	Value	Number	Value
	'000	\$'000	'000	\$'000
At 1 July 2008	77,046	71,581	77,046	7,730
- equity raising	4,870	5,772	4,870	403
- distribution reinvestment plan	28	32	28	3
- less transaction costs	-	(198)	-	-
Securities on issue at 30 June 2009	81,944	77,187	81,944	8,136

Terms and conditions of units

Each unit confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the scheme. Unit holders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- Receive income distributions;
- Attend and vote at meetings of unitholders;
- Participate in the termination and winding up of the scheme;
- The working capital loan from Abacus Property Group has the same priority as units in a return of capital on winding up. Furthermore, the working capital loan participates in any deficit on winding up in the same proportion as unit holders. The working capital loan can participate in upside, see Note 16 (3). Prior to a winding up and at any time before repayment date Abacus Property Group may require the working capital loan to be converted into units at the current issue price.
- A liquidity facility whereby unitholders may elect to sell their units (up to 1.25% of issued units per quarter) at 95% of the issue price of ASF units under the current PDS unless otherwise suspended. The facility is suspended if Abacus Property Group has a relevant interest of 19.99% of ASF.

CAPITAL MANAGEMENT

ASF seeks to manage its capital requirements through a mix of debt and equity funding. It also ensures that it complies with capital and distribution requirements of its trust deed, the capital requirements of relevant regulatory authorities and continues to operate as a going concern. ASF also protects its equity in assets by taking out insurance.

ASF assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. In addition to tracking actual against budgeted performance, ASF continuously reviews its capital structure to ensure sufficient funds and financing facilities, on a cost effective basis are available to implement ASF's strategy that adequate financing facilities are maintained and distributions to members are made within the stated distribution guidance.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009
17. CONTRIBUTED EQUITY (continued)

ASF actively manages its capital via the following strategies: issuing units, adjusting the amount of distributions paid to members, activating its distribution reinvestment plan (presently active at 2% discount to the net asset value), activating a unit buyback program, divesting assets, active management of the ASF's fixed rate swaps or (where practical) recalibrating the timing of transactions and capital expenditure so as to avoid a concentration of net cash outflows.

A summary of the ASF's key banking covenants are set out below. It is recognised that falling property prices could place pressure on compliance with the LVR. With financial support from APG to the extent necessary, ASF anticipates managing its covenant compliance by effecting the strategies set out above.

Covenant	Measure	Key details
Nature of facilities	Secured, non recourse	ASF has no unsecured bank facilities
Loan Valuation Ratio	65% to 72%	Drawn Loan / Bank accepted valuations
Interest Cover Ratio	1.5	Net rental income / Interest expense paid to banks

18. RELATED PARTY DISCLOSURES
(a) Responsible Entity

The Responsible Entity of ASF is ASFML an Australian Financial Services License holder, whose immediate and ultimate holding company is AGHL.

Transactions between the fund and the Responsible Entity result from normal dealings with that company as the fund's Responsible Entity.

(b) Details of Key Management Personnel
(i) Directors

The Directors of ASFML are considered to be Key Management Personnel of the fund. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

John Thame	Chairman
Frank Wolf	Managing Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director
Malcolm Irving	Non-executive Director
Len Lloyd	Director

Directors have been in office for the entire period unless otherwise disclosed.

(ii) Executives

E Varejes	Chief Operating Officer and Company Secretary
T Hardwick	Director – Funds Management
R de Aboitiz	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2009****18. RELATED PARTY DISCLOSURES (continued)***(ii) Director-related entity transactions*

Mr Dennis Bluth, partner in HWL Ebsworth Lawyers, is a director of the Responsible Entity and AGHL. HWL Ebsworth Lawyers, was paid \$3,177 (2008: \$22,896) for legal services relating to corporate issues and lease documentation.

(iii) Other Key Management Personnel

In addition to the Directors noted above, ASFML, the Responsible Entity of the fund is considered to be Key Management Personnel with the authority for the strategic direction and management of the Fund.

(iv) Compensation of Key Management Personnel

No amount is paid by the fund directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the fund to the Directors as Key Management Personnel.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 18 (c).

(c) Fees

ASFML provides management and investment accounting services to the Fund.

All costs associated with the provision of investment accounting services are paid for by the Responsible Entity, and are conducted on normal commercial terms and conditions.

The Responsible Entity receives all management fees that have been paid by the Fund during the year. In accordance with Fund's offer document and constitution, the Responsible Entity is entitled to receive a management fee of 0.825% (2008:0.825%) of the total assets of the fund under the terms of the Constitution. The fees are paid on a monthly basis. Total fees paid to the Responsible Entity during the year for management of the Fund were \$1,196,397 (2008: \$1,844,324).

As at the balance sheet date \$353,896 (2008: \$81,659) was owed to the Responsible Entity in relation to management fees.

During the period the Responsible Entity incurred no expenses on behalf of the Fund.

(d) Related party transactions*(i) Related parties*

Transactions between the Fund and the Responsible Entity during the year are outlined in note 18(c) above.

Transactions between the Fund and other funds also managed by the Responsible Entity consisted of the sale of securities in the funds to related managed funds, purchases of securities in related managed funds, and receipt and payment of distributions on normal commercial terms and conditions.

The amounts outstanding payable or receivable at 30 June 2009 represent the value of the securities issued or held and any amount of distribution payable or receivable.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

18. RELATED PARTY DISCLOSURES (continued)

(ii) Other related entity transactions

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Transactions with related parties other than associates and joint ventures				
Expense				
Management fee	1,196	1,844	-	-
Other fees	1,396	-	-	-
Other transactions				
Loan advanced from related party	34,649	9,839	-	-
Loan repayments to related party	5,002	9,837	-	-
Interest expense of loan from related party	1,156	251	-	-
Loan received from entities within the Fund	-	-	38,079	-
Interest expense on loan from within the Fund	-	-	969	-
Rent received from Intra group	-	-	8,048	8,048
Purchase of properties	44,983	-	-	-
Purchase of controlled entity	39,587	-	39,587	-

Sales and fees to, and purchases and fees charged from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from related parties during the year.

(iii) Loan from Abacus Finance Pty Limited

During the financial year, Abacus Property Group, as part of the Abacus Working Capital Facility subjected to a Facility Agreement, advanced loans to the Fund to assist in financing the acquisition of fund assets. Interest is charged at a rate of 7.42% per annum. The balance of these loans (including accrued interest) at year-end is \$29,680,627 payable (2008: \$2,668). Interest expense of \$1,155,942 was incurred on these loans.

Refer to Note 16 (c) for additional terms and conditions of the loan.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

18. RELATED PARTY DISCLOSURES (continued)

(e) Investments

(i) Related party investments of the fund

The Fund has no investment in other managed funds also managed by the Responsible Entity.

(ii) Related party investments in the Scheme

Details of investments in the Fund by related funds and the Abacus Property Group are set out below:

2009	Fair value of holdings \$'000	% interest	Securities held	Securities acquired	Securities disposed	Distributions paid / payable
Fund						
Abacus Diversified Income Fund II	-	0.0%	-	-	8 million	505,000
Abacus Group Holdings Limited	8,159	8.4%	6.91 million	6.91 million	-	151,248
Abacus Trust	5,513	6.0%	4.89 million	-	0.13 million	412,902
Abacus Storage Funds Management Limited	864	0.9%	0.77 million	-	-	65,507

2008	Fair value of holdings \$'000	% interest	Securities held	Securities acquired	Securities disposed	Distributions paid / payable
Fund						
Abacus Diversified Income Fund II	9,200	10.4%	8 million	8 million	-	660,000
Abacus Trust	5,773	6.5%	5.02 million	5.02 million	-	182,397
Abacus Storage Funds Management Limited	886	1.0%	0.77 million	0.77 million	-	15,895

(f) Subsidiaries

Investments held in subsidiaries are disclosed in Note 22 Transactions with wholly owned subsidiaries are on normal commercial terms and eliminate in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS

(i) Credit Risk

Credit Risk Exposures

The Fund's maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED		PARENT	
	Carrying Amount			
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Receivables	793	446	327	440
Related party receivables	-	-	16,962	3,212
Cash and cash equivalents	3,014	2,212	1,284	1,168
Derivatives #	-	4,655	-	-
	3,807	7,313	18,573	4,820

The principal value of the interest rate swap was \$138.5 million.

Impairment – Receivables

The following table illustrates grouping of the Fund's trade receivables.

	2009		2008	
	Gross	Impairment	Gross	Impairment
	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED				
Not past due - trade receivables	491	-	359	-
Not past due - related party loan	-	-	-	-
Past due 0-30 days	147	-	58	-
Past due 31-60 days	75	-	19	-
Past due 90+ days* Past due not impaired	80	-	10	-
	793	-	446	-

	2009		2008	
	Gross	Impairment	Gross	Impairment
	\$'000	\$'000	\$'000	\$'000
PARENT				
Not past due - trade receivables	232	-	357	-
Not past due - related party loan	-	-	-	-
Past due 0-30 days	46	-	56	-
Past due 31-60 days	15	-	17	-
Past due 90+ days* Past due not impaired	34	-	10	-
	327	-	440	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(ii) Liquidity Risk

The table below shows an analysis of the contractual maturities of key liabilities, which forms part of the Fund's assessment of liquidity risk.

CONSOLIDATED	Carrying Amount	Contractual cash flows	1 Year or less	Over 1 year to 5 years	Over 5 years
30-Jun-09	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Trade and other payables	4,281	4,281	4,281	-	-
Interest bearing loans & borrowings #	214,022	231,396	14,483	217,293	-
Total liabilities	218,303	235,677	18,764	217,293	-

PARENT	Carrying Amount	Contractual cash flows	1 Year or less	Over 1 year to 5 years	Over 5 years
30-Jun-09	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Trade and other payables	2,513	2,513	-	-	-
Interest bearing loans & borrowings	38,079	64,099	-	-	64,099
Total liabilities	40,592	66,612	-	-	64,099

CONSOLIDATED	Carrying Amount	Contractual cash flows	1 Year or less	Over 1 year to 5 years	Over 5 years
30-Jun-08	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Trade and other payables	1,168	1,168	1,168	-	-
Interest bearing loans & borrowings	118,742	135,349	46,575	88,774	-
Total liabilities	119,910	136,517	47,743	88,774	-

PARENT	Carrying Amount	Contractual cash flows	1 Year or less	Over 1 year to 5 years	Over 5 years
30-Jun-08	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Trade and other payables	673	673	673	-	-
Interest bearing loans & borrowings	-	-	-	-	-
Total liabilities	673	673	673	-	-

The principal value of the interest rate swap was \$138.5 million.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(iii) Currency Risk

The following table shows the Fund's investments denominated in a foreign currency.

	NZD	
	2009	2008
	\$'000	\$'000
CONSOLIDATED		
Assets		
Cash at bank	500	1,018
Trade and other receivables	155	272
Total assets	655	1,290

	NZD	
	2009	2008
	\$'000	\$'000
Liabilities		
Trade and other payables	474	463
Interest bearing loans and borrowings	79,097	67,950
Total liabilities	79,571	68,413

The Fund borrows loan funds in New Zealand dollars to substantially match the foreign currency asset value exposure with a corresponding foreign currency liability and therefore expects to substantially mitigate the foreign currency risk on its New Zealand denominated asset values.

The parent has no NZD denominated assets or liabilities.

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date:

At 30 June 2009, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

Judgements of reasonable possible movements:	Post tax Profit		Equity	
	Higher/(Lower)		Higher/(Lower)	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Consolidated				
AUD/NZD +10%	(1)	(16)	-	-
AUD/NZD -10%	1	19	-	-
Parent				
AUD/NZD +10%	-	-	-	-
AUD/NZD -10%	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(iv) Interest rate risk

The Fund's exposure to interest rate risk and the effective weighted average interest rates for each class of financial asset and financial liability are:

CONSOLIDATED 30-Jun-09	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial Assets					
Cash & cash equivalents	3,014	-	-	-	3,014
Receivables	-	-	-	793	793
Total financial assets	3,014	-	-	793	3,807
weighted average interest rate	2.93%				
Financial liabilities					
Interest bearing liabilities - bank	26,390	-	153,774	-	180,164
Related party loans	-	8,895	20,755	-	29,650
Derivatives	-	-	-	4,097	4,097
Payables	-	-	-	4,281	4,281
Total financial liabilities	26,390	8,895	174,529	8,378	218,192
Weighted average interest rate	4.80%	7.42%	7.19%		

CONSOLIDATED 30-Jun-08	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial Assets					
Cash & cash equivalents	2,212	-	-	-	2,212
Receivables	-	-	-	446	446
Derivatives	-	-	-	4,655	4,655
Total financial assets	2,212	-	-	5,101	7,313
weighted average interest rate	7.34%				
Financial liabilities					
Interest bearing liabilities - bank	13,924	38,690	66,128	-	118,742
Payables	-	-	-	1,168	1,168
Total financial liabilities	13,924	38,690	66,128	1,168	119,910
Weighted average interest rate	8.69%	8.26%	7.00%		

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(iv) Interest rate risk (continued)

PARENT 30-Jun-09	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Fixed interest maturing in over 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial Assets						
Cash & cash equivalents	1,284	-	-	-	-	1,284
Receivables	-	-	-	-	17,289	17,289
Total financial assets	1,284	-	-	-	17,289	18,573

weighted average interest rate 2.93%

Financial liabilities

Related party loans	-	-	-	38,079	-	38,079
Payables	-	-	-	-	2,513	2,513
Total financial liabilities	-	-	-	38,079	2,513	40,592

Weighted average interest rate 7.20%

PARENT 30-Jun-08	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Fixed interest maturing in over 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial Assets						
Cash & cash equivalents	1,168	-	-	-	-	1,168
Trade and other receivables	-	-	-	-	440	440
Total financial assets	1,168	-	-	-	440	1,608

weighted average interest rate 7.34%

Financial liabilities

Payables	-	-	-	-	673	673
Total financial liabilities	-	-	-	-	673	673

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2009
19. FINANCIAL INSTRUMENTS (continued)
(iv) Interest rate risk (continued)
Summarised interest rate sensitivity analysis

The table below illustrates the potential impact a change in interest rate by +/- 1% would have had on the Fund's profit and equity:

CONSOLIDATED	Carrying amount	AUD			
		-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30-Jun-09	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	2,612	(26)	-	26	-
Financial liabilities	21,517	(1,221)	-	1,096	-

PARENT	Carrying amount	AUD			
		-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30-Jun-09	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,284	(13)	-	13	-

CONSOLIDATED	Carrying amount	AUD			
		-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30-Jun-08	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,190	(12)	-	12	-
Financial liabilities	13,924	139	-	(139)	-

PARENT	Carrying amount	AUD			
		-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30-Jun-08	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,168	(12)	-	12	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(iv) Interest rate risk (continued)

CONSOLIDATED 30-Jun-09	Carrying amount Floating \$'000 NZD	NZ			
		-1%		+1%	
		Profit	Equity	Profit	Equity
		\$'000 NZD	\$'000 NZD	\$'000 NZD	\$'000 NZD
Financial assets	500	(5)	-	5	-
Financial liabilities	11,147	(511)	-	556	-

CONSOLIDATED 30-Jun-08	Carrying amount Floating \$'000 NZD	NZ			
		-1%		+1%	
		Profit	Equity	Profit	Equity
		\$'000 NZD	\$'000 NZD	\$'000 NZD	\$'000 NZD
Financial assets	1,290	(13)	-	13	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

19. FINANCIAL INSTRUMENTS (continued)

(v) Fair values

As at 30 June 2009, the carrying amounts and fair values of financial assets and financial liabilities are:

	Carrying Amount 2009 \$'000	Fair Value 2009 \$'000	Carrying Amount 2008 \$'000	Fair Value 2008 \$'000
CONSOLIDATED				
Financial assets				
Cash and cash equivalents	3,014	3,014	2,212	2,212
Trade and other receivables	793	793	446	446
Total financial assets	3,807	3,807	2,658	2,658
Financial Liabilities				
Trade and other payables	4,281	4,281	1,168	1,168
Interest bearing loans and borrowings	209,925	210,515	118,742	118,742
Derivatives	4,097	4,097	(4,655)	(4,655)
Total financial liabilities	218,303	218,893	115,255	115,255
Net financial assets / (liabilities)	(214,496)	(215,086)	(112,597)	(112,597)

	Carrying Amount 2009 \$'000	Fair Value 2009 \$'000	Carrying Amount 2008 \$'000	Fair Value 2008 \$'000
PARENT				
Financial assets				
Cash and cash equivalents	1,284	1,284	1,168	1,168
Trade and other receivables	17,289	17,289	440	440
Total financial assets	18,573	18,573	1,608	1,608
Financial Liabilities				
Trade and other payables	2,513	2,513	673	673
Interest bearing loans and borrowings	38,079	38,079	-	-
Total financial liabilities	40,592	40,592	673	673
Net financial assets / (liabilities)	(22,019)	(22,019)	935	935

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

20. BUSINESS COMBINATION

On 29 December 2008, Abacus Storage Fund (ASF) acquired 100% of the voting shares of Abacus Storage Solutions Pty Ltd (ASSPL), a company based in Australia that operates self-storage facilities in Townsville and Brisbane as well as a single self-storage facility in Hamilton, New Zealand. ASSPL at the time of the acquisition, owned 58% of the voting shares of U Stow It Holdings Ltd (USI), an unlisted public company that owns and operates three self-storage businesses in Canberra, has two storage developments sites in the area and also owns some ancillary commercial property. ASF acquired 100% of issued ASSPL shares for a total consideration of \$26.9 million.

The acquisition accounting for the purchase of 58% of the equity of U-Stow -It Holdings is provisional at 30 June 2009. The acquisition accounting will be completed in FY10 following the purchase of the remaining minority interest which occurred on 31 July 2009.

The fair value of the identifiable assets and liabilities of ASSPL as at the date of acquisition were:

	Recognised on acquisition	Carrying value
Business combination	\$000	\$000
Cash and cash equivalents	690	690
Trade receivables	90	90
Financial assets	61	61
Investment properties	55,691	55,691
Property, plant and equipment	188	188
Deferred tax assets	25	25
Assets	56,745	56,745
Trade payables	1,588	1,588
Provisions	2	2
Bank borrowings	10,261	10,261
Income tax liability	225	225
Deferred tax liability	6,643	6,643
Liabilities	18,719	18,719
Fair value on identifiable net assets	38,026	
less: Outside equity interest	(16,308)	
Fair value of ASF's share	21,718	
Goodwill arising on acquisition	5,148	
	26,866	
represented by:		
Cash Paid	26,610	
Direct costs relating to the acquisition	256	
Total cost of the acquisition	26,866	

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

20. BUSINESS COMBINATION (continued)

On 31 December 2008, Abacus Storage Fund (ASF) acquired a further 28% of the issued shares in U Stow It Holdings Limited (USI) for a total consideration of \$12.7 million.

The acquisition accounting for the purchase of 28% of the equity of U-Stow -It Holdings is provisional at 30 June 2009. The acquisition accounting will be completed in FY10 following the purchase of the remaining minority interest which occurred on 31 July 2009.

The fair value of the identifiable assets and liabilities of USI as at the date of acquisition were:

	Recognised on acquisition	Carrying value
Business combination	\$000	\$000
Cash and cash equivalents	482	482
Trade receivables	93	93
Financial assets	(27)	(27)
Investment properties	55,706	55,706
Deferred tax assets	25	25
Assets	56,279	56,279
Trade payables	1,410	1,410
Provisions	2	2
Loans	10,261	10,261
Income tax liability	172	172
Deferred tax liability	6,643	6,643
Liabilities	18,488	18,488
Fair value on identifiable net assets	37,791	
less: Remaining shareholding (72.4%)	(27,358)	
Fair value of ASF's share	10,434	
Goodwill arising on acquisition	1,430	
	11,864	
represented by:		
Cash paid	11,469	
Acquisition costs on business combination	326	
Direct costs relating to the acquisition	69	
Total cost of the acquisition	11,864	

The acquiree contributed \$1.8 million towards the Fund's profit in the year ended 30 June 2009.

On 31 July 2009, the Fund acquired the remaining 14.3% shares in U-Stow-It Holdings for \$5.99 million taking ASOL's interest to 100% of the issued share capital. Disclosure of the nature and financial effect of the business combination from the acquisition of the remaining minority interest is impractical due to the timing of the acquisition being close to the preparation of these accounts and therefore these disclosures have been excluded.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

21. COMMITMENTS AND CONTINGENCIES

Commitments contracted for and other contingent liabilities at reporting date but not recognised as liabilities are as follows:

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Capital commitments:				
Within one year				
- Store expansion	-	1,060	-	-
	-	1,060	-	-

22. DETAILS OF CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of the following entities listed in the following table:

Name	Equity interest		Carrying value	
	2009	2008	2009	2008
	%	%	\$'000	\$'000
Abacus Storage Operations Limited and its subsidiaries:				
Balmain Storage Pty Limited	100	100	-	-
Abacus Storage (Bulleen and Greensborough) Pty Limited	100	100	-	-
Abacus Storage NZ Operations Pty Limited	100	100	-	-
Abacus Storage Solutions Pty Limited	100	-	26,866	-
Abacus Storage Solutions NZ Pty Limited	100	-	-	-
Abacus USI C Trust	100	-	-	-
Abacus U Stow It A1 Trust	100	-	-	-
Abacus U Stow It B1 Trust	100	-	-	-
Abacus U Stow It A2 Trust	100	-	-	-
Abacus U Stow It B2 Trust	100	-	-	-
U Stow It Holdings Limited	86	-	-	-
U Stow It Pty Limited	86	-	-	-
Abacus Storage Property Trust and its subsidiary:				
Abacus Storage NZ Property Trust	100	100	17,732	17,732

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2009

23. AUDITOR'S REMUNERATION

The auditor of the Fund is Ernst & Young.

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
Amounts received or due and receivable by Ernst & Young Australia for:				
- an audit of the financial report of the entity and any other entity in the consolidated entity	189,362	81,976	31,482	81,976
- taxation related services	-	9,888	-	9,888
	189,362	91,864	31,482	91,864

24. EVENTS AFTER THE BALANCE SHEET DATE

On 17 July the Fund sold a commercial property in Queanbeyan for \$2.4 million

On 31 July the Fund acquired the remaining shares in U-Stow-It Pty Limited for cash consideration of \$6.0 million.

DIRECTORS' DECLARATION

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

(1) in the opinion of the Directors:

(a) the financial statements, notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including :

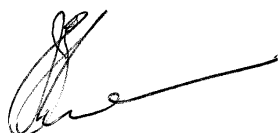
(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

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

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Abacus Storage Funds Management Limited (ABN 66 007 415 590)



John Thame
Chairman



Frank Wolf
Managing Director

Sydney, 24 September 2009

Independent auditor's report to the members of Abacus Storage Operations Limited

Report on the Financial Report

We have audited the accompanying financial report of Abacus Storage Operations Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company 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 the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Abacus Storage Operations Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Abacus Storage Operations Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'K. Zdrilic'.

K. Zdrilic
Partner
Sydney
24 September 2009