

# Mirvac Tourist Park Fund

ARSN 108 243 947

## Financial report for the year ended 30 June 2008

This general purpose annual financial report relates to Mirvac Tourist Park Fund ("the Fund") which is a managed investment scheme registered under Part 5C.1 of the *Corporations Act 2001*.

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The responsible entity of the Fund is Mirvac Funds Management Limited ("the responsible entity"). The responsible entity's registered office is Level 26, 60 Margaret Street, Sydney, NSW 2000.

# Mirvac Tourist Park Fund

## Directors' report

The directors of Mirvac Funds Management Limited (the responsible entity of the Fund) present their report on Mirvac Tourist Park Fund for the year ended 30 June 2008.

### Directors

The following persons were directors during the whole of the year and up to the date of this report unless otherwise indicated:

Paul Barker- Chairman  
Nicholas R Collishaw  
Grant B Hodgetts

Ross Strang  
Robert T Summerton\*  
Richard W Turner

\*resigned 30 September 2007.

### Principal activity

The Fund invests in leisure properties. The overall strategy of the Fund is to provide unitholders with both capital growth and high income returns. The Fund operates in one geographical area, Australia.

The fund had no employees during the year.

There was no changes in the Fund's activities.

### Review and results of operations

The key financial results of the Fund for the financial year ended 30 June 2008 are as follows:

	<b>30 June 2008</b>	30 June 2007
	<b>\$'000</b>	\$'000
Net operating profit	<u><b>4,077</b></u>	<u>2,453</u>
Total assets	<u><b>36,763</b></u>	<u>32,434</u>

### Finance costs to unitholders

Finance costs unitholders paid by the Fund since the end of the previous financial year were:

- Finance costs to unitholders of 2.75 cents per unit (\$361,488) provided for in last year's financial report, was paid on 31 August 2007.

For the year ended 30 June 2008:

- Finance costs to unitholders of 2.875 cents per unit (\$377,918) was made for the September 2007 quarter
- Finance costs to unitholders of 2.875 cents per unit (\$377,918) was made for the December 2007 quarter
- Finance costs to unitholders of 1.875 cents per unit (\$246,469) was made for the March 2008 quarter

### Matters subsequent to the end of the financial year

In the opinion of the directors of the responsible entity of the Fund, no other matters or circumstances have arisen in the interval between the end of the financial year and the date of this report to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

## Mirvac Tourist Park Fund

### Likely developments

The Fund will continue to follow its objectives of identifying opportunities to increase the profitability of the Fund and its net asset value.

Further information on likely developments in the operation of the Fund and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in unreasonable prejudice to the Fund.

<b>Interest in the Fund</b>	<b>30 June 2008 No. of units '000</b>	30 June 2007 No. of units '000
Units on issue at the beginning of the year	13,145	13,145
Units issued during the year	-	-
Units on issue at the end of the year	<u>13,145</u>	<u>13,145</u>
<b>Value of assets</b>	<b>\$'000</b>	<b>\$'000</b>
Value of Fund assets at the end of the year	<u>36,763</u>	<u>32,434</u>

### Environmental regulation

The Fund is subject to environmental regulation in respect of its land and property development activities. The relevant authorities are provided with regular updates, and to the best of the directors' knowledge, all activities have been undertaken in compliance with the requirements of the planning approvals.

### Responsible entity's remuneration

In accordance with the Fund Constitution, Mirvac Funds Management Limited (and its associates) are entitled to receive:

- a management fee of 65 basis points of the gross asset value of the Fund, payable monthly in arrears was charged in 2008. (The management fee in 2007 was 46 basis points).
- advisory fees on establishment of fund and acquisition of assets.
- debt management fees of 0.20 per cent of the total Fund's loan facilities.
- a performance fee of 13 per cent of the gross capital profit generated by the properties, payable when the properties of the Fund are sold or the Fund is terminated where Mirvac Funds Management Limited is entitled to 13 per cent and FreeSpirit (the business operator) is entitled to 20 per cent.

Fees paid by the Fund to the responsible entity (and its associates) during the year are set out in note 22.

### Indemnities and insurance premiums of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to Mirvac Funds Management Limited or the auditors of the Fund. So long as the officers of Mirvac Funds Management Limited act in accordance with the constitution and the law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

### Rounding of amounts to nearest thousand dollars

The Fund is an entity of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investment Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

## Mirvac Tourist Park Fund

### Auditor

PricewaterhouseCoopers have been appointed auditors in accordance with section 327 of the *Corporations Act 2001*.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



Grant B Hodgetts  
Director

Sydney  
28 August 2008

PricewaterhouseCoopers  
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## Auditor's Independence Declaration

As lead auditor for the audit of Mirvac Tourist Park Fund for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mirvac Tourist Park Fund during the period.



Marcus Laithwaite  
Partner  
PricewaterhouseCoopers

Sydney  
28 August 2008

## Mirvac Tourist Park Fund

### Income statement

for the year ended 30 June 2008

	Notes	30 June 2008 \$'000	30 June 2007 \$'000
<b>Income</b>			
Rental revenue		3,211	3,001
Interest income	4	180	173
Profit on sale of assets		-	2
Change in fair value of investment properties	9	2,844	654
Change in fair value of derivative financial instruments		37	128
<b>Total income</b>		<b>6,272</b>	<b>3,958</b>
<b>Operating expenses</b>			
Property outgoings		(17)	(14)
Finance costs to financial institutions		(1,507)	(1,148)
Responsible entity's fees		(229)	(138)
Performance fees	14	(163)	-
Other expenses	5	(279)	(205)
<b>Total operating expenses</b>		<b>(2,195)</b>	<b>(1,505)</b>
<b>Net operating profit</b>		<b>4,077</b>	<b>2,453</b>
<b>Financing costs attributable to unitholders</b>			
Finance costs to unitholders	17	(1,002)	(1,446)
Increase in net assets attributable to unitholders		(3,075)	(1,007)
<b>Net profit for the year</b>		<b>-</b>	<b>-</b>

The above income statement should be read in conjunction with the accompanying notes.

# Mirvac Tourist Park Fund

## Balance sheet

as at 30 June 2008

	Notes	30 June 2008 \$'000	30 June 2007 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	414	555
Receivables	7	61	13
Other	8	200	75
<b>TOTAL CURRENT ASSETS</b>		<b>675</b>	<b>643</b>
<b>Non current assets</b>			
Investment properties	9	34,333	30,074
Derivative financial instruments		209	171
Loan receivable	10	1,546	1,546
<b>TOTAL NON-CURRENT ASSETS</b>		<b>36,088</b>	<b>31,791</b>
<b>TOTAL ASSETS</b>		<b>36,763</b>	<b>32,434</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	11	197	158
Provision for sewage works		120	-
Interest-bearing liabilities	13	10,786	-
Provision for finance costs to unitholders	12	-	361
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,103</b>	<b>519</b>
<b>Non current liabilities</b>			
Interest-bearing liabilities	13	9,699	17,245
Provision for performance fee	14	163	-
Deferred settlement	15	-	1,947
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>9,862</b>	<b>19,192</b>
<b>TOTAL LIABILITIES (excluding net amounts attributable to unitholders)</b>		<b>20,965</b>	<b>19,711</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	16	<b>15,798</b>	<b>12,723</b>

The above balance sheet should be read in conjunction with the accompanying notes.

## Mirvac Tourist Park Fund

### Statement of changes in equity

for the year ended 30 June 2008

	<b>30 June 2008</b> \$'000	30 June 2007 \$'000
Total equity at the beginning of the year	-	-
Profit for the year	-	-
Total recognised income and expense for the year	-	-
Distribution paid or payable	-	-
<b>Total equity at the end of the financial year</b>	<b>-</b>	<b>-</b>

In accordance with AASB132 *Financial Instruments: Presentation*, unitholders funds are classified as a liability and accordingly the Fund has no equity for financial statement purposes at the start or end of the year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Mirvac Tourist Park Fund

### Cash flow statement

for the year ended 30 June 2008

	Notes	30 June 2008 \$'000	30 June 2007 \$'000
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations (inclusive of GST)		3,271	2,838
Cash payments in the course of operations (inclusive of GST)		(647)	(531)
Interest received		180	173
Borrowing costs paid		(1,615)	(1,112)
<b>Net cash inflow from operating activities</b>	24	<u>1,189</u>	<u>1,368</u>
<b>Cash flows from investing activities</b>			
Payments for capital expenditure on investment properties		(1,167)	(2,275)
Payments for deferred settlement on purchase of investment property		(2,000)	378
<b>Net cash outflow from investing activities</b>		<u>(3,167)</u>	<u>(1,897)</u>
<b>Cash flows from financing activities</b>			
Finance costs to unitholders		(1,364)	(1,426)
Proceeds from borrowings		3,201	1,930
<b>Net cash inflow from financing activities</b>		<u>1,837</u>	<u>504</u>
Net decrease in cash and cash equivalents held		(141)	(25)
Cash and cash equivalents at the beginning of the year		555	580
<b>Cash and cash equivalents at the end of the year</b>	6	<u>414</u>	<u>555</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

# Mirvac Tourist Park Fund

## Notes to the financial statements

for the year ended 30 June 2008

### Note 1 General information

This financial report covers Mirvac Tourist Park Fund ("the Fund") as an individual entity. The Fund was constituted on 2 March 2004.

The responsible entity of the Fund is Mirvac Funds Management Limited ("the responsible entity"). The responsible entity's registered office is Level 26, 60 Margaret Street, Sydney, NSW 2000.

The financial report is presented in Australian currency.

The financial statements were authorised for issue by the directors on 28 August 2008. The directors of the responsible entity have the power to amend and reissue the financial report.

### Note 2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

#### Basis of preparation

This general purpose financial report for the year ended to 30 June 2008 has been prepared in accordance with the Fund's Constitution, Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

#### *Compliance with International Financial Reporting Standards (IFRS)*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Fund, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

#### a. Revenue recognition

(i) Rental revenue  
Rental revenue from operating leases is recognised on a straight line basis over the term of the lease.

(ii) Interest  
Interest income on deposits, performing loans and discounted securities is recognised on an effective interest rate basis.

#### b. Expenses

(i) Property outgoings  
Term and conditions of leases of the Fund's tourist parks provide that the lessee pay for general and day to day property outgoings. The Fund therefore, has minimal property outgoings. Property outgoings include rates, taxes and other property outgoings are brought to account on an accruals basis.

(ii) Responsible entity fees  
Fees payable to the responsible entity are recognised in the income statement on an accruals basis. Fees relating to specific events or transactions are charged upon completion or occurrence of the relevant service or event.

(iii) Other expenses  
All other expenses are recognised in the income statement on an accruals basis.

## Mirvac Tourist Park Fund

### Note 2 Summary of significant accounting policies (continued)

#### c. Taxation

Under current legislation, the Fund is not liable for income tax, provided that the taxable income and taxable realised gains are fully distributed to unitholders each year. Tax allowances for building and plant and equipment depreciation are distributed to unitholders in the form of a tax deferred component of the distribution. Therefore, no current or deferred tax balances have been recognised in the financial statements.

#### d. Leases

Under AASB 117: *Leases*, rental income on operating leases is to be brought to account on a straight line basis over the lease term. Where there are fixed rental reviews, future rental income is to be brought to account as a receivable and amortised over the lease term. These assets are recognised as a component of investment properties.

Incentives may be provided to lessees to enter into an operating lease. These incentives may be in the form of cash, rent free periods, lessee or lessor owned fitouts. They are amortised over the term of the lease. The carrying amount of the lease incentives is reflected in the fair value of the investment properties.

#### e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

#### f. Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

#### g. Investment property

Investment property is held for long term rental yields, for capital appreciation and is not occupied by the Fund.

#### Valuations

Investment properties are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. The Fund's Constitution requires the responsible entity to have the Fund's property investments independently valued (at intervals of not more than three years). These valuations are considered by the directors of responsible entity when determining fair value. When assessing fair value, the directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties. Changes in fair values are recorded in the income statement.

Fair value is based on the price, at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to the market value, to the buyer incidental to ownership of the property being valued.

All investment properties are considered one class of asset. Accounting standards do not require investment property to be depreciated.

## **Mirvac Tourist Park Fund**

### **Note 2 Summary of significant accounting policies (continued)**

#### **h. Payables**

These amounts represent liabilities for goods and services provided to the fund prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **i. Interest bearing liabilities**

Interest bearing liabilities are initially measured at cost, being the fair value of the consideration received net of issue and other transaction costs associated with the borrowings. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

Where interest rates are swapped or hedged, the borrowing costs are recognised net of any effect of the hedge or swap.

#### **j. Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Fund's derivatives do not qualify for hedge accounting and therefore changes in the fair value of any derivative financial instrument are recognised immediately in the income statement.

#### **k. Finance costs to unitholders**

In accordance with the Fund Constitution, the Fund fully distributes its distributable income to unitholders. Finance costs to unitholders are determined by reference to the taxable income of the Fund. The distributions are payable quarterly.

Provision is made for the amount of any finance costs to unitholders declared, determined or publicly recommended by the directors on or before the end of the reporting period but not paid at balance date.

Distributable income is recognised in the financial statements as finance costs to unitholders.

#### **l. 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 Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

#### **m. Rounding of amounts**

The Fund is a registered scheme of a 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 report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Mirvac Tourist Park Fund

### Note 2 Summary of significant accounting policies (continued)

#### n. Net assets attributable to unitholders

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, derivative financial instruments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the income statement as financing costs.

#### o. Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances are discussed below.

- (i) Estimated value of investment properties and derivative financial instruments

Actual estimates are made by the Fund in respect of the fair values of derivative financial instruments and investment properties. Investment properties are reviewed regularly for impairment by reference to external independent property valuations and market conditions, using generally accepted market practices.

- (ii) Critical judgements in applying the Fund's accounting policies

There have been no critical judgements made during the year.

#### p. New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- (i) *AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.*

AASB 8 and AASB 2007-3 are effective for annual reporting periods beginning on or after 1 January 2009. The Fund has not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements, but may affect the segment disclosures provided in note 3.

- (ii) *Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.*

AASB 101 (Revised) is applicable to annual reporting period beginning on or after 1 January 2009. The Fund has not adopted this standard early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If the Fund makes a prior period adjustment or re-classifies items in the financial statement, it will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period. The Trust intends to apply the revised standard from 1 July 2009.

### Note 3 Segment Reporting

The Fund operates solely within the Australian leisure property investment industry and consequently the financial report reflects the operations of this segment alone.

## Mirvac Tourist Park Fund

### Note 4 Other income

	30 June 2008 \$'000	30 June 2007 \$'000
Interest income - loan to FreeSpirit Resorts Pty Ltd	154	157
Interest income - bank	26	16
<b>Total other income</b>	<b>180</b>	<b>173</b>

### Note 5 Other expenses

	30 June 2008 \$'000	30 June 2007 \$'000
Custodian fees	13	13
Auditor's remuneration	21	18
Interest on unwind of deferred settlement	53	123
Other expenses	192	51
<b>Total other expenses</b>	<b>279</b>	<b>205</b>

### Note 6 Current assets - Cash and cash equivalents

	30 June 2008 \$'000	30 June 2007 \$'000
Cash and cash equivalents	414	555

Cash and cash equivalents are held at an average rate of 7.06% (2007: 3.71%).

### Note 7 Current assets - Receivables

	30 June 2008 \$'000	30 June 2007 \$'000
Accrued income	32	8
GST receivable	29	5
<b>Total receivables</b>	<b>61</b>	<b>13</b>

### Note 8 Current assets - Other

	30 June 2008 \$'000	30 June 2007 \$'000
Prepayments	200	75

## Mirvac Tourist Park Fund

### Note 9 Non-current assets – Investment properties

Property	Type	Ownership %	Date acquired	Cost including additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Book value 30 June 2008 \$'000	Book value 30 June 2007 \$'000
907 Stuart Highway, Palmerston, NT *	Tourist Park	100	April 2004	18,803	Dec 2007	23,500	A.	22,454	18,925
20 Fraser St, Torquay, Hervey Bay, QLD *	Tourist Park	100	Nov 2005	12,348	Dec 2007	11,750	B.	11,879	11,149
<b>TOTAL</b>				<b>31,151</b>		<b>35,250</b>		<b>34,333</b>	<b>30,074</b>

\* Valuations includes \$1,546,756 of chattels owned by FreeSpirit Resorts Pty Ltd for which a loan is held with the Fund. This loan is held as a non-current receivable.

#### Non-current assets pledged as security

The title to all properties is freehold.

#### Valuers' names and qualifications

- A. Anthony J West, AAPI, Certified Practising Valuer, B Bus (Prop), Registered Valuation No.2603, Valuation Director - Colliers International (NT)  
 B. John Kendall, FAPI, MRICS, Certified Practising Valuer, Registered Valuer No. 1456, State Director – Colliers International (QLD)

#### Valuations of investment properties

The basis of valuation of investment properties is fair value being the amounts for which the assets could be exchanged between knowledgeable, willing parties in an arm's length transaction. The property is carried at independent valuation plus capital expenditure incurred since the date of valuation.

#### Reconciliations

Reconciliations of the carrying amounts of investment properties at the beginning and end of the current and previous financial year are set out below.

	30 June 2008 \$'000	30 June 2007 \$'000
Carrying amount at start of year financial year	30,074	27,067
Sale of assets	(138)	(376)
Change in fair value of investment properties	2,844	654
Additions during the year	1,307	2,275
Straight lining of fixed rental increase adjustments	249	455
Amortisation of deferred leasing costs	(3)	(2)
<b>Carrying amount at end of the year</b>	<b>34,333</b>	<b>30,074</b>

The fair value of investment property includes the cost of amortised lease incentives, amortised initial direct leasing costs in accordance with Australian Accounting Standards.

## Mirvac Tourist Park Fund

### Note 10 Non-current assets – Loan receivable

	30 June 2008 \$'000	30 June 2007 \$'000
Loan to Free Spirit Resorts Pty Limited (formerly known as Australasian Tourist Park Management Holdings Pty Limited)	<u>1,546</u>	<u>1,546</u>

This loan is interest bearing at 10.5 % (2007: 10.5%) and secured by a second ranking fixed and floating charge over the assets, undertakings and uncalled capital of FreeSpirit Resorts Pty Limited (formerly known as Australasian Tourist Park Management Holdings Pty Limited).

### Note 11 Current liabilities - Payables

	30 June 2008 \$'000	30 June 2007 \$'000
Trade creditors and accruals	114	93
GST payable	83	65
<b>Total payables</b>	<u>197</u>	<u>158</u>

### Note 12 Current liabilities – Provision for finance costs unitholders

	30 June 2008 \$'000	30 June 2007 \$'000
Provision for finance costs to unitholders	-	<u>361</u>

### Note 13 Non current liabilities - Interest bearing liabilities

	30 June 2008 \$'000	30 June 2007 \$'000
<b>Current</b>		
Secured bank bill facility	10,786	-
<b>Total current interest bearing liabilities</b>	<u>10,786</u>	<u>-</u>
<b>Non current</b>		
Secured bank bill facility	9,774	17,359
Debt establishment costs	(75)	(114)
<b>Total non current interest bearing liabilities</b>	<u>9,699</u>	<u>17,245</u>
<b>Assets pledged as security</b>		
The carrying amounts of non-current assets pledged as security are:	30 June 2008 \$'000	30 June 2007 \$'000
<b>First Mortgage</b>		
Investment properties	<u>34,333</u>	<u>30,074</u>
<b>Financing arrangements</b>		
Unrestricted access was available at balance date to the following lines of credit:	30 June 2008 \$'000	30 June 2007 \$'000
<b>Bank bill facilities</b>		
Total facilities	20,879	17,359
Used at balance date	(20,560)	(17,359)
<b>Unused at balance date</b>	<u>319</u>	<u>-</u>
Bank guarantee	-	<u>2,000</u>

The current average interest rate on the bank loans is 7.10% (2007: 6.76%).

## Mirvac Tourist Park Fund

### Note 14 Non current liabilities - Provisions

	30 June 2008 \$'000	30 June 2007 \$'000
Provision for performance fee	163	-

A performance fee of 33 per cent of the gross capital profit generated by the each property is payable on the sale of the properties or when the Fund is terminated. The performance fee is split between Mirvac Funds Management Limited 39.4% and Freespirit Resorts Pty Limited 60.6%.

### Note 15 Non current liabilities – Deferred settlement

	30 June 2008 \$'000	30 June 2007 \$'000
Deferred settlement	-	1,947

### Note 16 Net assets attributable to unitholders

	30 June 2008 \$'000	30 June 2007 \$'000
Total equity at the beginning of the year	12,723	11,688
Net profit attributable to unitholders	4,077	2,453
Costs recognised directly to unitholders	-	28
Finance costs to unitholders	(1,002)	(1,446)
<b>Total net assets attributable to unitholders at the end of the year</b>	<b>15,798</b>	<b>12,723</b>

### Note 17 Finance costs and distributions paid and payable to unitholders

	30 June 2008 \$'000	30 June 2008 CPU	30 June 2007 \$'000	30 June 2007 CPU
<b>Timing of finance costs and distributions</b>				
September quarter – paid	378	2.875	362	2.750
December quarter – paid	378	2.875	361	2.750
March quarter – paid	246	1.875	362	2.750
June quarter – payable	-	-	361	2.750
<b>Total finance cost paid and payable</b>	<b>1,002</b>	<b>7.625</b>	<b>1,446</b>	<b>11.000</b>

### Note 18 Financial risk management

The Fund's activities expose it to a variety of financial risks: liquidity/cash flow risk and interest rate risk from the financial instruments it holds. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Fund, are set out below.

#### (a) Credit risk

Credit risk is the risk that cash and cash equivalents or receivables held with financial institutions will not be paid when called or due.

The Fund as at 30 June 2008 has the following concentration of credit risk:

- Cash and cash equivalents \$414,228 (2007: \$555,270)

The Fund manages its cash and cash equivalents credit risks by depositing its monies with a major trading bank (National Australia Bank).

# Mirvac Tourist Park Fund

## Note 18 Financial risk management (continued)

### (a) Credit risk (continued)

All cash amounts can be drawn on immediate notice to the National Australia Bank. No balances are considered non recoverable.

- Receivables \$29,529 (2007: \$5,206)

Receivables consist of:

#### 30 June 2008

	0-30 days \$'000	31-60 days \$'000	61 days + \$'000
GST receivable	29	-	-
<b>Total</b>	<u>29</u>	<u>-</u>	<u>-</u>

#### 30 June 2007

	0-30 days \$'000	31-60 days \$'000	61 days + \$'000
GST receivable	5	-	-
<b>Total</b>	<u>5</u>	<u>-</u>	<u>-</u>

The responsible entity regularly reviews receivables for collectability. None of the receivables are considered non recoverable.

- The face value of interest rate swaps held by the Trust is \$20,068,000 (2007: \$13,763,000)

The Fund has taken out interest rate swaps in order to fix the interest rate on 97.61% of its borrowing facility.

The Fund manages the credit risk on its swaps by taking out swaps through a major trading bank. Prior to interest rate swaps being taken out the Fund's investment committee approval must be obtained.

Interest rate swaps are net settled and exposure to credit risk is therefore considered minimal.

The expiry profile of the interest rate swaps is:

#### 30 June 2008

	Face value \$'000	Expiry date
<b>Tranche 1</b>	<b>4,560</b>	<b>20 April 2009</b>
<b>Tranche 2</b>	<b>4,560</b>	<b>20 April 2009</b>
<b>Tranche 3</b>	<b>4,643</b>	<b>30 Dec 2008</b>
<b>Tranche 4</b>	<b>6,305</b>	<b>26 Feb 2010</b>
<b>Total interest rate swaps</b>	<u><b>20,068</b></u>	

#### 30 June 2007

	Face value \$'000	Expiry date
Tranche 1	4,560	20 April 2009
Tranche 2	4,560	20 April 2009
Tranche 3	4,643	30 Dec 2008
<b>Total interest rate swaps</b>	<u><b>13,763</b></u>	

## Mirvac Tourist Park Fund

### Note 18 Financial risk management (continued)

#### (b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial liabilities as they fall due.

The Fund manages liquidity risk by managing its holding cash in its operating account to meet creditors' claims as they fall due. The Fund has access to a bank facility to provide working funds for capex. Distributions are reviewed quarterly by management to ensure that there is sufficient liquidity before declaring a payment.

Refinancing risk, also part of liquidity risk, is the risk that the maturity profile of debt makes it difficult to re-finance (or rollover) maturing debt, or that it creates an excessive exposure to potentially unfavourable market conditions at any given time.

The Trust is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Trust manages this risk, where appropriate, by refinancing borrowings in advance of the maturity of the borrowing and using interest rate derivatives to hedge known and forecast positions and reviewing potential transactions to understand the impact on the credit rating.

The following table below sets out the maturity analysis that shows the remaining contractual maturities.

<b>30 June 2008</b>	<b>Less than 6 months \$'000</b>	<b>6 months to a year \$'000</b>	<b>1-5 years \$'000</b>	<b>5+years \$'000</b>
Accounts payable	127	-	-	-
Interest bearing liabilities	-	9,120	11,759	-
	<b>127</b>	<b>9,120</b>	<b>11,759</b>	<b>-</b>
30 June 2007	Less than 6 months \$'000	6 months to a year \$'000	1-5 years \$'000	5+years \$'000
Accounts payable	158	-	-	-
Interest bearing liabilities	-	-	20,879	-
Deferred settlement	1,947	-	-	-
Distributions declared	361	-	-	-
	<b>2,466</b>	<b>-</b>	<b>20,879</b>	<b>-</b>

#### (c) Market risk

Market risk is the risk that the fair value or future value of a financial instrument will fluctuate because of changes in interest rates.

The management monitors the Fund's exposure which is reported to the investment committee on a quarterly basis.

Management has reduced the impact of fluctuations in interest rates by entering interest rate swaps to cover 97.61% of its borrowings.

Prior to entering into interest rate swaps management have sought investment committee approval.

The Trust is not exposed to other market risk including foreign currency movements and price risk.

## Mirvac Tourist Park Fund

### Note 18 Financial risk management (continued)

#### (c) Market risk (continued)

The following table sets out the sensitivities to market risk of the Fund:

30 June 2008

#### Interest rate risk

	Carrying amount \$'000	-100 bps Profit \$'000	-100 bps Equity \$'000	+100 bps Profit \$'000	+100 bps Equity \$'000
<b>Financial Assets</b>					
Cash and cash equivalents	414	(4)	-	4	-
Receivable	61	-	-	-	-
<b>Financial Liabilities</b>					
Accounts payable	127	-	-	-	-
Interest bearing liabilities	20,485	205	-	(205)	-
Interest rate swaps	20,068	(154)	-	151	-
<b>Total increase / (decrease)</b>		<b>47</b>	<b>-</b>	<b>(50)</b>	<b>-</b>

30 June 2007

#### Interest rate risk

	Carrying amount \$'000	-100 bps Profit \$'000	-100 bps Equity \$'000	+100 bps Profit \$'000	+100 bps Equity \$'000
<b>Financial Assets</b>					
Cash and cash equivalents	555	(6)	-	6	-
Receivable	13	-	-	-	-
<b>Financial Liabilities</b>					
Accounts payable	82	-	-	-	-
Interest bearing liabilities	17,245	172	-	(172)	-
Deferred settlement	1,947	-	-	-	-
Interest rate swaps	13,763	(198)	-	192	-
Distributions declared	361	-	-	-	-
<b>Total increase / (decrease)</b>		<b>(32)</b>	<b>-</b>	<b>26</b>	<b>-</b>

### Note 19 Remuneration of auditor

	30 June 2008 \$	30 June 2007 \$
Audit services:		
Audit and review of financial reports <i>PricewaterhouseCoopers</i>	21,244	17,897
Taxation services:		
<i>PricewaterhouseCoopers</i>	7,081	6,040
<b>Total fees</b>	<b>28,325</b>	<b>23,937</b>

### Note 20 Contingent liabilities and assets

There were no contingent liabilities or assets as at 30 June 2008 (2007: nil).

### Note 21 Commitments for expenditure

There have been no commitments for expenditure as at 30 June 2008 (2007: nil).

# Mirvac Tourist Park Fund

## Note 22 Related parties

### Responsible entity

The responsible entity of the Fund is Mirvac Funds Management Limited whose immediate holding company is Mirvac Holdings Limited whose ultimate holding company is Mirvac Limited.

### Key management personnel

#### a) Directors

Key management personnel include persons who were directors of Mirvac Funds Management Limited at any time during the financial year as follows:

Paul Barker - Chairman	Ross Strang
Nicholas R Collishaw	Robert T Summerton *
Grant B Hodgetts	Richard W Turner

\* resigned 30 September 2007.

#### b) Other key management personnel

Other key management personnel include persons who were responsible for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year as follows:

Chris Packett

Since the end of the previous financial year, no director of responsible entity has received or become entitled to receive any benefit because of a contract made by the Fund with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial interest, except at terms set out in the Fund Constitution.

#### c) Key management personnel compensation

Key management personnel are employed and paid by Mirvac Projects Pty Ltd. Payments made from the Fund to Mirvac Funds Management Limited do not include any amounts attributable to the compensation of key management personnel.

#### d) Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the year.

### Key management personnel unitholdings

The key management personnel of the Fund held units in the Fund as follows:

Unitholder	Number of units held	Interest held %	Distributions paid/payable by the Fund \$
<b>30 June 2008</b>			
Nicholas R Collishaw	10,000	0.08	763
<b>30 June 2007</b>			
Gregory J Paramor*	-	-	-
Nicholas R Collishaw	10,000	0.08	1,100

\* Gregory J Paramor resigned as a director of the responsible entity on 29 September 2006.

Accordingly, the numbers of units held in the Fund as at 30 June 2007 are not disclosed.

## Mirvac Tourist Park Fund

### Note 22 Related parties (continued)

#### f) Responsible entity's remuneration

In accordance with the Fund Constitution, Mirvac Funds Management Limited (and its associates) are entitled to receive:

- a management fee of 65 basis points of the gross asset value of the Fund, payable monthly in arrears was charged in 2008. (The management fee in 2007 was 46 basis points);
- reimbursement of Fund expenses incurred by Mirvac Funds Management Limited on behalf of the Fund;
- advisory fees on establishment of fund and acquisition of assets;
- debt management fees of 0.20 per cent of the total Fund's loan facilities; and
- a performance fee of 33 per cent of the gross capital profit generated by the properties, payable when the properties of the Fund are sold or the Fund is terminated where Mirvac Funds Management Limited is entitled to 13 per cent and FreeSpirit (the business operator) is entitled to 20 per cent.

Set out below are the fees paid or payable by the Fund to the responsible entity (and its associates) during the year:

	<b>30 June 2008</b>	30 June 2007
	\$	\$
Management fees	<b>229,359</b>	138,189
Debt management fees	<b>39,606</b>	30,941
Accrued performance fee *	<b>63,979</b>	-
	<b>332,944</b>	169,130
	<b>46,120</b>	58,689

\* Performance fees crystallise on the earlier of the sale of the park(s) or the termination of the Fund.

### Note 23 Events occurring after reporting date

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

### Note 24 Reconciliation of net profit to net cash inflow from operating activities

	<b>30 June 2008</b>	30 June 2007
	\$'000	\$'000
Profit from ordinary activities	<b>4,077</b>	2,453
Change in fair value of investment properties	<b>(2,844)</b>	(654)
Change in fair value of derivatives	<b>(37)</b>	(128)
Write off of acquisition costs	-	25
Profit on sale of cabins	-	(2)
Amortisation of tenant incentives and straight lining	<b>(249)</b>	(455)
Interest unwind on deferred settlement	<b>53</b>	122
Accrued performance fee	<b>163</b>	-
Provision for sewage works	<b>120</b>	-
(Increase)/decrease in receivables	<b>(48)</b>	(8)
(Increase)/decrease in prepayments	<b>(85)</b>	(14)
Increase in creditors and accruals	<b>39</b>	29
Net cash inflow from operating activities	<b>1,189</b>	1,368

## Mirvac Tourist Park Fund

### Note 25 Management Expense ratio (MER)

The MER calculation includes fees charged to the Fund during the financial period, including those charged by the responsible entity directly for management of the assets, plus custodial fees.

Expenses excluded from the MER calculation are those that would have ordinarily been incurred by a direct investor in the underlying assets of the Fund, such as brokerage, transaction costs and government taxes.

	<b>30 June 2008</b>	30 June 2007
	<b>\$'000</b>	\$'000
MER related expenses incurred directly	<b>229</b>	138
MER related expenses incurred indirectly	<b>132</b>	181
Less: Interest on unwind of deferred settlement	<b>(53)</b>	(122)
Total MER Related expenses	<b>308</b>	197
Average assets under management*	<b>36,838</b>	32,549
MER	<b>0.84%</b>	0.61%

\* The average assets under management used to calculate the MER is the total assets of the Fund at 30 June.

## Mirvac Tourist Park Fund

### Directors' declaration

In the opinion of the directors' of the responsible entity:

- (a) the financial statements and notes set out on pages 6 to 23 are in accordance with the *Corporations Act 2001*, including:
  - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the Fund's financial position as at 30 June 2008 and of its performance, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Fund 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 directors.



Grant B. Hodgetts  
Director

Sydney  
28 August 2008

**Independent auditor's report to the unitholders of  
Mirvac Tourist Park Fund**

**Report on the financial report**

We have audited the accompanying financial report of Mirvac Tourist Park Fund (the trust), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Mirvac Tourist Park Fund (the trust).

*Directors' responsibility for the financial report*

The directors of the Mirvac Funds Management Limited (the directors) as responsible entity for the Mirvac Tourist Park Fund are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. 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.

**Independent auditor's report to the unitholders of Mirvac Tourist Park Fund  
(continued)**

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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


*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion:

- (a) the financial report of Mirvac Tourist Park Fund is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the trust's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.



PricewaterhouseCoopers



Marcus Laithwaite  
Partner

Sydney  
28 August 2008