

Australian Securities &
Investments Commission



Form 388

Corporations Act 2001
294, 294B, 295, 298-301, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08, 2M.3.01, 2M.3.03

Copy of financial statements and reports

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company/scheme details

Company/scheme name

360 CAPITAL INVESTMENT TRUST

ACN/ARSN/PIN/ABN

141 872 844

Lodgement details

An image of this form will be available as part of the public register.



Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

30316

Firm/organisation

360 CAPITAL FINANCIAL SERVICES PTY LTD

Contact name/position description

ALAN SUTTON (COMPANY SECRETARY)

Telephone number (during business hours)

(02) 8405 9962

Email address (optional)

alan.sutton@360capital.com.au

Postal address

GPO BOX 5483

Suburb/City

SYDNEY

State/Territory

NSW

Postcode

2001

1 Reason for lodgement of statement and reports

Tick appropriate box.

See Guide for definition of Tier 2 public company limited by guarantee

☐ A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking (A)

☐ A Tier 2 public company limited by guarantee (L)

☒ A registered scheme (B)

☐ Amendment of financial statements or directors' report (company) (C)

☐ Amendment of financial statements or directors' report (registered scheme) (D)

See Guide for definition of large proprietary company

☐ A large proprietary company that is not a disclosing entity (H)

See Guide for definition of small proprietary company

☐ A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (I)

☐ A small proprietary company, or a small company limited by guarantee that is requested by ASIC to prepare and lodge statements and reports (J)

☐ A prescribed interest undertaking that is a disclosing entity (K)

Dates on which financial year begins and ends

Financial year begins

0 1 / 0 7 / 1 1
[D] [D] [M] [M] [Y] [Y]

to

Financial year ends

3 0 / 0 6 / 1 2
[D] [D] [M] [M] [Y] [Y]

2 Details of large proprietary company

See Guide for definition of large and small proprietary companies.

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate:

A. What is the consolidated revenue of the large proprietary company and the entities that it controls?

B. What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

C. How many employees are employed by the large proprietary company and the entities that it controls?

D. How many members does the large proprietary company have?

3 Auditor's or reviewer's report

Tick one box and complete relevant section(s)

Were the financial statements audited or reviewed?

☒ Audited – complete B only

☐ Reviewed – complete A and B

☐ No

If no, is there a class or other order exemption current for audit/review relief?

☐ Yes

☐ No

A. Reviewed

Is the reviewer a registered company auditor, or member of The Institute of Chartered Accountants in Australia, CPA Australia Limited, or National Institute of Accountants and holds a practising certificate issued by one of those bodies?

☐ Yes

☐ No

B. Audited or Reviewed

Is the opinion/conclusion in the report:

Modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

☐ Yes

☒ No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

☐ Yes

☒ No

4 Details of current auditor or auditors

Notes:

- Registered schemes must advise ASIC of the appointment of an auditor on a Form 5137 *Appointment of scheme auditor* within 14 days of the appointment of the auditor.
- A public company limited by guarantee may, in some circumstances, have their accounts reviewed. These companies are still required to have an auditor and these details must be provided.

Auditor registration number (for individual auditor or authorised audit company)

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

ERNST & YOUNG

Office, unit, level

ERNST & YOUNG CENTRE

Street number and Street name

680 GEORGE STREET

Suburb/City

SYDNEY

State/Territory

NSW

Postcode

2000

Country (if not Australia)

Date of appointment

1 6 / 1 2 / 1 1

[D] [D] [M] [M] [Y] [Y]

A company may have two appointed auditors, provided that both auditors were appointed on the same date. Otherwise, an appointed auditor must resign, be removed or otherwise ceased before a subsequent appointment may be made.

Auditor registration number (for individual auditor or authorised audit company)

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

5 Statements and reports to be attached to this form

Financial statements for the year (as required by s295(2) and accounting standards)

- Statement of comprehensive income, may also include a separate income statement for the year
- Statement of financial position as at the end of the year
- Statement of cash flows for the year
- Statement of changes in equity.

OR

If required by accounting standards – the consolidated statements of comprehensive income/income statement, financial position, cash flows and changes in equity.

Notes to financial statements (see s295(3))

- Disclosures required by the regulations
- Notes required by the accounting standards
- Any other information necessary to give a true and fair view (see s297).

The signed directors' declaration about the statements and notes (see s295(4)).

The signed directors' report for the year, including the copy of the auditor's or reviewer's independence declaration (see s298 to s300A)

Signed auditor's report or, where applicable, reviewer's report (see s301, s307 to s308).

Concise report (if any) (see s319).

Signature

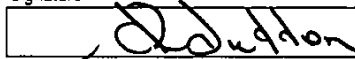
See Guide for details of signatory.

I certify that the attached documents marked (A) are a true copy of the original reports required to be lodged under s319 of the *Corporations Act 2001*.

Name

ALAN SUTTON

Signature



Capacity

☐ Director

☒ Company secretary

Date signed

2 8 / 0 9 / 1 2
[D] [D] [M] [M] [Y] [Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by:

- visiting the ASIC website www.asic.gov.au
- using Standard Business Reporting enabled software. See www.sbr.gov.au for more details.

For more information

Web www.asic.gov.au

Need help? www.asic.gov.au/question

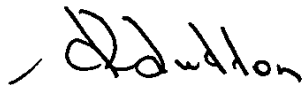
Telephone 1300 300 630

**THIS IS ANNEXURE "A" OF 31 PAGES (INCL. COVER AND CONTENTS PAGES)
REFERRED TO IN FORM 388 COPY OF FINANCIAL STATEMENTS**

360 CAPITAL INVESTMENT TRUST

ARSN 141 872 844

360 Capital
Property Group
○○○○○



DATED: 28 SEPTEMBER 2012

**SIGNED BY ALAN RAYMOND SUTTON – SECRETARY OF THE RESPONSIBLE ENTITY
360 CAPITAL INVESTMENT MANAGEMENT LIMITED ACN 133 363 185**

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**FINANCIAL STATEMENTS
AS AT 30 JUNE 2012**

CONTENTS

1.	Responsible Entity report	3
2.	Auditor's independence declaration	6
3.	Statement of comprehensive income	7
4.	Statement of financial position	8
5.	Statement of changes in equity	9
6.	Statement of cash flows	10
7.	Notes to the financial statements	11
8.	Directors' declaration	29
9.	Independent auditor's report	30

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

The Directors of 360 Capital Investment Management Limited, the Responsible Entity, present their report on 360 Capital Investment Trust ARSN 141 872 844 ("the Trust") for the year ended 30 June 2012.

Directors

The names of Directors of the Responsible Entity in office during the year are as follows:

Tony Robert Pitt
Andrew Graeme Moffat
David van Aanholt
William John Ballhausen

Principal Activities

During the year, the principal activity of the Trust is to act as a managed investment scheme and invest in a diversified portfolio of predominantly property based investments.

Review of Operations

The Trust recorded a profit for the year ended 30 June 2012 of \$1.8 million (2011: \$15.1 million).

The total value of the Trust's assets at the end of the reporting period is \$62.1 million (2011: \$72.2 million).

The NTA as at 30 June 2012 was \$1.17 per unit (2011: \$1.20).

Investment valuations

The investments are held at fair value, and may not be equal to the NTA of the underlying investments. At 30 June 2012 the Trust held the following investments; 360 Capital Diversified Fund with a value of \$31.8 million (2011: \$35.6 million); 360 Capital 111 St Georges Terrace Property Trust with a value of \$26.4 million (2011: \$21.2 million) and 360 Capital Developments Income Fund with a value of \$nil (2011: \$1.2 million). The Trust has also acquired the investments in 360 Capital Industrial Fund with a value of \$2.5million. Total investments value as at 30 June 2012 is \$60.7million (2011: \$58.0 million).

Debt

At 30 June 2012, the Trust had a short term debt facility of \$13.2 million which was due to expire on 6 July 2012. The Trust repaid \$3.2 million of this debt on 6 July 2012 and extended this facility a further six months (to expire on 6 January 2013). The cost of debt remains consistent with the prior year.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Distributions Paid or Payable to Unitholders

Total distributions paid or payable to unitholders by the Trust for the year ended 30 June 2012 were:

	2012	2011	2012	2011
	\$	\$	Cents per unit	Cents per unit
Distributions to unitholders	<u>2,491,988</u>	<u>292,500</u>	<u>6.75</u>	<u>0.8</u>

Significant Changes in State of Affairs

There have been no significant changes to the State of Affairs of the Trust during the financial year.

After Balance Date Events

At 30 June 2012, the Trust had a short term debt facility of \$13.2 million which was due to expire on 6 July 2012. The Trust repaid \$3.2 million of this debt on 6 July 2012 and extended this facility a further six months which will expire on 6 January 2013.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Future Developments

Information on the likely developments of the Trust and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Trust.

Environmental Issues

The Trust complied with all environmental regulations during the course of the financial year.

Indemnification and insurance of Officers or Auditor

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned directors as well as officers of the Responsible Entity of the Trust against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Responsible Entity, other than conduct involving a willful breach of duty in relation to the Responsible Entity.

The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or an auditor of the Responsible Entity.

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**RESPONSIBLE ENTITY REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

Options

No options over issued units or interests in the Trust were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The directors and executives of the Responsible Entity hold no options over interests in the Trust.

Proceedings on Behalf of the Trust

No person has applied for leave of court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of their proceedings. The Trust was not a party to any such proceedings during the year.

Fees, Commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 15 to the financial statements.

Units held by the Responsible Entity or Related Parties of the Responsible Entity

At 30 June 2012 the Responsible Entity and its related parties held units in the Trust, as detailed in Note 15 to the financial statements.

Units Issued in the Trust

During the year 2,623,145 units (\$2,491,988) were issued under the Distribution Reinvestment Plan "DRP" at \$0.95 per unit.

Number of Interests on Issue

At 30 June 2012 the number of units on issue in the Trust was 40,623,145 (2011: 38,000,000)

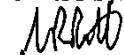
Rounding of Amounts

The Trust is that of the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out in the following report.

Signed in accordance with a resolution of the Board of Directors of 360 Capital Investment Management Limited by:



Tony Pitt

Director

27 September 2012



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of 360 Capital Investment Management Limited as Responsible Entity for 360 Capital Investment Trust

In relation to our audit of the financial report of 360 Capital Investment Trust for the financial year ended 30 June 2012, 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 'Mark Conroy'.

Mark Conroy
Partner
27 September 2012

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Revenue and other income			
Trust distributions	2	3,976	104
Total revenue and other income		3,976	104
Expenses			
Administration expenses		(98)	(11)
Forgiveness of loan	5	(680)	-
		3,198	93
Fair value movement on investments	3	201	14,994
Finance income		23	20
Finance costs	4	(3,240)	-
Loan forgiven	5	1,608	-
Net profit for the year		1,790	15,107
Total comprehensive income for the year attributable to unitholders		1,790	15,107

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Current assets			
Cash and cash equivalents		97	12,128
Trade and other receivables	6	524	-
Related party loan receivable	15	19	2,090
Other intercompany loan receivable		599	-
Total current assets		<u>1,239</u>	<u>14,218</u>
Non-current assets			
Financial assets	7	<u>60,712</u>	58,011
Total non-current assets		<u>60,712</u>	<u>58,011</u>
Total Assets		<u>61,951</u>	<u>72,229</u>
Current liabilities			
Trade and other payables	8	681	14
Other financial liabilities	9	-	26,167
Interest bearing liabilities	10	13,140	-
Distribution payable	11	-	293
Intercompany Loan	12	716	-
Total current liabilities		<u>14,537</u>	<u>26,474</u>
Total liabilities		<u>14,537</u>	<u>26,474</u>
Net Assets		<u>47,414</u>	<u>45,755</u>
Equity			
Issued capital	13	33,433	30,941
Retained earnings		13,981	14,814
Total equity		<u>47,414</u>	<u>45,755</u>

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Issued capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Equity at 1 July 2011	30,941	14,814	45,755
Total comprehensive income for the year	-	1,790	1,790
	<u>30,941</u>	<u>16,604</u>	<u>47,545</u>
Transactions with unitholders in their capacity as unitholders:			
Distribution to unitholders	-	(2,623)	(2,623)
Issuance of units	2,492	-	2,492
	<u>2,492</u>	<u>(2,623)</u>	<u>(131)</u>
Equity at 30 June 2012	<u>33,433</u>	<u>13,981</u>	<u>47,414</u>
Equity at 1 July 2010	-	-	-
Total comprehensive income for the year	-	15,107	15,107
	<u>-</u>	<u>15,107</u>	<u>15,107</u>
Transactions with unitholders in their capacity as unitholders:			
Issuance of units	30,941	-	30,941
Distributions to unitholders	-	(293)	(293)
	<u>30,941</u>	<u>(293)</u>	<u>30,648</u>
Equity at 30 June 2011	<u>30,941</u>	<u>14,814</u>	<u>45,755</u>

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Cash flow from operating activities			
Trust distributions received	2	3,468	107
Interest received		23	20
Payments to suppliers		(122)	-
Finance costs		(1,584)	-
Net cash (used in)/provided by operating activities	16	<u>1,785</u>	<u>127</u>
Cash flow from investing activities			
Payments to acquire 360 Capital 111 St Georges Terrace Property Trust		-	(16,850)
Payments to acquire 360 Capital Diversified Property Fund		(26,167)	
Payments to acquire 360 Capital Industrial Fund – Convertible Notes		(892)	
Net cash (used in)/provided by investing activities		<u>(27,059)</u>	<u>(16,850)</u>
Cash flow from financing activities			
Proceedings from borrowing		13,200	-
Payments for borrowing costs		(1,043)	-
Issuance of units		-	30,941
Advances to 360 Capital Property Limited		1,579	(2,090)
Advances to Related Party Transactions		(493)	-
Net cash used in financing activities		<u>13,243</u>	<u>28,851</u>
Net increase/(decrease) in cash and cash equivalents		<u>(12,031)</u>	<u>12,128</u>
Cash and cash equivalents at the beginning of the year		12,128	-
Cash and cash equivalents at the end of the year	16	<u>97</u>	<u>12,128</u>

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The general purpose financial statements are for the entity 360 Capital Investment Trust ("the Trust") as an individual entity. The Trust is an unlisted trust established and domiciled in Australia. The Responsible Entity of The Trust is 360 Capital Investment Management Limited.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including the Australian Interpretations) and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and on the historical cost basis except for investment property and derivative financial instruments which are measured at fair value.

The functional and presentation currency of the Trust is Australian dollars.

Going Concern

The Trust has net current liabilities of \$13.2 million. The net current liability position has arisen due to the Trust entering into a short term loan of \$13.2 million to acquire an investment in the 360 Capital Diversified Property Fund. This loan was due to expire on 6 July 2012, however was extended a further six months to 6 January 2013.

Notwithstanding the above, the Directors have prepared this financial report on a going concern basis for the period ended 30 June 2012. In forming this view, the Directors have given due consideration to the sufficiency of the cash flows that are forecast for the Trust for the coming twelve months from the date of this report, and the following factors:

- The Trust will continue to receive the distribution payment from 360 Capital Diversified Property Fund, 360 Capital 111 St Georges Terrace Property Trust and 360 Capital Industrial Fund which enables the service of interest payments of the debt through its cashflows over the life of the loan;
- A principle repayment of \$3.2 million of the debt facility was made in the post balance sheet period, thereby reducing future interest payments;
- Over the period in which the Trust has entered into a short term loan, there is history of rolling the debt facility with the financier for a further six months and it is expected that the loan term will extend for a further six months past 6 January 2013 should it be required by the Trust;
- The Trust has also sought to refinance the loan with another financier for longer period of term with reduced interest rate;
- The Trust's unitholders have undertaken a distribution reinvestment plan to preserve cash in the Trust;
- The shareholders of the stapled entity can recapitalise the Trust or lend monies to the entity should it be required;
- During the period ended 30 June 2012 the Trust has made a net profit from continuing operations of \$1.6 million (excluding fair value gain on financial investments). Net cash inflows from operating activities for the period ended 30 June 2012 are \$1.8 million.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Significant Accounting Policies

The Trust has adopted new accounting policies that have been issued and effective for this reporting period. The adoption of the new and amended accounting standards did not have any impact on the financial position or performance of the Trust. The accounting policies set out below are the current policies and have been applied consistently to all periods presented in these financial statements.

(a) Revenue

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

Dividend and distribution income from investments is recognised when the unitholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably).

Interest income is recognised in the statement of comprehensive income on a time basis using the effective interest rate method.

Other income is recognised when the right to receive the revenue has been established.

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

(b) Financial instruments

Financial assets and financial liabilities are recognised on the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are recognised on trade date – the date on which the Trust commits to purchase the asset. Financial assets are de-recognised when the right to receive cash flows from the financial asset have expired or have been transferred and the Trust has transferred substantially the risks and rewards of ownership.

Cash and cash equivalents

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

Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. The payment terms are usually 30 days after the invoice raised. They are classified as current assets except where the maturity is greater than 12 months after the reporting date in which they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment. Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the statement of comprehensive income.

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are designated at fair value through profit or loss in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risk and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within income or expenses in the period in which they arise. Dividend / distribution income from financial assets at fair value through profit and loss is recognised in the profit or loss as part of revenue from continuing operations when the Trust's right to receive payments is established.

Trade and Other Payables

These represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. The payment terms are usually 30 days after the invoice raised Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Financial liabilities and equity

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

Issued units

The Trust issues units which have a limited life under the Trust's constitution and are classified as equity in accordance with AASB 132 Financial Instruments: Presentation as amended by AASB 2009-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation. Units are recognized at initial consideration less any costs relating to the issue.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Trust buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Trust's unitholders.

**360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Borrowings

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

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(c) Finance costs

Finance costs, which include interest costs and amortised debt funding costs, are recognised using the effective interest rate applicable to the financial liability.

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Income tax

Under current legislation the Trust is not liable for income tax provided its income is fully distributed to unitholders.

(f) Critical judgements and significant accounting estimates

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

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

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

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

The fair value of investments which are not traded in an active market is determined by using valuation techniques (including discounted cash flow model or price/earnings multiple model). NTA of the underlying Funds is used as a basis for valuation however maybe amended as deemed appropriate. The Trust uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

In determining the NTA of the underlying investments, property assets are either valued using an external professional valuer, or subject to a Director valuation. All other assets and liabilities held within entities are valued in accordance with accounting policies, consistent with those noted in Note 1.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(ii) Management fees and other fees payable to Responsible Entity

The Responsible Entity has waived its right under the Constitution of the Trust to management and other fees it is otherwise entitled to for the period ended 30 June 2012. Accordingly, no fees have been provided for nor expensed by the Trust for the period ended 30 June 2012 or 30 June 2011.

(g) Accounting standards issued but not yet effective

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory as at 30 June 2012. They may impact the Trust in the period of initial application. They are available for early adoption, but have not been applied in preparing these financial statements:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	There may be an impact on the value of liabilities which need to be held at fair value. The Trust will assess additional disclosures required as a result of this standard.	1 July 2013
Annual Improvements 2009–2011 Cycle	Annual Improvements to IFRSs 2009–2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: - IFRS 1 First-time Adoption of International Financial Reporting Standards - IAS 1 Presentation of Financial Statements - IAS 16 Property, Plant and Equipment - IAS 32 Financial Instruments: Presentation - IAS 34 Interim Financial Reporting	1 January 2013	There is expected to be some change to the disclosures relating to these changes however the impact has yet to be assessed in full.	1 July 2013

AASB 2011-9, AASB 2011-4, AASB 1053, AASB 10, AASE 11, AASB 12 are not expected to have a material impact on the Trust.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
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NOTE 2: REVENUE

Distributions have been received in cash from the following investments:

360 Capital Diversified Property Fund	1,460	-
360 Capital 111 St Georges Terrace Property Trust	2,008	104
	<u>3,468</u>	<u>104</u>

Distributions receivable from:

360 Capital Diversified Property Fund	487	-
360 Capital Industrial Fund	21	-
	<u>3,976</u>	<u>104</u>

NOTE 3: FAIR VALUE MOVEMENT ON INVESTMENTS

360 Capital Diversified Property Fund	(3,820)	4,364
360 Capital 111 St Georges Terrace Property Trust	5,198	9,453
360 Capital Development Income Fund	(1,177)	1,177
	<u>201</u>	<u>14,994</u>

For further information relating to investments refer to Note 7.

NOTE 4: FINANCE COSTS

Interest paid or payable	2,112	-
Borrowing costs	1,128	-
	<u>3,240</u>	<u>-</u>

The loan of \$13,200,000 taken out on 6 July 2011 has a fixed interest rate of 16%. The borrowing costs relate to expenses paid to acquire the debt and further extend the debt beyond its original six month expiry.

NOTE 5: FORGIVENESS OF LOANS / LOAN FORGIVEN

Loans to following entities were forgiven on 30 November 2011:

360 Capital Property Limited	69	-
360 Capital Financial Services Pty Limited	610	-
360 Capital Investment Management Limited	1	-
	<u>680</u>	<u>-</u>

Loan from following entity was forgiven on 30 June 2012:

360 Capital RE Limited	1,608	-
	<u>1,608</u>	<u>-</u>

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: TRADE AND OTHER RECEIVABLES	Notes	2012	2011
Current		\$'000	\$'000
Distributions receivable from:			
360 Capital Diversified Property Fund		487	-
360 Capital Industrial Fund		21	-
GST Receivable		16	-
		<u>524</u>	<u>-</u>

There are no receivables that are impaired or past due but not impaired.

Receivables are non-interest bearing, with 360 Capital Diversified Property Fund and 360 Capital Industrial Fund paying distributions quarterly on or before 28 days following the quarter end.

There are no receivables where the fair value would be materially different from the carrying value.

NOTE 7: FINANCIAL ASSETS

360 Capital Diversified Property Fund	31,801	35,620
360 Capital 111 St Georges Terrace Property Trust	26,411	21,214
360 Capital Development Income Fund	-	1,177
360 Capital Industrial Fund – Convertible Notes	2,500	-
	<u>60,712</u>	<u>58,011</u>

(a) Movement during the financial year:

Opening balance as at 1 July		58,011	-
Acquisition of Investments		2,500	43,017
Changes in fair value of investments	3	201	14,994
Closing balance as at 30 June		<u>60,712</u>	<u>58,011</u>

(b) Valuation basis

Financial assets designated at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are designated at fair value through profit or loss in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risk and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within income or expenses in the period in which they arise. Dividend / distribution income from financial assets at fair value through profit and loss is recognised in the profit or loss as part of revenue from continuing operations when the Trust's right to receive payments is established.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The fair value of investments which are not traded in an active market is determined by using valuation techniques (including discounted cash flow model or price/earnings multiple model). NTA of the underlying Funds is used as a basis for valuation however may be amended as deemed appropriate. The Trust uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

In determining the NTA of the underlying investments, property assets are either valued using an external professional valuer, or subject to a Director valuation. All other assets and liabilities held within entities are valued in accordance with accounting policies, consistent with those noted in Note 1.

(c) Investment fundamentals

30 June 2012	Fair value of investment \$	Valuation determination	Audited NTA as 30 June 2012	Adopted NTA for valuation purpose
360 Capital Diversified Property Fund	31,800,694	Internal	\$0.26	\$0.26
360 Capital 111 St Georges Terrace Property Trust	26,411,672	Internal	\$3.76	\$3.76
360 Capital Developments Income Fund	-	Internal	\$0.83	-

	Fair value of investment \$	Valuation determination	Face value of each Note	Adopted value of valuation purpose
360 Capital Industrial Fund - Convertible Notes	2,500,000	Internal	\$0.40	\$0.40

At 30 June 2012 the Trust valued all the underlying investments. The Trust adopted the audited NTA of the two of its investments, however applied a value of nil to units within the 360 Capital Developments Income Fund ("DIF").

DIF's audited financial statements disclose issues surrounding the debt and discuss the importance of negotiating the debt facility with the new financier. As DIF does not currently pay distributions and is unlikely to return capital to unitholders prior to the debt being repaid, the Trust has taken a liquidity discount against this investment and valued it a nil at 30 June 2012. This resulted in the Trust recognizing a fair value loss of \$1,176,777 in relation to DIF.

(d) Assets pledged as security

Refer to Note 10(a) for information on investments and other assets pledged as security by the Trust.

(e) Contractual obligations

The Trust does not have commitments to acquire investments contracted at 30 June 2012 and \$nil liability was recognised (2011: nil).

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Notes	2012 \$'000	2011 \$'000
NOTE 8: TRADE AND OTHER PAYABLES		
Trade creditors and accruals	153	14
Interest payable on Loan (paid 6 July 2012)	528	-
	<u>681</u>	<u>14</u>

Payables are non-interest bearing and unsecured liabilities.

NOTE 9: OTHER FINANCIAL LIABILITIES
AMOUNTS OWED TO BECTON PROPERTY TRUST

-	26,167
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The amount due to Becton Property Trust resulted from the exercise on 30 June 2011 of an option to purchase a 58.9% interest in 360 Capital Diversified Property Fund and a 9.6% interest in 360 Capital Developments Income Fund. This amount was paid on 7 July 2011, and funded through cash and also a draw down on a new finance facility.

NOTE 10: INTEREST BEARING LIABILITIES

Bank loan – current	13,200	-
Capitalised borrowing costs - current	(60)	-
	<u>13,140</u>	<u>-</u>

Movement during the financial year:

Opening balance as at 1 July	-	-
Draw down from finance provider	13,200	-
	<u>13,200</u>	<u>-</u>

The Trust entered into a short term finance facility of \$13,200,000. The debt facility together with cash was used to pay for an investment in the 360 Capital Diversified Property Fund on 6 July 2011. The debt was due to expire on 6 July 2012, however it has been subsequently extended following a \$3,200,000 repayment on 6 July 2012 for a further six months to now expire on 6 January 2013, on the same terms as the current loan.

The loan has a fixed interest rate which was 16% at balance date (2011: nil).

(a) Assets pledged as security

The loan is unsecured however there is a first ranking fixed and floating charge against the value of the investments.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The carrying amounts of assets pledged as security are:

	Notes	2012 \$'000	2011 \$'000
Investments		60,712	58,011
(b) Financial arrangements			
<i>Loan facilities</i>			
Total facilities:			
Short term loan		13,200	-
Facilities utilised at balance date:			
Short term loan		13,200	-
Facilities not utilised at balance date:			
Short term loan		-	-

The short term loan does not have any specified requirement for the interest cover ratio or the loan to value ratio.

NOTE 11: DISTRIBUTION PAYABLE

Current

Distributions payable to:

TT Investments Pty Ltd	-	62
AMB Capital Partners	-	231
	-	293

NOTE 12: INTERCOMPANY LOAN

Loan to following entity is receivable as at 30 June 2012:

360 Capital Financial Services Pty Limited	599	-
	599	-

Loans from following entities are payable as at 30 June 2012:

360 Capital Investment Management Limited	(36)	-
360 Capital RE Limited	(680)	-
	(716)	-

Intercompany loans are non-interest bearing and is receivable / repayable by 360 Capital Investment Trust on demand.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
NOTE 13: EQUITY			
(a) Issued capital			
40,623,145 ordinary units fully paid (2011: 38,000,000)		33,433	30,941
(b) Movement during the financial year			
Opening balance		30,941	-
Issuance of units (38,000,000)		-	30,941
Issuance of units under Distribution Reinvestment Plan "DRP" at \$0.95 per unit for total of 2,623,145 units		2,492	-
		33,433	30,941
Movements of units issued under DRP during FY 2012:			
	Number	\$'000	
No. of units issued under DRP as at 31 Oct 2011 at \$0.95 per unit	855,000	812	
No. of units issued under DRP as at 31 Jan 2012 at \$0.95 per unit	874,237	831	
No. of units issued under DRP as at 30 Apr 2012 at \$0.95 per unit	893,908	849	
Total number of units issued during FY12	2,623,145	2,492	
(c) Distributions to unitholders			
The distributions for the financial year were:			
Distributions paid under DRP		2,492	-
Distribution payable		-	293
Total distribution paid/payable		2,492	293
Cents per unit			
		6.75	0.95

(d) Capital management

The Trust regards net assets attributable to unitholders as its capital. The object of the Trust is to provide unitholders with regular partly tax advantaged income distributions over the life of the Trust and moderate capital growth over the longer term. The Trust aims to achieve this objective mainly through investing in a diversified portfolio of predominantly property based investments.

As stipulated in the Trust's constitution, each unit represents a right to an individual unit in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attached to it as all other units of the Trust. The shares of the 360 Capital Property Limited and the units of the Trust (collectively the 360 Capital Group or the Group) are combined and issued as stapled units, there are 40,623,145 (2011: 38,000,000) stapled units on issue.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 14: FINANCIAL RISK MANAGEMENT

The Trust's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Trust is exposed are market risk, credit risk and liquidity risk.

The nature and extent of the financial instruments and the risk managed policies employed by the Trust are discussed below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and other price risk. The Trust's strategy on the management of investment risk is driven by the Trust's investment objective. The Trust's market risk is managed on a regular basis by the fund manager in accordance with the investment guidelines as outlined in the Trust's product disclosure statement.

(i) Interest rate risk

The key source of interest rate risk for the Trust is derived from interest bearing liabilities and cash balances. The Trust manages this exposure by fixing its interest rates on its debt facility and opting for short term debt facilities.

The Trust's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

Notes	2012 \$'000	2011 \$'000
<i>Instruments with cash flow risk:</i>		
Cash and cash equivalents	97	12,128
 Sensitivity of interest expense to movements in market interest rates:		
Market interest rates decreased by 55 basis points (2011: 150 basis points)	(1)	(182)
Market interest rates increased by 55 basis points (2011: 150 basis points)	1	182

The method used to predict the future changes in interest rates is to apply the average year-on-year movement in the RBA cash rate over the past 5 years. There are no changes to this methodology from prior years.

(ii) Price risk

The Trust is exposed to equity securities price risk. This arises from investments held by the Trust and classified on the statement of financial position as financial assets at fair value through profit or loss. The Trust is not exposed to commodity price risk.

The investments within the Trust are unlisted property securities. These risks include, but are not limited to, exposure from different investment classes and geographical locations. The overall risk to exposures from investments is monitored and managed at a Responsible Entity level, and policies are set which each individual fund complies with. The framework of the composition of the securities held by the Trust is in line with Responsible Entity policies.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The Fund's exposure to other price risk at reporting date, including its sensitivity to changes in the fair value of different classes of equity securities that were reasonably possible, is shown below:

	Notes	2012 \$'000	2011 \$'000
<i>Instruments with price risk:</i>			
Financial assets and fair value through profit and loss		<u>60,712</u>	58,011
Sensitivity of profit/(loss) to changes in fair values of equity values:			
- Financial asset values increased by 35.3% (2011: 10%)		21,444	5,801
- Financial asset values decreased by 35.3% (2011: 10%)		<u>(21,444)</u>	(5,801)

The sensitivities above have been estimated based on an analysis of movement of financial assets at fair value over the last financial year since inception (2011: based on market averages).

(b) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Trust by failing to discharge an obligation. The Trust is exposed to credit risk through the financial assets listed below. The table also details the maximum exposure to credit risk for each class of financial instrument.

Cash at bank	97	12,128
Trade and other receivables	524	-
Related party loan	150	2,090
Financial assets	<u>60,712</u>	58,011
Maximum exposure to credit risk	<u>61,483</u>	72,229

The Trust manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

(c) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure that as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust monitors its exposure to liquidity by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. The trust manager sets budgets to monitor cash flows. There have been no changes from previous years.

The maturity of financial liabilities at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. There are no financial liabilities where the fair value would be materially different from the amortised cost. The amounts disclosed are based on undiscounted cash flows.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years	Total contractual cash flows	Carrying Amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012						
Trade and other payables						
Non-interest bearing	8	-	-	-	8	8
Intercompany loan	117	-	-	-	117	117
Total	125	-	-	-	125	125
Interest bearing liabilities						
Fixed interest rate	15,039	-	-	-	15,039	13,200
Total	15,039	-	-	-	15,039	13,200
	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years	Total contractual cash flows	Carrying Amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011						
Trade and other payables						
Non-interest bearing	14	-	-	-	14	14
Total	14	-	-	-	14	14

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(d) Fair value

(i) Hierarchy

The following tables classify financial instruments recognised in the statement of financial position at fair value according to the hierarchy stipulated in AASB 7 that reflects the subjectivity of the inputs used in making the measurements as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (i.e. unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2012. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

2012	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets held for trading:				
- Investments	-	60,712	-	60,712
	-	60,712	-	60,712
2011	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets held for trading:				
- Investments	-	58,011	-	58,011
	-	58,011	-	58,011

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: RELATED PARTY TRANSACTIONS

Responsible Entity

The Responsible Entity of 360 Capital Investment Trust is 360 Capital Investment Management Limited, a wholly owned subsidiary of 360 Capital Property Limited.

Responsible Entity's fees and other transactions

Under the terms of the constitution, the Responsible Entity is entitled to receive fees in accordance with the product disclosure statement.

Management fees paid to the Responsible Entity are calculated in accordance with the constitution as 1.5% of the gross asset value of the Trust. In addition, the Responsible Entity is entitled to a number of other fees including, but not limited to, entry and withdrawal fees, asset acquisition fees and a direct asset performance fee. The Responsible Entity has waived its rights to such fees to which it is otherwise entitled under the Constitution for the period ended 30 June 2011 and 30 June 2012.

	Notes	2012 \$	2011 \$
Aggregate amounts receivable / (payable) to the Related Parties at reporting date:			
360 Capital Property Limited		19,000	-
360 Capital Financial Services Pty Limited		598,534	-
360 Capital Investment Management Limited		(36,149)	-
360 Capital RE Limited		(680,000)	-
		<u>32,385</u>	<u>-</u>

Loan Forgiveness

During the financial year 2012, the Trust had released loans provided to 360 Capital Group's subsidiaries entities and also received loan forgiveness from 360 Capital RE Limited. These can be seen in Note 5.

Unitholdings

The Trust held investments in other managed investment schemes which the Responsible Entity or its affiliates manages. These can be seen in Note 7.

The Trust received distributions from investments in other managed investment schemes which the Responsible Entity or its affiliates manages. These can be seen in Note 2.

Key management personnel

The Trust does not employ personnel in its own right. However, it has an incorporated Responsible Entity, 360 Capital Investment Management Limited, to manage the activities of the Trust. The directors and key management personnel of the Responsible Entity are detailed below. No compensation is paid directly by the Trust to directors or to any of the key management personnel of the Responsible Entity.

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Payments made by the Trust to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

Directors

Tony Robert Pitt
 Andrew Graeme Moffat
 David van Aanholt
 William John Ballhausen

Management personnel Unit holdings

Tony Robert Pitt is an indirect investor in TT Investments Pty Limited. TT Investments Pty Limited holds 8,552,241 (2011: 8,000,000) units in the Trust representing issued capital of \$2,966,129 (2011: \$2,441,500). TT Investments Pty Limited holds 8,552,241 (2011: 8,000,000) units in the stapled entity.

No other Directors have any units in the Trust.

	Notes	2012 \$'000	2011 \$'000
NOTE 16: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank		97	12,128
(b) Reconciliation of cash flows from operating activities with profit for the year before distributions to unitholders			
Profit for the year		1,790	15,107
<i>Adjustment for:</i>			
Net changes in fair value of investments		(201)	(14,994)
Transactions costs in relation to borrowing		1,128	-
Loan forgiveness		(928)	-
<i>Changes in assets and liabilities:</i>			
Decrease/ (increase) in trade and other receivables		(524)	-
Increase/(decrease) in trade and other payables		520	14
Cash flow from operating activities		1,785	127

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
NOTE 17: REMUNERATION OF AUDITORS			
Remuneration of the auditor for:			
Audit or review of financial statements – BDO		105	10,500
Related practice of auditor of the Trust:			
Taxation compliance - BDO		1,550	-
		<u>1,655</u>	<u>10,500</u>
Remuneration of the auditor for:			
Audit or review of financial statements – EY		10,000	-
Related practice of auditor of the Trust:			
Taxation compliance – EY		1,500	-
		<u>11,500</u>	<u>-</u>

The auditor of the Trust changed from BDO for 2011 to Ernst & Young (EY) for 2012.

NOTE 18: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the year.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

At 30 June 2012, the Trust has a short term debt facility of \$13.2 million which was due to expire on 6 July 2012. The Trust repaid \$3.2 million of this debt on 6 July 2012 and extended this facility a further six months to 6 January 2013.

There have been no other events subsequent to balance date that require additional disclosure.

NOTE 20: RESPONSIBLE ENTITY DETAILS

The registered office and the principal place of business of the Responsible Entity is:

360 Capital Investment Management Limited
Level 8, 56 Pitt Street
Sydney, NSW 2000

360 CAPITAL INVESTMENT TRUST
ARSN 141 872 844

DIRECTORS' DECLARATION

The directors of 360 Capital Investment Management Limited, the Responsible Entity, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Trust's financial position as at 30 June 2012 and of its performance for the year ended on that date.
2. The notes to the financial statements include an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors of 360 Capital Investment Management Limited by:



Tony Pitt
Director

27 September 2012



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Independent auditor's report to the members of 360 Capital Investment Trust

Report on the Financial Report

We have audited the accompanying financial report of 360 Capital Investment Trust ('the Trust'), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of 360 Capital Investment Management Limited, the Responsible Entity of the Trust, are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Account Standard AASB 101 *Presentation of Financial Statements* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which follows the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.



Opinion

In our opinion:

- a. the financial report of 360 Capital Investment Trust, is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Trust's financial position at 30 June 2012 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Conroy' in a cursive, stylized script.

Mark Conroy
Partner
Sydney
27 September 2012