

Yeperenye Pty Limited

ABN 42 009 629 298

*ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006*

YEPERENYE PTY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2006

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YEPERENYE PTY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2006

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

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 2006

RESULTS

The net amount of the company's profit for the financial year after income tax expense was \$1,598,369 (Prior year: \$1,732,694).

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 2006

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

No dividends were paid or declared during the year ended 30 June 2005. A dividend of \$348,000 was paid during the year ended 30 June 2006. 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, 30 August

2006

YEPERENYE PTY LTD
ABN 42 009 629 298

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
YEPERENYE PTY LTD

Scope

The financial report and director's responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cashflows, accompanying notes to the financial statements, and the directors declaration for Yeperenye Pty Ltd, for the financial year ended 30 June 2006.

The directors are responsible for the preparation and true and fair presentation of the financial report and the information it contains. This includes responsibility for the maintenance of adequate accounting records and internal controls, that are designed to prevent and detect fraud and error, and for the accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Yeperenye Pty Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the financial year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

PERKS AUDIT & ASSURANCE
73 Hartley Street
Alice Springs NT 0870

PETER J HILL
Partner

30 August 2006

YEPERENYE PTY LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
Revenue	2	5,565,209	5,429,139
Marketing expenses		(120,486)	(114,508)
Occupancy expenses		(1,715,081)	(1,492,040)
Administration expenses		(558,096)	(510,366)
Borrowing costs	3	(554,994)	(560,243)
Property owner expenses		(656,636)	(562,923)
Settlement	4	-	(302,838)
Profit before income tax expense		<u>1,959,916</u>	<u>1,886,221</u>
Income tax expense	5	(361,547)	(153,527)
Net profit		<u>1,598,369</u>	<u>1,732,694</u>
Adjustment to accumulated depreciation due to change in accounting policy	29	-	1,257,988
Profit attributable to members of the entity	19	<u><u>1,598,369</u></u>	<u><u>2,990,682</u></u>

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

YEPERENYE PTY LIMITED

BALANCE SHEET
AT 30 JUNE 2006

	NOTE	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,156,804	1,568,521
Trade and other receivables	7	75,296	42,648
Prepayments		127,259	78,446
Current tax assets	8	-	-
TOTAL CURRENT ASSETS		<u>1,359,359</u>	<u>1,689,615</u>
NON-CURRENT ASSETS			
Receivables	9	-	21,457
Units in unlisted unit trusts		200,000	-
Property, plant and equipment	10	41,333,177	39,545,000
Deferred tax assets	11	-	26,198
TOTAL NON-CURRENT ASSETS		<u>41,533,177</u>	<u>39,592,655</u>
TOTAL ASSETS		<u>42,892,536</u>	<u>41,282,270</u>
CURRENT LIABILITIES			
Trade and other payables	12	847,920	433,170
Provision for employee benefits		5,166	-
Borrowings	13	-	-
Income tax payable	15	126,076	177,431
TOTAL CURRENT LIABILITIES		<u>979,162</u>	<u>610,601</u>
NON-CURRENT LIABILITIES			
Borrowings	13	7,975,000	7,975,000
Deferred tax liabilities	16	-	8,664
TOTAL NON-CURRENT LIABILITIES		<u>7,975,000</u>	<u>7,983,664</u>
TOTAL LIABILITIES		<u>8,954,162</u>	<u>8,594,265</u>
NET ASSETS		<u>33,938,374</u>	<u>32,688,005</u>
EQUITY			
Contributed equity	17	3,500,002	3,500,002
Reserves	18	25,871,991	25,871,991
Retained profits	19	4,566,381	3,316,012
TOTAL EQUITY		<u>33,938,374</u>	<u>32,688,005</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 2006

	Ordinary shares \$	Asset reval reserve \$	Sinking fund res \$	Retained earnings \$	Total \$
Balance at 30 June 2004	3,500,002	22,093,935	33,649	291,681	25,919,267
Gain on revaluation of property	-	3,778,056	-	-	3,778,056
Transfer to/from reserves	-	-	(33,649)	33,649	-
Profit for the year	-	-	-	2,990,682	2,990,682
Dividends	-	-	-	-	-
Balance at 30 June 2005	<u>3,500,002</u>	<u>25,871,991</u>	-	<u>3,316,012</u>	<u>32,688,005</u>
Gain on revaluation of property	-	-	-	-	-
Transfer to/from reserves	-	-	-	-	-
Profit for the year	-	-	-	1,598,369	1,598,369
Dividends	-	-	-	(348,000)	(348,000)
Balance at 30 June 2006	<u>3,500,002</u>	<u>25,871,991</u>	-	<u>4,566,381</u>	<u>33,938,374</u>

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

YEPERENYE PTY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$ Inflows (Outflows)	2005 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers		6,003,859	5,828,326
Interest received		86,256	47,102
Payments to suppliers and employees		(3,380,852)	(3,235,288)
Goods and services tax recovered (paid)		(218,698)	(123,614)
Borrowing costs		(515,758)	(459,163)
Income tax paid		(395,366)	(284,612)
Net cash provided by operating activities	26	<u>1,579,441</u>	<u>1,772,751</u>
Cash flows from investing activities			
Loans repaid		-	8,650
Loans advanced		21,457	-
Payments for property, plant and equipment		(1,464,615)	(862,156)
Payments for investments		<u>(200,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,643,158)</u>	<u>(853,506)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Dividends Paid		<u>(348,000)</u>	<u>-</u>
Net cash provided by /(used in) financing activities		<u>(348,000)</u>	<u>-</u>
Net increase /(decrease) in cash held		(411,717)	919,245
Cash at the beginning of the financial year	27	<u>1,568,521</u>	<u>649,276</u>
Cash at the end of the financial year	27	<u><u>1,156,804</u></u>	<u><u>1,568,521</u></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 2006

2006	2005
\$	\$

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.

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. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'):

AASB 112 "Income Taxes"
AASB 132 "Financial Instruments: Presentation"

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the 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:

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. 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 10.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$	\$

Comparative Figures

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

Debt and Equity Instruments

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

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.

Provisions made 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.

Provisions made 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.

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.

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

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.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$	\$

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 in the financial statements for the current year although they were adopted in the previous year.

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.

Leased Assets

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

Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

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.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$	\$

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.

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 5 - 10 years

Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

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.

Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

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.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
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.		
2 REVENUE		
Rent received	5,406,822	5,350,323
Other revenue	72,131	31,714
Interest received	86,256	47,102
	<u>5,565,209</u>	<u>5,429,139</u>
3 BORROWING COSTS		
Bill facility fees	91,608	81,332
Interest paid - other persons	463,386	478,911
	<u>554,994</u>	<u>560,243</u>
4 EXPENSES FROM ORDINARY ACTIVITIES		
Expenses from ordinary activities include the following		
Net increase (decrease) in provision for doubtful debts	(14,500)	5,000
Rental expense on operating leases	265,950	200,965
Depreciation of plant and equipment	6,909	70,619
Settlement of prior years outgoings and rental dispute*	<u>-</u>	<u>302,838</u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
5 INCOME TAX		
The income tax relating to ordinary activities is reconciled to the prima facie tax payable as follows:		
Profit (loss) from ordinary activities	1,959,916	1,886,221
Income Tax Expense	<u>344,013</u>	<u>565,866</u>
<u>Tax effect of permanent and other differences:</u>		
Additional allowable depreciation	(246,038)	(416,633)
Non allowable expenses charged to sinking fund	-	4,294
Reversal of tax-effect accounting adjustment	<u>263,572</u>	<u>-</u>
Income tax expense attributable to operating profit	<u><u>361,547</u></u>	<u><u>153,527</u></u>
Provision for income tax expense	344,013	381,511
Future income tax benefit	26,198	(14,303)
Provision for deferred income tax	<u>(8,664)</u>	<u>(213,682)</u>
Income tax expense	<u><u>361,547</u></u>	<u><u>153,526</u></u>
Franking account balance	<u><u>2,773,538</u></u>	<u><u>2,578,668</u></u>
6 CASH ASSETS		
Cash at bank	1,156,804	1,315,823
Yeperenye Pty Ltd Trust Account	<u>-</u>	<u>252,698</u>
	<u><u>1,156,804</u></u>	<u><u>1,568,521</u></u>
7 CURRENT TRADE AND OTHER RECEIVABLES		
Trade receivables	75,146	73,279
Allowance for doubtful debts	<u>(20,500)</u>	<u>(35,000)</u>
	54,646	38,279
Other debtors	<u>20,650</u>	<u>4,369</u>
	<u><u>75,296</u></u>	<u><u>42,648</u></u>
8 CURRENT TAX ASSETS		
Income tax refund receivable	<u>-</u>	<u>-</u>
9 NON-CURRENT RECEIVABLES		
Loan - Café La Piazza	<u>-</u>	<u>21,457</u>

The loan was unsecured, bore interest at 10% (prior year: 10%) and was repayable over 5 years.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

10 PROPERTY, PLANT AND EQUIPMENT

	Land At fair value \$	Buildings At fair value \$	Plant & equip At cost \$	Total \$
Gross Carrying Amount				
Balance at start of year	9,495,000	29,521,450	528,550	39,545,000
Additions	-	1,661,703	133,383	1,795,086
Net revaluation increments	-	-	-	-
Balance at end of year	<u>9,495,000</u>	<u>31,183,153</u>	<u>661,933</u>	<u>41,340,086</u>
Accumulated Depreciation				
Balance at start of year	-	-	-	-
Change of accounting policy (note 30)	-	-	-	-
Charge for the year	-	-	(6,909)	(6,909)
Net adjustments from revaluation increments	-	-	-	-
Balance at end of year	<u>-</u>	<u>-</u>	<u>(6,909)</u>	<u>(6,909)</u>
Net Book Value				
Balance at start of year	<u>9,495,000</u>	<u>29,521,450</u>	<u>528,550</u>	<u>39,545,000</u>
Balance at end of year	<u>9,495,000</u>	<u>31,183,153</u>	<u>655,024</u>	<u>41,333,177</u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
10 PROPERTY, PLANT AND EQUIPMENT (continued)		
(a) 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 until 30 June 2076.		
(b) An independent valuation of land, buildings and improvements of the company was performed by R Rixon AAPI Certified Practising Valuer from the Australian Valuation Office to determine fair value of the land and buildings. The effective date of the valuation was 30 June 2005. The valuation was determined by reference to discounted cash flows and estimated current market value. The company has adopted a policy of revaluing its property, plant and equipment every three years.		
(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>5,707,758</u>	<u>5,574,019</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>19,287,463</u>	<u>17,625,760</u>
11 DEFERRED TAX ASSETS		
Future income tax benefit	<u>-</u>	<u>26,198</u>
12 CURRENT TRADE AND OTHER PAYABLES		
Trade payables	557,153	96,512
Unearned revenue	254,967	259,528
Goods & services tax payable	-	51,897
PAYG withholding	27,202	25,233
Superannuation payable	8,598	-
	<u>847,920</u>	<u>433,170</u>

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
13 BORROWINGS		
Current		
Bills payable	-	-
Non current		
Bills payable	7,975,000	7,975,000
<p>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.</p>		
14 FINANCING FACILITIES		
Secured fixed rate bill facility until 1 February 2006.		
Amount used	-	3,600,000
Amount unused	-	-
	-	3,600,000
Secured fixed rate bill facility until 12 Jan 2007.		
Amount used	-	500,000
Amount unused	-	-
	-	500,000
Secured floating rate bill facility until 28 February 2006.		
Amount used	-	3,875,000
Amount unused	-	460,000
	-	4,335,000
Secured bill facility until 28 February 2010		
Amount used	-	-
Amount unused	5,336,000	-
	5,336,000	-
Secured fixed rate bill facility until 31 May 2010.		
Amount used	7,975,000	-
Amount unused	-	-
	7,975,000	-
15 CURRENT TAX LIABILITIES		
Income tax payable	126,076	177,431
16 DEFERRED TAX LIABILITIES		
Provision for deferred income tax	-	8,664

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
17 CONTRIBUTED EQUITY		
<u>Issued and paid up capital</u>		
3,500,002 Ordinary shares	<u>3,500,002</u>	<u>3,500,002</u>
There are 3,500,002 authorised ordinary shares. All shares carry equal voting and dividend rights. Authorised share capital 5,000,000 ordinary shares (prior year 5,000,000 ordinary shares)		
18 RESERVES		
Asset revaluation reserve	25,871,991	25,871,991
Sinking fund reserve	-	-
	<u>25,871,991</u>	<u>25,871,991</u>
Movements in reserves		
<u>Asset revaluation reserve</u>		
Balance at beginning of financial year	25,871,991	22,093,935
Revaluation of land and buildings	-	3,778,056
Balance at end of financial year	<u>25,871,991</u>	<u>25,871,991</u>
<u>Sinking fund reserve</u>		
Balance at beginning of financial year	-	33,649
Movement in sinking fund	-	(33,649)
Balance at end of financial year	<u>-</u>	<u>-</u>
19 RETAINED PROFITS		
Balance at beginning of financial year	3,316,012	291,681
Net profit after tax	1,598,369	2,990,682
Adjustment to accumulated depreciation due to accounting policy change (Note 30)	-	-
Transfer from reserves	-	33,649
Dividends paid	(348,000)	-
Balance at end of financial year	<u>4,566,381</u>	<u>3,316,012</u>
20 COMMITMENTS UNDER OPERATING LEASES		
Not later than one year	284,329	264,048
Later than one year but not later than 5 years	852,988	828,144
Later than 5 years	1,705,977	1,932,336
	<u>2,843,294</u>	<u>3,024,528</u>

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.

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005. \$
COMMITMENTS FOR EXPENDITURE		
Investment property		
Not longer than 1 year	<u> </u>	<u> </u>
21 KEY MANAGEMENT PERSONNEL COMPENSATION		
The key management personnel are the directors who are all named in the directors report.		
Short term employee benefits		
Post employment benefits	<u>272,084</u>	<u>245,810</u>
22 REMUNERATION OF AUDITORS		
Amounts received, or due and receivable, by the auditors from the company:		
Auditing the financial report	<u>11,000</u>	<u>13,232</u>
23 SEGMENT INFORMATION		
The company operates in the property owners and developers industry wholly within Australia.		
24 RELATED PARTY INFORMATION		
The immediate and ultimate chief entity of the company is Yeperenye Nominees Pty Ltd as trustee for the Yeperenye Trust. Prior to 29 June 2005, the immediate and ultimate chief entity of the company was the Aboriginal and Torres Strait Islander Commission.		
25 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 2006

	2006	2005
	\$	\$
26 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX		
Operating profit (loss) after taxation	1,598,369	1,732,694
Non cash items:		
Depreciation and amortisation	6,909	70,619
Increase/(decrease) in provision for doubtful debts	(14,500)	5,000
<u>(Increase)/decrease in assets:</u>		
Current receivables	(18,148)	251
Prepayments	(48,813)	29,477
Future income tax benefit	26,198	(14,303)
Goods & Services Tax recoverable	(51,897)	25,395
<u>Increase/(decrease) in liabilities:</u>		
Current payables	105,607	40,400
Payroll provisions	35,733	-
Provision for income tax	(51,353)	96,899
Provision for deferred income tax	(8,664)	(213,682)
Net cash provided by operating activities	<u>1,579,441</u>	<u>1,772,750</u>

27 RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash on hand and in banks is stated at nominal value. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and bank balances	<u>1,156,804</u>	<u>1,568,521</u>
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28 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 2006

	2006	2005
	\$	\$
29 CHANGE IN ACCOUNTING POLICY		
With effect from 1 July 2004, the company decided not to depreciate investment property.		
The change was made to more accurately value the company's property and to align with foreshadowed changes to accounting standards.		
Adjustment recognised in the statement of financial performance for the current financial year:	-	1,257,988
Adjustment to the opening balance of retained profits of the current financial year:	-	-
The amount by which the prior year profit before tax would have increased, if the new accounting policy had always applied:	-	-
Adjustment relating to financial years prior to those presented in the financial report:	-	-
With effect from 1 July 2005, the company decided not to provide for deferred income tax.		
The change was made to because, given that the company does not intend to sell its properties no tax is likely to become payable on the revaluation increments and other temporary differences are not significant, the costs of compliance were considered to outweigh the benefits.		
Adjustment recognised in the statement of financial performance for the current financial year:	17,534	-
Adjustment to the opening balance of retained profits of the current financial year:	-	-
The amount by which the prior year profit before tax would have increased, if the new accounting policy had always applied:	-	210,451
Adjustment relating to financial years prior to those presented in the financial report:	-	-

YEPERENYE PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

26 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	-	-	-	-	-	-
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
2005						
Financial Assets						
Cash	4.6	1,315,823	-	-	252,698	1,568,521
Trade receivables	-	-	-	-	73,279	73,279
Loan receivables	10.0	-	-	21,457	-	21,457
Total financial assets		1,315,823	-	21,457	325,977	1,663,257
Financial Liabilities						
Trade payables	-	-	-	-	96,512	96,512
Bills payable	6.3	3,875,000	3,600,000	500,000	-	7,975,000
Total financial liabilities		3,875,000	3,600,000	500,000	96,512	8,071,512

YEPERENYE PTY LIMITED

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2006

The Directors declare that:

- (a) The financial statements and associated notes comply with Accounting Standards and other mandatory professional reporting requirements in Australia;
- (b) 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
- (c) 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.

D Masters - Director

Alice Springs, 21 August 2006