

ABACUS STORAGE PROPERTY TRUST

ANNUAL FINANCIAL REPORT

30 June 2010

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

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

Company Secretary:

Ellis Varejes

ARSN: 111 629 559

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:

Registries Limited
Level 7, 207 Kent Street
Sydney, NSW 2000
Tel: (02) 9290 9600
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Contents	Page
Directors' Report	2
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Distribution Statement	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Cash Flow Statement	9
Notes to the Financial Statements	10
Directors' Declaration	48
Independent Audit Report	49

It is recommended that this Annual Financial Report be read in conjunction with the Annual Financial Report of Abacus Storage Fund for the year ended 30 June 2010. It is also recommended that the report be considered together with any public announcements made by the Abacus Storage Fund in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

ABACUS STORAGE PROPERTY TRUST

DIRECTORS' REPORT

30 JUNE 2010

The Directors of Abacus Storage Funds Management Limited (ASFML), the Responsible Entity of Abacus Storage Property Trust ("ASPT" or the "Trust") present their report of the Trust together with the consolidated financial report and the auditor's report thereon.

DIRECTORS

The Directors of ASF 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
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

PRINCIPAL ACTIVITIES

The principal activity of ASPT during the period ended 30 June 2010 was the ownership and operation of self-storage facilities in Australia and New Zealand.

TRUST STRUCTURE

The Trust as printed in this financial report is ASPT and the trust it controls.

The Abacus Storage Fund represents the consolidation of Abacus Storage Operations Limited (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.

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

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 AND RESULTS OF OPERATIONS

ASPT incurred a net profit attributable to unitholders of \$7.6 million for the year ended 30 June 2010 (2009: \$10.9 million loss). This profit has been calculated in accordance with Australian Accounting Standards and includes a fair value gain on investments of \$1.8m (2009: \$5.3m loss) and fair value gain on derivatives of \$1.9m (2009: \$8.8m loss).

DIRECTORS' REPORT

30 JUNE 2010

INDIRECT COST RATIO

The Indirect Cost Ratio (ICR) is the ratio of the Trust's management costs over the Trust'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 Trust, but do not include transactional or operational costs.

The ICR for the Trust for the year ended 30 June 2010 was 1.14% (2009: 1.30%) .

DISTRIBUTIONS

The Trust distributions in respect of the year ended 30 June 2010 were \$5.6 million (June 2009: \$6.7 million), which is equivalent to 6.56 cents per stapled security (June 2009: 8.50 cents). This distribution includes 2.1875 cents (\$1.9 million) that was paid on 6 August 2010. Further details on the distributions are set out in note 6 of the financial statements.

UNITS ON ISSUE

During the year 5.23 million units were issued and at 30 June 2010 there were 87.17 million units on issue (2009: 81.94 million). The number of units issued during the year are disclosed in note 14.

TRUST ASSETS

At 30 June 2010 ASPT held assets to a total value of \$306.6 million (2009: \$312.9 million). The basis for valuation of the assets is disclosed in Note 2 to the financial statements.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

ASPT incurred a management fee of \$1,105,916 to the Responsible Entity for the year ended 30 June 2010 (2009: \$1,015,987).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Net assets and total equity increased from \$86.6 million to \$94.3 million reflecting property revaluations during the year ended 30 June 2010.

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 13 August 2010 the Fund re-financed \$173.6m of bank loans into a new \$190.0m, 3 year club facility with three Australian banks, which expires in 2013.

On 4 September 2010, a natural disaster affected the New Zealand south island. The Fund has two self-storage facilities in the Christchurch area. As at the date of this financial report, the financial impact was deemed to be immaterial.

DIRECTORS' REPORT

30 JUNE 2010

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 Trust.

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 Trust.

AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 5.

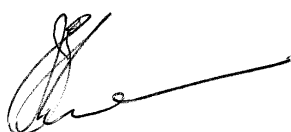
NON-AUDIT SERVICES

No non-audit services were provided by the Trust'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 direc



John Thame
Chairman

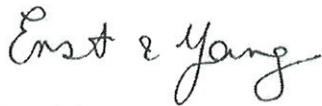


Frank Wolf
Managing Director

Sydney, 16 September 2010

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

In relation to our audit of the financial report of Abacus Storage Property Trust for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

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

Ernst & Young

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

K. Zdrilic
Partner
16 September 2010

ABACUS STORAGE PROPERTY TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2010

		CONSOLIDATED	
	Notes	2010 \$'000	2009 \$'000
REVENUE			
Rental Income		18,343	16,708
Finance Income		2,388	1,001
Foreign currency exchange gain/ (loss)		(33)	27
Total Revenue and Other Income		20,698	17,736
Finance costs	5	(14,625)	(12,220)
Net change in fair value of investments held at balance date		1,774	(5,301)
Net change in fair value of derivatives		1,936	(8,752)
Responsible entity fees		(1,106)	(1,016)
Other expense		(1,101)	(1,317)
PROFIT/(LOSS) BEFORE TAX		7,576	(10,870)
Income tax benefit / (expense)		-	-
PROFIT/(LOSS) AFTER TAX		7,576	(10,870)
OTHER COMPREHENSIVE INCOME			
Foreign exchange translation adjustments, net of tax		162	304
Total Other Comprehensive income		162	304
TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO UNITHOLDERS			
		7,738	(10,566)

CONSOLIDATED STATEMENT OF DISTRIBUTION

YEAR ENDED 30 JUNE 2010

		CONSOLIDATED	
		2010	2009
	Notes	\$'000	\$'000
STATEMENT OF DISTRIBUTION			
Net profit/(loss) attributable to unit holders		7,576	(10,870)
Transfer from / (to) retained earnings		(1,978)	17,594
Distributions paid and payable	6	5,597	6,724
Distribution per unit (cents)		6.56	8.50
Weighted average number of units ('000)		85,387	78,691

ABACUS STORAGE PROPERTY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

		CONSOLIDATED	
		2010	2009
	Notes	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	7	1,180	92
Trade and other receivables	8	4,362	16,686
Prepayments and other assets	9	860	1,039
TOTAL CURRENT ASSETS		6,402	17,817
NON-CURRENT ASSETS			
Investment Properties	10	262,133	256,985
Loan - Abacus Storage Operations Limited	15f	38,079	38,079
TOTAL NON-CURRENT ASSETS		300,212	295,064
TOTAL ASSETS		306,614	312,881
CURRENT LIABILITIES			
Trade and other payables	11	9,836	20,696
Interest-bearing loans and borrowings	12a	120,720	8,895
Derivatives at fair value		823	-
Distribution payable	6b	1,907	1,793
TOTAL CURRENT LIABILITIES		133,286	31,384
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	12b	77,684	190,783
Derivatives at fair value		1,319	4,097
TOTAL NON CURRENT LIABILITIES		79,003	194,880
TOTAL LIABILITIES		212,289	226,264
NET ASSETS		94,325	86,617
TOTAL EQUITY		94,325	86,617
		CONSOLIDATED	
		2010	2009
		\$'000	\$'000
EQUITY			
Contributed equity	14	74,616	69,049
Reserves		(2,233)	(2,395)
Retained earnings / (accumulated losses)		21,942	19,963
TOTAL EQUITY		94,325	86,617

ABACUS STORAGE PROPERTY TRUST

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2010

	Issued capital \$'000	Foreign currency translation \$'000	Retained earnings \$'000	Total Equity \$'000
CONSOLIDATED				
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 period	-	162	7,576	7,738
Distribution reinvestment plan	84	-	-	84
Units issued	5,634	-	-	5,634
Issue costs	(151)	-	-	(151)
Distribution to unitholders	-	-	(5,597)	(5,597)
At 30 June 2010	74,616	(2,233)	21,942	94,325

	Issued capital \$'000	Foreign currency translation \$'000	Retained earnings \$'000	Total Equity \$'000
CONSOLIDATED				
At 1 July 2008	63,849	(2,699)	37,556	98,706
Other comprehensive income	-	304	-	304
Net loss for the year	-	-	(10,870)	(10,870)
Total comprehensive income / expense for the period	-	304	(10,870)	(10,566)
Distribution reinvestment plan	29	-	-	29
Units issued	5,369	-	-	5,369
Issue costs	(198)	-	-	(198)
Distribution to unitholders	-	-	(6,723)	(6,723)
At 30 June 2009	69,049	(2,395)	19,963	86,617

ABACUS STORAGE PROPERTY TRUST

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2010

		CONSOLIDATED	
	Notes	2010 \$'000	2009 \$'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Income receipts		18,378	16,913
Interest received		3,140	32
Borrowing costs paid		(13,637)	(11,639)
Operating payments		(2,597)	(1,456)
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	5,284	3,850
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of self storage properties		-	(44,983)
Payment for capital expenditure		(2,691)	(1,861)
Loans advanced to members of ASF		-	(38,079)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(2,691)	(84,923)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		5,634	5,369
Payment of issue costs		(151)	(198)
Repayment of borrowings		(10,648)	-
Proceeds from borrowings		9,055	82,237
Distributions paid		(5,399)	(6,491)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(1,509)	80,917
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,084	(156)
Net foreign exchange differences		4	9
Cash and cash equivalents at beginning of year		92	239
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	1,180	92

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

1. CORPORATE INFORMATION

ASPT is a registered managed investment scheme and is a component entity of Abacus Storage Fund (ASF), which comprises Abacus Storage Operations Limited (ASOL) and ASPT.

Units in ASPT and shares in ASOL have been stapled together so that neither can be dealt with or 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 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 Abacus Storage Property Trust (the "Trust" or "ASPT") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors of Abacus Storage Funds Management Limited ("the Responsible entity") on 16 September 2010.

The nature of the operations and principal activities of the Trust 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 Trust under ASIC Class Order 98/100. The Trust is an entity to which the class order applies.

Net asset deficiency/Net current liability

At 30 June 2010, ASPT has a net current asset deficiency of \$126.9m (2009: \$13.6m). This is due to \$120.1m of the Trust's bank debt and a \$0.8m derivative being classified as current. A further \$8.8m of current liabilities are amounts owed by members of the ASF. Excluding these, the Trust has positive net current assets of \$2.8m.

On 13 August 2010 the Trust re-financed its existing \$173.6m facility into a new 3 year \$190.0m club facility, which expires in 2013.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Statement of Compliance**

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

(c) New accounting standards and interpretations*(i) Changes in accounting policy and disclosures.*

The accounting policies adopted are consistent with those of the previous financial year and the Trust has adopted the new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2009.

When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Trust, its impact is described below:

AASB 127 Consolidated and Separate Financial Statements (revised 2008)

AASB 127 (revised 2008) requires that a change in the 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. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore the revised Standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. The changes in AASB 3 (revised 2008) and AASB 127 (revised 2008) will affect future acquisitions, changes in, and loss of control of, subsidiaries and transactions with non-controlling interests.

AASB 7 Financial Instruments: Disclosures

The amended Standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in note 13 (v). The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 13 (ii).

AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Trust has elected to present a single statement.

The change in accounting policies above were applied prospectively and had no material impact on earnings per security.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations (continued)

(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 Trust for the annual reporting period ended 30 June 2010. These are outlined in the table below.

Reference	Summary	Application date of standard*	Impact on Trust financial report	Application date for Trust*
AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following: The amendment to AASB 117 removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs property, plant & equipment) needs to be determined. The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. The amendment to AASB 118 provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity: - has primary responsibility for providing the goods or service; - has inventory risk - has discretion in establishing prices - bears the credit risk The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes. <i>(continued over page)</i>	1 January 2010	The Trust will be required to review and revise presentation, recognition or measurement where required for the Accounting Standards noted, particularly, AASB 117 - Leases and AASB 107, - Cash Flow.	1 July 2010

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Summary	Application date of standard*	Impact on Trust financial report	Application date for Trust*
	The main change to AASB139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.			
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, each of which had its own 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 derecognised and measured at fair value through 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. <i>(continued over page)</i>	1 January 2013	The Trust will review the classification of its financial assets in line with the standard, such as secured and related party loans and options.	1 July 2013

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Summary	Application date of standard*	Impact on Trust financial report	Application date for Trust*
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	The revised Standards introduces a number of changes to the accounting for financial assets, the most significant of which includes: - two categories for financial assets being amortised cost or fair value - removal of the requirement to separate embedded derivatives in financial assets - strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows. - an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition. - reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes. - changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.	1 January 2013	The Trust will be required to assess if the current classification of its financial assets is in line with the revised standard, such as secured and related party loans and options.	1 July 2013
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. <i>(continued over page)</i>	1 January 2011	The revision will not have a significant impact on the Trust's financial statements. The Trust will review the definitions to clarify the disclosure requirements.	1 July 2011

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Summary	Application date of standard*	Impact on Trust financial report	Application date for Trust*
	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 2010-3	Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value. Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB3 Revised is not restated.	1 July 2010	The revision will not have a significant impact on the Trust's financial statements. The Trust will review the revision to clarify the disclosure requirements.	1 July 2010
AASB 2010-4	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.	1 January 2011	The revision will not have a significant impact on the Trust's financial statements. The Trust will review the revision to clarify the disclosure requirements.	1 July 2011
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 Trust's financial statements. The Trust will review the revision to clarify the disclosure requirements.	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of ASPT and its subsidiary.

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

(e) Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of the Trust are in Australian dollars. Each entity in the 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 2010

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 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 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(m) for detailed commentary on investment properties.

(g) Expenses

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(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 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 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 Trust uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

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

The fair values of interest rate 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.

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available-for-sale financial assets. The Trust determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. At 30 June 2010 the Trust's investments have been classified as financial assets at fair value through profit or loss and loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) 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 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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) 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 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.

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 cashflows to their present value have been used.

Lease incentives provided by the Trust to lessees, and rental guarantees which may be received by the 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

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

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.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the 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.

(o) Distributions and dividends

The Trust generally distributes its distributable assessable income to its unitholders. Such distributions are determined by reference to the taxable income of the 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.

(p) Leases

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

Fund as a lessor

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

(q) Contributed equity

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) 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 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 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.

(s) Taxation

The Trust is a non-taxable entity. 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

Australia

Under current Australian income tax legislation ASPT is not liable to Australian income tax, provided unit holders are presently entitled to the taxable income of the Trust and the Trust generally distribute its taxable income.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxation (continued)

Goods and services tax (GST)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

3. FINANCIAL RISK MANAGEMENT

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

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

(a) Credit Risk

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

The Trust manages its 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 Trust, which comprise cash and cash equivalents and certain derivative instruments, the Trust's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2010****3. FINANCIAL RISK MANAGEMENT (continued)****(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 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 Trust's expectations of future interest and market conditions.

As at 30 June 2010, the Trust had undrawn committed facilities of \$3.0 million (2009: \$3.0 million) for future property acquisitions and cash of \$1.2 million (2009: \$0.09 million), which is adequate to cover short term funding requirements.

Further information regarding the Trust's debt profile is disclosed in Note 12.

(c) Refinancing Risk

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

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

(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 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.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2010****3. FINANCIAL RISK MANAGEMENT (continued)****(d) Market Risk (continued)***Foreign currency risk*

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

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

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

The Trust's policy is to manage its interest cost using a mix of fixed and variable rate debt. The 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 Trust enters into interest rate swaps, in which the Trust agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 30 June 2010, after taking into account the effect of interest rate swaps, approximately 90.4% of the Trust's borrowings are subject to fixed rate agreements (2009: 90.4%).

Fair value interest rate risk

As the Trust holds fixed rate debt there is a risk that the economic value of a financial instrument will fluctuate because of changes in market interest rates. The level of fixed rate debt is disclosed in note 13 and it is acknowledged that this risk is a by-product of the Trust's attempt to manage its cash flow interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS**30 June 2010****4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

In applying the 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 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 Trust has entered into commercial property leases on its investment property portfolio. The Trust 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.

Impairment of non-financial assets other than goodwill

The Trust assesses impairment of all assets at each reporting date by evaluating conditions specific to the 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 Trust, estimates of the probability of exercise.

Valuation of investment properties

The Trust makes judgements in respect of the fair value of investment properties (note 2(m)). 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.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

5. FINANCE COSTS

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Finance costs		
Amortisation of finance costs	278	219
Interest on bank loans	12,223	10,876
Interest on related party loan	2,124	1,125
Total finance costs	14,625	12,220

6. DISTRIBUTIONS PAID AND PAYABLE

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
(a) Distributions paid during the year		
June 2009 quarter: 2.1875 cents per unit (2008: 2.0625 cents)	1,793	1,589
September 2009 quarter: 2.1875 cents per unit (2008: 2.0625 cents)	1,812	1,589
December 2009 quarter: 2.1875 cents per unit (2008: 2.0625 cents)	1,878	1,589
March 2010 quarter: nil (2009: 2.1875 cents)	-	1,752
	5,483	6,519
(b) Distributions proposed and recognised as a liability		
June 2010 quarter: 2.1875 cents per unit (2009: 2.1875 cents)	1,907	1,793

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

7. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000

Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June 2010:

Cash at bank and in hand(1)	1,180	92
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(1) cash at bank earns interest at floating rates. The carrying amounts of cash and cash equivalents represent fair value.

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

Net profit / (loss)	7,576	(10,870)
Adjustments for:		
Amortisation of non-current assets	278	219
Net change in fair value of derivatives	(1,936)	8,752
Net change in fair value of investments at balance date	(1,774)	5,301
Foreign exchange loss	33	(27)
Increase/(decrease) in payables	420	1,240
Decrease/(increase) in receivables and other assets	687	(765)
Net cash from operating activities	5,284	3,850

Disclosure of financing facilities

Refer to note 12.

Disclosure of non-cash financing activities

Non-cash financing activities include capital raised pursuant to ASF's distribution reinvestment plan. During the year 0.078 million units were issued with a cash equivalent of \$0.084 million.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

8. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Related party receivables (members of Abacus Storage Fund)	4,362	16,686
Total net trade and other receivables	4,362	16,686

9. PREPAYMENTS AND OTHER ASSETS

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Deferred finance costs	225	468
Prepayments and other assets	635	571
Total prepayments and other assets	860	1,039

10. INVESTMENT PROPERTIES

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Non-Current		
Australia	190,257	187,441
New Zealand (a)	71,876	69,544
Total investment properties	262,133	256,985

Average market capitalisation rate	9.2%	9.1%
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At 30 June 2010, 42% of the property portfolio was subject to external valuation, the remaining 58% 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 = \$NZ1.2308 (30 June 2009: RBA: \$A1 = \$NZ1.2428)

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.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

10. INVESTMENT PROPERTIES (continued)

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% (2009: 9.1%)
- The stabilised weighted average occupancy level, after assessing historical performance and other critical matters likely to affect occupancy performance was 91% (2009: 92%)
- 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. Accordingly, the directors' valuations at 30 June 2010 have regards to market sales evidence in adopting a market valuation for each property including the key assumptions outlined.

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

Reconciliation

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

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Carrying amount at beginning of financial year	256,985	214,808
Additions and capital expenditure	2,690	1,917
Acquisition on new investment properties	-	44,983
Fair value adjustments for properties held at balance date	1,774	(5,301)
Foreign exchange gains / (losses)	684	578
Carrying amount at end of financial year	262,133	256,985

11. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Payables due to related parties (members of Abacus Storage Fund)	8,772	18,934
Payables due to related parties	256	919
Trade Creditors	-	101
Goods and services tax	292	341
Accruals and other	516	401
Total trade and other payables	9,836	20,696

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

12. INTEREST BEARING LOANS AND BORROWINGS

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
(a) Current		
Bank loans - A\$	64,849	-
Bank loans - A\$ value of NZ\$ denominated loan	55,208	-
Loans from related parties	663	8,895
	120,720	8,895
(b) Non-current		
Bank loans - A\$	43,918	108,767
Bank loans - A\$ value of NZ\$ denominated loan	6,651	61,262
Loans from related parties	27,115	20,754
	77,684	190,783
(c) Maturity profile of current and non-current interest bearing loans		
Due within one year	120,720	8,895
Due within two to five years	50,569	190,783
Due after five years	27,115	
	198,404	199,678

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

(1) Bank loans – A\$ are provided by two major banks at floating interest rates. The loans are denominated in Australian dollars and the term to maturity varies from August 2010 to December 2011. The interest on floating rate borrowings are paid quarterly based on existing swap and yield rates quoted on the rate reset date. The bank loans are secured by a charge over the investment properties and certain property, plant and equipment as detailed in note 10. Approximately 91.1% (2009: 91.1%) of available bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 1.0 years (2009: 2.0 years). ASPT's effective interest rate as at 30 June 2010 was 7.05% (2009: 7.03%). Subsequent to year end, the AUD loans have been re-financed. Refer to Note 20.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

12. INTEREST BEARING LOANS AND BORROWINGS (continued)

(2) Bank loans – NZ\$ are provided by two major banks at interest rates that include both fixed and floating arrangements. The loans are denominated in New Zealand dollars and the term to maturity varies from September 2010 to December 2011. The bank loans are secured by a charge over the investment properties and certain property, plant and equipment detailed in Note 10. The interest on floating rate borrowings is paid quarterly based on existing swap and yield rates quoted on the rate reset date. Approximately 89.2% (2009: 89.2%) % of available bank debt facilities were subject to fixed rate arrangements with a weighted average term to maturity of 0.35 years (2009: 1.29 years). ASPT's effective interest rate as at 30 June 2010 was 8.15% (2009: 8.45%). Subsequent to year end, the NZD loans have been re-financed. Refer to Note 20.

(3) Loans from related parties relates to a fixed rate loan provided by Abacus Property Group to assist in funding the acquisition of storage sites and provide working capital during equity capital raising from the public. The interest rate on the borrowing was 7.42% (2009: 8.25% for the first half of the year and 7.42% for the second half of the year). 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 14).

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.

(d) Financing facilities available

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

	CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Total facilities		
Bank loans	173,605	173,008
Facilities used at reporting date		
Bank loans	170,626	170,029
Facilities unused at reporting date - Bank loans	2,979	2,979

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS

(i) Credit Risk

Credit Risk Exposures

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

	Carrying Amount CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Cash and cash equivalents	1,180	92
Related party receivable	4,362	16,686
Related party loan	38,079	38,079
	43,621	54,857

As at 30 June 2010, the Trust had the following concentrations of credit risk:

- Related Party Receivable: represented by Abacus Storage Operations Limited for \$3.6 million, Abacus Storage NZ Operations Pty Limited for \$0.5 million, Balmain Storage Pty Limited for \$0.2 million and Abacus Storage (Bulleen & Greensborough) Pty Limited for \$0.03 million.

The following table illustrates grouping of the Trust's trade receivables. As noted in disclosure note 3, the Trust 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:

	Total	Original term	Extended term	Past due term	Impaired
30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated	4,362	4,362	-	-	-
less: provisioning	-	-	-	-	-
Total Consolidated	4,362	4,362	-	-	-

	Total	Original term	Extended term	Past due term	Impaired
30 June 2009	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated	16,686	16,686	-	-	-
less: provisioning	-	-	-	-	-
Total Consolidated	16,686	16,686	-	-	-

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS (continued)

(ii) Liquidity Risk

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

CONSOLIDATED	Carrying	Contractual	1 Year	Over 1 Year	Over 5
30-Jun-10	Amount	cash flows	or less	to 5 years	years
	\$'000	\$'000	\$'000	\$'000	\$'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

CONSOLIDATED	Carrying	Contractual	1 Year	Over 1 Year	Over 5
30-Jun-09	Amount	cash flows	or less	to 5 years	years
	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Trade and other payables	20,696	20,696	20,696	-	-
Interest bearing loans & borrowings incl derivatives*	203,775	220,899	13,946	206,953	-
Total liabilities	224,471	241,595	34,642	206,953	-

* The principal value of the interest rate swaps was \$4.1 million

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS (continued)

(iii) Currency Risk

	NZD	
	2010	2009
	\$'000	\$'000
CONSOLIDATED		
Assets		
Cash at bank	1,095	9
Trade and other receivables	-	8,656
Total assets	1,095	8,665
	NZD	
	2010	2009
	\$'000	\$'000
Liabilities		
Trade and other payables	-	8,292
Interest bearing loans and borrowings	77,384	79,097
Total liabilities	77,384	87,389

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

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

At 30 June 2010, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

Judgements of reasonable possible movements:	Post tax profit		Equity	
	Higher/(lower)		Higher/(lower)	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Consolidated				
AUD/NZD +10%	81	567	-	-
AUD/NZD -10%	(99)	(695)	-	-

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS (continued)

(iv) Interest rate risk

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;

	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Fixed interest maturing in over 5 years \$'000	Non interest bearing \$'000	Total \$'000
CONSOLIDATED						
30-Jun-10						
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%

	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Fixed interest maturing in over 5 years \$'000	Non interest bearing \$'000	Total \$'000
CONSOLIDATED						
30-Jun-09						
Financial Assets						
Cash and cash equivalents	92	-	-	-	-	92
Receivables	-	-	-	-	16,686	16,686
Loan- ASOL	-	-	-	38,079	-	38,079
Total financial assets	92	-	-	38,079	16,686	54,857

Weighted average interest rate 2.93% 7.20%

Financial liabilities

Interest bearing liabilities - bank	16,255	-	153,774	-	-	170,029
Related party loans	-	8,895	20,754	-	-	29,649
Derivatives	-	-	-	-	4,097	4,097
Payables	-	-	-	-	20,696	20,696
Total financial liabilities	16,255	8,895	174,528	-	24,793	224,471

Weighted average interest rate 4.52% 7.42% 7.20%

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS (continued)

(iv) Interest Rate Risk (continued)

Summarised interest rate sensitivity analysis

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

	Carrying Amount Floating \$'000	AUD			
		-1%	1%	-1%	1%
CONSOLIDATED 30-Jun-10		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000

Financial assets	289	(3)	-	3	-
Financial liabilities	10,987	(1,098)	-	1,317	-

	Carrying Amount Floating \$'000	AUD			
		-1%	1%	-1%	1%
CONSOLIDATED 30-Jun-09		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000

Financial assets	85	(1)	-	1	-
Financial liabilities	11,382	(1,323)	-	1,197	-

	Carrying Amount Floating \$'000	NZD			
		-1%	1%	-1%	1%
CONSOLIDATED 30-Jun-10		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000

Financial assets	1,097	(11)	-	11	-
Financial liabilities	9,200	(45)	-	44	-

	Carrying Amount Floating \$'000	NZD			
		-1%	1%	-1%	1%
CONSOLIDATED 30-Jun-09		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000

Financial assets	9	-	-	-	-
Financial liabilities	11,147	(512)	-	556	-

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

13. FINANCIAL INSTRUMENTS (continued)

(vi) Fair values

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

As at 30 June 2010, the Trust has adopted the amendment to AASB 7 Financial Instruments:

- (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.

	Level 1 2010 \$'000	Level 2 2010 \$'000	Level 3 2010 \$'000	Total 2010 \$'000
CONSOLIDATED				
Current				
Derivative liabilities	-	823	-	823
Total current	-	823	-	823
Non-current				
Derivative liabilities	-	1,319	-	1,319
Total non-current	-	1,319	-	1,319

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.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

14. CONTRIBUTED EQUITY

	CONSOLIDATED	
	2010 \$'000	2009 \$'000
(a) Issued capital		
Issued units	74,615	69,049
Total contributed equity	74,615	69,049

	CONSOLIDATED	
	Number \$'000	Units Value \$'000
At 1 July 2009	81,944	69,049
- equity raising	5,150	5,634
- distribution reinvestment plan	78	84
- less transaction costs	-	(151)
Units on issue at 30 June 2010	87,172	74,615

Terms and conditions of units

Each unit confers upon the unit holder an equal interest in the Trust, 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 12. Prior to a winding up and at any time before repayment date Abacus Property Group may require the working capital loan to be converted into units at the current issue price.
- A liquidity facility exists whereby unitholders may elect to sell their units (up to 1.25% of issued units per quarter) at 95% of the net asset value unless otherwise suspended. The facility is suspended if Abacus Property Group has a relevant interest of 19.99% of ASF.

CAPITAL MANAGEMENT

ASPT as part of ASF seeks to manage its capital requirements in conjunction with ASOL 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. ASPT also protects its equity in assets by taking out insurance.

ASPT 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, ASPT continuously reviews its capital structure to ensure sufficient funds and financing facilities, on a cost effective basis are available to implement ASPT's strategy that adequate financing facilities are maintained and distributions to members are made within the stated distribution guidance.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

14. CONTRIBUTED EQUITY (continued)

CAPITAL MANAGEMENT (continued)

ASPT 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 ASPT'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- As at 30 June 2010	Covenant requirement- Post Refinancing	Key details
Nature of facilities	recourse	recourse	ASF has no unsecured bank facilities
Loan Valuation Ratio	65% to 72%	60% ¹	Drawn Loan / Bank accepted valuations
Interest Cover Ratio	1.5	1.5 ²	Net rental income / Interest expense paid to banks

1. The 60% LVR for the new 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 new Working Capital Facility is maintained but will step down 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 3.0 years with the refinancing of the bank facilities. Total bank facilities have increased from \$173.6m to \$190.0m.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2010

15. 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	
	2010	2009
	%	%
Abacus Storage Property Trust and its subsidiary:		
Abacus Storage NZ Property Trust	100%	100%

(b) Responsible Entity

The Responsible Entity of Trust 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 16.

(d) Director-related entity transactions

There were no director- related entity transactions in the year ended 30 June 2010. In 2009, \$3,177 was paid to the legal firm HWL Ebsworth for legal services relating to corporate issues and lease documentation. Mr Dennis Bluth, a partner in HWL Ebsworth is a director of the Responsible Entity and ASPT.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

15. RELATED PARTY DISCLOSURES (continued)

(e) Fees

ASFML provides management and investment accounting services to the Trust.

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 Trust during the year. In accordance with Trust's offer document and constitution, the Responsible Entity is entitled to receive a management fee of 0.825% (2009:0.825%) of the total assets of the fund under the terms of the Constitution. The actual management fee charged was 0.4125% (2009: 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 Trust were \$1,317,450 (2009: \$1,015,987).

As at the balance sheet date \$204,489 (2009: \$353,896) was owed to the Responsible Entity in relation to management fees.

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

(f) Transactions with related parties

(i) Related parties

Transactions between the Trust and the Responsible Entity during the year are outlined in note 15(e) above.

Transactions between the Trust 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 2010 represent the value of the securities issued or held and any amount of distribution payable or receivable.

	Carrying Amount CONSOLIDATED	
	2010	2009
	\$'000	\$'000
Transactions with related parties other than associates and joint ventures		
Expense		
Management fee	1,106	1,016
Other fees	46	-
Other transactions		
Loan advanced from related party	8,114	34,649
Loan repayments to related party	10,648	4,763
Interest expense of loan from related party	2,124	1,156
Loan received from entities within the ASF	-	38,079
Interest revenue on loan from within the ASF	2,366	969
Rent charged to entities in the ASF	18,344	16,708
Purchase of properties	-	44,983

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

15. RELATED PARTY DISCLOSURES (continued)

(f) Related party transactions (continued)

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 Trust 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 \$27,778,653 payable (2009: \$29,680,627). Interest expense of \$2,124,125 was incurred on these loans (2009 : \$1,155,942). The loan is repayable in December 2018.

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

(iv) Loan to Abacus Storage Operations Limited

In the prior year, Abacus Storage Property Trust advanced funds to Abacus Storage Operations Limited to assist in financing the acquisition of subsidiaries. Interest is charged at a rate of 7.2% per annum. The balance of these loans (including accrued interest) at year-end is \$38,295,253 receivable (2009: \$39,047,926). Interest revenue of \$2,366,176 was earned on the loan (2009: \$968,941). The loan is repayable in December 2018.

(g) Investments

(i) Related party investments of the Trust

The Trust 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 Trust by related funds and the Abacus Property Group are set out below:

2010	Fair value of holdings \$'000	% interest	Securities held	Securities acquired	Securities disposed	Distributions paid / payable
Fund						
Abacus Group Holdings Limited	8,297	7.9%	6.91 million	-	-	453,745
Abacus Trust	7,354	7.0%	6.13 million	1.24 million	-	360,599
Abacus Storage Funds Management Limited	925	0.9%	0.77 million	-	-	50,575
Virginia Park Investment Trust	4,328	4.1%	3.61 million	1.09 million	-	236,697

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

15. RELATED PARTY DISCLOSURES (continued)

(g) Investments

2009	Fair value of holdings \$'000	% interest	Securities held	Securities acquired	Securities disposed	Distributions paid / payable
Fund						
Abacus Diversified Income Fund II	-	0.0%	-	-	8 million	505,000
Abacus Group Holdings Limited	8,159	8.4%	6.91 million	6.91 million	-	151,248
Abacus Trust	5,513	6.0%	4.89 million	-	0.13 million	412,902
Abacus Storage Funds Management Limited	864	0.9%	0.77 million	-	-	65,507
Virginia Park Investment Trust	2,975	3.6%	2.52 million	2.52 million	-	162,290

16. 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
Malcolm Irving	Non-executive Director
Len Lloyd	Executive Director

(ii) Executives

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

(b) Compensation details of Key Management Personnel

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

Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 15 (e).

(c) Other Key Management Personnel

In addition to the Directors noted above, Abacus Storage Funds Management Limited, the Responsible Entity of the Trust is considered to be Key Management Personnel with the authority for the strategic direction and management of the Trust.

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

17. PARENT ENTITY DISCLOSURES

As at and for the year ended 30 June 2010 the parent entity of the Trust was Abacus Storage Property Trust.

	PARENT	
	2010	2009
	\$'000	\$'000
Results of the parent entity		
Profit for the year	4,559	(11,664)
Other comprehensive income	-	-
Total comprehensive income for the year	4,559	(11,664)
Financial position of the parent entity at year end		
Current assets	12,949	22,063
Total assets	298,330	307,816
Current liabilities	133,120	31,257
Total liabilities	212,123	226,137
Net assets	86,207	81,679
Total equity of the parent entity comprising of:		
Issued capital	74,615	69,049
Reserves	-	-
Retained earnings	11,592	12,630
Total equity	86,207	81,679

Parent Entity Contingencies

There are no contingencies with the parent entity as at 30 June 2010 (2009: \$Nil).

Parent entity capital commitments

The parent entity has not entered into any capital commitments as at 30 June 2010 (2009: \$Nil).

ABACUS STORAGE PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS

30 June 2010

18. COMMITMENTS AND CONTINGENCIES

	CONSOLIDATED	
	2010	2009
	\$	\$
Capital commitments		
Within one year		
- store expansion	1,153	-
	1,153	-

19. AUDITORS REMUNERATION

	CONSOLIDATED	
	2010	2009
	\$	\$
Amounts received or due and receivable by Ernst & Young Australia for:		
consolidated entity	83,700	93,626
	83,700	93,626

20. EVENTS AFTER THE BALANCE SHEET DATE

On 13 August 2010 the Trust re-financed \$173.6m of bank loans into a new \$190.0m, 3 year club facility with three Australian banks, which expires in 2013.

On 4 September 2010, a natural disaster affected the New Zealand south island. The Fund has two self-storage facilities in the Christchurch area. As at the date of this financial report, the financial impact was deemed to be immaterial.

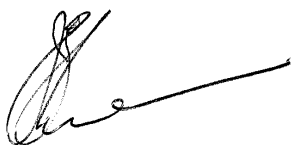
DIRECTORS' DECLARATION

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

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 trust's financial position as at 30 June 2010 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 Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Thame
Chairman



Frank Wolf
Managing Director

Sydney, 16 September 2010

Independent auditor's report to the members of Abacus Storage Property Trust

Report on the Financial Report

We have audited the accompanying financial report of Abacus Storage Property Trust ('the Trust'), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Abacus Storage Funds Management Limited, the Responsible Entity of Abacus Storage Property Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity of the Trust, are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

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

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

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

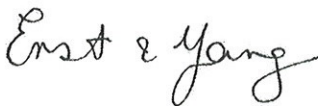
Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Abacus Storage Property Trust is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position at 30 June 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Ernst & Young

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

K. Zdrilic
Partner
Sydney
16 September 2010