

ANNUAL FINANCIAL REPORT

30 June 2011

Directory**Responsible Entity:**

Abacus Storage Funds Management Limited
ABN 41 109 324 824
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 and
Abacus Storage Operations Limited**

John Thame, Chairman
Frank Wolf, Managing Director
David Bastian
Malcolm Irving
Len Lloyd
Myra Salkinder

Company Secretary:

Ellis Varejes

Custodian:

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

Auditor:

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

Compliance Plan Auditor:

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

Share Registry:

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney, NSW 2000
Tel: 1300 737 760
Fax: 1300 653 459

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It is 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 2011**

The Directors present their report of the Fund and the Trust together with the consolidated financial report 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" or the "Trust") for the year ended 30 June 2011.

DIRECTORS

The Directors of ASOL and ASFML 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
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director (retired 12 November 2010)
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director
Myra Salkinder	Non-executive Director (appointed 12 April 2011)

PRINCIPAL ACTIVITIES

The principal activity of the Fund and Trust during the period ended 30 June 2011 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") which is the parent of the Abacus Property Group ("Abacus" or "APG").

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

REVIEW OF OPERATIONS

The Fund incurred a net profit attributable to unitholders of \$19.9 m for the year ended 30 June 2011 (2010: \$10.8m profit). This profit has been calculated in accordance with Australian Accounting Standards and includes a fair value gain on investments of \$16.5m (2010: \$3.6m gain) and fair value loss on derivatives of \$1.3m (2010: gain of \$1.9m).

DIRECTORS' REPORT**30 JUNE 2011****REVIEW AND RESULTS OF OPERATIONS (continued)**

	2011	2010
Total Assets (\$ '000)	336,903	325,500
Gearing (%) *	53.74%	56.16%
Net Assets (\$ '000)	115,518	103,653
Net Tangible Assets (\$ '000)	115,518	103,653
Net Asset Value per security (\$)	1.32	1.19
Pro forma Net Asset Value per security (\$)	1.29	1.19
Securities on issue ('000)	87,275	87,172
Weighted average securities on issue ('000)	87,229	85,386

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

INDIRECT COST RATIO

The Indirect Cost Ratio 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 including management fees, custody fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional or operational costs.

The Indirect Cost Ratio for the Fund for the year ended 30 June 2011 was 1.27% (2010: 1.30%) .

REVIEW OF FINANCIAL CONDITION

At 30 June 2011, existing bank loan facilities totalled approximately \$136.3 million in Australian dollar denominated loans, of which \$125.7 million was drawn, and NZ\$69.6 million (A\$53.7 million) in New Zealand dollar denominated loans, of which NZ\$67.7 million (A\$52.3 million) was 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 2011, approximately \$138.7 million or 77.9% of total debt facilities were covered by interest rate swap arrangements at an average effective interest rate (including bank margin) of 7.8% with an average term to maturity of 2.4 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 facility was 53.74% at 30 June 2011 compared to 56.16% at 30 June 2010.

DIRECTORS' REPORT**30 JUNE 2011****DISTRIBUTIONS**

The Fund distributions in respect of the year ended 30 June 2011 were \$7.6 million (June 2010: \$7.5 million), which is equivalent to 8.75 cents per stapled security (June 2010: 8.75 cents). This distribution includes 2.1875 cents (\$1.9 million) that was paid on 8 August 2011. Further details on the distributions are set out in note 7 of the financial statements.

STAPLED SECURITIES ON ISSUE

During the year 0.1 million stapled securities were issued and at 30 June 2011 there were 87.23 million stapled securities on issue (2010: 87.17 million). The number of units issued during the year are disclosed in note 15.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Net assets and total equity increased from \$103.7 million to \$115.5 million reflecting favourable property revaluations during the year ended 30 June 2011.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed already in this report, there has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect, the Fund's operations in future financial periods, the results of those operations or the Funds state of affairs in future financial periods.

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.

DIRECTORS' REPORT**30 JUNE 2011****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 \$3 billion worth of property related transactions, corporate acquisitions and divestments and has financed specialist property-based assets in the retirement and hospitality sectors. Dr Wolf is a director of HGL Limited, a diversified publicly listed investment company.	
David Bastian CPA	Non-executive Director
Mr Bastian is a Non-Executive Director and has almost 40 years' experience in the financial services industry. He was the Managing Director of the Group until September 2006, 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 FCPA, SF Fin, BCom, Hon DLitt	Non-executive Director
Mr Irving is a Non-Executive Director and has over 40 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. He was a director of Thales Australia Limited (2000 to 2010). He is also a director of O'Connell Street Associates Pty Ltd and Macquarie University Hospital.	
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.	
Myra Salkinder MBA, BA	Non-executive Director
Mrs Salkinder is a Non-Executive Director and is a senior executive of the Kirsh Group. She has been integrally involved over many years with the continued expansion of the Kirsh Group's property and other investments, both in South Africa and internationally. Mrs Salkinder is a director of various companies associated with the Kirsh Group worldwide.	
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.	

DIRECTORS' REPORT**30 JUNE 2011****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 with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Fund's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and license requirements and in accordance with industry standards. No breaches of requirements or any environmental issues have been discovered and brought to the Board's attention. There have been no known significant breaches of any environmental requirements applicable to the Fund.

Indemnification and Insurance of Directors and Officers

ASFML has paid an insurance premium in respect of a contract insuring all directors and 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 7.

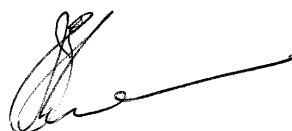
NON-AUDIT SERVICES

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

ROUNDING

The amounts contained in this report and in the financial report have been rounded under the option to the Scheme under ASIC Class Order 98/0100. The Scheme is an entity to which the Class Order applies, and in accordance with the Class Order, amounts in the Directors Report and the financial report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Signed in accordance with a resolution of the directors.



John Thame
Chairman

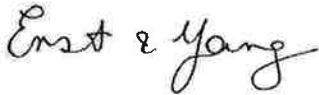


Frank Wolf
Managing Director

Sydney, 15 September 2011

Auditor's Independence Declaration to the Directors of Abacus Storage Operations Limited and the Directors of Abacus Storage Funds Management Limited as Responsible Entity for the Abacus Storage Property Trust

In relation to our audit of the financial report of Abacus Storage Fund comprising Abacus Storage Operations Limited and the entities it controlled and Abacus Storage Property Trust and the entities it controlled for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

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

Ernst & Young

A handwritten signature in cursive script that appears to read 'K. Zdrilic'.

K. Zdrilic
Partner
15 September 2011

ABACUS STORAGE FUND

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 30 JUNE 2011

		ASF	ASF	ASPT	ASPT
		Consolidated	Consolidated	Consolidated	Consolidated
		2011	2010	2011	2010
	Notes	\$'000	\$'000	\$'000	\$'000
REVENUE					
Rental income		36,607	35,498	18,587	18,343
Finance income		105	54	4,097	2,388
Merchandising income		3,458	2,974	-	-
Gain on disposal of investment property		71	-	-	-
Net change in fair value of investment properties held at balance date		16,477	3,628	8,973	1,774
Net change in fair value of financial instruments derecognised		469	-	469	-
Insurance recoveries		1,025	-	913	-
Total Revenue and Other Income		58,212	42,154	33,039	22,505
Operating expenses		(7,215)	(6,915)	(709)	(646)
Management and supervision fees		(5,302)	(5,090)	-	-
Responsible entity fees		(1,399)	(1,372)	(1,137)	(1,106)
License and retainer fees		(1,486)	(1,432)	-	-
Depreciation expense		(271)	(332)	-	-
Net change in fair value of financial instruments held at balance date		(1,341)	1,936	(1,341)	1,936
Finance costs	5	(17,309)	(15,488)	(17,140)	(14,625)
Other expenses		(627)	(422)	(544)	(488)
PROFIT BEFORE TAX		23,262	13,039	12,168	7,576
Income tax expense	6	(3,327)	(2,219)	-	-
PROFIT AFTER TAX		19,935	10,820	12,168	7,576
less: net profit attributable to non-controlling interests					
Abacus Storage Property Trust		(12,168)	(7,576)	(12,168)	(7,576)
NET PROFIT ATTRIBUTABLE TO MEMBERS OF ASOL		7,767	3,244	-	-
Net profit attributable to members of the Fund analysed by amounts attributable to:					
ASOL members		7,767	3,244	-	-
ASPT members		12,168	7,576	12,168	7,576
NET PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE FUND		19,935	10,820	12,168	7,576

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2011

	Notes	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
NET PROFIT AFTER TAX		19,935	10,820	12,168	7,576
OTHER COMPREHENSIVE INCOME					
Foreign exchange translation adjustments, net of tax		(554)	84	(560)	162
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,381	10,904	11,608	7,738
Total comprehensive income attributable to members of the Fund:					
Members of the parent entity (ASOL)		7,773	3,166	-	-
Members of other stapled entities					
Non-controlling interest - Abacus Storage Property Trust		11,608	7,738	11,608	7,738
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,381	10,904	11,608	7,738

CONSOLIDATED STATEMENT OF DISTRIBUTION

YEAR ENDED 30 JUNE 2011

	Notes	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
STATEMENT OF DISTRIBUTION					
Net profit attributable to stapled security holders		19,935	10,820	12,168	7,576
Transfer to retained earnings		(12,302)	(3,316)	(4,535)	(1,979)
Distributions paid and payable	7	7,633	7,504	7,633	5,597
Distribution per stapled security (cents)		8.75	8.75	8.75	6.56
Weighted average number of securities ('000)		87,229	85,386	87,229	85,386

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

		ASF	ASF	ASPT	ASPT
		Consolidated	Consolidated	Consolidated	Consolidated
		2011	2010	2011	2010
	Notes	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS					
Cash and cash equivalents	8	3,982	3,414	1,415	1,180
Trade and other receivables	9	713	1,094	1,292	4,362
Investment property held for sale	10	-	3,300	-	-
Prepayments and other assets		265	975	-	636
TOTAL CURRENT ASSETS		4,960	8,783	2,707	6,178
NON-CURRENT ASSETS					
Investment properties	10	331,133	315,764	269,955	262,133
Property, plant and equipment	11	810	830	-	-
Deferred tax assets	6c	-	123	-	-
Loan - U-Stow-It Pty Ltd		-	-	10,560	-
Loan - Abacus Storage Operations Limited		-	-	38,079	38,079
TOTAL NON-CURRENT ASSETS		331,943	316,717	318,594	300,212
TOTAL ASSETS		336,903	325,500	321,301	306,390
CURRENT LIABILITIES					
Trade and other payables	12	3,949	3,723	10,210	9,836
Interest-bearing loans and borrowings	13	-	134,288	-	120,496
Derivatives at fair value		109	824	109	823
Income tax payable		424	-	-	-
Distribution payable	7b	1,909	1,907	1,909	1,907
TOTAL CURRENT LIABILITIES		6,391	140,742	12,228	133,062
NON-CURRENT LIABILITIES					
Interest bearing loans and borrowings	13	209,601	77,684	209,601	77,684
Other payables		242	-	242	-
Derivatives at fair value		822	1,319	822	1,319
Deferred tax liabilities	6c	4,329	2,102	-	-
TOTAL NON-CURRENT LIABILITIES		214,994	81,105	210,665	79,003
TOTAL LIABILITIES		221,385	221,847	222,893	212,065
NET ASSETS		115,518	103,653	98,408	94,325
TOTAL EQUITY		115,518	103,653	98,408	94,325

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

		ASF	ASF	ASPT	ASPT
		Consolidated	Consolidated	Consolidated	Consolidated
		2011	2010	2011	2010
	Notes	\$'000	\$'000	\$'000	\$'000
EQUITY					
Contributed equity	15	82,977	82,860	74,724	74,616
Reserves		(2,543)	(1,989)	(2,793)	(2,233)
Retained earnings		35,084	22,782	26,477	21,942
TOTAL EQUITY		115,518	103,653	98,408	94,325
		ASF	ASF	ASPT	ASPT
		Consolidated	Consolidated	Consolidated	Consolidated
		2011	2010	2011	2010
		\$'000	\$'000	\$'000	\$'000
Total equity attributable to members of ASOL:					
Contributed equity		8,253	8,244	-	-
Foreign currency translation reserve		250	244	-	-
Retained earnings		8,607	840	-	-
Total equity attributable to members of ASOL		17,110	9,328	-	-
Total equity attributable to members of ASPT:					
Contributed equity		74,724	74,616	74,724	74,616
Foreign currency translation reserve		(2,793)	(2,233)	(2,793)	(2,233)
Retained earnings		26,477	21,942	26,477	21,942
Total equity attributable to members of ASPT		98,408	94,325	98,408	94,325
TOTAL EQUITY		115,518	103,653	98,408	94,325

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2011

Consolidated ASF 2011	Attributable to the stapled security holder			
	Foreign			
	Issued capital	currency translation	Retained earnings	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
At 1 July 2010	82,860	(1,989)	22,782	103,653
Other comprehensive income / (loss)	-	(554)	-	(554)
Net profit for the year	-	-	19,935	19,935
Total comprehensive income / (expense) for the year	-	(554)	19,935	19,381
Distribution reinvestment plan	123	-	-	123
Issue costs	(6)	-	-	(6)
Distribution to security holders	-	-	(7,633)	(7,633)
At 30 June 2011	82,977	(2,543)	35,084	115,518

Consolidated ASF 2010	Attributable to the stapled security holder			External	
	Foreign			Non-	
	Issued capital	currency translation	Retained earnings	controlling interest	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2009	77,187	(2,073)	19,466	6,048	100,628
Other comprehensive income	-	84	-	-	84
Net profit for the year	-	-	10,820	-	10,820
Total comprehensive income for the year	-	84	10,820	-	10,904
Securities issued	6,058	-	-	-	6,058
Distribution reinvestment plan	90	-	-	-	90
Issue costs	(151)	-	-	-	(151)
Distribution to security holders	-	-	(7,504)	-	(7,504)
Acquisition of non controlling interest	(324)	-	-	(6,048)	(6,372)
At 30 June 2010	82,860	(1,989)	22,782	-	103,653

ABACUS STORAGE FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2011

Consolidated ASPT 2011				
	Attributable to the unit holder			
	Foreign			
	Issued capital	currency translation	Retained earnings	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
At 1 July 2010	74,616	(2,233)	21,942	94,325
Other comprehensive income / (loss)	-	(560)	-	(560)
Net profit for the year	-	-	12,168	12,168
Total comprehensive income / (expense) for the year	-	(560)	12,168	11,608
Distribution reinvestment plan	114	-	-	114
Issue costs	(6)	-	-	(6)
Distribution to unit holders	-	-	(7,633)	(7,633)
At 30 June 2011	74,724	(2,793)	26,477	98,408

Consolidated ASPT 2010				
	Attributable to the unit holder			
	Foreign			
	Issued capital	currency translation	Retained earnings	Total Equity
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
At 1 July 2009	69,049	(2,395)	19,963	86,617
Other comprehensive income	-	162	-	162
Net profit for the year	-	-	7,576	7,576
Total comprehensive income for the year	-	162	7,576	7,738
Units issued	5,634	-	-	5,634
Distribution reinvestment plan	84	-	-	84
Issue costs	(151)	-	-	(151)
Distribution to unit holders	-	-	(5,597)	(5,597)
At 30 June 2010	74,616	(2,233)	21,942	94,325

ABACUS STORAGE FUND

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2011

		ASF	ASF	ASPT	ASPT
		Consolidated	Consolidated	Consolidated	Consolidated
		2011	2010	2011	2010
	Notes	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES					
Income receipts		40,854	38,407	19,551	18,378
Interest received		105	54	3,455	3,140
Borrowing costs paid		(14,839)	(14,505)	(14,670)	(13,637)
Operating payments		(16,855)	(16,828)	(2,104)	(2,597)
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	9,265	7,128	6,232	5,284
CASHFLOWS FROM INVESTING ACTIVITIES					
Purchase of U-Stow-It Holdings Limited		-	(6,048)	-	-
Proceeds on sale of investment property		3,384	2,400	-	-
Payment for capital expenditure		(2,400)	(2,757)	(2,356)	(2,691)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		984	(6,405)	(2,356)	(2,691)
CASHFLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of stapled securities		-	6,058	-	5,634
Payment of issue costs		(6)	(151)	(6)	(151)
Proceeds from borrowings		188,750	11,714	191,518	9,055
Repayment of borrowings		(186,055)	(10,648)	(182,823)	(10,648)
Payment for financing costs		(4,771)	-	(4,771)	-
Distributions paid		(7,508)	(7,300)	(7,517)	(5,399)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(9,590)	(327)	(3,599)	(1,509)
NET INCREASE IN CASH AND CASH EQUIVALENTS		659	396	277	1,084
Net foreign exchange differences		(91)	4	(42)	4
Cash and cash equivalents at beginning of year		3,414	3,014	1,180	92
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	3,982	3,414	1,415	1,180

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****1. CORPORATE INFORMATION**

ASF (the "Fund") is comprised of Abacus Storage Operations Limited ("ASOL") and its subsidiaries and Abacus Storage Property Trust ("ASPT" or the "Trust") and its subsidiary.

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 Fund and the Trust for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 15 September 2011.

The nature of the operations and principal activities of the ASF and ASPT 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.

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 and the Trust under ASIC Class Order 98/100. The Fund and the Trust are entities to which the class order applies.

Net asset deficiency/Net current liability

At 30 June 2011, ASF has a net current asset deficiency of \$1.4m (2010: deficiency of \$132.0m). ASF has obtained a letter of support from Abacus Property Group ("APG") that to the extent necessary APG intends to provide financial support to enable ASF to pay its debts as and when they fall due.

(b) Statement of Compliance

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Fund and Trust have adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2010. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Fund or Trust.

- AASB 2009–5 Amendments to Australian Accounting Standards arising from the annual improvements project (AASB 117, AASB 101, AASB 107, AASB 118, AASB 136, and AASB 139)

- AASB 2010–3 Amendments to Australian Accounting Standards arising from the annual improvements project (AASB 3)

- AASB 2009–8 Amendments to Australian Accounting Standards – Trust Cash – settled Share-based Payment Transactions (AASB 2)

- AASB 2009–10 Amendments to Australian Accounting Standards – Classification of Rights Issues (AASB 2)

The Fund and Trust have not elected to early adopt any new standards or amendments.

(ii) Accounting Standards and Interpretations issued but not yet effective.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund or Trust for the annual reporting period ended 30 June 2011. These are outlined in the table below.

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
AASB 124 Related Party Disclosures	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other; (b) entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and (c) the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.	1 January 2011	The revision will not have a significant impact on the Fund or the Trust's financial statements. The Fund and the Trust will review the definitions to clarify the disclosure requirements.	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
AASB 124 Related Party Disclosures (cont)	A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.			
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local Governments	1 July 2013	The Fund and the Trust are required to report under the Tier 1 requirement as a for-profit entity in the private sector that has public accountability	1 July 2013
AASB 2010-5	This standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 January 2011	This revision will have no significant impact on the Fund and the Trust's financial statements.	1 July 2012

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
AASB 2010-6	The amendments increase the disclosure requirements for transactions involving transfers of financial assets. Disclosures require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.	1 July 2011	The revision will not have a significant impact on the Fund and the Trust's financial statements. The Fund and the Trust will review transactions involving the transfer of assets to determine whether disclosure is required.	1 July 2011
AASB 2010-7	The requirement for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2013	The revision will not have a significant impact on the Fund and the Trust's financial statements. The Fund and the Trust will review the revision to clarify the disclosure requirements.	1 July 2013
AASB 2010-8	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.	1 January 2012	The revision will not have a significant impact on the Fund and the Trust's financial statements. Should the amendment be adopted, the Fund and the Trust will recognise currently unrecognised deferred tax asset balances for fair value movements.	1 July 2012
AASB 2009-12	The amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party.	1 January 2011	The revision will not have a significant impact on the Fund and the Trust's financial statements. The Fund and the Trust will review the revision to clarify the disclosure requirements.	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
AASB 9 – Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be deregistered and measured at fair value through the profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2013	Under the standard, a financial asset is measured at amortised cost if both of the following conditions are met: (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other assets are measured at fair value through the profit and loss. Further, at the date of transition, those loans whose cash flows are not solely predicated on the repayments of principal and interest are not required to be reclassified as fair value financial assets unless there is a change in the Fund and the Trust's business model for managing these financial assets.	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
AASB 9 – Financial Instruments			Where there is a change in business model (e.g. closure of the business line) then the reclassification from amortised cost to fair value applies prospectively from the reclassification date and there is no restatement of any previously recognised gains, losses or interest. The tests above with respect to any potential reclassification of financial assets with variable cash flows will depend on the facts applicable at transition date and cannot be reasonably estimated at this time. The Fund and the Trust will review the classification of its existing financial assets in line with the standard, such as related party loans.	
IFRS 10 – Consolidated Financial Statements	IFRS 10 determines the basis upon which (a) an investor consolidates an investee entity and (b) the presentation and disclosure requirements for consolidated financial reporting. Per IFRS 10 an investor controls an investee entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing control the following three elements have to be present: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns.	1 January 2013	As regards the presentation and disclosure of consolidated financial statements, the new standard does not materially change nor affect the Fund and the Trust's existing accounting policies.	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective (continued)

Reference	Summary	Application date of standard*	Impact on Fund and Trust financial report	Application date for Fund and Trust*
IFRS 10 – Consolidated Financial Statements	The standard sets out more expansive criteria for the consolidation and deconsolidation of entities at each reporting period. Facts and circumstances that will need to be considered when conducting periodic testing for consolidation include: - the purpose and design of the entity; - voting rights (both existing and potential and their substantive power); - contractual rights; - scope and nature of key decision making rights; - size and nature of co-investment stakes; - nature and variability of economic returns; and - subordinated and guaranteed interests.			
IFRS 12 Disclosure of interests in other entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	The standard will result in increased disclosures on the Fund and Trust's interests in its investments.	1 July 2013

*designates the beginning of the applicable annual reporting period

AASB 2009-14, AASB 2010-2, AASB 1054, IFRS 11 and Interpretation 19 will have no application to the Fund and the Trust.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****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, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

All inter entity 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 Trust and cease to be consolidated from the date on which control is transferred out of the. 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 or Trust 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.

Non-controlling interests not held by the Fund or Trust 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.

A change in ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. The difference between the consideration paid and proportionate increase in the parents interest in the carrying values of the subsidiary's net assets is recorded in equity.

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

Both the functional and presentation currency of the Fund and Trust are in Australian dollars. Each entity in the Fund or Trust 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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Foreign currency translation (continued)**

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 and Trust 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.

(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 or Trust 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.

Finance Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

Net change in fair value of investments derecognised during the year

The 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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(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 or Trust 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 Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(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 and Trust, is the original invoice amount less an allowance for any uncollectible amounts.

Collectability 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 and Trust uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates. 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 swaps 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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(l) Investments and other financial assets (continued)***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 or Trust 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

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.

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.

Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Subsidiaries

Investments in subsidiaries are held at the lower of cost or recoverable amount.

(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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Property, plant and equipment (continued)**

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.

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 or Trust 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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(n) Investment properties (continued)**

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 the 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 cash flows to their present value have been used.

Lease incentives provided by the Fund or Trust to lessees, and rental guarantees which may be received by the Fund or Trust 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, which 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 or Trust prior to the end of the financial year that are unpaid and arise when the Fund or Trust 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.

The Fund and Trust generally distributes its distributable assessable income to its unitholders. Such distributions are determined by reference to the taxable income of the Fund or Trust. 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 unitholders 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 2011****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 or Trust 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 are 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) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Fund or Trust. 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.

(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.

Borrowings are classified as non-current liabilities where the Fund or Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront borrowing 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 or Trust for the acquisition or construction of a qualifying asset, the amount of the borrowing costs capitalised are those incurred in relation to the borrowing.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(t) Taxation**

The Fund comprises taxable and non-taxable entities. A liability for current and deferred tax and tax expense is only recognised in respect of taxable entities that are subject to income tax 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 and the Trust generally distributes its taxable income.

Company income tax

ASOL and its Australian resident wholly-owned subsidiaries have formed a Tax Consolidation Group.

Current tax assets and liabilities for the current and prior periods 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 tax assets and liabilities

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 tax income 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
- 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 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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(t) Taxation (continued)**

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.

New Zealand

The Trust 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 the Trust 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 the Trust 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.

Companies in the Fund are companies incorporated in Australia. Abacus Storage (NZ) Operations Limited (ASNZOL) and Abacus Storage Solutions Limited (ASSNZL) are wholly owned subsidiaries of ASOL and are registered in NZ as overseas companies. Income derived by ASNZOL and ASSNZL is exempt from tax in Australia where the income has been taxed in NZ. This income is regarded as non-assessable non-exempt income. As such, income tax is calculated on the company's NZ taxable income and taxed at the NZ corporate tax rate of 30%.

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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(t) Taxation (continued)**

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.

(u) Recoverable amount of assets

At each reporting date, the Fund and Trust assess whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Fund or Trust 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.

(v) Non-current assets held for sale

Before classification as held for sale the measurement of the assets is updated. Upon classification as held for sale, assets are recognised at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale relate to investment property and are carried at fair value.

Gains and losses from revaluations on initial classification and subsequent re-measurement are recognised in the income statement.

3. FINANCIAL RISK MANAGEMENT

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

The Fund and Trust's financial risk management focuses on mitigating the unpredictability of the financial markets and its impact on the financial performance of the Fund and Trust. 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 and Trust is to raise finance for the Fund and Trust's operations. The Fund and Trust has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Fund and Trust also enters into derivative transactions principally interest rate swaps. The purpose is to manage the interest rate exposure arising from the Fund and Trust's operations and its sources of finance.

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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****3. FINANCIAL RISK MANAGEMENT (continued)****(a) Credit Risk**

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

The Fund and Trust manage their exposure to risk by:

- derivative counterparties and cash transactions are limited to high 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 and Trust, which comprise cash and cash equivalents and certain derivative instruments, the Fund'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 and marketable securities, 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 stapled securities or the distribution reinvestment plan.

The Fund and Trust's policy is to maintain an available loan facility with banks 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 2011, the Fund and Trust had undrawn committed facilities of \$11.98 million (2010: \$4.19 million) for future property acquisitions and cash of \$3.98 million (2010: \$3.41 million), which is adequate to cover short term funding requirements.

Further information regarding the Fund's debt profile is disclosed in Note 14.

(c) Refinancing Risk

Refinancing risk is the risk that unfavourable interest rate and credit market conditions result in an unacceptable increase in the Fund and Trust'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 and Trust are 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 and Trust manage this risk by spreading maturities of borrowings and interest rate swaps and reviewing potential transactions to understand the impact on the Fund and Trust's credit worthiness.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****3. FINANCIAL RISK MANAGEMENT (continued)****(d) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund or Trust'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.

Foreign currency risk

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

As a result the Fund and Trust's balance sheets can be affected by movements in the A\$/NZ\$ exchange rate.

The Fund and Trust 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.

Interest rate risk

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

The Fund and Trust's policy is to manage its interest cost using a mix of fixed and variable rate debt. The Fund's and Trust's aim is to keep between 60% and 100% of its borrowings at fixed rates of interest. To manage this mix in a cost-efficient manner, the Fund and Trust enter into interest rate swaps, in which the Fund and Trust agree 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 2011, after taking into account the effect of interest rate swaps, approximately 77.9% of the Fund and Trust's borrowings are subject to fixed rate agreements (2010: 83.7%).

Fair value interest rate risk

As the Fund and Trust hold 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 14 and it is acknowledged that this risk is a by-product of the Fund's and Trust's attempt to manage its cash flow interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In applying the Fund and Trust'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 or Trust. 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 leases on its investment property portfolio with tenants. 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 and revenue tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Impairment of non-financial assets

The Fund and Trust assess impairment of all assets at each reporting date by evaluating conditions specific to the Fund or Trust 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.

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 or Trust, estimates of the probability of exercise.

Valuation of investment properties

The Fund and Trust make 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.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
5. FINANCE COSTS

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Finance costs				
Amortisation of finance costs	956	278	956	278
Interest on bank loans	13,939	13,086	13,770	12,223
Interest on related party loan	2,414	2,124	2,414	2,124
Total finance costs	17,309	15,488	17,140	14,625

6. INCOME TAX

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(a) Income tax expense				
The major components of income tax expense are:				
Income Statement				
<i>Current income tax</i>				
Current income tax charge	938	6,722	-	-
Adjustments in respect of current income tax of previous years	(4)	586	-	-
<i>Deferred income tax</i>				
Movement in depreciable assets tax depreciation	146	309	-	-
Relating to origination and reversal of temporary differences	2,247	(5,398)	-	-
Income tax expense reported in the income statement	3,327	2,219	-	-
(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	23,262	13,039	12,168	7,576
Prima facie income tax (benefit) / expense calculated at 30%	6,979	3,912	3,650	2,273
Less prima facie income tax on profit of the Trust	(3,650)	(2,242)	(3,650)	(2,273)
Prima Facie income tax of entities subject to income tax	3,329	1,670	-	-
Adjustments in respect of current income tax of previous years	(4)	586	-	-
Other items (net)	2	(37)	-	-
Income tax expense	3,327	2,219	-	-
Income tax expense reported in the consolidated income statement	3,327	2,219	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
6. INCOME TAX (continued)

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(c) Recognised deferred tax assets and liabilities				
Deferred income tax at 30 June 2011 relates to the following:				
Deferred tax liabilities				
Revaluation of investment properties to fair value	4,000	1,749	-	-
Other	499	353	-	-
Gross deferred income tax liabilities	4,499	2,102	-	-
Set off of deferred income tax assets	(170)	-	-	-
Net deferred income tax liabilities	4,329	2,102	-	-
Deferred tax assets				
Provisions	20	16	-	-
Losses available for offset against future taxable income	150	107	-	-
Gross deferred income tax assets	170	123	-	-
Set off of deferred income tax assets	(170)	-	-	-
Net deferred income tax assets	-	123	-	-

The Fund has tax losses (tax effected at prevailing rates) arising in New Zealand of \$502,358 (2010: \$285,005) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

At 30 June 2011, 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 2011, 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 (2010: \$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. Members of the tax groups during the relevant periods have entered into tax sharing arrangements in order to allocate income tax expense to the head entity of the group. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At 30 June 2011, the possibility of default is remote.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

6. INCOME TAX (continued)

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. 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.

7. DISTRIBUTIONS PAID AND PAYABLE

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(a) Distributions and dividend paid during the year				
Jun 2010 quarter: 2.1875 cents per security (2009: 2.1875 cents)	1,907	1,793	1,907	1,793
Sep 2010 quarter: 2.1875 cents per security (2009: 2.1875 cents)	1,907	1,813	1,907	1,812
Dec 2010 quarter: 2.1875 cents per security (2009: 2.1875 cents)	1,908	1,878	1,908	1,878
Mar 2011 quarter: 2.1875 cents per security (2010: 2.1875 cents)	1,909	1,906	1,909	-
	7,631	7,390	7,631	5,483
(b) Distributions proposed and recognised as a liability				
Jun 2011 quarter: 2.1875 cents per security (2010: 2.1875 cents)	1,909	1,907	1,909	1,907

(c) Franking credit balance

The Fund has \$3.3m of franking credits available for the subsequent financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

8. CASH AND CASH EQUIVALENTS

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Reconciliation to Cash Flow Statement				
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June 2011:				
Cash at bank and in hand ⁽¹⁾	3,982	3,414	1,415	1,180

(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)	19,935	10,820	12,168	7,576
Adjustments for:				
Depreciation of non-current assets	271	332	-	-
Amortisation of non-current assets	956	278	956	278
Net profit on disposal of investment property	(71)	-	-	-
Net change in fair value of financial instruments held at balance date	1,341	(1,936)	1,341	(1,936)
Net change in fair value of financial instruments derecognised	(469)	-	(469)	-
Net change in fair value of investment properties at balance date	(16,477)	(3,628)	(8,973)	(1,774)
Foreign exchange loss / (gain)	91	(22)	91	33
Increase/(decrease) in payables	3,267	323	1,134	420
Decrease/(increase) in receivables and other assets	421	961	(16)	687
Net cash from operating activities	9,265	7,128	6,232	5,284

Disclosure of financing facilities

Refer to note 14.

Disclosure of non-cash financing activities

Non-cash financing activities include capital raised pursuant to the Fund's distribution reinvestment plan. During the year 0.10 million stapled securities were issued with a cash equivalent of \$0.12 million.

9. TRADE AND OTHER RECEIVABLES

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Notes				
Trade debtors	713	778	1,292	4,362
Income tax receivable	-	316	-	-
Total net trade and other receivables	713	1,094	1,292	4,362

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
10. INVESTMENT PROPERTIES

	ASF	ASF	ASPT	ASPT
	Consolidated	Consolidated	Consolidated	Consolidated
	2011	2010	2011	2010
Notes	\$'000	\$'000	\$'000	\$'000
(a) Investment properties held for sale				
Australia	-	3,300	-	-
Total investment properties held for sale	-	3,300	-	-
(b) Non-Current				
Australia	264,112	243,888	202,934	190,257
New Zealand ^(a)	67,021	71,876	67,021	71,876
Total non-current investment properties	331,133	315,764	269,955	262,133

Average market capitalisation rate	9.2%	9.1%	9.3%	9.2%
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At 30 June 2011, 60% of the property portfolio was subject to external valuation, the remaining 40% was subject to internal valuation.

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 = \$NZ1.2953 (30 June 2010: RBA: \$A1 = \$NZ1.2308)

Investment properties are carried at the directors' determination of fair value and are based on independent valuations or directors' valuations. 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 directors' 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 is conducted annually either in December or June of each year. The key underlying assumptions, on a portfolio basis, contained within the independent and director valuations above are as follows:

- A weighted average capitalisation rate for the portfolio of 9.2% (2010: 9.1%)
- The stabilised weighted average occupancy level, after assessing historical performance and other critical matters likely to affect occupancy performance was 90.20%
- Current storage fee rates

The independent and director valuations are based on common valuation methodologies including capitalisation and discounted cash flow approaches, which have regard to recent market sales evidence.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

10. INVESTMENT PROPERTIES (continued)

Reconciliation

A reconciliation of the carrying amount of investment property at the beginning and end of the year is as follows:

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Carrying amount at beginning of financial year	316,594	312,819	262,133	256,985
Additions and capital expenditure	2,461	2,757	2,416	2,690
Disposals of plant and equipment	(13)	-	-	-
Fair value adjustments for properties held at balance date	16,477	3,628	8,973	1,774
Foreign exchange (losses) / gains	(3,576)	690	(3,567)	684
Properties transferred to held for sale	-	(3,300)	-	-
Total	331,943	316,594	269,955	262,133
Less property, plant and equipment	(810)	(830)	-	-
Carrying amount at the end of the financial year	331,133	315,764	269,955	262,133

11. PROPERTY, PLANT AND EQUIPMENT

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Plant and equipment				
At 1 July, net of accumulated depreciation	830	956	-	-
Additions	264	206	-	-
Disposals	(13)	-	-	-
Depreciation charge for the year	(271)	(332)	-	-
At 30 June, net of accumulated depreciation	810	830	-	-
Cost or fair value	3,295	3,063	-	-
Accumulated depreciation	(2,485)	(2,233)	-	-
Net carrying amount at end of the financial year	810	830	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

12. TRADE AND OTHER PAYABLES

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Trade Creditors	439	304	410	256
Payables due to related parties (members of Abacus Storage Fund)	-	-	7,884	8,772
Related party payables	57	451	57	-
Security deposits	37	139	-	-
Unearned income	1,367	1,495	-	-
Goods and services tax	576	479	387	292
Accruals and other	1,473	855	1,472	516
Total trade and other payables	3,949	3,723	10,210	9,836

13. INTEREST BEARING LOANS AND BORROWINGS

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(a) Current				
Bank loans - A\$	-	78,640	-	64,849
Bank loans - A\$ value of NZ\$ denominated loan	-	55,208	-	55,208
Loans from related parties	-	664	-	663
Less: Unamortised borrowing costs	-	(224)	-	(224)
	-	134,288	-	120,496
(b) Non-current				
Bank loans - A\$	125,732	43,918	125,732	43,918
Bank loans - A\$ value of NZ\$ denominated loan	52,293	6,651	52,293	6,651
Loans from related parties	33,531	27,115	33,531	27,115
Less: Unamortised borrowing costs	(1,955)	-	(1,955)	-
	209,601	77,684	209,601	77,684
(c) Maturity profile of current and non-current interest bearing loans				
Due within one year	-	134,288	-	120,496
Due within two to five years	181,285	50,569	181,285	50,569
Due after five years	28,316	27,115	28,316	27,115
	209,601	211,972	209,601	198,180

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****13. INTEREST BEARING LOANS AND BORROWINGS (continued)**

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 three major banks at floating interest rates. The loans are denominated in Australian dollars and mature in August 2013. 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 10 and 11. Approximately 100% (2010: 80.86%) of drawn bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 2.54 years (2010: 1.0 year). ASF's effective interest rate as at 30 June 2011 was 8.15% (2010: 7.07%).

(2) Bank loans – NZ\$ are provided by three major banks at interest rates that include both fixed and floating arrangements. The loans are denominated in New Zealand dollars and mature in August 2013. The bank loans are secured by a charge over the investment properties and certain property, plant and equipment detailed in Note 10 and 11. The interest on floating rate borrowings is paid quarterly based on existing swap and yield rates quoted on the rate reset date. Approximately 22.15% (2010: 89.2%) of drawn bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 0.79 years (2010: 0.35 years). ASF's effective interest rate as at 30 June 2011 was 6.53% (2010: 8.15%).

(3) Loans from related parties relates to two fixed rate loans provided by Abacus Property Group. The Working Capital Facility is provided by Abacus Finance Pty Limited to ASF to assist in funding the acquisition of storage sites and provide working capital. The interest rate on the borrowing was 7.42% (2010: 7.42%). The loan matures in December 2018. If the Working Capital Facility is not repaid from equity subscriptions it may be converted to equity by Abacus Property Group (see Note 15).

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. The Working Capital Facility has the same capital growth entitlements as investor equity up until it is repaid. 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.

The second loan is from Abacus Unitel Trust to assist in financing capital expenditure and in paying amounts owed under or in connection with debt and hedging arrangements. The interest rate on the borrowing was 9.0%. The loan matures in September 2013.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

13. INTEREST BEARING LOANS AND BORROWINGS (continued)

(d) Financing facilities available

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

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Total facilities				
Bank loans	190,000	188,605	190,000	173,605
Facilities used at reporting date				
Bank loans	178,025	184,417	178,025	170,626
Facilities unused at reporting date - Bank loans	11,975	4,188	11,975	2,979

(e) Assets pledged as security

The carrying amounts of assets pledged as security for non-current interest bearing liabilities are:

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(a) Current				
<i>First mortgage</i>				
Investment properties	-	3,300	-	-
Total current assets pledged as security	-	3,300	-	-
(b) Non-current				
<i>First mortgage</i>				
Investment properties	331,133	315,764	269,955	262,133
Property, plant and equipment	810	830	-	-
Total non-current assets pledged as security	331,943	316,594	269,955	262,133
Total asset pledged as security	331,943	319,894	269,955	262,133

(f) Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
14. FINANCIAL INSTRUMENTS
(i) Credit Risk
Credit Risk Exposures

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

	Carrying Amount		Carrying Amount	
	ASF	ASF	ASPT	ASPT
	Consolidated	Consolidated	Consolidated	Consolidated
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	3,982	3,414	1,415	1,180
Receivables	713	778	1,292	4,362
Related party loan	-	-	48,639	38,079
	4,695	4,192	51,346	43,621

The following table illustrates grouping of the Fund's trade receivables. As noted in disclosure note 3, the Fund mitigates the exposure to this risk by evaluation of the credit submission before acceptance, ensuring security is obtained and consistent and timely monitoring of the financial instrument to identify any potential adverse changes in the credit quality:

ASF	Total	Original term	Extended term	Past due term (1)	Impaired
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	713	593	-	120	-
less: provisioning	-	-	-	-	-
Total Consolidated	713	593	-	120	-

ASF	Total	Original term	Extended term	Past due term (1)	Impaired
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	778	648	-	130	-
less: provisioning	-	-	-	-	-
Total Consolidated	778	648	-	130	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

14. FINANCIAL INSTRUMENTS (continued)

(i) Credit Risk (continued)

ASPT 30 June 2011	Total \$'000	Original term \$'000	Extended term \$'000	Past due term ⁽¹⁾ \$'000	Impaired \$'000
Receivables	1,292	1,292	-	-	-
Related party loan	48,639	48,639	-	-	-
less: provisioning	-	-	-	-	-
Total Consolidated	49,931	49,931	-	-	-

ASPT 30 June 2010	Total \$'000	Original term \$'000	Extended term \$'000	Past due term ⁽¹⁾ \$'000	Impaired \$'000
Receivables	4,362	4,362	-	-	-
Related party loan	38,079	38,079	-	-	-
less: provisioning	-	-	-	-	-
Total Consolidated	42,441	42,441	-	-	-

(1) For trade receivables with past due terms all are less than one year old and are expected to be recovered.

(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.

ASF CONSOLIDATED 30 June 2011	Carrying Amount \$'000	Contractual cash flows \$'000	1 Year or less \$'000	Over 1 Year to 5 years \$'000	Over 5 years \$'000
Liabilities					
Trade and other payables	3,949	3,949	3,949	-	-
Interest bearing loans & borrowings incl derivatives*	212,487	268,311	16,325	218,372	33,614
Total liabilities	216,436	272,260	20,274	218,372	33,614

* The principal value of the interest rate swaps was \$0.9 million

ASF CONSOLIDATED 30 June 2010	Carrying Amount \$'000	Contractual cash flows \$'000	1 Year or less \$'000	Over 1 Year to 5 years \$'000	Over 5 years \$'000
Liabilities					
Trade and other payables	3,723	3,723	3,723	-	-
Interest bearing loans & borrowings incl derivatives	213,675	236,714	139,561	64,002	33,151
Total liabilities	217,398	240,437	143,284	64,002	33,151

* The principal value of the interest rate swaps was \$2.1 million

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
14. FINANCIAL INSTRUMENTS (continued)
(ii) Liquidity Risk (continued)

ASPT CONSOLIDATED 30 June 2011	Carrying Amount \$'000	Contractual cash flows \$'000	1 Year or less \$'000	Over 1 Year to 5 years \$'000	Over 5 years \$'000
Liabilities					
Trade and other payables	10,210	10,210	10,210	-	-
Interest bearing loans & borrowings incl derivatives*	212,487	268,311	16,325	218,372	33,614
Total liabilities	222,697	278,521	26,535	218,372	33,614

* The principal value of the interest rate swaps was \$0.9 million

ASPT CONSOLIDATED 30 June 2010	Carrying Amount \$'000	Contractual cash flows \$'000	1 Year or less \$'000	Over 1 Year to 5 years \$'000	Over 5 years \$'000
Liabilities					
Trade and other payables	9,836	9,836	9,836	-	-
Interest bearing loans & borrowings incl derivatives*	200,546	222,765	125,612	64,002	33,151
Total liabilities	210,382	232,601	135,448	64,002	33,151

* The principal value of the interest rate swaps was \$2.1 million

(iii) Currency Risk

	NZD		NZD	
	ASF 2011 \$'000	ASF 2010 \$'000	ASPT 2011 \$'000	ASPT 2010 \$'000
CONSOLIDATED				
Assets				
Cash at bank	342	1,095	342	1,095
Total assets	342	1,095	342	1,095

	NZD		NZD	
	ASF 2011 \$'000	ASF 2010 \$'000	ASPT 2011 \$'000	ASPT 2010 \$'000
Liabilities				
Trade and other payables	426	603	426	603
Interest bearing loans and borrowings	74,174	77,150	74,174	77,384
Total liabilities	74,600	77,753	74,600	77,987

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.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
14. FINANCIAL INSTRUMENTS (continued)
(iii) Currency Risk (continued)

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

At 30 June 2011, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

ASF Judgements of reasonable possible movements:	Post tax profit Higher/(lower)		Equity Higher/(lower)	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Consolidated				
AUD/NZD +10%	(24)	(81)	-	-
AUD/NZD -10%	29	99	-	-

ASPT Judgements of reasonable possible movements:	Post tax profit Higher/(lower)		Equity Higher/(lower)	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Consolidated				
AUD/NZD +10%	(24)	(81)	-	-
AUD/NZD -10%	29	99	-	-

(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;

ASF	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in 1 to 5 years	Fixed interest maturing in over 5 years	Non interest bearing	Total
CONSOLIDATED 30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash & cash equivalents	3,982	-	-	-	-	3,982
Receivables	-	-	-	-	713	713
Total financial assets	3,982	-	-	-	713	4,695
Weighted average interest rate	3.95%					
Financial liabilities						
Interest bearing liabilities - bank	40,712	-	137,313	-	-	178,025
Derivatives	-	-	-	-	931	931
Related party loans	-	353	4,862	28,316	-	33,531
Payables	-	-	-	-	3,949	3,949
Total financial liabilities	40,712	353	142,175	28,316	4,880	216,436
Weighted average interest rate	6.46%	7.42%	8.07%	7.42%		

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

14. FINANCIAL INSTRUMENTS (continued)

(iv) Interest rate risk (continued)

ASF	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in 1 to 5 years	Fixed interest maturing in over 5 years	Non interest bearing	Total
CONSOLIDATED	rate	year or less	to 5 years	over 5 years	bearing	Total
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash & cash equivalents	3,414	-	-	-	-	3,414
Receivables	-	-	-	-	778	778
Total financial assets	3,414	-	-	-	778	4,192

Weighted average interest rate 2.74%

Financial liabilities

Interest bearing liabilities - bank	30,110	110,389	43,918	-	-	184,417
Derivatives	-	-	-	-	2,143	2,143
Related party loans	-	664	-	27,115	-	27,779
Payables	-	-	-	-	3,723	3,723
Total financial liabilities	30,110	111,053	43,918	27,115	5,866	218,062

Weighted average interest rate 6.00% 7.75% 6.98% 7.42%

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

ASPT	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in 1 to 5 years	Fixed interest maturing in over 5 years	Non interest bearing	Total
CONSOLIDATED	rate	year or less	to 5 years	over 5 years	bearing	Total
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash & cash equivalents	1,415	-	-	-	-	1,415
Receivables	-	-	-	-	1,292	1,292
Total financial assets	1,415	-	-	-	1,292	2,707

Weighted average interest rate 4.01%

Financial liabilities

Interest bearing liabilities - bank	40,712	-	137,313	-	-	178,025
Derivatives	-	-	-	-	931	931
Related party loans	-	353	4,862	28,316	-	33,531
Payables	-	-	-	-	10,210	10,210
Total financial liabilities	40,712	353	142,175	28,316	11,141	222,697

Weighted average interest rate 6.46% 7.42% 8.07% 7.42%

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

14. FINANCIAL INSTRUMENTS (continued)

(iv) Interest Rate Risk (continued)

ASPT	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in 1 to 5 years	Fixed interest maturing in over 5 years	Non interest bearing	Total
CONSOLIDATED	rate	year or less	to 5 years	over 5 years	bearing	
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash & cash equivalents	1,180	-	-	-	-	1,180
Receivables	-	-	-	-	4,362	4,362
Total financial assets	1,180	-	-	-	4,362	5,542

Weighted average interest rate 2.32%

Financial liabilities

Interest bearing liabilities - bank	16,319	110,389	43,918	-	-	170,626
Derivatives	-	-	-	-	2,142	2,142
Related party loans	-	663	-	27,115	-	27,778
Payables	-	-	-	-	9,836	9,836
Total financial liabilities	16,319	111,052	43,918	27,115	11,978	210,382

Weighted average interest rate 6.05% 7.75% 6.98% 7.42%

Summarised interest rate sensitivity analysis

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

ASF	Carrying Amount	AUD			
		-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	3,218	(32)	-	32	-
Financial liabilities	822	(4,254)	-	2,193	-

ASF	Carrying Amount	AUD			
		-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	2,191	(22)	-	22	-
Financial liabilities	24,778	(1,236)	-	1,455	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

14. FINANCIAL INSTRUMENTS (continued)

(iv) Interest Rate Risk (continued)

ASF	NZD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	991	(10)	-	10	-
Financial liabilities	52,876	491	-	(788)	-

ASF	NZD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,505	(15)	-	15	-
Financial liabilities	9,200	(45)	-	44	-

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

ASPT	AUD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,149	(11)	-	11	-
Financial liabilities	822	(4,254)	-	2,193	-

ASPT	AUD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	289	(3)	-	3	-
Financial liabilities	10,987	(1,098)	-	1,317	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
14. FINANCIAL INSTRUMENTS (continued)
(iv) Interest Rate Risk (continued)

ASPT	NZD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	344	(3)	-	3	-
Financial liabilities	52,876	491	-	(788)	-

ASPT	NZD				
	Carrying Amount	-1%		1%	
CONSOLIDATED	Floating	Profit	Equity	Profit	Equity
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets	1,097	(11)	-	11	-
Financial liabilities	9,200	(45)	-	44	-

(v) Fair values

The fair value of the Fund's financial assets and liabilities are approximately equal to that of their carrying values.

In accordance with AASB 7 Financial Instruments: Disclosures the Trust's financial instruments are classified into the following fair value measurement hierarchy:

- (a) Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities;
- (b) Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 Inputs for the asset or liability that are not based on observable market data.

The following table presents the Trust's assets and liabilities measured and recognised at fair value at 30 June 2011.

	Level 1	Level 2	Level 3	Total
	2011	2011	2011	2011
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000
Current				
Derivative liabilities	-	109	-	109
Total current	-	109	-	109
Non-current				
Derivative liabilities	-	822	-	822
Total non-current	-	822	-	822

Determination of fair value

The fair value of interest rate swaps is determined using a generally accepted pricing model on a discounted cash flow analysis using assumptions supported by observable market rates.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

15. CONTRIBUTED EQUITY

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
(a) Issued stapled securities				
Stapled securities	82,977	82,860	74,724	74,616
Total contributed equity	82,977	82,860	74,724	74,616

(b) Movement in stapled securities on issue

	ASF Consolidated Stapled securities Number '000	ASF Consolidated Stapled securities Value \$'000	ASPT Consolidated Stapled securities Number '000	ASPT Consolidated Stapled securities Value \$'000
At 1 July 2010	87,172	82,860	87,172	74,616
- distribution reinvestment plan	103	123	103	114
- less transaction costs	-	(6)	-	(6)
Securities on issue at 30 June 2011	87,275	82,977	87,275	74,724

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 13 (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.

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****15. CONTRIBUTED EQUITY (continued)****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 routinely 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.

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/ Ratio	Covenant requirement	Key details
Nature of facilities	Secured, non recourse	ASF has no unsecured bank facilities
Loan Valuation Ratio	60% ¹	Drawn Loan / Bank accepted valuations
Interest Cover Ratio	1.5 ²	Net rental income / Interest expense paid to banks

1. The 60% LVR for the Working Capital Facility is maintained but will step down to 55% from 1 July 2011, to 52.5% from 1 July 2012 and to 50% from 1 January 2013.

2. The ICR of 1.5 for the Working Capital Facility is maintained but will step up to 1.55 from 1 July 2011, to 1.60 from 1 January 2012, to 1.65 from 1 July 2012 and to 1.75 from 1 January 2013.

3. The weighted average maturity of the Fund's bank facilities increased from 0.6 years to 2.13 years with the refinancing of the bank facilities. Total bank facilities have increased from \$188.6m to \$190.0m.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
16. RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Fund is set out in this note unless disclosed elsewhere in this financial report.

(a) Subsidiaries

The consolidated financial statements include the financial statements of the following entities:

Entity	Equity interest	
	2011	2010
	%	%
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%	100%
Abacus Storage Solutions NZ Pty Limited	100%	100%
Abacus USI C Trust	100%	100%
Abacus U Stow It A1 Trust	100%	100%
Abacus U Stow It B1 Trust	100%	100%
Abacus U Stow It A2 Trust	100%	100%
Abacus U Stow It B2 Trust	100%	100%
U Stow It Holdings Limited	100%	100%
U Stow It Pty Limited	100%	100%
Abacus Storage Property Trust and its subsidiary:		
Abacus Storage NZ Property Trust	100%	100%

(b) Responsible Entity

The Responsible Entity of ASF is Abacus Storage Funds Management Limited whose immediate and ultimate holding company is Abacus Group Holdings Limited (AGHL).

(c) Key Management Personnel

Details of key management personnel are disclosed in Note 17.

(d) Director-related entity transactions

\$5,080 was paid to the legal firm HWL Ebsworth for legal services relating to the sale of property. Mr Dennis Bluth, a partner in HWL Ebsworth was a director of the Responsible Entity and ASOL up until his resignation on 12 November 2010 (2010: nil).

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****16. RELATED PARTY DISCLOSURES (continued)****(e) Fees***(i) Management fee*

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% (2010:0.825%) of the total assets of the fund under the terms of the Constitution. The actual management fee charged was 0.4125% (2010: 0.4125%). The 0.4125% fee that was charged may be recouped in future years or from a liquidity event. The fees are paid on a monthly basis. Total fees paid to the Responsible Entity during the year for management of the Fund were \$1,663,234 (2010: \$1,633,351).

As at the balance sheet date \$129,460 (2010: \$252,839) 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.

(ii) Performance bonus

A performance bonus may be payable in the event of the sale of any asset of the Trust, including via a listing of the Fund. The performance bonus will be equal to 10% of the difference between the net sale price of the asset and its total acquisition cost.

(iii) Sales management fee

Each of Abacus and Storage King is entitled to a sales management fee equal to 0.75% of the net sale price, payable on disposal of a property by the Fund. This fee is not payable if after payment of the sales management fee the net sale price is less than the adjusted purchase price of the facility.

(f) Transactions with related parties*(i) Related parties*

Transactions between the Fund and the Responsible Entity during the year are outlined in note 16(e) 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.

(ii) Other related entity transactions

The amounts outstanding payable or receivable at 30 June 2011 represent the value of the securities issued or held and any amount of distribution payable or receivable.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2011

16. RELATED PARTY DISCLOSURES (continued)

(f) Related party transactions (continued)

(ii) Other related entity transactions

The amounts outstanding payable or receivable at 30 June 2011 represent the value of the securities issued or held and any amount of distribution payable or receivable.

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Transactions with related parties other than associates and joint ventures				
Expense				
Management fee	1,399	1,372	1,137	1,106
Other fees	-	46	-	46
Other transactions				
Loan advanced from related party	6,063	8,114	6,063	8,114
Loan repayments to related party	-	10,648	-	10,648
Interest expense on loan from related party	2,414	2,124	2,414	2,124
Loan advanced to entities within the ASF	-	-	10,560	-
Interest revenue on loan from within the ASF	-	-	4,042	2,366
Rent charged to entities in the ASF	-	-	18,587	18,344
Purchase of controlled entities	-	5,986	-	-

Terms and conditions of transactions

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 \$28,668,538.34 payable (2010: \$27,778,653). Interest expense of \$2,356,906 was incurred on these loans (2010 : \$2,124,125). The loan is repayable in December 2018.

Refer to Note 13 (3) for additional terms and conditions of the loan.

(iv) Loan from Abacus Unitel Trust

During the financial year, Abacus Unitel Trust advanced loans to the Fund to assist in financing the acquisition of fund assets and in paying amounts owed under or in connection with debt and hedging arrangements. Interest is charged at a rate of 9.0% per annum. The balance of these loans (including accrued interest) at year-end is \$4,919,700 payable (2010: nil). Interest expense of \$57,417 was incurred on these loans (2010 : nil). The loan is repayable in September 2013.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
16. RELATED PARTY DISCLOSURES (continued)
(g) 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:

2011	Fair value of holdings \$'000	% interest	Securities held	Securities acquired / (disposed)	Distributions paid / payable
Fund					
Abacus Group Holdings Limited	8,781	7.9%	6.91 million	-	604,993
Abacus Trust	7,783	7.0%	6.13 million	-	536,215
Abacus Storage Funds Management Limited	979	0.9%	0.77 million	-	67,434
Virginia Park Investment Trust	4,581	4.1%	3.61 million	-	315,595

2010	Fair value of holdings \$'000	% interest	Securities held	Securities acquired / (disposed)	Distributions paid / payable
Fund					
Abacus Group Holdings Limited	8,297	7.9%	6.91 million	-	604,993
Abacus Trust	7,354	7.0%	6.13 million	1.24 million	488,965
Abacus Storage Funds Management Limited	925	0.9%	0.77 million	-	67,434
Virginia Park Investment Trust	4,328	4.1%	3.61 million	1.09 million	315,596

NOTES TO THE FINANCIAL STATEMENTS**30 JUNE 2011****17. Key Management Personnel****(a) Details of Key Management***(i) Directors*

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director
David Bastian	Non-executive Director
Dennis Bluth	Non-executive Director (retired 12 November 2010)
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director
Myra Salkinder	Non-executive Director (appointed 12 April 2011)

(ii) Executives

E Varejes	Chief Operating Officer and Company Secretary
R de Aboitiz	Chief Financial Officer

(b) Compensation details 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 16 (e).

(c) Other Key Management Personnel

In addition to the Directors noted above, Abacus Funds Management Limited, 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.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
18. PARENT ENTITY DISCLOSURES

As at and for the year ended 30 June 2011 the parent entity of the Fund was Abacus Storage Operations Limited

	ASF 2011 \$'000	ASF 2010 \$'000	ASPT 2011 \$'000	ASPT 2010 \$'000
Results of the parent entity				
(Loss) /Profit for the year	(534)	14,547	12,648	4,559
Other comprehensive income	-	-	-	-
Total comprehensive income/ (expense) for the year	(534)	14,547	12,648	4,559
Financial position of the parent entity at year end				
Current assets	27,245	25,625	7,404	12,949
Total assets	60,581	59,049	314,064	298,330
Current liabilities	3,478	1,419	12,310	133,120
Total liabilities	41,556	39,499	222,733	212,123
Net assets	19,025	19,550	91,331	86,207
Total equity of the parent entity comprising of:				
Issued capital	8,575	8,566	74,725	74,615
Retained earnings	10,450	10,984	16,606	11,592
Total equity	19,025	19,550	91,331	86,207

Parent Entity Contingencies

There are no contingencies with the parent entity as at 30 June 2011 (2010: \$Nil).

Parent entity capital commitments

The parent entity of ASPT has entered into capital commitments totalling \$1.8m as at 30 June 2011 (2010: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2011
19. COMMITMENTS AND CONTINGENCIES

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Capital commitments				
Within one year				
- store expansion	2,127	1,153	760	1,153
- store rebuild	1,072	-	1,072	-
	3,199	1,153	1,832	1,153

20. AUDITORS REMUNERATION

	ASF Consolidated 2011 \$'000	ASF Consolidated 2010 \$'000	ASPT Consolidated 2011 \$'000	ASPT Consolidated 2010 \$'000
Australia for:				
- an audit of the financial report of the entity and any other entity in the consolidated entity	139,000	135,000	86,180	83,700
- other assurance services	1,500	-	1,500	-
Ernst & Young New Zealand for:				
- taxation related services	8,941	8,585	4,000	-
	149,441	143,585	91,680	83,700

21. EVENTS AFTER THE BALANCE SHEET DATE

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect, the Fund's operations in future financial periods, the results of those operations or the Fund's state of affairs in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Abacus Storage Operations Limited and Abacus Storage Funds Management Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including
 - (i) giving a true and fair view of the Fund's and the Trust's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b); and
- (c) there are reasonable grounds to believe that the Fund and the Trust will be able to pay their debts as and when they become due and payable.

On behalf of the Board



John Thame
Chairman



Frank Wolf
Managing Director

Sydney, 15 September 2011

Independent auditor's report to security holders of Abacus Storage Fund

Abacus Storage Fund (the "Fund") comprises Abacus Storage Operations Limited (the "Company") and the entities it controlled at the year's end or from time to time during the financial year and Abacus Storage Property Trust (the "Trust") and the entities it controlled at the year's end or from time to time during the financial year.

Report on the Financial Report

We have audited the accompanying financial report of Abacus Storage Fund, which comprises the consolidated statements of financial position as at 30 June 2011, and the consolidated income statements, consolidated statements of other comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Fund.

Directors' Responsibility for the Financial Report

The directors of the Company and the directors of Abacus Storage Funds Management Limited as Responsible Entity for the Trust (collectively referred to as "the Directors") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

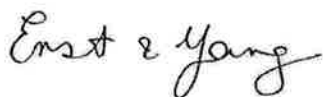
Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company and the Responsible Entity a written Auditor's Independence Declaration, a copy of which follows the director's report.

Auditor's Opinion

In our opinion:

- a. the financial report of Abacus Storage Fund is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Fund and the Trust's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in note 2(b).

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

Ernst & Young

A handwritten signature in cursive script that appears to read 'K. Zdrilic'.

K. Zdrilic
Partner
Sydney
15 September 2011