

Yeperenye Pty Limited

ABN 42 009 629 298

***ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007***

YEPERENYE PTY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2007

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YEPERENYE PTY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2007

The directors submit herewith the annual financial report for the financial year.

The names of the directors of the company during or since the end of the financial year are:

D Masters
O Cole
D Burnett
D Ross
D Cloke

None of the directors have any financial interest in the company in this and prior years.

SHARE OPTIONS

No share options have been issued by the company.

PRINCIPAL ACTIVITY

The company's principal activity in the course of the financial year was property owners and developers.

During the financial year there was no significant change in the nature of this activity.

REVIEW OF OPERATIONS

YEPERENYE PTY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2007

RESULTS

The net amount of the company's profit for the financial year after income tax expense was \$1,006,707 (Prior year: \$1,598,369).

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company.

SUBSEQUENT EVENTS

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

YEPERENYE PTY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2007

ENVIRONMENTAL REGULATIONS

The company's environmental obligations and waste discharge quotas are regulated under both Territory and Federal Law. All environmental performance obligations are monitored and subjected, from time to time, to Government Agency audits and site inspections. The company has a policy of at least complying, but in most cases exceeding its environmental performance obligations. No environmental breaches have been notified by any Government agency during the year.

DIVIDENDS

A dividend of \$233,000 was declared during the year ended 30 June 2007. The directors are still to determine the quantum of a dividend to be recommended for approval at the next annual general meeting.

INDEMNIFICATION OF OFFICERS & AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the Directors of the company (as named above), the company secretary and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act (2001). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

Signed in accordance with a resolution of the Directors.

.....

D Masters - Director

Alice Springs,

27/9/2007

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

YEPERENYE PTY LIMITED

We have audited the accompanying financial report, being a special purpose financial report, of Yeperenye Pty Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 7 to 24.

The Responsibility of Directors for the Financial Report

The directors of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet their financial reporting requirements and are appropriate to meet the needs of the members. The responsibility of directors also includes establishing and maintaining internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 the auditor's judgement, 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 control 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 control. 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.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Deloitte.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

YEPERENYE PTY LIMITED (continued)

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Yeperenye Pty Limited as at 30 June 2007 and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

DELOITTE TOUCHE TOHMATSU

W R McAinsh
Partner
Chartered Accountants

Alice Springs, 02/10/2007.

YEPERENYE PTY LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	2007 \$	2006 \$
Revenue	2	6,006,532	5,565,209
Marketing expenses		(181,462)	(120,486)
Occupancy expenses		(2,491,495)	(1,715,081)
Administration expenses		(608,843)	(558,096)
Borrowing costs	3	(684,873)	(554,994)
Property owner expenses		(856,226)	(656,636)
Profit before tax		<u>1,183,634</u>	<u>1,959,916</u>
Income tax expense	5	(176,927)	(361,547)
Profit for the year		<u><u>1,006,707</u></u>	<u><u>1,598,369</u></u>

The accompanying notes form an integral part of these financial statements.

YEPERENYE PTY LIMITED

BALANCE SHEET
AT 30 JUNE 2007

	NOTE	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	6	997,538	1,156,804
Trade and other receivables	7	44,496	75,296
Prepayments		168,634	127,259
Current tax assets	8	135,644	-
TOTAL CURRENT ASSETS		<u>1,346,312</u>	<u>1,359,359</u>
NON-CURRENT ASSETS			
Units in unlisted unit trusts		200,000	200,000
Property, plant and equipment	9	<u>46,102,648</u>	<u>41,333,177</u>
TOTAL NON-CURRENT ASSETS		<u>46,302,648</u>	<u>41,533,177</u>
TOTAL ASSETS		<u>47,648,960</u>	<u>42,892,536</u>
CURRENT LIABILITIES			
Trade and other payables	10	728,816	847,920
Provision for employee benefits		16,063	5,166
Shareholder's loan		233,000	-
Borrowings	11	-	-
Current tax liabilities	12	-	126,076
TOTAL CURRENT LIABILITIES		<u>977,879</u>	<u>979,162</u>
NON-CURRENT LIABILITIES			
Borrowings	11	<u>11,811,000</u>	<u>7,975,000</u>
TOTAL NON-CURRENT LIABILITIES		<u>11,811,000</u>	<u>7,975,000</u>
TOTAL LIABILITIES		<u>12,788,879</u>	<u>8,954,162</u>
NET ASSETS		<u>34,860,081</u>	<u>33,938,374</u>
EQUITY			
Issued capital	13	3,648,002	3,500,002
Reserves	9a	25,871,991	25,871,991
Retained earnings		5,340,088	4,566,381
TOTAL EQUITY		<u>34,860,081</u>	<u>33,938,374</u>

The accompanying notes form an integral part of these financial statements.

YEPERENYE PTY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Ordinary shares \$	Asset revaluation reserve \$	Sinking fund reserve \$	Retained earnings \$	Total \$
Balance at start of previous year	3,500,002	25,871,991	-	3,316,012	32,688,005
Profit for the year	-	-	-	1,598,369	1,598,369
Dividends	-	-	-	(348,000)	(348,000)
Balance at end of previous year	<u>3,500,002</u>	<u>25,871,991</u>	<u>-</u>	<u>4,566,381</u>	<u>33,938,374</u>
Balance at start of current year	3,500,002	25,871,991	-	4,566,381	33,938,374
Share issue	148,000	-	-	-	148,000
Profit for the year	-	-	-	1,006,707	1,006,707
Dividends	-	-	-	(233,000)	(233,000)
Balance at end of current year	<u>3,648,002</u>	<u>25,871,991</u>	<u>-</u>	<u>5,340,088</u>	<u>34,860,081</u>

The accompanying notes form an integral part of these financial statements.

YEPERENYE PTY LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	NOTE	2007 \$ Inflows (Outflows)	2006 \$ Inflows (Outflows)
Cash flows from operating activities			
Cash receipts from customers		6,641,596	6,003,859
Cash paid to suppliers and employees		(4,902,861)	(3,269,079)
Cash generated from operations		<u>1,738,735</u>	<u>2,734,780</u>
Interest paid		(629,873)	(515,758)
Income taxes paid		(438,649)	(395,366)
Net cash provided by operating activities	21	<u>670,213</u>	<u>1,823,656</u>
Cash flows from investing activities			
Interest received		39,140	86,256
Loans advanced		-	21,457
Purchase of property, plant and equipment (Note 9)		(4,852,619)	(1,795,086)
Purchase of investments		-	(200,000)
Net cash used in investing activities		<u>(4,813,479)</u>	<u>(1,887,373)</u>
Cash flows from financing activities			
Proceeds from borrowings		3,836,000	-
Proceeds from issuance of shares		148,000	-
Dividends paid		-	(348,000)
Net cash provided by / (used in) financing activities		<u>3,984,000</u>	<u>(348,000)</u>
Net decrease in cash and cash equivalents		(159,266)	(411,717)
Cash and cash equivalents			
at the beginning of the financial year	6	<u>1,156,804</u>	<u>1,568,521</u>
Cash and cash equivalents			
at the end of the financial year	6	<u>997,538</u>	<u>1,156,804</u>

The accompanying notes form an integral part of these financial statements.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
\$	\$

1. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements.

Statement of compliance

The financial report has been prepared in accordance with the basis of accounting and disclosure requirements specified by all Accounting Standards and Urgent Issues Group Interpretations, except the pronouncements listed below.

AASB 112 "Income Taxes"

AASB 132 "Financial Instruments: Presentation"

Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the amounts reported for the current or prior years.

Accounting standards and interpretations issued but not yet effective

It is anticipated that the adoption, in future periods, of standards and interpretations issued but not yet effective, will have no material financial impact on the financial statements.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non current assets. Cost is based on the fair values of consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
\$	\$

Borrowings

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

Capital Gains

No provision has been made for tax on capital gains which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets. The capital gains tax liability that would have arisen if the land, buildings, plant and equipment were sold at their carrying value at balance date is disclosed in note 9.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
\$	\$

Financial Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade receivables, loans, trade payables and other financial liabilities are measured at cost.

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except: where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Income Tax

Tax-effect accounting principles are not adopted.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
\$	\$

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Critical accounting judgements and key sources of estimation uncertainty

There were no critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the entity's accounting policies and that are likely to have a significant effect on the amounts recognised in the financial statements.

Because the major assets of the entity are carried at fair value, there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Leased Assets

Operating lease payments are charged as an expense in the period in which they are incurred.

Property, plant and equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts, based on discounted cash flows or capitalisation of net income (as appropriate). The fair values are recognised in the financial statements of the company, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Land and buildings are classified as investment properties and are not depreciated. Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2007	2006
\$	\$

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:
Plant and equipment 3 - 10 years

Provisions

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue Recognition

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rent received in advance of the period to which it relates, is treated as a liability.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Sinking Fund Reserve

Tenants contribute between 8.5% and 10% of annual tenant related outgoings to fund major repairs and maintenance. These contributions are brought to account as revenue in the year collected and sinking fund expenses are expensed as incurred. The unspent contributions are transferred to a sinking fund reserve at each year end.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
2 REVENUE		
Rent received	5,900,415	5,406,822
Other revenue	66,977	72,131
Interest received	39,140	86,256
	<u>6,006,532</u>	<u>5,565,209</u>
3 BORROWING COSTS		
Bill facility fees	98,401	91,608
Interest paid - other persons	586,472	463,386
	<u>684,873</u>	<u>554,994</u>
4 EXPENSES FROM ORDINARY ACTIVITIES		
Expenses from ordinary activities include the following		
Employee benefits expense	398,370	359,320
Net decrease in provision for doubtful debts	-	(14,500)
Rental expense on operating leases	281,067	265,950
Depreciation of property, plant and equipment	83,148	6,909
	<u>762,585</u>	<u>646,679</u>
5 INCOME TAX		
The income tax relating to ordinary activities is reconciled to the prima facie tax payable as follows:		
Profit from ordinary activities	1,183,634	1,959,916
Income Tax Expense	<u>176,927</u>	<u>344,013</u>
<u>Tax effect of permanent and other differences:</u>		
Reversal of tax-effect accounting adjustment	-	17,534
Income tax expense attributable to operating profit	<u>176,927</u>	<u>361,547</u>
Provision for income tax expense	175,376	344,013
Future income tax benefit	-	26,198
Provision for deferred income tax	-	(8,664)
Under provision for income tax, last year	1,551	-
Income tax expense	<u>176,927</u>	<u>361,547</u>
Franking account balance	<u>2,835,170</u>	<u>2,773,538</u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
6 CASH AND CASH EQUIVALENTS		
Cash at bank	997,538	1,156,804
	<u>997,538</u>	<u>1,156,804</u>
7 TRADE AND OTHER RECEIVABLES		
Trade receivables	30,174	75,146
Allowance for doubtful debts	(20,500)	(20,500)
	9,674	54,646
Other debtors	34,822	20,650
	<u>44,496</u>	<u>75,296</u>
8 CURRENT TAX ASSETS		
Income tax refund receivable	<u>135,644</u>	<u>-</u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

9 PROPERTY, PLANT AND EQUIPMENT

	Land At fair value \$	Buildings At fair value \$	Plant & equip At cost \$	Total \$
VALUATION				
Balance at beginning of the previous year	9,495,000	30,050,000	-	39,545,000
Additions	-	1,661,703	133,383	1,795,086
Disposals	-	-	-	-
Balance at end of the previous year	9,495,000	31,711,703	133,383	41,340,086
Balance at beginning of the current year	9,495,000	31,711,703	133,383	41,340,086
Additions	-	4,380,182	472,437	4,852,619
Disposals	-	-	-	-
Balance at end of the current year	9,495,000	36,091,885	605,820	46,192,705
ACCUMULATED DEPRECIATION				
Balance at beginning of the previous year	-	-	-	-
Additions	-	-	6,909	6,909
Disposals	-	-	-	-
Balance at end of the previous year	-	-	6,909	6,909
Balance at beginning of the current year	-	-	6,909	6,909
Additions	-	-	83,148	83,148
Disposals	-	-	-	-
Balance at end of the current year	-	-	90,057	90,057
2006 Net book value	9,495,000	31,711,703	126,474	41,333,177
2007 Net book value	9,495,000	36,091,885	515,763	46,102,648

- (a) An independent valuation of the entity's land and buildings was performed by R Rixon to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to discounted cash flows using a discounted rate. The effective date of the valuation was 30 June 2005. The directors have assessed that there was no significant change in the fair value of the land and buildings as the market value remained stable during the last twelve months. The company has adopted a policy of revaluing its property, plant and equipment every three years.

YEPERENYE PTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
9 PROPERTY, PLANT AND EQUIPMENT (continued)		
(b) The company's buildings at 36-38 Hartley Street are situated on land which is part freehold and part leasehold. The company has a lease over the leasehold portion of the land with renewal option until 30 June 2076.		
(c) No tax on capital gains or deferred tax has been provided on the revaluation increments relating to the land and buildings. Tax on capital gains that would be paid if freehold land and buildings and plant and equipment were sold at reporting date at their disclosed value.	<u>5,800,013</u>	<u>5,707,758</u>
(d) Carrying amount of land and buildings had they been recognised under the cost model		
Land	<u>3,726,864</u>	<u>3,726,864</u>
Buildings	<u>23,667,646</u>	<u>19,287,463</u>
10 CURRENT TRADE AND OTHER PAYABLES		
Trade payables	421,513	557,153
Unearned revenue	273,001	254,967
PAYG withholding	14,179	27,202
Superannuation payable	12,623	8,598
Provision for insurance payouts	7,500	-
	<u>728,816</u>	<u>847,920</u>
11 BORROWINGS		
Current		
Bills payable	<u>-</u>	<u>-</u>
Non current		
Bills payable	<u>11,811,000</u>	<u>7,975,000</u>

The above loan and bank bills are secured by a first registered mortgage over the company's land and buildings and first registered mortgage over lease No. 271240 and 271241.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
12 CURRENT TAX LIABILITIES		
Income tax payable	<u>-</u>	<u>126,076</u>
13 CONTRIBUTED EQUITY		
<u>Issued and paid up capital</u>		
3,648,002 Ordinary shares	<u>3,648,002</u>	<u>3,500,002</u>
There are 3,648,002 authorised ordinary shares. All shares carry equal voting and dividend rights.		
14 LEASES		
Non cancellable operating lease commitments.		
Not later than one year	287,813	284,329
Later than one year but not later than 5 years	863,438	852,988
Later than 5 years	<u>1,439,064</u>	<u>1,705,977</u>
	<u>2,590,315</u>	<u>2,843,294</u>
Operating leases relate to commercial property. The annual lease charges increase in accordance with CPI and with a market review every fourth year. The commitment is an estimate based on anticipated future increases in the CPI.		
15 COMMITMENTS FOR EXPENDITURE		
Investment property		
Not longer than 1 year	<u> </u>	<u> </u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
16 KEY MANAGEMENT PERSONNEL COMPENSATION		
The key management personnel are the directors who are all named in the directors report.		
Short term employee benefits	<u>331,003</u>	<u>272,084</u>
	<u>331,003</u>	<u>272,084</u>
17 REMUNERATION OF AUDITORS		
Amounts received, or due and receivable, by the auditors from the company:		
Auditing the financial report	<u>12,500</u>	<u>11,000</u>
18 SEGMENT INFORMATION		
The company operates in the property owners and developers industry wholly within Australia.		
19 RELATED PARTY INFORMATION		
The immediate and ultimate chief entity of the company is Yeperenye Nominees Pty Ltd as trustee for the Yeperenye Trust.		
20 ADDITIONAL COMPANY INFORMATION		
The company is a private company incorporated in Australia.		
The company's principal place of business is situated at 36 to 38 Hartley Street, Alice Springs, 0870.		
The company's registered office is situated at 9 Parsons Street, Alice Springs. 0870.		

YEPERENYE PTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
21 NOTES TO THE CASH FLOW STATEMENT		
a) Reconciliation of profit for the year to net cash flows from operating activities		
Profit for the year	1,006,707	1,598,369
Depreciation and amortisation	83,148	6,909
Interest received	(39,140)	(86,256)
Decrease in provision for doubtful debts	-	(14,500)
<u>(Increase)/decrease in assets:</u>		
Current receivables	30,800	(18,148)
Prepayments	(41,375)	(48,813)
Future income tax benefit	-	26,198
<u>Increase/(decrease) in liabilities:</u>		
Current payables	(90,104)	384,181
Payroll provisions	(18,101)	35,733
Provision for income tax	(261,722)	(51,353)
Provision for deferred income tax	-	(8,664)
Net cash provided by operating activities	<u>670,213</u>	<u>1,823,656</u>
b) Reconciliation of cash and cash equivalents		
Cash and bank balances	<u>997,538</u>	<u>1,156,804</u>
c) Non cash financing and investing activities		
Dividends declared and paid by crediting shareholder's loan account.	<u>233,000</u>	<u>-</u>
d) Financing facilities		
Secured floating rate bill facilities with maturity dates to 2010.		
Amount used	11,811,000	7,975,000
Amount unused	200,000	5,336,000
	<u>12,011,000</u>	<u>13,311,000</u>

22 FINANCIAL INSTRUMENTS

(a) Credit Risk

There is no significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. There is no foreign exchange risk.

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

23 FINANCIAL INSTRUMENTS

	Ave. Int. rate %	Variable Int. rate \$	Fixed Interest rate		Non- Interest Bearing	Total
			Less than 1 year	1 to 5 years		
2006						
Financial Assets						
Cash	4.6	1,155,704	-	-	1,100	1,156,804
Trade receivables	-	-	-	-	75,146	75,146
Loan receivables	10.0	-	-	-	-	-
Total financial assets		1,155,704	-	-	76,246	1,231,950
Financial Liabilities						
Trade payables	-	-	-	-	557,151	557,151
Bills payable	6.1	-	7,975,000	-	-	7,975,000
Total financial liabilities		-	7,975,000	-	557,151	8,532,151
2007						
Financial Assets						
Cash	4.6	997,538	-	-	-	997,538
Trade receivables	-	-	-	-	30,174	30,174
Loan receivables	-	-	-	-	-	-
Total financial assets		997,538	-	-	30,174	1,027,712
Financial Liabilities						
Trade payables	-	-	-	-	421,513	421,513
Bills payable	6.3	-	11,811,000	-	-	11,811,000
Total financial liabilities		-	11,811,000	-	421,513	12,232,513

YEPERENYE PTY LIMITED

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2007

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements.

The directors declare that:

- (a) The financial statements and notes give a true and fair view of the financial position and the performance of the company for the year; and
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of the directors.

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D Masters - Director

Alice Springs,

27 / 9 / 2007