Trinity Group
Financial Report 2007-2008

07-08

TRINITY

Consolidated Financial Statements

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Group support and adhere to the principles of corporate governance.

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

Role of the Board

The Board's primary role is the protection and enhancement of long-term security holder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting.

Details of the Board's charter are located on the Group's website (www.trinity.com.au).

The Board of Trinity Limited and Trinity Funds Management Limited (the "Responsible Entity") have the same Directors. The Responsible Entity is responsible for the operation of the Trust. The Responsible Entity must exercise its powers and perform its obligations under the Trinity Stapled Trust Constitution and the *Corporations Act 2001* in the best interests of securityholders to ensure the activities of the Trust are conducted in a proper manner. In particular, the Responsible Entity is responsible for the selection and management of investment properties, maintenance of accounting and statutory records for the Trust, compliance with statutory requirements of managing the Trust including communication with securityholders and management of the debt facilities and equity raisings of the Trust.

The Board has delegated responsibility for operation and administration of the Group to the Chief Executive Officer and executive management.

Board processes

To assist in the execution of its responsibilities, the Board has established a number of Board committees including:

- Compliance, Audit and Risk Management Committee;
- Nomination Committee;
- Remuneration Committee; and
- Due Diligence Committee;
- Property Governance Committee; and
- Investors Advisory Board.

The Compliance, Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Property Governance Committee each have a written mandate and operating procedures, which are reviewed on a regular basis.

The Due Diligence Committee has agreed principles and procedures in accordance with which it operates, but these have not as yet been formalised into a written mandate.

The Board has also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds twelve scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared by the Company Secretary in conjunction with the Chairperson and Chief Executive Officer.

Standing items include the Chief Executive Officer's report, Consolidated Property Group report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Director education

The Group has a formal process to educate new Directors about the nature of the business, current issues, the corporate strategy and the expectations of the Group concerning performance of Directors. Directors also have the opportunity to visit the Group's facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Board evaluation

An internal review of the effectiveness of the Board, its committees and its members was undertaken during the year. The review was conducted by the Chairman and all Directors had an opportunity to contribute to the review process. The review considered the role of the Board, its performance, strategic insight, spread of expertise, risk management, committee structure and remuneration. In addition the review considered board processes and corporate governance along with the evaluation of each Director, the Chairman, the Chief Executive Officer and senior management.

Further, the performance of senior management (other than the Chief Executive Officer) is reviewed by the Chief Executive Officer and the Chief Executive Officer's performance is reviewed by the Board. The performance of the key management personnel, including the Chief Executive Officer, for the 2007 financial year was undertaken in September 2007 in accordance with these processes.

Independent professional advice and access to information

Each Director has the right of access to all relevant information and to the Group's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

Composition of the Board

The names, qualification and experience of the Directors of the Group in office at the date of this report are set out in the Directors' Report on page 10 of this report.

The composition of the Board is determined using the following principles:

- a minimum of six Directors, with a broad range of expertise in property, finance and funds management
- a majority of the Board to be independent Non-Executive Directors
- a majority of Directors having extensive knowledge of the property and funds management industries, and those without such knowledge having extensive expertise in significant aspects of the law, or risk management of large companies
- a non-executive independent Director is appointed as Chairperson
- enough Directors to serve on various committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities
- Directors are subject to re-election every three years.

Independent Directors

An independent Director is a Director who is not a member of management (a Non-Executive Director) and who:

- holds less than five percent of the voting securities of the Group and is not an officer of, or otherwise associated, directly or indirectly, with a securityholder of more than five percent of the voting securities of the Group
- has not within the last three years been employed in an executive capacity by the Group or another group member, or been a Director after ceasing to hold any such employment
- has not within the last three years been a principal of a material professional adviser or a material consultant to the Group or another Group member, or as employee materially associated with the service provided
- is not a material supplier or customer of the Group or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer
- has no material contractual relationship with the Group or another group member other than as a Director of the Group
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Directors ability to act in the best interests of the Group
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

Corporate Governance

Compliance, Audit and Risk Management Committee

The Compliance, Audit and Risk Management Committee has a documented charter approved by the Board. All members must be non-executive Directors with a majority being independent. The Committee may also from time to time have members who are not Directors of the company but who hold skills and qualifications, which in the opinion of Directors, makes them suitable or desirable to be a member of the Committee. The chairperson should be independent and may not be the chairperson of the Board. The Committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group. The members of the Compliance, Audit and Risk Management Committee during the year were:

Mr Patrick Corby – Independent Non-Executive Director - Chairman of the Committee until 5 September 2007
Qualifications: BSc, Med, MAICD

Mr Richard Friend – Independent Non-Executive Director – Appointed Chairman of the Committee on 25 September 2007
Qualifications: BCom, LLB(Hons),LLM

Mr Keith De Lacy – Independent Non-Executive Director **Qualifications:** Hon D Litt. DUniv, BA, DipAgr, FAIM, FAICD

Mr Alex Fraser – Independent Non-Executive Committee Member **Qualifications:** BEcon, FCA, G.Dip.App.Fin

The external auditors and Chief Finance Officer are invited to Compliance Audit and Risk Management Committee meetings at the discretion of the Committee. The Committee met six times during the year and the committee members' attendance record is disclosed in the table of Directors' meetings.

The Chief Executive Officer and the Chief Finance Officer declare in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the year ended 30 June 2008 comply with accounting standards and present a true and fair view of the Group's financial condition and operational results. This statement is required annually.

The external auditor met with the Compliance, Audit and Risk Management Committee three times during the year.

The Compliance, Audit and Risk Management Committee's charter and the procedures for the selection and appointment of the external auditor and the rotation of external audit engagement partners is available on the website.

The responsibilities of the Compliance, Audit and Risk Management Committee include:

- reviewing the annual, half-year and concise financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and assessing whether the financial information is adequate for securityholder needs;
- assessing corporate risk assessment processes;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review.
- organising, reviewing and reporting on any special reviews deemed necessary by the Board;
- monitoring procedures to ensure compliance with *Corporations Act 2001* and the Australian Stock Exchange Listing Rules and all other regulatory requirements;
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial institutions; and
- being charged with the responsibility for implementation of the Compliance Plan.

The Compliance, Audit and Risk Management Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, acquisitions and key finance personnel;
- discuss internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the Australian Stock Exchange and any significant adjustments required as a result of the auditor's findings and to recommend Board approval of these documents;
- prior to announcement of results, review the annual and half-year financial reports and recommend them to the Board; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

Compliance, Audit and Risk Management Committee (continued)

Compliance Plan

The Group has a Compliance Plan for the management of the Trust which sets out the key processes, systems and measures that the Responsible Entity has in place to ensure compliance with its Australian Financial Services Licence, the *Corporations Act 2001*, the Constitution, ASIC, Regulatory Guides and any Disclosure Documents. The Compliance Plan is a "how to" document, providing detail on the obligations which must be met by the Responsible Entity, what measures or procedures are in place to comply with these obligations, how compliance with those measures and procedures will be monitored and how those measures are updated.

The Compliance Plan also details the risks of not complying with these obligations and how breaches are to be reported and addressed. The description of measures in place allows staff with compliance responsibilities to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures.

Overseeing the risk management system

The Board oversees the establishment, implementation and annual review of the Group's risk management system. The Board has included the overview of the risk management system in the Compliance, Audit and Risk Management Committee charter, which is available on the Group's website.

Management has established and implemented the risk management system for assessing, monitoring and managing operational, financial reporting and compliance risks for the Group. The financial report, operational and other risk management compliance and controls have been assessed and found to be operating efficiently and effectively and management has reported to the Board accordingly.

Risk profile

The Compliance, Audit and Risk Management Committee reports to the Board quarterly on the status of risks through integrated risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. Each business operational unit is responsible and accountable for implementing and managing the standards required by the program.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of interest rate movements, environment, occupational health and safety, property, financial reporting, and the purchase, development and use of information systems.

Risk Management Plan

The Group strives to ensure that its operations are of the highest standard. Towards this aim it has prepared a risk management plan in accordance with AS/NZS ISO 4360. A summary of the plan is available on the Group's website.

The Board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Functional speciality reporting – Key areas subject to regular reporting to the Board include treasury and interest rate management.

Investment appraisal – Guidelines for property acquisitions and capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where properties or businesses are being acquired or divested.

Comprehensive practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- financial exposures are controlled, including the use of fixed rate instruments. Further details of the Group's policies relating to interest rate management are included in Note 27 to the financial statements;
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel (see below);
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- environmental regulation compliance.

Corporate Governance

Compliance, Audit and Risk Management Committee (continued)

To ensure that the quality and integrity of personnel is maintained for the Group, formal appraisals are conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of co-operation and constructive dialogue with employees and senior management. A succession plan is also in place to ensure competent and knowledgeable employees fill senior positions when retirements or resignations occur.

As part of achieving Financial Reporting Accuracy and Compliance with the Financial Reporting Regulatory Framework, the Board requires the Chief Executive Officer and the Chief Financial Officer declare, in writing to the Board, that the Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The Chief Executive Officer and Chief Financial Officer have provided these declarations to the Board for the 2008 financial year. Forecasts are updated monthly based on actual results and are reported against budgets.

Nomination Committee

The Nomination Committee's objective is to assist the Board of Trinity Limited and its controlled entities in fulfilling its responsibilities to securityholders, by ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of Directors in accordance with the *Corporations Act 2001* and the ASX corporate governance principles and recommendations.

The responsibilities of the Committee include:

- determining the skills and competencies required of the Board;
- from time to time assessing the extent to which the required skills are represented on the Board;
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- recommending the appointment and removal of Directors.

The Nomination Committee makes recommendations to the Board and does not have any power to commit the Board or management to the recommendations. The members of the Nomination Committee during the year were:

Mr Peter Lewis (Chairperson) – Executive Deputy Chairman (Chairman of the Committee)

Mr Keith De Lacy - Independent Non-Executive

Mr Donald O'Rorke – Executive Director

The Nomination Committee met once during the year and the Committee members' attendance record is disclosed in the table of Directors' meetings in the Directors' Report. A summary of the Nomination Committee's charter is available on the Group's website along with a description of the procedure for the selection and appointment of new Directors and for the re-election of incumbent Directors and the Board's policy for the nomination and appointment of Directors.

Property Governance Committee

The purpose of the Property Governance Committee is to assist the Board by providing an oversight to the allocation process and sign off on entity allocation and inter-entity transfers (both real and monetary).

The Property Governance Committee is responsible for ensuring that dealings between entities, with different ownership, do not result in either entity being financially disadvantaged as a consequence of entering into that transaction as opposed to dealing with an arms length party or not entering into the transaction at all. The members of the Property Governance Committee during the year were:

Mr Peter Lewis - Executive Deputy Chairman, (Chairman of the Committee)

Mr Alex Fraser – Independent Non-Executive Committee Member
Qualifications: BEcon, FCA, G.Dip.App.Fin

Mr Robert Henricks – Independent Non-Executive Committee Member
Qualifications: Cert.Comp.Qld (Electrical Mechanic)

Mr Benjamin McCarthy – Chief Executive Officer
Qualifications: BEng (Hons), ASIA, AICD, G.Dip.App.Fin

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the executive officers and Directors of the Group and of other group executives for the Group. It is also responsible for security option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. The members of the Remuneration Committee during the year were:

Mr Peter Lewis – Executive Deputy Chairman

Mr Donald O'Rorke – Executive Director

Mr Robert Lette – Independent Non-Executive Director (Chairman of the Committee)

The Chief Executive Officer, Mr Benjamin McCarthy, is invited to Remuneration Committee meetings, as required, to discuss senior executives' performance and remuneration packages but does not attend meetings involving matters pertaining to him.

The Remuneration Committee meets as required, but at least once a year. Committee members' attendance record is disclosed in the table of Directors' meetings in the Directors' Report.

A summary of the Remuneration Committee charter is available on the Group's website.

Remuneration Report

The Remuneration Report is set out on pages 18 to 23.

Due Diligence Committee

The Due Diligence Committee reviews legal, technical and valuation due diligence reports and makes recommendations to the Board on property acquisitions. The members of the Due Diligence Committee for the year were:

Mr Robert Lette – Non Executive Director (Chairman of the Committee)

Mr Peter Lewis – Executive Deputy Chairman

The Due Diligence Committee meets as required. All property acquisitions and disposals must be reviewed by the Due Diligence Committee prior to becoming unconditional commitments by the Group.

Investors Advisory Board

The purpose of the Investors Advisory Board is to make recommendations to the Responsible Entity in connection with any conflicts of interest involving transactions and other dealings between related parties. The Investors Advisory Board also reviews and makes recommendations on Trinity's entity allocation process, fund mandate, investor reporting and communications. The entity allocation process is used by Trinity to determine which fund is best suited to a property. The Investors Advisory Board has the power to review any transactions considered by the Property Governance Committee and also make recommendations to the Responsible Entity regarding the Property Governance Committee's scope, procedures and membership. Membership of the Investors Advisory Board consists of two non-voting members and three voting members. The voting members are representatives of the two largest unitholders of the fund and a representative of minority unitholders. The non voting members are the fund manager and the Executive Deputy Chairman of the Trinity Group. The current members of the Investors Advisory Board for the year were:

Mr Peter Lewis – Executive Deputy Chairman (Chairman of the Investors Advisory Board)

Mr Bruce Baker – Head of Funds Management, Trinity

Mr Craig Stevens – CEO Austsafe, Independent Non-Executive Committee Member

Mr Kevin Hogan – Investment Officer Catholic Super, Independent Non-Executive Committee Member

Mr John Coombe – Executive Director, Jana, Independent Non-Executive Committee Member

Ms Megan Chan – Portfolio Manager, Sunsuper, Independent Non-Executive Committee Member

The Investors Advisory Board meets semi annually or when requested by any member.

Corporate Governance

Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclose potential conflicts of interest. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of Director related entity transactions with the Group are set out in Note 26.

Code of conduct

The Group has advised Directors, senior management and employees that they must act in accordance with the conduct requirements which are outlined in their respective appointment letters. The objectives of the conduct requirements are to:

- align the behaviour of the Board and management by maintaining appropriate core Group values and objectives;
- fulfil responsibilities to securityholders by delivering security holder value;
- ensure the usefulness of financial information by maintaining appropriate accounting policies and practices and disclosure;
- fulfil responsibilities to clients, customers and tenants by maintaining high standards of product quality, service standards, commitments to fair value and safety;
- support employment practices such as occupational health and safety, employment opportunity, the level and structure of remuneration and conflict resolution;
- underpin responsibilities to the community, such as environmental protection policies, supporting the community activities and sponsorships and donations;
- underpin responsibilities to the individual, such as privacy, use of privileged or confidential information and conflict resolution;
- ensure compliance with legislation;
- eliminate conflicts of interest;
- minimise corporate opportunities such as preventing Directors and key executives from taking advantage of property information or position for personal gain;
- maintain confidentiality of corporate information;
- promote fair dealing;
- provide protection and proper use of the Group's assets; and
- encourage reporting of unethical behaviour.

A summary of the code of conduct is available on the Group's website.

Trading in the Group's securities by Directors and employees

The key elements of the Securities Trading Policy are:

- identification of trading windows being six weeks after either (1) the release of the Group's half-year and annual results to the Australian Stock Exchange, (2) the Annual General Meeting (3) the release of a prospectus, product disclosure document or other regulated document or for any other period declared by the Board;
- restriction on dealing in the securities whilst in possession of price sensitive information not yet released to the market;
- raising the awareness of legal prohibitions including transactions with colleagues and external advisers;
- requiring details to be provided of intended trading in the Group's securities;
- requiring details to be provided of the subsequent confirmation of the trade; and
- identification of processes for unusual circumstances where discretions may be exercised in cases such as financial hardship.

The policy also details the insider trading provisions of the *Corporations Act 2001* and the prohibition on hedging unvested options.

A summary of the policy is available on the Group's website.

Communication with securityholders

The Board provides securityholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Group's securities, notifying them to the Australian Stock Exchange, posting them on the website and issuing media releases. More details of the policy are available on the website.

In summary, the Continuous Disclosure policy operates as follows:

- the Chief Executive Officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board. The Chief Executive Officer is responsible for all communications with the Australian Stock Exchange. Such matters are advised to the Australian Stock Exchange on the day they are discovered and all senior executives must follow a 'Continuous Disclosure Discovery' process, which involves monitoring all areas of the Group's internal and external environment;
- the annual report is distributed to all securityholders (unless a security holder has specifically requested not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments;
- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange and sent to any securityholder who requests it;
- proposed major changes in the Group which may impact on security ownership rights are submitted to a vote of securityholders;
- all announcements made to the market and related information (including information provided to analysts or the media during briefings), are placed on the Group's website after they are released to the Australian Stock Exchange;
- the full texts of notices of meetings and associated explanatory material are placed on the Group's website;
- the external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Group and the independence of the auditor in relation to the conduct of the audit.

All of the above information is made available on the Group's website within one day of public release. The Board encourages full participation of securityholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the securityholders as single resolutions. The securityholders will be requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and securities to Directors, the Remuneration Report and changes to the Constitution. Copies of the Constitution are available on request to any securityholder.

Deviations from ASX Corporate Governance Recommendations

The ASX Corporate Governance Council released its revised Corporate Governance Principles and Recommendations in August 2007. Listed entities are required to report against these revised recommendations for financial years commencing on or after 1 January 2008, though listed entities are encouraged to opt in early.

Accordingly, the Board has determined to report against the revised recommendations for the current financial year. This section discloses where the Group has not followed a corporate governance recommendation and explains why.

Recommendation 4.2 – audit committee structure

Recommendation 4.2 provides that the audit committee should be structured so it consists only of Non-Executive Directors. The Compliance, Audit and Risk Management Committee comprises of two independent Non-Executive Directors and an independent member who is not a Director. The Group considers the composition of the committee to be appropriate as the Parent only has four independent Directors and considers that requiring three independent Directors to serve on the committee would prove too onerous at this stage.

Directors' Report

The Directors present their report together with the financial statements for Trinity Limited ("the Parent") and the consolidated entity being Trinity Limited and its controlled entities (the "Trinity Group" or "Group") for the year ended 30 June 2008 and the auditor's report thereon.

Directors

The Directors of Trinity Limited at any time during the financial year and until the date of this report are:

Name, qualifications and independence status	Experience and special responsibilities
Mr Keith De Lacy AM Hon D Litt. DUniv, BA, DipAgr, FAIM, FAICD Chairman Independent Non-Executive Director Appointed to Trinity Limited on 4 October 2004	Chairman Member of Compliance, Audit & Risk Management Committee Member of Nomination Committee Keith De Lacy is currently Chairman of Queensland Sugar Limited (and the Global Sugar Alliance), Macarthur Coal Limited, and Cubbie Group Limited; and a Director of Reef Casino Trust. Keith is also the Vice President of the Qld Division of the Australian Institute of Company Directors (AICD). He was Treasurer of Queensland from 1989 – 1996 and previously Chairman of both Ergon Energy and CEC Group Ltd. He was also formerly a Director of Queensland Investment Corporation as well as a range of not-for-profit companies. Other listed company Directorships in the last three years: • Macarthur Coal Limited – Chairman (Appointed 12 May 2001) • Reef Corporate Services Limited – Director (Appointed 1 December 1999) • CEC Group Limited – Chairman (Appointed 1 October 2003 – Resigned 1 April 2005) • Securities Exchange Guarantee Corporation Limited (Appointed 1 December 1998 – Resigned 31 December 2006)
Mr Peter B Lewis BCom Licensed real estate agent Executive Deputy Chairman Appointed to Trinity Limited on 4 October 2004	Executive Deputy Chairman Member of Due Diligence Committee Member of Remuneration Committee Chairman of Nomination Committee Chairman of Property Governance Committee Chairman of Investors Advisory Board Peter Lewis is the founder of the Trinity Group and is actively involved in the marketing, identification of new opportunities and product development for the Group. Peter was previously a founding Director of FPD Savills, Queensland – formerly known as Lewis and Partners, established in 1986; a Director of Richard Ellis Queensland, and earlier the owner of three Ray White franchised offices. In April 2006, Peter was appointed Chairman of the Queensland Rugby Union (QRU). Other listed company Directorships in the last three years: • CEC Group Limited – Director (Appointed 17 November 2003 – Resigned 21 September 2006)
Mr Robert J Lette MAICD, MDIA, FASFA, AIST Independent Non-executive Director Appointed to Trinity Limited on 4 October 2004	Non-Executive Director Chairman of Due Diligence Committee – Property Acquisitions Chairman of Remuneration Committee Robert Lette is a consultant to and former partner in the law firm Mullins Lawyers. Since admission to the Supreme Court of Queensland in 1966 he has specialised in commercial, corporate, hospitality, construction and industrial law. He is currently a Director of Watpac Limited, Queensland Airports Limited and Chairman of BUSS (Q) – Building Super, Chairman of The Private Capital Group and the Infrastructure Fund of Australia and a Director of several private companies. Robert was formerly a Director of Viking Industries Limited, a board member of TABQ and is currently the Chairman of the Queensland Harness Racing Board. Other listed company Directorships in the last three years: • Watpac Limited – Director (Appointed 23 May 1996) • Viking Industries Limited (Appointed 1 January 2004 – Resigned 7 February 2008)

Name, qualifications and independence status	Experience and special responsibilities
Mr Donald C O'Rorke BBus (Marketing) Executive Director Appointed to Trinity Limited on 4 October 2004	Executive Director Member of Remuneration Committee Member of Nomination Committee Donald O'Rorke is the managing Director of Consolidated Properties Group Pty Ltd, a wholly owned subsidiary of Trinity Limited. Prior to founding Consolidated Properties in the early 1980s Donald worked with Richard Ellis and development company, CM Group. Donald is past president of the Property Council of Australia's Queensland division, a former Director of Brisbane Marketing and the Wesley Research Institute. Other listed company Directorships in the last three years: Nil
Mr Anthony Hartnell AM BEc, LLB,LLM Independent Non-executive Director Appointed to Trinity Limited on 18 September 2006	Non-Executive Director Anthony Hartnell is a founding partner of the law firm Atanaskovic Hartnell and previously a partner of Allen Allen & Hemsley. He is also a former inaugural Chairman of the Australian Securities Commission (now ASIC). He is on the board of CEC Group Limited and is the Deputy Chairman of ANU Endowment for Excellence. Other listed company Directorships in the last three years: • CostaExchange Ltd – Director (Appointed July 1984 – Resigned 30 November 2006) • CEC Group Limited – Director (Appointed 28 September 2005) • Global Television Limited – Director and Chairman (Appointed July 1994 – Resigned 5 January 2007) • Early Learning Services Limited – Director (Appointed 26 October 2007)
Mr Richard Friend BCom, LLB(Hons),LLM FTIA, MAICD Independent Non-Executive Director Appointed to Trinity Limited on 25 September 2007	Non-Executive Director Chairman of Compliance, Audit and Risk Management Committee Richard Friend currently runs his own consulting company, which provides specialist advice and general business consulting. Richard was formerly Managing Partner of Arthur Andersen Brisbane from 1993 until 2002 and then Head of Tax at Ernst & Young Brisbane until 2005. Richard is a Non-Executive Director of two unlisted public companies, one of which provides services to the property and infrastructure sectors and the other is in the finance services industry, and is on the Board of Management of the Abused Child Trust Inc. He also served on the Board of Partners of Ernst & Young Australia from 2002 until 2005. Other listed company Directorships in the last three years: Nil
Mr Patrick R Corby BSc, M Ed, MAICD Independent Non-Executive Director Appointed to Trinity Limited on 4 October 2004 Resigned as Non-Executive Director 5 September 2007	Non-Executive Director Patrick Corby was a former Director of the Queensland Office of the Commonwealth Department of Education, and a former foundation senator of the Australian Catholic University. He was also a former Chairman of Logan Itec and past secretary of the Archdiocese of Brisbane having commenced his career as a mathematics teacher. He was formerly the Chairman of the Queensland Roman Catholic Retirement Plan. Other listed company Directorships in the last three years: Nil

Directors' Report

COMPANY SECRETARIES

Tracy Bartley LLB, BCL (Oxon)

Company Secretary appointed 1 February 2007

Tracy Bartley commenced with the Trinity Group in January 2007. She is a lawyer who brings extensive experience having previously worked as a Senior Associate in the banking and finance sector with Gadens Lawyers and Malleson Stephen Jacques in Brisbane. She has also worked with Allen & Overy in London focusing on international capital markets. Tracy is also the Compliance Officer of the Trinity Group.

Denis Daley BBus, FCPA

Joint Company Secretary appointed 31 January 2008 – resigned 4 April 2008

Denis Daley was Chief Financial Officer of Credit Union Australia where he had been employed for 27 years. He has experience in executive level finance, accounting, reporting, IT systems, risk management and compliance. Denis was appointed joint Company Secretary and Compliance Officer while Tracy Bartley was on maternity leave.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors (or their nominated alternate Director) during the financial year are:

	Board Meetings Parent		Board Meetings Responsible Entity		Compliance, Audit & Risk Management Committee		Remuneration Committee Meetings	
Director	A	B	A	B	A	B	A	B
Keith De Lacy	13	13	13	13	6	6	-	-
Peter Lewis	13	13	13	13	-	-	4	4
Patrick Corby (resigned 5 September 2007)	2	2	2	2	1	1	-	-
Robert Lette	13	13	13	13	-	-	4	4
Richard Friend (appointed 25 September 2007)	11	11	11	11	5	5	-	-
Donald O'Rorke	13	13	13	13	-	-	4	4
Anthony Hartnell	13	13	13	13	-	-	-	-
Company Secretary/ Compliance Officer								
Tracy Bartley#	13	13	13	13	6	6	-	-
Denis Daley# (resigned 4 April 2008)	8	8	8	8	4	4	-	-
External committee member								
Alex Fraser	-	-	-	-	6	6	-	-

A – Number of meetings held during the time the Directors/secretary/external committee members held office during the year and for which leave of absence not granted

B – Number of meetings attended

Compliance Officer

DIRECTORS' MEETINGS (continued)

	Due Diligence		Nomination Committee		Property Governance Committee		Investors Advisory Board	
Director	A	B	A	B	A	B	A	B
Keith De Lacy	-	-	1	1	-	-	-	-
Peter Lewis	10	10	1	1	6	6	1	1
Patrick Corby (resigned 5 September 2007)	-	-	-	-	-	-	-	-
Robert Lette	10	10	-	-	-	-	-	-
Richard Friend (appointed 25 September 2007)	-	-	-	-	-	-	-	-
Donald O'Rorke	-	-	1	1	-	-	-	-
Anthony Hartnell	-	-	-	-	-	-	-	-
Company Secretary/ Compliance Officer								
Tracy Bartley#	-	-	-	-	6	6	-	-
Denis Daley# (resigned 4 April 2008)	-	-	-	-	-	-	-	-
External committee members								
Alex Fraser	-	-	-	-	6	6	-	-
Bob Henricks	-	-	-	-	6	6	-	-
Simone Dalley	-	-	-	-	-	-	1	1
Craig Stevens	-	-	-	-	-	-	1	1
Kevin Hogan	-	-	-	-	-	-	1	1
John Coombe	-	-	-	-	-	-	1	1

A – Number of meetings held during the time the Directors/secretary/external committee members held office during the year and for which leave of absence not granted

B – Number of meetings attended

Compliance Officer

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were:

- investment in commercial, retail and industrial properties;
- funds management including property and project management; and
- property development.

THE TRINITY GROUP

The stapled securities of the Trinity Group (TCQ) are quoted on the Australian Stock Exchange under the code TCQ and comprise of one unit in Trinity Stapled Trust and one share in Trinity Limited. The unit and the share are stapled together and cannot be treated separately. Each entity forming part of the Trinity Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards.

While legally, securityholders own a share in the company and a unit in the trust as separate legal entities, under Accounting Standards Trinity Limited has been deemed the parent entity of the Trust and the financial report is prepared on this basis.

Directors' Report

DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the relevant interests of the Directors and executives in the stapled securities of the Group were as follows:

Director:	No of Securities	Executives:	No of Securities
Mr Keith De Lacy	126,378	Mr Benjamin McCarthy	4,876,507
Mr Peter Lewis	5,500,000	Mrs Tracy Bartley	5,500
Mr Richard Friend	9,000	Ms Kerry Armstrong	60,080
Mr Robert Lette	173,929	Mr Bruce Baker	-
Mr Donald O'Rorke	25,356,969	Mr David Asplin	-
Mr Anthony Hartnell	17,401		

DIRECTORS' BENEFITS

No Director has received or become entitled to receive a benefit, other than any benefit disclosed in the Remuneration Report as emoluments or the fixed salary of a full-time employee of the Group or a related corporate by reason of a contract made by the Group or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

CORPORATE GOVERNANCE

A Corporate Governance Statement attached at page 2 provides details of the corporate governance practices of the Group and forms part of the Directors' Report.

REMUNERATION REPORT

A Remuneration Report attached at page 20 provides details of the remuneration and equity holdings of Directors and executives and forms part of the Directors' Report.

REVIEW OF RESULTS AND OPERATIONS

The performance of the Trinity Group as represented by the results of operations for the year, were as follows:

	Consolidated	
	30 June 2008	30 June 2007
Revenue and other income ($'000)	49,743	35,193
Profit attributable to Securityholders of Trinity Group ($'000)	34,521	24,144
Basic earnings per stapled security (cents)	15.2	13.1
Diluted earnings per stapled security (cents)	14.9	12.6
Net assets ($'000)	321,585	264,304
Net tangible assets per stapled security ($)	1.15	0.99

DISTRIBUTIONS AND DIVIDENDS

Distributions paid or payable to stapled Securityholders during the financial year are as follows:

	Cents	$'000
Interim distribution paid	5.5	12,702
Final distribution payable	3.8	8,876
Total	**9.3**	**21,578**

DISTRIBUTIONS AND DIVIDENDS (continued)

Dividends declared after end of year

After balance date the following dividends were proposed by the Directors. The dividends have not been provided and there are no income tax consequences.

	Cents	$'000	Franked/unfranked
Final dividend payable	2.4	5,443	Unfranked

The financial effect of these dividends has not been brought to account in the financial statements for the year ended 30 June 2008 and will be recognised in subsequent financial reports.

GROUP OVERVIEW

The Group has over the past twelve months consolidated its platform for future growth, through investment in people and business systems, with a continuing emphasis on sound investment decisions. The growth of assets under management since listing has increased from a portfolio of $240 million in December 2004, to in excess of $1.3 billion at 30 June 2008.

The Group's co-investment in its managed funds continues to grow, with further investments in the Consolidated Development Trust and a foundation investment in the newly established Consolidated Land Trust.

The Consolidated Properties business has expanded during the financial year with the appointment of new project partners.

STATE OF AFFAIRS

The 2008 financial year saw the continued growth of the Trinity Group, with capital raising from the rights issue which settled in July 2007. In addition to this, 2008 saw the successful creation and capital raising for the Consolidated Land Trust which has equity of in excess of $30 million with further commitments for $10 million, to be received later in the financial year. The Consolidated Land Trust is the equity investor in residential land developments sourced and incubated by Consolidated Properties Group.

During the financial year the Group also expanded its co-investments in its managed funds, particularly in the Trinity Prime Industrial Trust which acquired an industrial property at Richlands in the south west region of Brisbane and saw the completion of construction of the head office of Yamaha in Australia, located at Rivergate, Murrarie in the Port of Brisbane precinct. The Trinity Enhanced Return Fund in which the Group is a 47.6% stakeholder commenced construction on a 22 level office tower in the Brisbane CBD, which currently has pre-commitments by tenants which account for approximately 65% of the property. The project is due for completion in September 2009.

During the year, the Group terminated its joint venture with listed group CVC Limited for the management of the listed CVC Trinity Property Fund. The Group is in the process of realising its interests in the joint venture, including the assignment of the loan to the CVC Trinity Property Fund, the sale of units in that fund and the sale of shares in the manager of that fund. It is expected that this arrangement will be completed by 30 September 2008

As a result, the Group has produced strong increases in revenues up 41% to $49.7 million resulting in net profit of $34.5 million (an increase of 43%). The distribution per security also increased by in excess of 6%, from 11 cents per security in 2007 to 11.7 cents per security in 2008.

REVIEW OF FINANCIAL CONDITION

Capital Structure

The Group had issued securities at balance date of 230,951,540. During the year, the A class securities issued in the merger of Consolidated Properties Group in June 2006 converted to ordinary stapled securities as a result of the successful achievement of the forecasts contained in the Share Sale and Purchase agreement entered into at that time.

During the year, the Group raised additional securities through the distribution reinvestment plan offered in respect of the June 2007 distribution. These securities numbered 1,579,319.

The gearing ratio, calculated as a percentage of the net interest bearing liabilities over total tangible assets (excluding cash) of the Group at 30 June 2008 was 37.2% (2007: 27.8%).

Directors' Report

REVIEW OF FINANCIAL CONDITION (Continued)

Existing loan facilities total approximately $240.7 million, of which approximately $204.8 million was being utilised as at 30 June 2008. The Group manages interest rate exposure on debt facilities through the use of fixed rate bills. At year end, approximately $64.5 million or 31.5% of interest commitments were fixed. The interest rate for total facilities is 8.27% blended rate. This blended rate reflects the cost of core debt for the investment portfolio as well as the cost of financing the development assets currently incubated on balance sheet.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In the opinion of the Directors, there has not arisen in the interval between the end of the year and the date of the Directors' Report, any item, transaction or event of a material and unusual nature which has significantly affected the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

OPTIONS

During or since the end of the financial year, the Group has not granted any options over unissued securities to the Directors or employees of the Group. The names of all holders of options (when issued) will be entered in the Group's register, inspection of which may be made free of charge.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors have excluded from this report any other information on the likely developments in the operations of the Group and the expected results of those operations in future financial years which are not of a material nature.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and licence requirements and in accordance with industry standards. No breaches of requirements or additional environmental issues have been discovered nor brought to the Board's attention.

REGISTER OF SECURITYHOLDERS

The register of Securityholders has, during the year ended 30 June 2008, been properly drawn up and maintained so as to give a true account of the Securityholders of the Group.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Company or an auditor of the Group.

During the financial year the Group has paid premiums in respect of its officers for liability and associated legal expenses covered by insurance contracts for the year ended 30 June 2008. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been executive officers of the Group. Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

Directors' Report

NON AUDIT SERVICES

During the year PKF, the Group's auditor, has not performed any other services in addition to statutory duties.

Details of the amounts paid or payable to the auditor of the Group for audit services provided during the year are set out below.

Auditors of the Group	2008 $	2007 $
Audit and review of financial reports (PKF Chartered Accountants)	189,010	196,692

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained a declaration of independence from our auditors, in accordance with Section 307C of the *Corporations Act 2001*, as set out on page 80.

AUDITOR

PKF Chartered Accountants continue in office in accordance with Section 327 of the *Corporations Act 2001.*

ROUNDING OF AMOUNTS

The entity is a kind of entity referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with resolution of the Board of Directors of Trinity Limited.

Director
Trinity Limited

Director
Trinity Limited

Dated in Brisbane this 28th day of August 2008

Remuneration Report – Audited

The Board has established a Remuneration Committee which is responsible for determining and reviewing the remuneration arrangements for Directors, the Chief Executive Officer and key management personnel. The members of the Remuneration Committee are Mr Robert Lette (Chairman), Mr Peter Lewis and Mr Donald O'Rorke. The Group's remuneration policy is to ensure that remuneration packages properly reflect the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Non-Executive Directors' fees are determined at the discretion of the Directors within an aggregate Directors' fee pool limit, which is periodically recommended for approval by Securityholders. The current limit of $650,000 per annum inclusive of SGC contributions was approved by Securityholders at the Annual General Meeting held on 21 November 2007.

Directors

The names and position held by each person holding a position of Director of Trinity Limited during the year to 30 June 2008 were:

Mr Keith De Lacy	Chairman Member of Compliance, Audit and Risk Management Committee Member of Nomination Committee	Mr Peter Lewis	Executive Deputy Chairman Member of Remuneration Committee Chairman of Nomination Committee Chairman of Property Governance Committee Member of Due Diligence Committee Chairman of Investors Advisory Board
Mr Anthony Hartnell	Director		
Mr Robert Lette	Director Chairman of Due Diligence Committee Chairman of Remuneration Committee	Mr Donald O'Rorke	Director Member of Remuneration Committee Member of Nomination Committee
Mr Richard Friend	Director (Appointed 25 September 2007) Chairman of Compliance, Audit and Risk Management Committee (Appointed 25 September 2007)	Mr Patrick Corby	Director (Resigned 5 September 2007) Chairman of Compliance, Audit and Risk Management Committee (Resigned 5 September 2007)

Key Management Personnel:

The names and position held by each person holding a position of key management personnel in the Parent and the Group during the period to 30 June 2008 were:

Mr Benjamin McCarthy	Chief Executive Officer
Mrs Tracy Bartley	Company Secretary Compliance Officer
Ms Kerry Armstrong	Chief Finance Officer (Appointed 4 April 2008)
Mr Bruce Baker	Head of Property
Mr David Asplin	Head of Distribution
Mr Denis Daley	Chief Finance Officer (Appointed 20 August 2007 and Resigned 4 April 2008) Joint Company Secretary and Compliance Officer (Appointed 31 January 2008 and Resigned 4 April 2008)

Under the provisions of AASB 124 'Related Party Disclosures' there are no further employees or other members of the organisation who fall within the definition of key management personnel.

The objective of the Group's executive remuneration structure is designed to ensure reward for performance is competitive and appropriate for the results delivered. This remuneration structure aligns executive remuneration with achievement of strategic objectives and the creation of value for securityholders, and conforms with market best practice for remuneration of executives. The Board ensures that the remuneration structure satisfies the following key criteria for good governance practices:

- competitiveness and reasonableness
- acceptability to securityholders
- performance linkage/alignment of executive compensation

Remuneration Report – Audited

In consultation with external remuneration consultants, the Group is further refining the remuneration structure such that it is competitive and complimentary to the strategy of the organisation. This included the introduction of an Employee Stapled Securities Plan scheme to further align the interests of executives and securityholders.

The remuneration plan has:

- Group profit as a core component of plan design
- Highlights the objective of investor satisfaction
- focuses on growth in security holder value, including distributions and dividends, and delivering return on assets,; and
- attracts and retains quality executives.

Remuneration packages include a mix of fixed and performance based remuneration.

Fixed remuneration consists of base remuneration (which is calculated on a total basis and includes any Fringe Benefits Tax costs associated with employee benefits) as well as contributions to superannuation funds. Remuneration levels are reviewed annually by the Remuneration Committee through a process that takes into account the above considerations.

Performance based remuneration takes the form of bonuses based on the achievement of goals relating to the performance of the Group, and a range of qualitative and quantitative factors.

Non-Executive Directors do not receive performance based remuneration.

In June 2008, the Group established the Employee Stapled Securities Plan. While this scheme was not operating in the 2008 year the intention is for it to start in the 2009 financial year. The scheme will be extended to all qualifying employees of the Group. Throughout the 2009 financial year the Group will purchase its own securities on market, the timing of these purchases will depend on anticipated awards under the scheme. Under existing short term incentive and long term performance programs the securities will be awarded to all qualifying employees.

Termination Benefits

Notice periods and termination benefits as required by law apply to each of the Directors and key management personnel except for the Chief Executive Officer whose arrangements are as follows:

Either the Employer or the Chief Executive Officer may terminate the Chief Executive Officer's employment by giving to the other party not less than three months' prior written notice.

On termination of the Chief Executive Officer's employment, the Chief Executive Officer will be entitled to receive from the Employer:

(a) the Salary payable to the Chief Executive Officer up to and including the date of termination.

(b) any Performance Bonus accrued by the Employer in relation to the Chief Executive Officer.

(c) if the Employer terminates the Chief Executive Officer's employment the Employer will at the time of termination pay the Chief Executive Officer in consideration for past services the following amounts:

  (i) where termination occurs on or before 30 June 2010, an amount equal to 1.5 times the Chief Executive Officer's salary at the time;

  (ii) where termination occurs between 1 July 2010 and 31 December 2010, the portion of the Chief Executive Officer's salary at that time that would have been payable over the period remaining from the time of termination until 30 June 2011; and

  (iii) where termination occurs on or after 1 January 2011, 0.5 times the Chief Executive Officer's salary at that time.

(d) despite any other clause, where the Chief Executive Officer is entitled to payments or other benefits upon termination of his employment under this document or any office with the Employer or the Company, such payments or benefits will, to the extent required by the Listing Rules of Australian Stock Exchange Limited or the *Corporations Act*, be subject to any security holder approval required under those Listing Rules or the *Corporations A*ct except, however, that in the event that such payments or benefits cannot be made due to the absence of security holder approval, then the parties agree to negotiate in good faith to determine a means by which equivalent rewards can be conferred without contravening the Listing Rules or the *Corporations Act*.

(e) the Employer and the Company will use reasonable endeavours to obtain any security holder approval required.

The Remuneration Committee considers that the Group's remuneration policy including performance based remuneration is generating desirable outcomes.

Remuneration Report – Audited

Key management personnel remuneration

Details of the nature and amount of each major element of the remuneration of each Director of the Group and the key management personnel of the Group are as follows:

	Short-Term			Post Employment		Long-Term	Share Based Payment	Total
	Salary & Fees	Cash Bonus	Other Benefits	Super-annuation	Retirement Benefits	Incentive Plans	Options	
Directors	$	$	$	$	$	$	$	$
Mr Keith De Lacy								
30/6/08	71,483	-	-	13,517	-	-	-	85,000
30/6/07	48,160	-	-	41,830	-	-	-	89,990
Mr Peter Lewis								
30/6/08	170,000	-	7,548	13,500	-	-	-	191,048
30/6/07	170,000	-	5,000	15,000	-	-	-	190,000
Mr Patrick Corby (Resigned 5 September 2007)								
30/6/08	9,780	-	-	3,970	75,700	-	-	89,450
30/6/07	37,843	-	-	17,157	-	-	-	55,000
Mr Robert Lette								
30/6/08	60,000	-	-	-	-	-	-	60,000
30/6/07	55,000	-	-	-	-	-	-	55,000
Mr Donald O'Rorke								
30/6/08	96,219	-	60,398	8,660	-	-	-	165,277
30/6/07	72,970	-	70,463	6,567	-	-	-	150,000
Mr Anthony Hartnell								
30/6/08	18,333	-	-	36,667	-	-	-	55,000
30/6/07	-	-	-	45,833	-	-	-	45,833
Mr Richard Friend (Appointed 25 September 2007)								
30/6/08	45,719	-	-	4,115	-	-	-	49,834
30/6/07	-	-	-	-	-	-	-	-
Total Remuneration: Directors								
30/6/08	471,534	-	67,946	80,429	75,700	-	-	695,609
30/6/07	383,973	-	75,463	126,387	-	-	-	585,823

Non-Executive Directors remuneration comprises fixed fees determined having regard to the level of responsibility including committee memberships, industry practice and the need to obtain appropriately qualified independent persons. Fees do not contain any non-monetary benefits.

Remuneration of the Executive Deputy Chairman (Mr Peter Lewis) is determined by the Board. In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility. There are no bonuses or options provided to the Executive Deputy Chairman.

Remuneration Report – Audited

Key management personnel remuneration (continued)

	Short-Term			Post Employment		Long-Term	Share Based Payment	Total
	Salary & Fees	Cash Bonus	Other Benefits	Super-annuation	Retirement Benefits	Incentive Plans	Options	
Executives	$	$	$	$	$	$	$	$
* Mrs Tracy Bartley								
30/6/08	72,084	2,000	-	6,488	-	-	-	80,572
30/6/07	37,484	-	-	3,833	-	-	-	41,417
Mr Benjamin McCarthy								
30/6/08	378,402	-	7,476	21,600	-	668,877	-	1,076,355
30/6/07	240,000	-	4,830	21,600	-	578,496	-	844,926
Ms Kerry Armstrong								
30/6/08	259,834	15,000	7,548	15,000	-	-	-	297,382
30/6/07	210,000	15,000	-	15,000	-	-	-	240,000
Mr Bruce Baker								
30/6/08	383,567	40,000	7,548	16,446	-	-	-	447,561
30/6/07	164,209	-	3,203	11,668	-	-	-	179,080
Mr David Asplin								
30/6/08	265,325	20,000	-	35,822	-	-	-	321,147
30/6/07	-	-	-	57,516	-	-	-	57,516
Mr Denis Daley (Appointed 20 August 2007 and Resigned 4 April 2008)								
30/6/08	195,577	10,000	-	10,788	-	-	-	216,365
30/6/07	-	-	-	-	-	-	-	-
Total Remuneration: Executives								
30/6/08	1,554,789	87,000	22,572	106,144	-	668,877	-	2,439,382
30/6/07	651,693	15,000	8,033	109,617	-	578,496	-	1,362,839

*Tracy Bartley works part time.

The Board has established a Remuneration Committee which is responsible for determining and reviewing the remuneration arrangements for Directors and key management personnel. Remuneration of the Chief Executive Officer was determined by the Board prior to listing. In respect to determining remuneration for key management personnel, consideration is given to normal commercial rates for similar levels of responsibility. Other than specified above, no bonuses or options have been given during the year.

Remuneration Report – Audited

Remuneration of the Chief Executive Officer

Ben McCarthy was appointed as the Chief Executive Officer of the Group prior to listing on the Australian Stock Exchange.

An employment deed, which contains the terms and conditions of his employment and a subscription deed, which provides for the Chief Executive Officer and an entity associated with him, to subscribe for and be issued 3 million stapled securities at the issue price were entered into.

The employment deed and the subscription deed contain an equity incentive scheme. The material terms of the scheme are as follows:

- The Chief Executive Officer will be employed to act as Chief Executive Officer until 30 June 2011, unless the employment is terminated earlier.
- The Chief Executive Officer's performance is to be assessed annually during the five year period from 1 July 2006 to 30 June 2011.
- The assessment will be based on performance targets, being objective targets of whether there has been 20% per annum growth in either the funds under management of the Group or earnings per stapled security over the period since the offer or the period since the previous assessment, and other targets to be set by the Group at the beginning of each year.
- If all of the performance targets are met, a maximum amount of $3 million will accrue to the Chief Executive Officer as deferred performance bonuses over the period from 1 July 2006 to 30 June 2011.
- If the performance targets are met, the performance bonus will be accrued at the rate of up to $750,000 per year. Of the $750,000, $500,000 will be accrued if the above pre-determined 20% per annum growth targets are met and $250,000 will accrue if the other targets are met.
- For each annual assessment, the performance targets can only be met if the Chief Executive Officer remains employed by the Group on the assessment date.
- The Chief Executive Officer will not be entitled to payment of the performance bonuses until cessation of employment or if the Chief Executive Officer earlier elects to repay any loan owed to the Group.
- The Chief Executive Officer, and a company associated with him, have committed to subscribe for 3 million stapled securities at the issue price.
- The stapled securities will be issued on the Chief Executive Officer's performance assessment dates during the five year period from 1 July 2006 to 30 June 2011, provided that the Chief Executive Officer remains employed by the Group. 750,000 stapled securities were issued in September 2006 and a further 750,000 securities were issued July 2007.
- At the time of issue of the stapled securities, the Group will provide a loan to fund the payment of the issue price ($1.00) for the stapled securities.
- The loan must be repaid on cessation of the Chief Executive Officer's employment, or earlier at the Chief Executive Officer's option. The Group will then apply the after-tax amount of the Chief Executive Officer's accrued performance bonuses (if any) in repayment of the loan.
- Interest will be payable on the loan in an amount equal to any distributions paid in respect of the stapled securities to which the loan relates, until the Chief Executive Officer's performance targets are met. This means that until the targets are met, the Chief Executive Officer does not receive the distributions. Once the performance targets are met and the Chief Executive Officer accrues performance bonuses, a corresponding portion of the loan will become interest free.
- The loan will be secured over the stapled securities to which the loan relates. This will mean that the stapled securities cannot be sold by the Chief Executive Officer or his associated entity until a corresponding portion of the loan is repaid and any interest is paid, and that if the Chief Executive Officer or his nominated entity defaults in repaying the loan or paying interest, the stapled securities can be sold and the proceeds used to pay those amounts.
- The Chief Executive Officer and his associated entity will not be able to sell the stapled securities until the earlier of:
  - the corresponding performance targets being met;
  - 30 June 2011; or
  - earlier cessation of the Chief Executive Officer's employment.

Remuneration Report – Audited

Remuneration of the Chief Executive Officer (continued)

Thereafter, the Chief Executive Officer and his associated entity will be able to sell the stapled securities subject to first repaying the loan and paying any interest.

The Parent in a general meeting has passed a resolution approving the subscription deed for the purposes of section 259B of the *Corporations Act 2001*. Section 259B provides that the Parent may take security over its shares under an employee share scheme that has been approved by a resolution passed at a general meeting of the Parent.

DIRECTORS AND KEY MANAGEMENT PERSONNEL HOLDINGS OF STAPLED SECURITIES

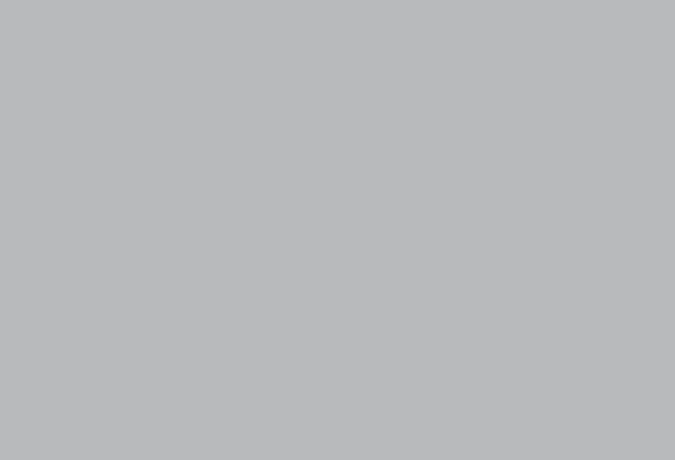
Movements during the reporting period in the number of securities of the Group held directly, indirectly or beneficially by each Director and key management personnel including personally related entities are as follows:

Directors	Held at 1 July 2007	Purchases/ (Sales)	Rights issue	Dividend reinvestment plan	Other	Held at 30 June 2008
Mr K De Lacy	80,209	40,000	6,169	-	-	126,378
Mr P Corby	28,721	-	2,209	603	(31,533)	-
Mr P Lewis	5,131,697	303,788	60,130	4,385	-	5,500,000
Mr R Lette	67,337	100,000	5,179	1,413	-	173,929
Mr D O'Rorke	27,812,335	14,704	181,818	3,825	(2,655,713)*	25,356,969
Mr R Friend	-	9,000	-	-	-	9,000
Mr A Hartnell	15,849	-	1,219	333	-	17,401
Executives						
Mrs T Bartley	5,500	-	-	-	-	5,500
Mr B McCarthy	3,158,007	768,500	200,000	-	-	4,126,507
Ms K Armstrong	42,798	17,282	-	-	-	60,080
Mr D Asplin	-	-	-	-	-	-
Mr B Baker	-	-	-	-	-	-
Mr D Daley	-	15,000	-	-	(15,000)	-

*At the time of the acquisition of the second half of the Consolidated Properties business in June 2006, securities were issued to Lindstro Pty Ltd as trustee of a number of trusts associated with Don O'Rorke and the project partners from Consolidated Properties. These securities issued were conditional on the financial performance of Consolidated Properties. As all financial performance hurdles have been met the securities have now been released to trustee Companies associated with some of those project partners.

Loans and other transactions with Directors and key management personnel are disclosed in full at Note 26 of the Financial Statements.

Financial Statements



Trinity Group Financial Report
For the year ended 30 June 2008

Income Statements

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Revenue and other income from continuing activities					
Revenue from property rental		17,120	12,981	-	-
Revenue from rendering of services		20,713	7,803	-	-
Revenue from property development		4,841	9,765	-	-
Finance income	6	5,309	1,313	2,548	670
Other revenues and other income		1,760	3,331	-	4,600
Total revenue and other income from continuing activities	4	49,743	35,193	2,548	5,270
Other expenses from continuing activities excluding finance costs	5	(19,337)	(11,822)	(444)	(616)
Fair value movements in investment properties	16	(1,1w38)	3,063	-	-
Profit from continuing activities before tax, finance costs and equity accounted associates		29,268	26,434	2,104	4,654
Finance costs	6	(7,913)	(5,702)	(7,480)	(7,828)
Share of net profit of equity accounted associates	14	15,399	4,184	-	-
Profit/(loss) before income tax		36,754	24,916	(5,376)	(3,174)
Income tax(expense)/benefit	9	(2,233)	(772)	1,697	2,598
Profit/(loss) for the year		34,521	24,144	(3,679)	(576)
Attributable to:					
Members of the parent		11,466	9,022	(3,679)	(576)
Members of the Trust as minority interest		23,055	15,122	-	-
Profit/(loss) for the year		34,521	24,144	(3,679)	(576)
Basic earnings per stapled security (cents)	7	15.2	13.1	-	-
Diluted earnings per stapled security (cents)	7	14.9	12.6	-	-
Distributions per security (cents)	22	9.3	11.0	-	-
Dividend per security (cents)	22	2.4	-	2.4	-

The above Income Statements should be read in conjunction with the accompanying notes.

Trinity Group Financial Report
As at 30 June 2008

Balance Sheets

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Current assets					
Cash and cash equivalents	31	26,501	6,717	408	80
Trade and other receivables	10	56,063	26,632	19,060	17,317
Inventory	11	11,192	10,496	-	-
Current tax receivable	0	48	-	48	-
Assets held for sale	13	1,463	20,649	-	-
Other assets	12	437	2,550	-	-
Total current assets		95,704	67,044	19,516	12,897
Non-current assets					
Trade and other receivables	10	3,643	3,825	8,961	8,692
Equity accounted investments	14	117,009	97,045	-	-
Investments in controlled entities	24	-	-	57,340	57,340
Investments	15	705	405	-	-
Investment properties	16	245,404	155,193	-	-
Inventory	11	37,424	10, 258	-	-
Property, plant and equipment	17	888	738	-	-
Intangible assets	18	56,640	56,761	-	-
Deferred tax assets	9	1,089	1,172	969	1,075
Other assets	12	430	35	-	-
Total non-current assets		463,232	325,432	67,270	71,607
Total assets		558,936	392,476	86,786	84,504
Current liabilities					
Trade and other payables	19	21,747	14,284	584	315
Interest bearing loans and borrowings	20	38,863	1,588	-	-
Current tax payable		-	279	-	284
Distributions payable	22	8,876	11,895	-	-
Provisions	21	200	172	-	-
Total current liabilities		69,686	28,218	584	599
Non-current liabilities					
Trade and other payables	19	465	2,060	-	-
Interest bearing loans and borrowings	20	164,492	96,807	50,633	51,515
Provisions	21	17	37	-	-
Deferred tax liabilities	9	2,691	1,050	-	-
Total non-current liabilities		167,665	99,954	50,633	51,515
Total liabilities		237,351	128,172	51,217	52,114
Net assets		321,585	264,304	35,569	32,390

Trinity Group Financial Report
As at 30 June 2008

Balance Sheets *continued*

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Equity					
Equity attributable to members of the Company					
Contributed equity	**23**	44,201	37,343	44,201	37,343
Retained profits/(accumulated losses)		23,260	11,794	(8,632)	(4,953)
		67,461	49,137	35,569	32,390
Equity attributable to unitholders of the Trust (as minority interest)					
Contributed equity	**23**	259,158	220,353	-	-
(Deficiency)/undistributed earnings		(3,709)	(5,186)	-	-
Foreign currency translation reserve		(473)	-	-	-
Fair value reserve		(1,003)	-	-	-
		253,973	215,167	-	-
Minority interest		151	-	-	-
Total equity		321,585	264,304	35,569	32,390

The above Balance Sheets should be read in conjunction with the accompanying notes.

Trinity Group Financial Report
For the year ended 30 June 2008

Statements of Cash Flows

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		41,439	24,773	-	-
Cash payments in the course of operations		(23,138)	(16,090)	(423)	(600)
Interest received		2,445	1,107	1,552	57
Interest and finance costs paid		(8,355)	(5,550)	-	(1)
Income taxes received/ (paid)		(835)	5	(318)	(1)
Net cash from operating activities	**31**	11,556	4,245	811	(545)
Cash flows from investing activities					
Payments for investment properties and assets held for sale		(87,918)	(106,045)	-	-
Proceeds from sale of investment properties and assets held for sale		22,858	35,041	-	-
Cash payments for capitalised development costs		(26,232)	(9,982)	-	-
Payments for intangibles		-	(60)	-	-
Payments for property, plant and equipment		(459)	(241)	-	-
Payments for associated entities	**14**	(11,574)	(51,167)	-	-
Payments for controlled entities		-	(123)	-	(123)
Payments for investments		(300)	(220)	-	-
Loans from/(to) controlled entities		-	-	(4,072)	-
Loans to related entities		(3,151)	(1,521)	(3,142)	(6,826)
Loan to external entity		(13,075)	-	-	-
Minority interests		158	-	-	-
Dividends/ distributions received		1,901	-	-	-
Net cash from investing activities		(117,792)	(134,318)	(7,214)	(6,949)
Cash flows from financing activities					
Proceeds from equity raising		41,937	66,689	6,962	9,850
Transaction costs from issue of securities		(1,540)	(1,563)	(231)	(329)
Distributions/dividends paid		(20,081)	(11,152)	-	(1,988)
Proceeds from borrowings		106,513	65,211	-	-
Repayment of borrowings		(314)	-	-	-
Payments for loan establishment costs		(707)	(371)	-	-
Net cash from financing activities		125,808	118,814	6,731	7,533
Net increase / (decrease) in cash and cash equivalents		19,572	(11,259)	328	39
Net foreign exchange differences		212			
Cash and cash equivalents at beginning of the year		6,717	17,976	80	41
Cash and cash equivalents at the end of the year	**31**	26,501	6,717	408	80

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Trinity Group Financial Report
For the year ended 30 June 2008

Statements of Changes in Equity

Consolidated	Attributable to members of the company		Attributable to unitholders of the Trust	
	Contributed equity	Retained profits	Minority interest	Total
	$'000	$'000	$'000	$'000
At 1 July 2007	37,343	11,794	215,167	264,304
Profit/(loss) for the year attributable to shareholders	-	11,466	-	11,466
Earnings for the year attributable to unitholders	-	-	23,055	23,055
Exchange differences on translation of foreign operations	-	-	(473)	(473)
Net change in fair value of available for sale financial assets	-	-	(1,003)	(1,003)
Total income / (expense) for the year attributable to members	-	11,466	21,579	33,045
Issue of share capital	7,089	-	-	7,089
Issue of units	-	-	40,114	40,114
Transaction costs:				
Share issue	(231)	-	-	(231)
Unit issue	-	-	(1,309)	(1,309)
Distributions to unitholders	-	-	(21,578)	(21,578)
Minority interest on acquisition of subsidiary	-	-	151	151
Total changes in equity as a result of transactions with members as members	6,858	-	17,378	24,236
At 30 June 2008	44,201	23,260	254,124	321,585

	Attributable to members of the company		Attributable to unitholders of the Trust	
	Contributed equity	Retained profits	Minority interest	Total
	$'000	$'000	$'000	$'000
At 1 July 2006	26,992	4,760	160,111	191,863
Profit/(loss) for the year attributable to shareholders	-	9,022	-	9,022
Earnings for the year attributable to unitholders	-	-	15,122	15,122
Total income / (expense) for the period attributable to members	-	9,022	15,122	24,144
Issue of share capital	10,679	-	-	10,679
Issue of units	-	-	61,665	61,665
Transaction costs:				
Share issue	(328)	-	-	(328)
Unit issue	-	-	(1,234)	(1,234)
Dividends	-	(1,988)	-	(1,988)
Distributions to unitholders	-	-	(20,497)	(20,487)
Total changes in equity as a result of transactions with members as members	10,351	(1,988)	39,934	48,297
At 30 June 2007	37,343	11,794	215,167	264,304

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Trinity Group Financial Report
For the year ended 30 June 2008

Statements of Changes in Equity

Parent	Contributed equity	(Accumulated losses) retained profits	Total
	$'000	$'000	$'000
At 1 July 2007	37,343	(4,953)	32,390
Loss for the year attributable to shareholders	-	(3,679)	(3,679)
Total expense for the year attributable to shareholders	-	(3,679)	(3,679)
Issue of share capital	7,089	-	7,089
Transaction costs of share issue	(231)	-	(231)
Total changes in equity as a result of transactions with shareholders as shareholders	6,858	-	6,858
At 30 June 2008	44,201	(8,632)	35,569

	Contributed equity	(Accumulated losses) retained profits	Total
	$'000	$'000	$'000
At 1 July 2006	26,993	(2,389)	24,604
Loss for the year attributable to shareholders	-	(576)	(576)
Total expense for the year attributable to shareholders	-	(576)	(576)
Issue of share capital	10,679	-	10,679
Transaction costs of share issue	(329)	-	(329)
Equity dividends	-	(1,988)	(1,988)
Total changes in equity as a result of transactions with shareholders as shareholders	10,350	(1,988)	8,362
At 30 June 2007	37,343	(4,953)	32,390

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report includes separate financial statements for Trinity Limited ("the Parent" or "the Company") and the consolidated entity, Trinity Group ("the Group"), consisting of Trinity Limited and Trinity Stapled Trust ("the Trust") and their controlled entities. Trinity Limited has been deemed the parent entity of the Trust.

a. Basis of preparation

This report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

These financial statements have been prepared under the historical cost convention, except for investment properties and available for sale assets that have been measured at fair value.

The financial report is presented in Australian Dollars.

b. Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the Trust as at 30 June 2008 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Trinity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Group's entities are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 15% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Under this method, The Group's share of associates' net profit after tax is recognised in the consolidated income statement, and the share of movements in reserves is recognised in reserves in the consolidated balance sheet. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Jointly controlled operations and assets

Interests of the Group in jointly controlled operations and jointly controlled assets are brought to account by recognising in the financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns for the sale of goods or services by the joint venture.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit and loss.

Trinity Group Financial Report
For the year ended 30 June 2008

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

c. Revenue recognition

Rental Income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. When Trinity provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight line basis, as a reduction of rental income.

Income from rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service.

Responsible Entity fees are charged in accordance with the Constitution of the relevant trust and are brought to account on an accruals basis and, if not received at balance date, are reflected as receivables.

Property management fees and other fees are charged to the relevant trust in accordance with their Constitution and are brought to account on an accruals basis and, if not received at balance date, are reflected as receivables.

Dividend/Distribution income

Dividend and distribution income is recognised when declared.

Interest income

Interest income is recognised on an accruals basis and if not received at balance date, is reflected in the balance sheet as a receivable.

Property Development revenue

Revenue from property development sales is recognised in the Income Statement upon settlement and after all contractual duties are completed.

Revenue from property development services rendered is recognised in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to surveys of work performed.

No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return or there is continuing management involvement to the degree usually associated with ownership.

Net gain on the sale of non-current assets

The net gain on the sale of non-current assets is included as income when the significant risks and rewards of ownership have been transferred to the buyer, usually when a contract for the sale becomes unconditional.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

d. Issue costs

Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received and are otherwise expensed.

e. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due to be settled 30 days after the period to which they relate.

Collectability of trade 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 Trinity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

f. Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangements of borrowings and finance charges in respect of finance leases.

Interest payments in respect of financial instruments classified as liabilities are included in finance costs.

Loan establishment costs are offset against financial liabilities under the effective interest rate method and amortised over the term of the facility to which they relate.

g. Income Tax

Trusts

Under current income tax legislation, the trusts are not liable for income tax, provided their taxable income and taxable realised gains are fully distributed to Securityholders each financial year. The trusts fully distribute their distributable income, calculated in accordance with their constitution and applicable taxation legislation, to the securityholders who are presently entitled to the income under the constitution.

Realised capital losses are not distributed to securityholders but are retained in the trusts to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses the excess is distributed to the securityholders.

Company and other taxable entities

The income tax expense and revenue for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Tax consolidation

Trinity Limited and its wholly owned controlled entities have elected to form a tax consolidation group with effect from 14 October 2004. The head entity, Trinity Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Trinity Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets and liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Trinity Group Financial Report
For the year ended 30 June 2008

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

h. 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 tax authority. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority 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 or financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows.

i. Earnings per security

Earnings per security ("EPS") is calculated by dividing the net profit attributable to Securityholders of the Group for the reporting period, after excluding any costs of servicing equity, by the weighted average number of securities and dilutive potential securities.

j. Inventories

Inventories comprising development properties are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and holding costs, such as borrowing costs, rates and taxes and is net of any income received in relation to the development property. Holding costs incurred after completion of development are expensed. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Current and non current inventory assets

Inventory is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months after the reporting date.

All other inventory is classified as non current.

k. Investment properties

Investment properties are properties which are held for the purpose of producing rental income, capital appreciation, or both.

Investment properties are initially recognised at cost including acquisition costs. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in the Income Statement in the period. Fair value is determined from market based evidence, by an appraisal undertaken by a professionally qualified valuer with experience in the location and category of the Investment Property. External independent valuations are commissioned at least twice every three years at 30 June and 31 December, with internal valuations undertaken by suitably experienced and qualified appraisers for those investment properties not externally valued at each reporting date. Investment properties not showing significant movement in value may have the independent valuation delayed for a period of up to 18 months from the date of prior valuation.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the income statement in the year of derecognition.

Investment property held for sale is classified within non current assets held for sale, and is carried at fair value as the measurement provisions of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* does not apply to investment properties.

l. Property, plant and equipment

Office fixtures, fittings and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Office fixtures, fittings and equipment are depreciated using a straight line method over their estimated useful lives, taking into account estimated residual values.

Assets are depreciated from the date of acquisition and depreciation rates and methods are reviewed annually for appropriateness.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

l. Property, plant and equipment (continued)

The estimated useful lives in the current and comparative periods are as follows:

Furniture and fittings	6-20 years
Plant and equipment	3-20 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

m. Intangible assets

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Brand names

The brand names acquired have an indefinite useful life and are carried at cost less any impairment losses. Brand names are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they may be impaired.

Website and software

Costs incurred in acquiring software, that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and services. Amortisation is calculated on a straight line basis over periods generally ranging from 3-5 years. These assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

n. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

o. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

p. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within sixty days of recognition.

Trinity Group Financial Report
For the year ended 30 June 2008

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

q. Investments and other financial assets

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

Fair Value

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

r. Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

Gains and losses are recognised in the Income Statement when the liabilities are derecognised and as well as through the amortisation process.

s. Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including annual leave expected to be settled within twelve months of reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts to be expected to be paid when the liabilities are settled. Liabilities for non accumulated sick leave are recognised when leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Liabilities are determined after taking into consideration estimated future increases in wages and salaries and past experience regarding staff departures.

(iii) Bonus entitlements

The Group recognises a liability for bonuses based on a formula that takes into consideration the profit attributable to the Group's Securityholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

t. Provisions

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Dividends and distributions

A provision for dividend is recognised in the reporting period in which the dividend is declared, determined, or publicly recommended by the Directors on or before the end of the financial period, but not distributed at balance date. A provision is made for the amount of any distribution payable under the Trust's Constitution but not distributed at balance date.

Development fees

Development fees payable relate to properties currently in various stages of development. The development fees are recognised progressively as development works are completed as per the terms of the development agreements.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

u. Operating lease payments

Payments required under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived for the leased property.

Lease incentives

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 as a reduction of rental income. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

v. Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

w. Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating Lease Commitments – As Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Special purpose entities

The Group receives income from a number of special purpose entities (SPEs). The Group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if the Group concludes that it controls the SPE.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 18.

Estimates of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available, the Group determines a property's value within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

(a) Current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

(b) Recent prices of similar properties in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

(c) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the term of any existing lease and other contracts, and where possible, from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows; and

(d) Capitalised income projections based upon a property's estimated net market income, which is assumed to be a level annuity in perpetuity and a capitalisation rate derived from analysis of market evidence. Reversions associated with short term leasing risks/costs incentives and capital expenditure may be deducted from the capitalised net income figure.

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Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

w. Significant accounting judgements, estimates and assumptions (continued)

Estimates of fair value of investment properties (continued)

Assumptions underlying management's estimates of fair value

The discounted cash flow approach for investment properties usually includes assumptions in relation to current and recent investment property prices. If such prices are not available, then the fair value of investment properties is determined using assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimations of fair value are those relating to the receipt of contractual rentals, void periods, maintenance requirements and appropriate discount rates. The valuations are regularly compared to actual market yield data, and actual transactions by Trinity Funds Management Limited and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

x. Contributed equity

Ordinary units and shares are classified as equity. Increases in costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds.

y. Rounding of amounts

The financial report of the Trinity Group has been prepared in accordance with Class Order 98/100 issued by the Australian Securities & 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 the Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

z. Assets held for sale

Upon initial classification as held for sale, assets are recognised at fair value less costs to sell.

aa. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities, and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

For the 2008 financial year the Group did not have any financial guarantees contracts that required to be recognised in the financial statements. (2007:nil)

bb. New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing these financial statements:

(i) Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB101 will become mandatory for the Group's 30 June 2010 financial statements. Application of this standard will not affect any of the amounts recognised in the financial report but may result in changes in terminology.

(ii) Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. The Group has not yet determined the potential effect of the revised standard on the financial report.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

bb. New standards and interpretations not yet adopted (continued)

(iii) Revised AASB 3 *Business Combinations* changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutual entities. The revised standard becomes mandatory for the Group's 30 June 2010 financial report. The Group has not yet determined the potential effect of the revised standard on the financial report.

(iv) Revised AASB 127 *Consolidated and Separate Financial Statements* changes the accounting for investments in subsidiaries. Key changes include: the re-measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in the Income Statement; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard becomes mandatory for the Group's 30 June 2010 financial report. The Group has not yet determined the potential effect of the revised standard on the financial report.

(v) AASB 2008-5 and AASB 2008-6 *Amendments to Australian Accounting Standards* arising from the Annual Improvements Project and Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. A number of accounting standards have been amended under the improvement project. The first part contains amendments that result in accounting changes for presentation, recognition and measurement purposes. The second part contains amendments that are terminology or editorial changes only, which is expected to have no or minimal effect on accounting. One of the key impacts relates to investment property under construction which will have to be fair valued during the construction period. The revised standard will become mandatory for the Group's 30 June 2010 financial report. The Group has not yet determined the potential effect of these improvements on the financial report.

(vi) AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.* The key changes include: dividends received from a subsidiary, jointly controlled entity or associate out of pre-acquisition income will be recorded as income; a dividend from a subsidiary, jointly controlled entity or associate is recognised in the income statement when the right to receive the dividend is established; and the recognition of a dividend received by the parent is an impairment indicator in specified circumstances. The revised standard will become mandatory for the Group's 30 June 2010 financial report. The Group has not yet determined the potential effect of these improvements on the financial report.

(vii) AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2].* The amendment clarifies that vesting conditions are restricted to: service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. This restriction was not clearly stated in the pre-amended standards. This means that all other terms and conditions are accounted for in the value of the share or option at grant date. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The revised standard will become mandatory for the Group's 30 June 2010 financial report. The Group has not yet determined the potential effect of these improvements on the financial report.

(viii) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8. AASB 8* will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The revised standard will become mandatory for the consolidated entity's 30 June 2010 financial report. The Group does expect that the application of this standard will affect presentation of the current segment information disclosed in the financial report.

2. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Intangible assets

The fair value of the Brand Name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the Brand Name being owned.

The fair value of the goodwill acquired in a business combination is determined by (i) assessing the recoverable amount of the cash generating units to which the intangible asset relates or (ii) by the "fair value less costs to sell" method which looks at the capitalisation of estimated future maintainable earnings at an appropriate earnings multiple.

Trinity Group Financial Report
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Notes to the Financial Statements

2. Determination of fair values (continued)

(ii) Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued or an appropriately experienced and professionally qualified internal appraiser, values the Group's investment property portfolio. For valuations performed by both internal and external valuers, fair values are determined using the capitalisation of net passing income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same locations as the Group's investment properties.

(iii) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost includes the cost of acquisition, development and holding costs, such as borrowing costs, rates and taxes and is net of any income received in relation to the development property. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(iv) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for doubtful debts. The carrying value less impairment provision are assumed to approximate their fair values due to their short term nature. The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest.

(v) Derivatives

The fair value of interest rate swaps is based on broker quotes and these can be tested for reasonableness by using the present value of the estimated future cash flows of these instruments. They are discounted at the market interest rate appropriate to that instrument.

(vi) Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3. Financial risk management

Overview

The Company and the Group have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Compliance, Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities.

The Compliance, Audit and Risk Management Committee oversees how management monitors compliance with the Company's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, project partners and development projects and amounts due from the leasing of premises in accordance with lease agreements between Trinity Stapled Trust and building tenants.

Notes to the Financial Statements

3. Financial risk management (continued)

Trade and other receivables

The Company and Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer or tenant. The Company and Group have a diverse range of customers and tenants and therefore there is no significant concentration of credit risk with any single counterparty of group of counterparties.

The Compliance, Audit and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group does business with them. The Group requests security deposits or bank guarantees from new tenants in order to secure the premises and tenants are invoiced monthly in advance. Ongoing checks are performed by management to ensure settlement terms detailed in individual contracts are adhered to. Detailed project feasibility analysis and monthly project reports provide comfort as to ongoing creditworthiness.

The Group's exposure to credit risk from its development activities is minimized by a number of factors. A rigorous process for identifying and selecting new projects is followed, which includes detailed feasibility analysis and comprehensive due diligence and/or independent expert reports. Diversification of sectors and geographic locations also reduces the risk, along with project-specific financing for individual projects. In its dealings with Project Partners, the Group secures any amounts owing by the Project Partners against their forecast project profits, which are monitored monthly.

The Company and the Group have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. Detailed project feasibility analysis and monthly project reports provide comfort as to ongoing creditworthiness of the development projects

Liquidity risk

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

The Group has liquidity risk management policies, which assists it in monitoring cash flow requirements. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the option to raise funds through the issue of new stapled securities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Interest rate risk

The Group adopts a policy of holding between 50 to 70% of long term debt on a fixed interest basis. The Group did not employ any interest rate derivatives in managing its surplus funds on deposit or on drawdown of its facility.

(ii) Currency risk

AASB7 defines that foreign currency risks can only arise on financial instruments that are denominated in a currency that is not the functional currency in which they are measured. As a result the risks resulting from the translation of the financial statements of the Japanese subsidiary into the Group's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for foreign currency risks. The Group has no other foreign currency risk exposures.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total securityholders' equity, excluding minority interests. The Board of Directors also monitors the level of distributions to securityholders.

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Notes to the Financial Statements

3. Financial risk management (continued)

Capital management (continued)

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (ie debt/equity mix) as part of its broader strategic plan.

Gearing is a measure used to monitor levels of debt capital used by the business to fund its operations. This ratio is calculated as interest bearing liabilities divided by tangible assets.

The gearing ratios at 30 June 2008 and 30 June 2007 were 40.5% and 29.3%.

In June 2008, the Group established the Employee Stapled Securities Plan. While this scheme was not operating in the 2008 year the intention is for it to start in the 2009 financial year. The scheme will be extended to all qualifying employees of the Group. From time to time during the 2009 financial year the Group will purchase its own securities on market; the timing of these purchases will depend on anticipated awards under the scheme. Primarily the securities are intended to be used for issuing securities under the Group's securities plan program.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Note 4 Revenue and other income from continuing activities

		Consolidated		Parent	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
Revenue					
Rent (including outgoings recovered)		17,120	12,981	-	-
Rendering of services – responsible entity fees		5,060	3,755	-	-
Rendering of services – property management		1,195	1,241	-	-
Rendering of services – project/performance fees		5,321	-	-	-
Rendering of services – development management		8,297	2,130	-	-
Rendering of services - other		840	677		
Property development		4,841	9,765	-	-
		42,674	30,549	-	-
Other revenue					
Dividends/distributions		-	-	-	4,600
Interest		5,309	1,313	2,548	670
Other revenue		121	220	-	-
		5,430	1,533	2,548	5,270
Other income					
Gain on disposal of investment properties		1,639	3,111	-	-
Total revenue and other income from continuing activities		49,743	35,193	2,548	5,270
Interest from related parties included in total interest revenue:					
Entities in the Group					
Trinity Funds Management Limited	**26**	-	-	664	664

Notes to the Financial Statements

Note 5 Other expenses from continuing activities

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Classified by nature				
Accounting and audit	259	281	117	150
Property related costs	3,586	2,785	-	-
Bad and doubtful debts – trade receivables	8	72	-	-
Employee related expenses	9,045	5,561	-	-
Rent	360	383	-	-
Depreciation and amortisation	356	299	-	-
Management and administration expenses	5,723	2,441	327	466
Total expenses from continuing activities	19,337	11,822	444	616

Note 6 Finance income and expense

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Finance income					
Bank deposits		808	489	16	6
Loans and receivables		4501	824	2532	664
		5,309	1,313	2,548	670
Finance expenses					
Interest paid and payable to third parties		(9,797)	(6,571)	-	-
Amortisation of finance costs		(321)	(210)	-	-
Interest paid to entities within the Group – Trinity Stapled Trust	**26**	-	-	(7,480)	(7,828)
Less:				-	-
Interest capitalised to property developments included in inventory		2,205	1,079	-	-
Finance expenses		(7,913)	(5,702)	(7,480)	(7,828)
Net finance income / (expense)		(2,604)	(4,389)	(4,932)	(7,158)

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For the year ended 30 June 2008

Notes to the Financial Statements

Note 7 Earnings per stapled security

	Consolidated 2008 $'000	Earnings per Security cents	Consolidated 2007 $'000	Earnings per Security cents
Net profit after tax attributable to Securityholders	34,521		24,144	
	Number of securities '000		Number of securities '000	
Total stapled securities on issue at year end	230,952		208,350	
Weighted average stapled securities – basic	227,439	15.2	183,721	13.1
Weighted average stapled securities – diluted	231,059	14.9	191,977	12.6

For the 2008 year the following are included in the diluted earnings per security calculation:

- 5,021,791 A class securities converted to ordinary stapled securities in November 2007as the forecast earnings for Trinity Consolidated Projects Pty Ltd and Consolidated Properties Group Pty Ltd was met for the 2007 financial year.
- An entity associated with the Chief Executive Officer has entered into a subscription deed to subscribe for a total of 3,000,000 stapled securities during the five years commencing 1 July 2006. As at 30 June 2008, 1,500,000 of these securities had been issued.

	Number of securities 2008 '000	Number of securities 2007 '000
Weighted average number of ordinary securities for basic earnings per security	227,439	183,721
Effect of dilution:		
'A' class shares and units (issued 26 June 2006 converted 27 November 2007)	2,058	5,022
CEO subscription deed securities		
(750,000 securities were issued in September 2006 and July 2007)	1,562	2,437
Non participating converting securities (converted in September 2006)	-	797
Adjusted weighted average number of ordinary securities for diluted earnings per security	231,059	191,977

There have been no other dilutive transactions involving ordinary stapled securities or potential ordinary stapled securities since the reporting date and before the completion of these financial statements.

Notes to the Financial Statements

Note 8 Auditors' remuneration	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Statutory Audit				
Auditor's of the Group				
– Audit and review of financial reports and other audit work under the *Corporations Act 2001* - PKF	189,010	196,692	92,010	103,800

Note 9 Taxation	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Income tax (expense)/benefit				
Current tax expense	(569)	(281)	-	-
Deferred tax				
– Adjustments in respect of deferred tax of previous years	(7)	(37)	(17)	-
– Relating to origination and reversal of temporary differences	(1,657)	(454)	1,714	2,598
Income tax (expense)/ benefit reported in income statement	(2,233)	(772)	1,697	2,598
Reconciliation of income tax expense to prima facie tax payable				
Accounting profit/(loss) before income tax	36,754	24,916	(5,376)	(3,174)
At the Group's statutory income tax rate of 30% (2007: 30%) (expense)/benefit	(11,026)	(7,475)	1,613	952
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non assessable income	8,679	6,743	-	1,574
Deductible cost of equity raising	69	74	69	74
Adjustment in respect of prior year:				
– deferred tax	25	(37)	15	-
Other (deductible)/non-deductible expenses	20	(77)		(2)
Income tax (expense)/benefit reported in income statement	(2,233)	(772)	1,697	2,598
Deferred tax assets and liabilities				
Deferred tax assets				
Tax losses carried forward	740	768	740	768
Provisions, accruals, employee entitlements, accrued expenditure and share issue expenses not currently deductible	349	404	229	307
	1,089	1,172	969	1,075
Deferred tax liabilities				
Other	1,027	128	-	-
Income accruals	1,664	922	-	-
	2,691	1,050	-	-

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For the year ended 30 June 2008

Notes to the Financial Statements

Note 9 Taxation (continued)

At 30 June 2008, there is no recognised or unrecognised deferred income tax liability (2007: $nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries, as the Group has no liability for additional taxation should such amounts be remitted.

Tax consolidation

Trinity Limited and its 100% owned subsidiaries are a tax consolidated group. Members of the tax consolidated group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries (refer note 1g). The head entity of the tax consolidated group is Trinity Limited.

Note 10 Trade and other receivables	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Current				
Trade receivables	9,529	5,023	22	25
Provision for doubtful debts	(12)	(22)	-	-
Recoverable project costs	2,069	2,501	-	-
Sundry receivables	1,739	1,078	1	663
Accrued Income	12,518	8,913	-	-
Loans – other	24,362	4,975	9,777	4,975
Entities in the Group				
– Trinity Jindalee Pty Ltd	-	-	4,560	5,925
– Trinity Nambour Pty Ltd	-	-	-	13
– Trinity Holdings No 3 Pty Limited	-	-	200	-
– Trinity Funds Management Limited	-	-	4,500	4,500
Related entities				
– Trinity Property Trust distributions receivable	3,607	2,550	-	-
– Trinity Enhanced Return Fund distributions receivable	1,781	253	-	-
– Loans to related entities	470	1,361	-	1,216
Total current	56,063	26,632	19,060	17,317
Non Current				
Trade receivables	359	1,409	-	-
Receivable – straight lining of rental income	526	112	-	-
Loans – other	1,752	750	255	128
Accrued income	1,006	1,554	-	-
Entities in the Group				
– Trinity Consolidated Projects Pty Ltd	-	-	3,817	5,785
– Consolidated Land Company Limited	-	-	-	1
– Trinity Holdings No 3 Pty Limited	-	-	-	200
– Inter entity tax loans	-	-	4,889	2,578
Total non current	3,643	3,825	8,961	8,692

Note 10 Trade and other receivables (continued)

a. Terms and conditions

Terms and conditions relating to the above financial instruments are as follows:

- Trade receivables are non interest bearing and generally on 30 day terms.
- Sundry receivables and other receivables are non interest bearing and have repayment terms of between 30 and 90 days.
- Accrued income includes amounts that are non interest bearing and will convert to trade receivables within 30 days.
- Accrued income also includes development fees recognised on a percentage complete basis that will convert to trade receivables over the remaining life of each project.
- Details of terms and conditions of related party receivables are set out in Note 26.
- Non current loans – other, includes an advance to an associated company of the CEO to purchase securities in accordance with the terms of his employment agreement.
- Recoverable project costs are amounts receivable from project partners and special purpose vehicles in relation to project investigation funding, and are recoverable within 12 months.
- Current loans – other includes (i) an interest bearing advance to a related party special purpose vehicle which has used the funds as a contractual deposit (ii) an interest bearing advance to a an entity external to the Group which has used the funds to acquire land (iii) an interest bearing advance to a related entity which has used the funds to acquire an investment property and (iv) interest bearing advances to a project partners which are secured against future project profits.
- Loans to related entities are amounts advanced to special purpose vehicles that the Group significantly influences. The amounts advanced accrue interest at 10% per annum and are repayable within 12 months.

b. Future minimum lease receivables

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Future minimum lease payments to Trinity Stapled Trust under current leases from tenants are:				
Within one year	16,502	6,121	-	-
Later than one year and no later than five years	59,051	16,286	-	-
Later than five years	78,099	4,351	-	-
	153,652	26,758	-	-

Future lease commitments receivable have not been included in the Balance Sheet. Revenue is recognised by Trinity Stapled Trust in the income statement by allocating minimum payments on a basis representative of the pattern of service rendered.

Note 11 Inventory

Current	Note				
Properties under development	1(j)	11,192	10,496	-	-
Properties under development comprises:					
Costs of acquisition		8,119	8,119	-	-
Development costs capitalised		3,073	2,377	-	-
Total current		11,192	10,496	-	-

Carrying amount of inventory pledged as security for liabilities is $11.2 million (2007: $10.5 million). This property is subject to a first registered mortgage to the Bank of New Zealand Australia for $6.3 million (2007: $4.0 million).

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Notes to the Financial Statements

Note 11 Inventory (continued)

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Non current					
Properties under development	1(j)	37,424	10,258	-	-
Properties under development comprises:					
Costs of acquisition		28,882	5,956	-	-
Development costs capitalised		5,282	3,261	-	-
Finance costs capitalised		3,260	1,041	-	-
Total non current		37,424	10,258	-	-

Carrying amount of inventory pledged as security for liabilities is $37.4 million (2007:$10.3 million). These properties are subject to a first registered mortgage to the Bank of New Zealand Australia for $11.7 million and a first registered mortgage to Tokyo Star Bank for $11.1 million.

Note 12 Other Assets

Current				
Current				
Prepayments	348	168	-	-
Project costs	-	2,373	-	-
Lease incentives	89	9	-	-
Total current	437	2,550	-	-
Non current				
Lease incentives	430	35	-	-
Total non current	430	35	-	-

Note 13 Assets held for sale

Investment properties held for sale	-	20,649	-	-
Investment – CVC Trinity Property Fund	1,250	-	-	-
Investment – CVC Trinity Property Managers Limited	213	-	-	-
	1,463	20,649	-	-

Prior to balance date, the Group entered into a Heads of Agreement with CVC Limited to sell its investment in CVC Trinity Property Fund and its shares in the Responsible Entity CVC Trinity Property Managers Limited. Both investments are stated at their fair value as at 30 June 2008. In the 2007 financial year the Directors had resolved to sell one investment property and a completed development property, the Group completed the sale of both these properties in the 2008 financial year.

Notes to the Financial Statements

Note 14 Equity accounted investments

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trinity Property Trust	61,536	56,700	-	-
CVC Trinity Property Fund	-	2,523	-	-
CVC Trinity Property Managers Limited	-	253	-	-
Trinity Enhanced Return Fund (formerly Trinity QW4 Trust)	38,704	33,069	-	-
Consolidated Development Group	9,269	4,500	-	-
Consolidated Land Group	7,500	-	-	-
Investment in associates	117,009	97,045	-	-

The total purchase consideration for additional interests in existing associates and for new acquisitions amounted to $14.6 million (2007: $54.7 million). The portion of the purchase consideration settled in cash amounted to $11.6 million (2007: $51.2 million) and the balance was settled by the reinvestment of distributions/dividends.

Interest in associate	Country of incorporation/ formation	Balance Date	Consolidated Ownership interest		Parent Ownership interest	
			2008	2007	2008	2007
Trinity Property Trust *	Australia	30 June	16.8%	16.4%	-	-
CVC Trinity Property Fund	Australia	30 June	-	15.0%	-	-
CVC Trinity Property Managers Limited	Australia	30 June	-	50.0%	-	-
Trinity Enhanced Return Fund (formerly Trinity QW4 Trust)	Australia	30 June	47.9%	50.0%	-	-
Consolidated Development Group	Australia	30 June	23.1%	23.5%	-	-
Consolidated Land Group	Australia	30 June	34.1%	-	-	-

* The Group has significant influence over the trust due to its fiduciary relationship as responsible entity for the trust.

Trinity Property Trust

Principal activities

The Trust has been established as a property trust with an investment strategy focused on investment in retail, commercial and industrial property in Australia. There has been no significant change in the nature of those activities during the financial year.

The following table illustrates summarised information of the investment in Trinity Property Trust:

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Share of associate's profit				
Share of associate's:				
– net profit	7,241	6,754	-	-

Notes to the Financial Statements

Note 14 Equity accounted investments (continued)

Trinity Property Trust (continued)

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Carrying amount of investment in associate				
Balance at beginning of financial year	56,700	43,048	-	-
– acquisitions	2,551	11,705	-	-
— share of associate's net profits	7,241	6,754	-	-
— distributions received / receivable from associate	(4,956)	(4,807)	-	-
Carrying amount of investment in associate at the end of the financial year	61,536	56,700	-	-

Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:

Assets	580,454	548,838	-	-
Liabilities	214,011	208,619	-	-
Revenue and other income	57,550	54,771	-	-
Profits/ (losses)	43,184	38,486	-	-

Trinity Enhanced Return Fund (formerly Trinity QW4 Trust)

Principal activities

Trinity Enhanced Return Fund was established in May 2007 as a property trust with an investment strategy focused on investment in retail, commercial and industrial property in Australia.

The following table illustrates summarised information of the investment in Trinity Enhanced Return Fund:

Share of associate's profit/(loss)				
Share of associate's:				
– net profit/(loss)	7,716	(2,646)	-	-

Trinity Enhanced Return Fund incurred a loss for the financial year ended 30 June 2007 as a result of fair valuing its investment properties and having to write off acquisition costs incurred.

Carrying amount of investment in associate				
Balance at beginning of financial year	33,069	-	-	-
— acquisitions	-	35,968	-	-
— share of associate's net profit /(loss)	7,716	(2,646)	-	-
— distributions received / receivable from associate	(2,081)	(253)	-	
Carrying amount of investment in associate at the end of the financial year	38,704	33,069	-	-

Notes to the Financial Statements

Note 14 Equity accounted investments (continued)

Trinity Enhanced Return Fund (formerly Trinity QW4 Trust) (continued)

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:				
Assets	194,694	117,534	-	-
Liabilities	113,852	51,397	-	-
Revenues	27,774	4,883	-	-
Profits/ (losses)	15,453	(5,798)	-	-

Consolidated Development Group

Principal activities

Consolidated Development Group became an associate on 29 June 2007 and is an unlisted stapled group that provides funding for short to medium-term development projects procured by Consolidated Properties Group. Projects are diversified across commercial, retail, industrial and residential sectors, though will exclude residential land subdivisions.

The following table illustrates summarised information of the investment in Consolidated Development Group:

Share of associate's profit/(loss)				
Share of associate's:				
– net profit	594	-	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	4,500	-	-	-
– acquisitions	4,500	4,500	-	-
– share of associate's net profits	594	-	-	-
– distributions received from associate	(325)	-	-	-
Carrying amount of investment in associate at the end of the financial year	9,269	4,500	-	-

Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:

Assets	122,901	82,506	-	-
Liabilities	83,864	63,378	-	-
Revenues	78,571	-	-	-
Profits/(losses)	2,785	-	-	-

Notes to the Financial Statements

Note 14 Equity accounted investments (continued)

Consolidated Land Group

Principal activities

Consolidated Land Group became an associate on 30 June 2008 and is an unlisted stapled group that provides funding for residential land subdivision projects procured by Consolidated Properties Group. Projects will be diversified across various Australian locations and will range from short-term to very long-term subdivision developments.

The following table illustrates summarised information of the investment in Consolidated Land Group:

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Share of associate's profit/(loss)				
Share of associate's:				
– net profit	-	-	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	-	-	-	-
– acquisitions	7,500	-	-	-
– share of associate's net profits	-	-	-	-
Carrying amount of investment in associate at the end of the financial year	7,500	-	-	-

Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:

Assets	63,847	-	-	-
Liabilities	41,870	-	-	-
Revenues	-	-	-	-
Profits/(losses)	-	-	-	-

CVC Trinity Property Fund

Principal activities

CVC Trinity Property Fund is a listed property trust which has been recapitalised to develop and invest in retail, commercial and industrial property in Australia. A Heads of Agreement to dissolve the joint venture between CVC Limited and the Group was entered into in June 2008. As at balance date the Group's investment in CVC Trinity Property Fund has been reclassified to an asset held for sale.

The following table illustrates summarised information of the investment in CVC Trinity Property Fund:

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Share of associate's profit/(loss)				
Share of associate's:				
– net (loss)/profit to 31 December 2007	(270)	23	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	2,523	-	-	-
– acquisitions	-	2,500	-	-
– share of associate's net (loss)/profits	(270)	23	-	-
– associate recognised as an available for sale investment	(2,253)			
Carrying amount of investment in associate at the end of the financial year	-	2,523	-	-

Notes to the Financial Statements

Note 14 Equity accounted investments (continued)

CVC Trinity Property Managers Limited

Principal activities

CVC Trinity Property Managers Limited is the responsible entity for the CVC Trinity Property Fund, a property trust listed on the Australian Stock Exchange. A Heads of Agreement to dissolve the joint venture between CVC Limited and the Group was entered into in June 2008.

The following table illustrates summarised information of the investment in CVC Trinity Property Managers Limited:

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Share of associate's profit/(loss)				
Share of associate's:				
– net profit to 31 December 2007	118	53	-	-
Carrying *amount of investment in associate*				
Balance at beginning of financial year	253	-	-	-
– acquisitions	-	200	-	-
– share of associate's net profits	118	53	-	-
– impairment provision	(158)	-	-	-
– associate recognised as an available for sale investment	(213)	-	-	-
Carrying amount of investment in associate at the end of the financial year	-	253	-	-

Note 15 Investments

Units in unlisted Fund				
Trinity Opportunistic Property Fund No 1	705	405	-	-

Note 16 Investment properties

Investment properties at fair value	245,404	155,193	-	-
Movements in investment properties				
Balance at beginning of financial year	155,193	88,864	-	-
Classified as held for sale at 30 June 2007	18,000	-		
Additions	91,349	112,926	-	-
Disposals	(18,000)	(31,660)	-	-
Classified as held for sale at June 2008	-	(18,000)	-	-
Net (loss)/gain from fair value adjustments -		(1,138)	3,063	-
Balance at end of financial year	245,404	155,193	-	-

Fair value is determined by either a registered independent valuer or an appropriately experienced and professionally qualified internal appraiser (refer Note 1 and 2).

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Notes to the Financial Statements

Note 16 Investment properties (continued)

Details of investment properties are as follows:

Property	Ownership interest	Acquisition Date	Book Value 30 June 2008 $'000	Book Value 30 June 2007 $'000	Independent Valuation	Independent Valuation Amount $'000	Valuer
Retail							
Westcourt Village, Mulgrave Road, Cairns, QLD	100%	14/02/2006	8,501	8,095	31/12/2007	8,500	Colliers International
Centrepoint Arcade, Innisfail, QLD	100%	30/06/2006	12,898	10,600	11/05/2007	13,200 (as if complete)	Urbis JHD Valuations Pty Ltd
Coles, Edwards Street, Ayr, QLD	100%	14/11/2006	10,008	9,750	31/12/2007	10,000	Urbis JHD Valuations Pty Ltd
Woolworths Marketplace, Albany Creek, QLD	100%	15/09/2006	19,915	19,700	30/06/2008	20,000	Urbis JHD Valuations Pty Ltd
Nerang Fair Shopping Centre, Nerang, QLD	100%	23/02/2005	24,092	21,400	11/05/2007	24,335 (as if complete)	Urbis JHD Valuations Pty Ltd
Commercial							
308 Queen Street, Brisbane, QLD	100%	21/12/2006	35,235	12,900	11/02/2007	42,000 (as if complete)	Urbis JHD Valuations Pty Ltd
383 King Street, Melbourne, VIC	50%	24/10/2006	22,904	21,100	31/12/2007	22,750	Colliers International
Com.Park Circuit, Mulgrave, VIC	100%	13/01/2005	19,485	19,200	31/12/2007	19,500	Colliers International
Commercial/Industrial							
Mulgrave Business Park, Mulgrave, VIC	50%	01/06/2006	17,000	16,635	30/06/2008	17,000	Colliers International
Industrial							
Wodonga Distribution Centre, Wodonga, VIC	100%	14/11/2006	4,391	4,200	31/12/2007	4,300	Colliers International
Rivergate Distribution Centre, Murarrie, QLD	100%	28/02/2007	20,893	11,764	30/06/2008	27,700 (as if complete)	Colliers International
425-479 Freeman Road, Richlands, QLD	100%	30/04/2008	32,500	-	23/01/2008	32,500	LandMark White
Residential							
1912-7,1912-8, 1912-9 Honcho2chome, Koganei-shi, Tokyo, Japan	97%	10/08/2007	18,627	-	01/07/2007	19,000	Japan Real Estate Investment Co Ltd (JREIC)
Total investment properties (including amounts classified in other assets and receivables)			**246,449**	**155,344**			
Less amounts classified as:							
Other assets – lease incentives			(519)	(39)			
Trade and other receivables – straight lining of operating lease rental income			(526)	(112)			
Total investment properties			**245,404**	**155,193**			

Notes to the Financial Statements

Note 17 Property, plant and equipment

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Plant and equipment				
At cost	1,293	1,045	-	-
Accumulated depreciation	(405)	(307)	-	-
	888	738	-	-
Movements during the year				
Plant and equipment				
Carrying amount at beginning of year	738	739	-	-
Additions	440	241	-	-
Disposals	(83)	(86)	-	-
Depreciation	(207)	(156)	-	-
Carrying amount at end of year	888	738	-	-

Note 18 Intangible assets

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Brand Names				
Balance at beginning of year	1,200	1,200	-	-
Additions	-	-	-	-
Carrying amount at end of year	1,200	1,200	-	-
Goodwill				
Balance at beginning of year	55,338	55,215	-	-
Additional costs in acquiring Consolidated Properties Group	-	123	-	-
Carrying amount at end of year	55,338	55,338	-	-
Website				
Balance at beginning of year	2	10	-	-
Additions	-	-	-	-
Amortisation	(2)	(8)	-	-
Carrying Amount at end of year	-	2	-	-
Software				
Balance at beginning of year	221	300	-	-
Additions	28	60	-	-
Amortisation	(147)	(139)	-	-
Carrying amount at end of year	102	221	-	-
	56,640	56,761	-	-

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Notes to the Financial Statements

Note 18 Intangible assets (continued)

The carrying values at 30 June 2008 of intangible assets with indefinite useful lives are allocated to the following cash-generating units (CGUs):

	Goodwill $'000	Brand Name $'000
Trinity Funds Management Limited – funds management business	19,980	-
Trinity Consolidated Projects Pty Limited – commercial projects business	20,937	-
Consolidated Properties Group Pty Limited – residential projects business and 'back of house' business	14,421	1,200
	55,338	1,200

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the intangible asset relates.

Goodwill

Trinity Funds Management Ltd

The recoverable amount is determined based on a "value in use" calculation which uses cash flow projections based on financial budgets approved by management covering a five year period, and a discount rate of 12% pa (2007: 11% pa). Cash flows beyond that period have been extrapolated using a steady 2% pa growth rate. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Trinity Consolidated Projects Pty Ltd and Consolidated Properties Group Pty Ltd

The recoverable amount is determined based on "fair value less costs to sell" by capitalisation of estimated Future Maintainable Earnings (FME) at an appropriate earnings multiple. The FME is that level of sustainable earnings that can be maintained by the CGU and excludes one-off and/or non-recurring items.

The appropriate earnings multiple is determined with reference to the observed multiples of entities whose businesses are comparable to that of the CGU being considered. The key assumption on which management have based its determination is that the CGUs could be sold for the earnings multiple derived from the analysis.

Brand name

The calculations supporting the recoverable value of the brand name use the relief from royalty method. Under the relief from royalty method the value of an intangible asset is equivalent to the present value of the prospective stream of royalty income that could be generated if that intangible asset were licensed from an independent third party owner in an arm's length transaction.

These calculations use:

- an estimate of revenues attributable to the intangible asset based on future maintainable earnings;
- an estimate of a royalty rate of 4 % applied to the revenues; and
- a discount rate of 6% applied to the royalty stream.

Notes to the Financial Statements

Note 19 Trade and other payables

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Trade payables	1,583	1,203	3	12
Other payables	1,655	1,165	523	-
Deferred settlements	-	200	-	-
Accrued expenses	2,084	2,486	58	46
Accrued development costs	16,099	9,014		
Rent received in advance	326	216	-	-
Entities within the Group				
– Trinity Funds Management Limited	-	-	-	257
Total current	21,747	14,284	584	315
Non current				
Other payables	20	-	-	-
Accrued development costs	-	2,060	-	-
Loan to related entities	445	-	-	-
Total non current	465	2,060	-	-

Trade payables are non-interest bearing and are normally settled on 60-day terms.

For the June 2007 year the deferred settlement amount relates to the balance of monies owing for the acquisition of an investment property which was paid in the 2008 financial year.

Development costs payable relate to three properties owned by Trinity Stapled Trust which are currently in various stages of development. They are managed by Consolidated Properties Group and under the terms of the development agreements, are payable progressively to the related party developer as development works are completed.

Note 20 Interest bearing loans and borrowings

Current				
Hire purchase liability	10	25	-	-
Other trade facilities	-	1,563	-	-
Bank loans - secured	11,660	-	-	-
Standby facility – secured	17,650	-	-	-
Cash advance facility – secured	9,550	-	-	-
Borrowing costs net of amortisation	(7)	-	-	-
	38,863	1,588	-	-
Non-current				
Hire purchase liability	26	102	-	-
Other related parties - secured	9,594	6,150	-	-
Bank loans - secured	25,581	7,880	-	-
Bank bills – secured	93,090	83,155	-	-
Cash advance facility – secured	37,022	-	-	-
Borrowing costs net of amortisation	(821)	(480)	-	-
Entities within the Group				
– Trinity Stapled Trust	-	-	50,633	51,515
	164,492	96,807	50,633	51,515

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Notes to the Financial Statements

Note 20 Interest bearing loans and borrowings (continued)

As at 30 June 2008, the Trinity Stapled Trust has access to a commercial bill facility with a limit of $106 million which equates to 60% of the bank's accepted valuations of the assets of Trinity Stapled Trust and a standby line of credit of $18 million. The facilities are secured by a registered first mortgage over all of the investment properties of Trinity Stapled Trust, a specific charge over the units held in Trinity Property Trust, and a debenture charge from Trinity Limited and Trinity Funds Management Limited. The commercial bill facility expires on 31 October 2011 and the standby line of credit expires on 29 February 2009. At balance date the commercial bill facility was drawn to $93.1 million excluding bank guarantees of $0.7 million and the standby facility was drawn to $17.7 million.

The covenants of the Trust's facility include:

- Interest cover ratio will not be less than 1.7 times net rental income plus distributions divided by gross interest expense plus finance lease repayments
- While the standby facility is undrawn, the monies owing will not exceed the aggregate of 60% of the bank accepted valuations of the real properties held by the group and included in the security pool
- While the standby facility is utilised, the monies owing will not exceed the aggregate of 70% of the bank accepted valuations of the real properties held by the Group and included in the security pool and 25% of the lesser of cost price or net tangible asset value of the investment units in the Trinity Property Trust.

Trinity Jindalee Pty Limited a subsidiary of the consolidated entity has a separate facility of $6.3 million secured by a first registered mortgage over real property held by that entity and a debenture charge from the subsidiary. The covenants of this facility are, net rental income is not to be less than 1.35 times the gross interest expense plus finance lease repayments and the LVR is not to exceed 60%. The facility expires on 28 February 2009 and at balance date was fully drawn.

Trinity Prime Industrial Trust a subsidiary of Trinity Stapled Trust has a separate facility of $38.3 million secured by a registered first mortgage over all investment properties, a specific charge over the units held in Trinity Property Trust by Trinity Stapled Trust, and a debenture charge from Trinity Funds Management Limited. The covenants of this facility are: interest cover ratio will not be less than 1.30 times net rental income plus distributions divided by gross interest expense plus finance lease repayments and the LVR is not to exceed 65%. The facility expires on 31 October 2011 and at balance date was drawn to $37 million.

Trinity Prime Industrial Trust also has a cash advance facility of $3.2 million secured by a registered first mortgage over all investment properties, a specific charge over the units held in Trinity Property Trust by Trinity Stapled Trust, and a debenture charge from Trinity Funds Management Limited. The facility expires on 31 August 2008 and at balance date was drawn to $3.2 million.

San Remo Project Pty Limited a subsidiary of the consolidated entity has a separate facility of $11.7 million secured by a first registered mortgage over real property held by that entity and a fixed and floating charge over the project company. The covenant of this facility is that the LVR is not to exceed 55%. The facility expires on 28 February 2009 and at balance date was fully drawn. This subsidiary also has a second facility of $25.8 million secured by a second mortgage over real property held by that entity. This facility expires on 31 January 2010 and at balance date was drawn to $9.6 million.

Trinity Japan Fund a subsidiary of Trinity Stapled Trust has two separate facilities. The first facility which was used to acquire the property in Tokyo is for $14.5 million and is secured by a registered mortgage over the property in Tokyo. The covenant of this facility is that the debt service coverage ratio is not to exceed 1:1.1. The facility expires on 31 July 2010 and was fully drawn at balance date.

The second facility which was used to acquire a development property in Osaka is for $16.9 million and is secured by a registered mortgage over the property in Osaka. The covenant of this facility is that the debt service coverage ratio is not to exceed 1:1.6 . The facility expires on 1 February 2011 and at balance date was drawn to $11.1 million.

Related party loans

At 30 June 2008 the Parent held a loan facility with Trinity Stapled Trust on no fixed terms and with an interest rate of 14.75% (2007:14.75%)

Notes to the Financial Statements

Note 20 Interest bearing loans and borrowings (continued)

The consolidated entity has access to the following lines of credit:

	Consolidated	
	2008	2007
	$'000	$'000
Total facilities available		
Bill acceptance facility (including bank guarantee facility)	106,000	84,765
Standby facility	18,000	18,750
Secured loans	68,849	15,230
Cash advance facility	47,880	-
	240,729	118,745
Facilities utilised at reporting date		
Bill acceptance facility	93,090	83,155
Standby facility	17,650	-
Secured loans	46,835	14,030
Cash advance facility	46,572	-
Bank guarantees	650	5,955
	204,797	103,140
Facilities not utilised at reporting date		
Bill acceptance facility	12,260	1,610
Standby facility	350	13,995
Secured loans	22,014t	-
Cash advance facility	1,308	-
	35,932	15,605

Note 21 Provisions

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Employee benefits	200	122	-	-
Other	-	50	-	-
Total current	200	172	-	-

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Notes to the Financial Statements

Note 21 Provisions (continued)

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Non current				
Employee benefits	17	-	-	-
Other	-	37	-	-
Total non current	17	37	-	-

Note 22 Distributions/dividends payable

Distribution proposed and recognised as a liability				
Distribution (stapled security)	8,876	11,895	-	-

After 30 June 2008 the following dividend was proposed by the Directors for 2008. The dividend has not been provided for. The declaration and subsequent payment has no income tax consequences.

Final dividend - unfranked	5,443	-	5,443	-

The financial effect of this dividend has not been brought to account in the financial statements for the financial year ended 30 June 2008 and will be recognised in subsequent financial reports. To enable the parent to pay its final proposed dividend, the parent's subsidiaries have contemporaneously declared a final dividend to the parent.

Distributions/dividends paid during the year:				
Prior year final distribution	11,895	5,461	-	-
Prior year final dividend	-	1,988	-	1,988
Current year interim distribution	12,702	8,608	-	-
	24,597	16,057	-	1,988

The distributions were paid from Trinity Stapled Trust which does not pay tax provided it distributes all of its taxable income.

The dividend paid from Trinity Limited in the 2007 financial year was fully franked.

Note 23 Contributed equity

Stapled securities				
Contributed equity at year end	313,701	266,498	46,391	39,302
Transaction costs arising on issue of securities	(10,342)	(8,802)	(2,190)	(1,959)
	303,359	257,696	44,201	37,343

Notes to the Financial Statements

Note 23 Contributed equity (continued)

2008

During the financial year the following movements in issued securities occurred:	Consolidated No of Units	Consolidated $'000	Parent No of Units	Parent $'000
Ordinary securities				
On issue at beginning of year	208,350,430	251,358	208,350,430	36,076
CEO bonus securities	750,000	750	750,000	128
Rights issue securities issued July 2007	15,250,000	41,937	15,250,000	6,284
Dividend reinvestment plan	1,579,319	4,516	1,579,319	677
Conversion of A Class securities to ordinary securities	5,021,791	6,338	5,021,791	1,267
Transaction costs arising on issue of securities	-	(1,540)	-	(231)
On issue at end of year	230,951,540	303,359	230,951,540	44,201
A Class securities				
On issue at beginning of year	5,021,791	6,338	5,021,791	1,267
Conversion of A Class securities to ordinary securities	(5,021,791)	(6,338)	(5,021,791)	(1,267)
On issue at end of year	-	-	-	-
Total equity attributable to securityholders		303,359		44,201

2007

During the financial year the following movements in issued securities occurred:	Consolidated No of Units	Consolidated $'000	Parent No of Units	Parent $'000
Ordinary securities				
On issue at beginning of year	168,221,997	180,577	168,221,997	25,725
Conversion of non participating converting shares	3,196,286	-	3,196,286	-
CEO bonus securities	750,000	750	750,000	128
Placement securities issued December 2006	16,988,026	28,540	16,988,026	4,396
Share purchase plan	6,174,491	10,373	6,174,491	1,484
Dividend reinvestment plan	2,919,630	4,905	2,919,630	701
Placement securities issued June 2007	10,100,000	27,775	10,100,000	3,971
Transaction costs arising on issue of securities	-	(1,562)	-	(329)
On issue at end of year	208,350,430	251,358	208,350,430	36,076
A Class securities				
On issue at beginning of year	5,021,791	6,338	5,021,791	1,267
On issue at end of year	5,021,791	6,338	5,021,791	1,267
Total equity attributable to securityholders		257,696		37,343

The shares and stapled securities do not have a par value. Under the terms of the Stapling Agreement, one ordinary share and one unit were issued to each securityholder.

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Note 23 Contributed equity (continued)

On 27 July 2007,15,250,000 stapled securities were issued at an issue price of $2.75 pursuant to a one for thirteen rights issue.

On 30 July 2007, a total of 750,000 stapled securities were issued to the CEO and an entity associated with the CEO in accordance with the CEO's remuneration package. The issue price for these securities was $1 pursuant to the subscription agreement.

On 31 August 2007, 1,579,319 stapled securities were issued at a price of $2.86 to those existing securityholders who participated in the dividend and distribution reinvestment plan.

On the 26 June 2006, 5,021,791 A class securities were issued as a result of the merger agreement between Consolidated Properties Group Pty Ltd and Trinity Consolidated Projects Pty Ltd. These securities were in escrow until the 30 June 2007 results for the Consolidated Properties Group business were finalised. On the 27 November 2007 the 5,021,791 A Class securities converted into ordinary securities as a result of the Consolidated Properties Group business meeting the minimum NPAT for the June 2007 financial year.

Note 24 Controlled entities

Name	Country of incorporation/ formation	Ownership interest 2008 %	Ownership interest 2007 %
Trinity Funds Management Limited	Australia	100	100
Trinity Holdings No 2 Pty Ltd	Australia	100	100
Trinity Holdings No 3 Pty Ltd	Australia	100	100
Trinity Holdings No 4 Pty Ltd	Australia	100	-
Trinity Prime Industrial Trust	Australia	100	100
Trinity Consolidated Projects Pty Ltd	Australia	100	100
Trinity Consolidated Projects No 1 Pty Ltd^^	Australia	100	100
Trinity Jindalee Pty Ltd^	Australia	100	100
Trinity Nambour Pty Ltd^	Australia	100	100
Lytton Road Project Pty Ltd^	Australia	100	100
Consolidated Properties Group Pty Ltd^^	Australia	100	100
Albert Street Leasing Pty Ltd *	Australia	100	-
Neweropco Pty Ltd *	Australia	100	100
Consolidated Land Holding Trust#	Australia	100	100
San Remo Project Pty Ltd**	Australia	100	100
Trinity Japan Fund	Australia	100	-
Keppel Properties Goudo Kaisha ##	Japan	97	-
Yaesu Seven Tokutei Mokuteki Kaisha ^^^	Japan	99.5	-
Hamilton Goudo Kaisha ##	Japan	99	-
CH Chalon Yugen Sekinin Chukan Hojin ##	Japan	100	-

^Investment is held by Trinity Funds Management Limited
^^Investment is held by Trinity Consolidated Projects Pty Ltd
^^^ Investment is held by Trinity Japan Fund and Hamilton Goudo Kaisha
**Investment is held by Consolidated Properties Group Pty Ltd*
***Investment is held by Consolidated Land HoldingTrust*
#Investment is held by Trinity Holdings No 2 Pty Ltd
Investment is held by Trinity Japan Fund

Notes to the Financial Statements

Note 24 Controlled entities (continued)

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trinity Consolidated Projects Pty Ltd	-	-	36,608	36,608
Trinity Funds Management Limited	-	-	20,732	20,732
	-	-	57,340	57,340

Note 25 Segment reporting

Consolidated Group

Business segments (primary reporting segment) – the Group comprises the following main business segments, based on its management reporting system.

Industry segments	Products/Services
Funds and property management	Establishment and management of property investment vehicles
Property investment	Investment and management of income producing properties
Co-investment	Investment in unlisted and listed property securities managed within the Group.
Property development and project management	Participation in and management of property development projects through participation agreements

Geographical segment – the Group operates predominately in one geographical segment being Australia. As at 30 June 2008, less than 7.1% of the Group's total assets operate in a second geographical segment being Japan.

Trinity Group Financial Report
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Notes to the Financial Statements

Note 25 Segment reporting (continued)

2008 - Consolidated	Funds management $'000	Property investment $'000	Co-investment $'000	Property development $'000	Eliminations $'000	Consolidated $'000
Revenue						
External segment revenue	12,433	16,906	-	13,456	-	42,795
Inter-segment revenue	1,890	-	-	93	(1,983)	-
Total segment revenue	14,323	16,906	-	13,549	(1,983)	42,795
Net gain on sale of investment properties	-	1,409	-	230	-	1,639
Other inter-segment revenue	897	7,480	-	-	(8,377)	-
Total segment revenue and other income	15,220	25,795	-	13,779	(10,360)	44,434
Other unallocated revenue						5,309
Total revenue and other income						49,743
Result						
Segment result	12,433	14,913	-	7,817	-	35,163
Share of net profit of equity accounted investments	118	-	15,281	-	-	15,399
Fair value adjustment of investment properties	-	(1,138)	-	-	-	(1,138)
Total segment result	12,551	13,775	15,281	7,817	-	49,424
Unallocated revenue less unallocated corporate expenses						(4,757)
Profit from continuing activities						44,667
Finance costs						(7,913)
Income tax expense						(2,233)
Profit for the year						**34,521**
Segment assets	33,405	325,893	-	91,734	(34,003)	417,029
Investments accounted for using the equity method	-	-	117,009	-	-	117,009
Unallocated corporate assets						24,898
Total assets						558,936
Segment liabilities	3,819	30,370	16,360	15,936	(33,073)	33,412
Interest bearing liabilities						203,355
Unallocated corporate liabilities						584
Total liabilities						237,351

Notes to the Financial Statements

Note 25 Segment reporting (continued)

2007 - Consolidated	Funds management $'000	Property investment $'000	Co-investment $'000	Property development $'000	Eliminations $'000	Consolidated $'000
Revenue						
External segment revenue	5,711	14,143	-	10,924	-	30,778
Inter-segment revenue	1,442	-	-	1,018	(2,460)	-
Total segment revenue	7,153	14,143	-	11,942	(2,460)	30,778
Net gain on sale of investment properties	-	3,111	-	-	-	3,111
Other inter-segment revenue	5,914	7,828	-	-	(13,742)	-
Total segment revenue and other income	13,120	25,082	-	11,942	(16,202)	33,889
Other unallocated revenue						1,304
Total revenue and other income						35,193
Result						
Segment result	5,711	14,424	-	8,627	-	28,762
Share of net profit of equity accounted investments	53	-	4,131	-	-	4,184
Fair value adjustment of investment properties	-	3,063	-	-	-	3,063
Total segment result	5,764	17,487	4,131	8,627	-	36,009
Unallocated revenue less unallocated corporate expenses						(5,391)
Profit from continuing activities						30,618
Finance costs						(5,702)
Income tax expense						(772)
Profit for the year						**24,144**
Segment assets	27,820	199,657	-	68,217	(24,024)	271,670
Investments accounted for using the equity method	-	-	97,045	-	-	97,045
Unallocated corporate assets	-	-	-	-	-	23,761
Total assets						392,476
Segment liabilities	1,828	26,802	4,500	11,578	(15,530)	29,178
Interest bearing liabilities						98,395
Unallocated corporate liabilities						599
Total liabilities						128,172

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Notes to the Financial Statements

Note 26 Related party disclosures

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Loans				
Loans to parent				
Balance at the beginning of the financial year	-	-	(51,515)	(46,975)
Net repaid	-	-	8,362	3,288
Interest	-	-	(7,480)	(7,828)
Balance at the end of the financial year	-	-	(50,633)	(51,515)

Trinity Stapled Trust advanced funds to Trinity Limited on no fixed terms with an interest rate of 14.75% (2007: 14.75%).

Loans to/(from) subsidiaries				
Balance at the beginning of the financial year		-	18,745	10,416
Net (repaid) /advanced		-	(779)	8,329
Balance at the end of the financial year		-	17,966	18,745
Interest paid/ payable during the financial year			664	664

Of the balance at 30 June 2008 $4.5 million relates to a loan with no fixed repayment terms with an interest rate of 14.75% (2007:14.75%) and $13.5 million (2007: $14.5 million) with no fixed repayment terms and interest free.

Loans to/(from) related entities				
Balance at the beginning of the financial year	6,319	4,528	4,975	4,528
Net advanced / (repaid)	15,657	1,756	3,143	447
Interest	2,648	35	1,659	-
Balance at the end of the financial year	24,624	6,319	9,777	4,975

Trinity Limited has advanced $7.2 million to Lytton Road Project Pty Ltd, on no fixed terms with an interest rate of 15% per annum. Director related – Donald O'Rorke.

Trinity Limited has advanced $2.5 million to CVC Trinity Property Fund at an interest rate of 10% per annum. A Heads of Agreement to dissolve the joint venture between CVC Limited and the Group was entered into in June 2008. On completion of the dissolution of the joint venture this loan is to be repaid. Trinity Limited has recognised interest income during the 2008 financial year of $0.2 million.

Consolidated Properties Group Pty Limited has provided temporary funding $0.7 million to Lara Pinta Project Pty Ltd, Gatton Project Pty Ltd, and Cooktown Project Pty Ltd, on no fixed terms with an interest rate of 10% per annum.

During the 2008 financial year Trinity Stapled Trust loaned $7.4 million to the Consolidated Development Group at a rate of 12% per annum. This loan was repaid pre 30 June 2008. Trinity Stapled Trust has recognised interest income during the 2008 financial year of $0.4 million.

During the 2008 financial year Trinity Limited also loaned $1.3 million to the Consolidated Development Group at a rate of 12% per annum. This loan was repaid pre 30 June 2008. Trinity Limited has recognised interest income during the 2008 financial year of $0.1 million.

During the 2008 financial year Trinity Stapled Trust loaned $5.5 million to the Consolidated Land Group at a rate of 22% per annum. This loan was repaid pre 30 June 2008. Trinity Stapled Trust has recognised interest income during the 2008 financial year of $1.0 million.

During the 2008 financial year Trinity Stapled Trust loaned $13.3 million to the Consolidated Land Group at a rate of 20% per annum. This loan was repaid in July 2008. Trinity Stapled Trust has recognised interest income during the 2008 financial year of $0.9 million.

Notes to the Financial Statements

Note 26 Related party disclosures (continued)

Transactions involving the Responsible Entity

Trinity Funds Management Limited, a member of the Group, acts as responsible entity for:
Trinity Stapled Trust, a member of the Group
Trinity Property Trust, which is not a member of the Group
Trinity Enhanced Return Fund, which is not a member of the Group
and acts as trustee for:
Trinity Commercial Trust, which is not a member of the Group
Trinity Prime Industrial Trust, a member of the Group
Trinity Opportunistic Property Fund No.1, which is not a member of the Group
Consolidated Development Trust, which is not a member of the Group
Consolidated Land Equity Trust, which is not a member of the Group
and acts as manager of Trinity Consolidated Projects Pty Ltd, a member of the Group.

Fees for management, administration, property management services, due diligence, acquisitions, application fees, performance fees, project fees and project management were received during the year by Trinity Funds Management Limited from:

	2008 $	2007 $
Trinity Stapled Trust	1,824,093	1,487,804
Trinity Property Trust	5,600,725	5,251,555
Trinity Opportunistic Property Fund No. 1	386,713	102,886
Trinity Enhanced Return Fund	1,092,522	260,719
Trinity Commercial Trust	117,367	-
Trinity Prime Industrial Trust	142,786	-
Consolidated Development Group	5,054,929	-

Fees for rent of business premises paid during the year by Trinity Funds Management Limited to:

	2008 $'000	2007 $'000
Trinity Property Trust	280	195

The following monies were owed to Trinity Funds Management Limited from related entities as at 30 June 2008. The amounts outstanding do not accrue interest and will be repaid within 3 to 6 months.

Albert Street Project Pty Limited	157	-
501 Ann Street Pty Limited	18	-
Consolidated Development Trust	70	-
Consolidated Land Equity Trust	22	-
Doncaster Project Pty Limited	69	-
Frenchs Forest No 1 Trust	76	-
Kinabalu Pty Limited - Related to Chief Executive Officer	12	-

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Note 26 Related party disclosures (continued)

	2008 $'000	2007 $'000
Monies owed to Trinity Funds Management Limited (continued):		
Kippa Ring Project Trust	744	-
Peter B Lewis – Director	2	-
Lorne Project Pty Limited	66	-
Nerang Riverview Project Pty Limited	81	-
308 Queen Street Development Pty Limited	42	-
Trinity Opportunistic Property Fund No 1	41	15
Trinity Enhanced Return Fund	110	231
Trinity Property Trust	-	458

The following monies were owed to Trinity Limited from related entities as at 30 June 2008. The amounts outstanding do not accrue interest and will be repaid within 3 months.

Consolidated Land Equity Trust	14	-

Other transactions and agreements with related parties

Transactions with entities in the Consolidated Development Group (associate of the Group)

Trinity Stapled Trust has a development agreement with 308 Queen Street Development Pty Ltd to develop the National Australia Bank site at 308 Queen Street, Brisbane. The fees payable in respect of this agreement are expected to be $43.8 million and are payable progressively as development works are completed within the next 3-4 months. The fees paid and accrued under this development agreement to date are $25.5 million. During the period of construction and redevelopment, Trinity Stapled Trust is entitled to a guaranteed return of 10.5%. The amount receivable under this agreement at 30 June 2008 is $2.5 million.

Consolidated Properties Group Pty Ltd has entered into development agreements with entities in the Consolidated Development Group. For the year ended 30 June 2008 Consolidated Properties Group Pty Ltd has recognised revenue pursuant to these project agreements of $5.5 million. As at 30 June 2008, Consolidated Properties Group Pty Ltd had a receivable owing from these entities of $5.6 million, in relation to management fees and accrued development fees.

Trinity Stapled Trust has entered into a development agreement with Ayr Project Pty Ltd to develop the Coles Supermarket site in Ayr. The development scope is still to be agreed at 30 June 2008.

Consolidated Properties Group Pty Ltd earned management fee income from the following associated entities in the Consolidated Development Group:

	2008 $'000	2007 $'000
308 Queen Street Development Pty Limited	900	255
Aitkenvale Project Pty Limited	121	70
Ayr Project Pty Limited	-	27
Larapinta Project Pty Limited	-	50
501 Ann Street Pty Limited	180	-
Albert Street Project Pty Limited	2,525	-
Dbah Project Pty Limited	30	-
Doncaster Project Pty Limited	300	-
Kippa Ring Project Trust	400	-
Lorne Project Pty Limited	600	-
Nerang Riverview Project Pty Limited	317	-

Notes to the Financial Statements

Note 26 Related party disclosures (continued)

Transactions with entities in the Consolidated Land Group (associate of the Group)

Consolidated Properties Group Pty Ltd has entered into development agreements with entities in the Consolidated Land Group. As at 30 June 2008, Consolidated Properties Group Pty Ltd had a receivable owing from these entities of $0.370 million, in relation to management fees and project investigation costs.

Consolidated Properties Group Pty Ltd earned management fee income from the following associated entities in the Consolidated Land Group:

	2008 $'000	2007 $'000
Bluewater Land Project Pty Limited	41	-
Gatton Project Pty Limited	108	-

Trinity Limited also owes the Consolidated Land Group $0.5million for tax benefits utilised by the company for the year to 30 June 2008 and this will be repaid within six months.

Transactions with Director related entities – Peter Lewis

In June 2008 Consolidated Properties Group Pty Limited and Trinity Funds Management Limited purchased artwork from the Peter Lewis Gallery for $1,500 and $600 respectively.

Transactions with Director related entities – Donald O'Rorke

In September 2006 Trinity Stapled Trust acquired the Albany Creek Marketplace for $12,000,000 from Albany Creek Project Pty Ltd which is a Director related entity. The acquisition was made at market value.

Trinity Stapled Trust had a development agreement with Albany Creek Project Pty Ltd to develop the Albany Creek Marketplace. The project was completed in July 2007. The total fees paid in respect of this agreement were $7,710,000 and Trinity Stapled Trust received a 9% guaranteed return during the development period of $1,017,626.

Trinity Stapled Trust has a development agreement with Innisfail Project Pty Ltd which is a Director related entity to develop the Centrepoint Shopping Centre. The fees payable in respect of this agreement are expected to be $8,200,000 and are payable progressively as development works are completed within the next 3 months. The fees paid and accrued under this development agreement to date are $8,200,000. During the period of construction and redevelopment Trinity Stapled Trust is entitled to a guaranteed return of 10%. The amount receivable under this agreement at 30 June 2008 is $1,003,575.

Trinity Stapled Trust has a development agreement with Nerang Project Pty Ltd which is a Director related entity to develop the Nerang Fair Shopping Centre. The fees payable in respect of this agreement are expected to be $15,642,827 and are payable progressively as development works are completed within the next 2 months. The fees paid and accrued under this development agreement to date are $15,642,827. During the period of construction and redevelopment Trinity Stapled Trust is entitled to a guaranteed return of 9%. The amount receivable under this agreement at 30 June 2008 is $2,445,097.

Trinity Jindalee Pty Ltd has a development agreement with Jindalee Project Pty Ltd which is a Director related entity to develop the Jindalee Shopping Centre. The fees payable in respect of this agreement are expected to be $4,000,351 and are payable progressively as development works are completed. The fees paid and accrued under this development agreement to date are $4,000,351. During the period of construction and redevelopment Trinity Jindalee Pty Ltd is entitled to a guaranteed return of 9%. The amount receivable under this agreement at 30 June 2008 is $1,001,022.

Trinity Consolidated Projects Pty Ltd has entered into a project agreement with Lismore Land Co Pty Ltd which is a Director related entity. The amount receivable under this agreement at 30 June 2008 is $1,602,500.

Consolidated Properties Group Pty Ltd has entered into development agreements with Albany Creek Project Pty Ltd, Innisfail Project Pty Ltd and Nerang Project Pty Ltd, all of which are Director related entities. For the year ended 30 June 2008, Consolidated Properties Group Pty Ltd had recognised revenue/expenses pursuant to these project agreements of ($61,822) for Albany Creek Project Pty Ltd, $138,142 for Innisfail Project Pty Ltd and ($369,011) for Nerang Project Pty Ltd. The receivables from these entities at 30 June 2008 were $52,266 from Albany Creek Project Pty Ltd, $474,580 from Innisfail Project Pty Ltd and $1,074,032 from Nerang Project Pty Ltd.

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Notes to the Financial Statements

Note 26 Related party disclosures (continued)

Director related – Donald O'Rorke (continued)

Consolidated Properties Group Pty Ltd recognised management fee income from the following Director related entities pursuant to development agreements:

	2008 $	2007 $
Albany Creek Project Pty Ltd	-	420,000
Deeragun Project Pty Ltd	20,000	300,000
Innisfail Project Pty Ltd	25,000	300,000
Jindalee Project Pty Ltd	-	10,400
Lytton Road Project Pty Ltd	240,000	200,000
Nerang Project Pty Ltd	85,000	415,000
TBWC Development Pty Ltd	74,500	530,000

Consolidated Properties Group Pty Ltd has a lease agreement with 344 Queen Street Pty Ltd, a Director related entity, to lease the premises at Level 12, 344 Queen Street. The annual rental payable under this agreement was $133,900 per annum plus GST and represents a fixed increase on the market value prevailing when the lease was entered into.

Consolidated Properties Group Pty Ltd entered into other transactions throughout the year with various Director related entities all in the normal course of business and at arm's length. The net receivable from these entities at 30 June 2008 was $77,011, in relation to management fees and the recharge of business expenses paid by Consolidated Properties Group Pty Ltd.

Professional fees were paid during the year by members of the Group to Director related entities:

	Director related	2008 $	2007 $
Fees for legal advice	Mr R Lette	187,575	242,842
Fees for project services -Conics Limited	Mr R Friend	232,771	-

Robert Lette is a consultant to and formater partner of Mullins Lawyers and Richard Friend is a non executive director of Conics Limited.

Key management personnel

The names and position held by each person holding a position of key management personnel in the Group during the year to 30 June 2008 were:

Mr Keith De Lacy	Chairman
Peter B Lewis	Executive Deputy Chairman
Patrick R Corby	Non-Executive Director (resigned 5 September 2007)
Robert J Lette	Non-Executive Director
Richard Friend	Non-Executive Director (appointed 25 September 2007)
Donald C O'Rorke	Executive Director
Anthony Hartnell	Non-Executive Director
Ben McCarthy	Chief Executive Officer
Tracy Bartley	Company Secretary and Compliance Officer
Kerry Armstrong	Chief Finance Officer (appointed 4 April 2008)
Bruce Baker	Head of Property
David Asplin	Head of Distribution
Denis Daley	Chief Finance Officer (appointed 20 August 2007 and resigned 4 April 2008) Joint Company Secretary and Compliance Officer (appointed 31 January 2008 and resigned 4 April 2008)

Notes to the Financial Statements

Note 26 Related party disclosures (continued)

Key management personnel (continued)

Under the provisions of AASB 124 'Related Party Disclosures' there are no further employees or other members of the organisation who would fit the definition of key management personnel.

Movements during the reporting period in the number of securities of the Group held directly, indirectly or beneficially by each Director including personally related entities are as follows:

Directors	Held at 1 July 2007	Purchases / (Sales)	Rights issue	Dividend reinvestment plan	Other	Held at 30 June 2008
Mr K De Lacy	80,209	40,000	6,169	-	-	126,378
Mr P Corby	28,721	-	2,209	603	(31,533)	-
Mr P Lewis	5,131,697	303,788	60,130	4,385	-	5,500,000
Mr R Lette	67,337	100,000	5,179	1,413	-	173,929
Mr D O'Rorke	27,812,335	14,704	181,818	3,825	(2,655,713)*	25,356,969
Mr R Friend	-	9,000	-	-	-	9,000
Mr A Hartnell	15,849	-	1,219	333	-	17,401

*At the time of the acquisition of the second half of the Consolidated Properties business in June 2006, securities were issued to Lindstro Pty Ltd as trustee of a number of trusts associated with Don O'Rorke and the project partners from Consolidated Properties. These securities issued were conditional on the financial performance of Consolidated Properties. As all financial performance hurdles have been met the securities have now been released to trustee Companies associated with some of those project partners.

Movements during the reporting period in the number of securities of the Group held directly, indirectly or beneficially by each key management personnel including personally related entities are as follows:

Executives	Held at 1 July 2007	Purchases / (Sales)	Rights issue	Dividend reinvestment plan	Other	Held at 30 June 2008
Mrs T Bartley	5,500	-	-	-	-	5,500
Mr B McCarthy	3,158,007	768,500	200,000	-	-	4,126,507
Ms K Armstrong	42,798	17,282	-	-	-	60,080
Mr D Asplin	-	-	-	-	-	-
Mr B Baker	-	-	-	-	-	-
Mr Denis Daley	-	15,000	-	-	(15,000)	-

Notes to the Financial Statements

Note 26 Related party disclosures (continued)

Key management personnel (continued)

The key management personnel compensation included in other expenses from continuing activities (see note 5) is as follows:

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Short term employee benefits	2,203,841	1,134,162	-	-
Post employment benefits	262,273	236,004	-	-
Long term incentive plans	668,877	578,496	-	-

Individual Directors and executives compensation disclosures

Information regarding individual Directors and executives compensation is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Parent or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Note 27 Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, available for sale financial assets, trade and other payables, interest bearing loans and borrowings and distributions payable.

Credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. Trade receivables as disclosed below are generally aged on 30 day terms. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Carrying amount				
Cash and cash equivalents	26,501	6,717	408	80
Trade receivables	9,888	6,432	22	25
Other receivables	14,257	9,991	1	663
Recoverable project costs	2,069	2,501	-	-
Loans - other	24,362	4,975	9,777	4,975
Group entity loans	-	-	9,260	10,438
Related entity loans	470	1,361	-	1,216
Distribution receivable	5,388	2,803	-	-

Impairment losses

As of 30 June 2008, certain trade receivables were impaired and provided for. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The individually impaired receivables mainly relate to tenants who are in difficult economic situations.

The aging of these receivables is as follows:

1 month or less	-	8	-	-
2 to 3 months	12	-	-	-
4 months or more	-	14	-	-
	12	22	-	-

Notes to the Financial Statements

Note 27 Financial instruments (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	(22)	(135)	-	-
Provision for impairment recognised during the year	2	28	-	-
Receivables written off during the year as uncollectable	8	85	-	-
Balance at 30 June	(12)	(22)	-	-

The creation and release of the provision for impaired receivables has been included in other expenses from continuing activities excluding finance costs in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The balance of trade receivables at reporting date was:

1 month or less	6,198	3,158	22	25
2 to 3 months	1,481	1,801	-	-
4 months or more	2,197	1,451	-	-
	9,876	6,410	22	25

As at 30 June 2008, certain trade receivables were past due but not impaired. These relate to a number of tenants who have good debt history and are considered recoverable. Other receivables mainly comprises of accrued development fees which will be received within 4 months or more. Of the balance in loans-other $14 million will be received with in 1 month and the balance will be received within 4 months or more. The majority of the other balances will be received within 2 to 3 months. All receivables with the exception of trade receivables do not contain impaired assets and are not past due.

Liquidity risk

The following are the contractual maturities of financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

With the exception of the facilities relating to the Trinity Japan Fund and the second facility relating to San Remo Project Pty Ltd, cashflows for the variable rate bank bills are based on conditions existing at 30 June 2008 and reflect interest payments only. As these facilities mature the bank will, but without having the obligation to do so, review the facilities with a view to agreeing to an extension of the facilities for a further term. Consequently only interest payments have been disclosed in the contractual cashflows. With regards to the facilities for the Trinity Japan Fund and the second facility relating to San Remo Project Pty Ltd, the contractual cashflows reflect both interest payments and principal repayments at maturity as it is intended that these facilities be repaid at maturity.

30 June 2008 Consolidated	Carrying amount $'000	Contractual cash flows $'000	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Interest bearing liabilities						
Hire purchase liability	36	36	6	30	-	-
Fixed rate	64,593	27,357	2,071	2,071	17,691	5,524
Variable rate	139,554	54,028	5,019	4,449	8,353	36,207
Trade and other payables	21,636	21,636	21,317	-	319	-
Distributions payable	8,876	8,876	8,876	-	-	-
Loans to related entities	445	445	-	-	445	-

Notes to the Financial Statements

Note 27 Financial instruments (continued)

Liquidity risk (continued)

Consolidated 30 June 2007	Carrying amount $'000	Contractual cash flows $'000	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Interest bearing liabilities						
Hire purchase liability	127	127	17	17	94	-
Fixed rate	62,080	15,991	1,948	1,948	11,114	982
Variable rate	35,105	3,748	1,253	998	1,497	-
Trade and other payables	16,144	16,144	5,070	4,677	6,397	-
Deferred settlements	200	200	200	-	-	-
Distributions payable	11,895	11,895	11,895	-	-	-
Parent June 2008						
Trade and other payables	584	584	584	-	-	-
30 June 2007						
Trade and other payables	58	58	58	-	-	-
Loans to related entities	257	257	-	257	-	-

Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk and foreign exchange rate risks. All financial instruments are subject to market risk; however, the required market risk quantitative disclosures are restricted to the sensitivity of profit or loss and equity to changes in market risks. The following disclosures therefore focus on accounting (as opposed to economic) sensitivity and exclude, interest rate risk arising on fixed rate financial loans and receivables.

Interest rates over the twelve month period were analysed and sensitivities determined to show the effect on profit if the interest rates at reporting date had been 50 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short term and long term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at balance date on both financial liabilities and assets.

Interest rates sensitivity analysis

	Consolidated		Parent	
	2008 Net profit $'000	2008 Equity $'000	2007 Net profit $'000	2007 Equity $'000
Interest rates increase by 50bps	565	142	2	-
Interest rates decrease by 50bps	(565)	(142)	(2)	-

Fair values

The carrying values of the Group's financial assets and financial liabilities approximate their fair values as at 30 June 2008.

Notes to the Financial Statements

Note 28 Commitments for expenditure

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Capital commitments				
Capital expenditure contracted for but not capitalised in the accounts				
Payable:				
– less than one year	8,365	53,207		-
– later than one year but less than five years	15,535	15,543		-
	23,900	68,750		-
Operating lease commitments				
Non-Cancellable operating leases for rental of office premises contracted for but not capitalised in the accounts.				
Payable:				
– less than one year	1,976	439	-	-
– later than one year but less than five years	9,790	214	-	-
– greater than five years	14,179	-	-	-
	25,945	653	-	-

Note 29 Events subsequent to balance date

Since the end of the financial year the Directors of the Group are not aware of any matter or circumstance not otherwise dealt with in this report of the financial statements that has significantly or may significantly affect the operations of the Group, or the state of the Group's affairs in future financial years.

Note 30 Contingent assets and liabilities

The Group is unaware of any contingent assets or liabilities at 30 June 2008.

Note 31 Notes to the statement of cash flows

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
(a) Cash and cash equivalents				
Cash at bank and on hand	26,501	6,717	408	80

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

There is no restriction on the use of cash.

Trinity Group Financial Report
For the year ended 30 June 2008

Notes to the Financial Statements

Note 31 Notes to the statement of cash flows (continued)

(b) Reconciliation of net profit after tax to net cash flows from operations

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Operating profit after income tax	34,521	24,144	(3,679)	(576)
Non-cash items:				
Increase/(decrease) in provision for doubtful debts	8	72		-
Fair value movement in investment properties	1,138	(3,063)		-
Amortisation expense	166	143		-
Deprecation expense	202	156		-
Gain on sale of investment properties	(1,639)	(3,111)		-
Share of profit of associated entity	(15,399)	(3,931)		-
Amortised borrowing costs	271	310		-
Effects of exchange rate on foreign exchange items	20	-	-	-
Changes in assets and liabilities:				
(Increase)/decrease in income tax receivable	(48)	385	(48)	380
(Decrease)/Increase in income tax payable	(279)	279	(284)	284
Decrease in deferred tax assets	84	153	105	153
Increase/(decrease) in deferred tax liability	1,641	(40)	-	(15)
(Increase)/decrease in debtors	(11,485)	(10,926)	3,509	(743)
Decrease/(increase) in other assets	2,145	(2,411)	-	8
Increase/(decrease) in payables	183	2,022	1,208	(36)
Increase in provisions	27	63	-	-
Net cash provided by/(used in) operating activities	11,556	(4,245)	811	(545)

Note 32 Net tangible assets

Net tangible assets - $'000	264,801	207,065	35,569	32,390
Securities issued – '000	230,952	208,350	230,952	208,350
Net tangible asset backing (book value) per security ($)	1.15	0.99	0.15	0.15

Notes to the Financial Statements

Note 33 Jointly controlled assets and operations

Trinity Stapled Trust has a 50% (2007: 50%) interest in two joint venture assets, being two investment properties called Mulgrave Business Park and 383 King Street. For the financial year ended 30 June 2008, the contribution of the joint venture to the operating profit of the Group was a profit of $4.1 million (2007: $1.0 million) and of the Parent nil (2007 nil). Included in the assets of the Group are the following assets of the joint venture:

	2008 $'000	2007 $'000
Current assets		
Cash and cash equivalents	121	240
Other assets	215	85
Total current assets	336	325
Non current assets		
Investment properties	39,904	37,735
Total non current assets	39,904	37,735
Total assets	40,240	38,060

Directors' Declaration

The Directors of Trinity Limited declare that:

(a) in the Directors' opinion the financial statements and notes on pages 26-78, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2008 and of their performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Parent will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2008, required by Section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors of Trinity Limited

Keith De Lacy, Chairman
Trinity Limited

Richard Friend, Director
Trinity Limited

Dated in Brisbane this 28th day of August 2008

Auditor's Independence Declaration

PKF
Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors of Trinity Limited

As lead auditor for the audit of Trinity Limited 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 Trinity Limited and the entities it controlled during the year.

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 28th day of August 2008

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PKF | ABN 83 236 985 726
Level 6, 10 Eagle Street | Brisbane | Queensland 4000 | Australia
GPO Box 1078 | Brisbane | Queensland 4001

Independent Auditor's Report

PKF
Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Trinity Limited

Report on the Financial Report

We have audited the accompanying financial report of Trinity Limited, 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 year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Trinity Limited ("the company") and of Trinity Group ("the consolidated entity"). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company 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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Accounting 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.

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

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PKF

Chartered Accountants
& Business Advisers

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 Trinity Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity'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 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 23 of the Directors' Report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Trinity Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Acts 2001*.

PKF

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 28th day of August 2008

Securityholder Information

Additional information required by the Australian Securities Exchange (ASX) as at 9 September 2008.

Securityholders

The names of the 20 largest holders of quoted equity securities are listed below:

Distribution of Equity Securities

Analysis of numbers of equity securityholders by size of holding:

Securityholder	Quantity of Stapled Securities held	Percentage of Issued Stapled Securities
National Nominees Limited	38,554,800	16.64%
SBC Custody Nominees (Australia) Limited	19,489,164	8.41%
J P Morgan Nominees Australia Limited	15,145,725	6.54%
Cogent Nominees Pty Limited	11,496,568	4.96%
AMP Life Limited	11,470,423	4.95%
RBC Dexia Investor Services Australia Nominees Pty Limited (APN A/C)	11,307,564	4.88%
Cogent Nominees Pty Limited (SMP Accounts)	8,591,954	3.71%
Lindstro Pty Ltd (Reef Break Discretion A/C)	7,265,846	3.14%
Lindstro Pty Ltd (Reef Break Discretion A/C)	6,297,198	2.72%
RBC Dexia Investor Services Australia Nominees Pty Limited (Pipooled A/C)	5,942,941	2.56%
P B Lewis & Co Pty Ltd (Lewis Family A/C)	5,062,734	2.19%
Mercurian Pty Ltd (Mexico Discretionary A/C)	4,619,403	1.99%
Mr Donald Cormack O'Rorke	4,619,403	1.99%
Citicorp Nominees Pty Limited	3,290,028	1.42%
Citicorp Nominees Pty Limited (Cfsil Cwlth Property 6 A/C)	2,575,449	1.11%
Kinabalu Holdings Pty Ltd (Kinabalu A/C)	2,510,224	1.08%
Kinabalu Holdings Pty Ltd (Kinabalu A/C)	2,343,783	1.01%
RBC Dexia Investor Services Australia Nominees Pty Limited (GSJBW A/C)	2,184,739	0.94%
Citicorp Nominees Pty Limited (Cwlth Bank Off Super A/C)	2,043,440	0.88%
Gordon Merchant No2 P/L (Merchant Family A/C)	1,675,000	0.72%

Range	Quantity of Holders	Quantity of Stapled Securities
1 – 1,000	167	77,006
1,001 – 5,000	341	1,173,479
5,001 – 10,000	494	3,892,397
10,001 – 100,000	1,125	27,608,829
100,001 – 250,000	91	198,949,828
TOTAL	2,218	231,701,539

Securityholder Information

Substantial Securityholders

The names of substantial securityholders who have notified the company in accordance with Part 6.7 of the Corporations Law are:

Holder	No	Percentage
Challenger	15,130,386	6.53%
Acorn Capital	19,766,855	8.53%
Lindstro	25,356,969	10.9%
AMP	32,545,024	14.09%

Terms and Conditions attaching to securities

On 29 October 2004, 16,962,364 ordinary shares were issued in Trinity Consolidated Group Limited (now Trinity Limited) and on 1 November 2004, 16,962,364 units were issued in Trinity Consolidated Trust (now Trinity Stapled Trust) to the vendors of Trinity Funds Management Limited and Trinity Consolidated Projects Pty Ltd.

In addition to the shares issued to the vendors of Trinity Funds Management Limited and Trinity Consolidated Projects Pty Ltd, Non-participating Converting Securities were issued to them. The Non-participating Converting Securities on issue entitled the holders to convert their securities into stapled securities with a total value of $5,000,000 if the Forecast Distributions for the periods ending 30 June 2005 and 30 June 2006 were achieved.

The forecast distributions were achieved with the result that an additional 3,196,286 were issued in September 2006.

The vendors who agreed to accept shares in Trinity Limited as payment for the purchase of Trinity Funds Management Limited and Trinity Consolidated Projects Pty Ltd agreed to enter into restriction deeds limiting their rights to sell their shares (and the units to which they are stapled).

The restriction period for the Stapled Securities issued as a result conversion of the Non-participating Converting Securities following achievement of the Forecast Distributions has been calculated as if those stapled securities were issued at the same time as the other stapled securities held by the persons listed above.

Details of the remaining restriction periods are set out below:

Stapled Securityholder	Percentage of Stapled Securities that cannot be sold for specified period commencing from the date of issue	48 months
P Lewis		25%
D O'Rorke		25%
B McCarthy		25%

All stapled securities on issue have the same voting and distribution rights.

On 26 June 2006, securityholders approved the scrip for scrip merger agreement with Consolidated Properties Group Pty Ltd and Trinity Consolidated Projects Pty Ltd with the result that 15,065,372 stapled securities and 5,021,791 A class shares and units were issued at a value of $1.262 to the vendors of those entities.

If the Consolidated Properties Group business had not met the Minimum Net Profit After TAX (NPAT) for the financial year ending 30 June 2007, A Class Shares and Units would have been cancelled without any consideration payable to the holder.

As the Consolidated Properties Group business exceeded the Minimum NPAT for the financial year ending 30 June 2007 all A Class Shares and Units held converted into 5,021,791 Stapled Securities as determined in accordance with the scrip for scrip merger agreement.

The vendors who agreed to accept securities (including A Class securities which converted into ordinary securities) in Trinity Limited and Trinity Stapled Trust as payment for the purchase of Trinity Consolidated Projects Pty Ltd and Consolidated Properties Group Pty Ltd agreed to enter into restriction deeds limiting their rights to sell their shares and units.

Details of the restriction periods are set out below:

(a) in the case of all of the Acquisition Securities, the period from the date of issue and ending on 31 October 2006 (inclusive).

(b) in the case of 75% of the Acquisition Securities, the period from the date of issue and ending on 30 April 2007 (inclusive).

(c) in the case of 56.25% of the Acquisition Securities, the period from the date of issue and ending on 30 April 2008 (inclusive).

(d) in the case of 37.50% of the Acquisition Securities, the period from the date of issue and ending on 30 April 2009 (inclusive).

(e) in the case of 18.75% of the Acquisition Securities, the period from the date of issue and ending on 30 April 2010 (inclusive).

Additional Securityholder Information

Key Reporting Events

Lodgement of Appendix 4E Full Financial Results with ASX	28 August 2008
Lodgement of the Annual Report with ASX	26 September 2008

Registry

Securityholders who have any queries or questions regarding their holding should contact Trinity's Registrar:

Link Market Services Limited

P: 1300 554 474

F: +61 2 9287 0303

W: www.linkmarketservices.com.au

A: Locked Bag A14
Sydney South NSW 1235

All Securityholder forms are available from Link Market Services or can be downloaded from the Link Market Services website:
http://www.linkmarketservices.com.au/shareholders/iwsFaqsShare.asp

All forms should be submitted directly to Link Market Services.

Request for Electronic Announcements

Following the Corporations Legislation Amendment (Simpler Regulatory System) Act 2007, Trinity now makes the Annual Report and Half Year Report available on the website at www.trinity.com.au and provides a hard copy reports only to those securityholders who elect to receive them in that form. Trinity notifies all other securityholders on how to access the reports online.

Securityholders who wish to receive all securityholder communication via email, such as notice of meetings and other advices, should contact Trinity's registry, Link Market Services on 1300 554 474.

Everyone benefits from electronic securityholder communication – securityholders receive prompt information and have the convenience and security of electronic delivery, there are significant cost savings and our communications are environmentally friendly.

Security Price

The security price can be obtained at either:

- The ASX website: **www.asx.com.au** and by keying in Trinity's ASX Code: TCQ; or
- Trinity's website: **www.trinity.com.au**

Trust Financial Statements

TRINITY STAPLED TRUST

Consisting of the financial reports of Trinity Stapled Trust
ABN 77 857 993 017 and its controlled entities

Directors' Report

Trinity Funds Management Limited ("the Responsible Entity"), the Responsible Entity of Trinity Stapled Trust ("the Trust"), presents its report together with the financial report for Trinity Stapled Trust ("the parent") and the consolidated entity being Trinity Stapled Trust and its controlled entities ("the consolidated entity" or "group") for the year ended 30 June 2008 and the auditors' report thereon. The Trust forms part of the stapled entity, "Trinity Group".

DIRECTORS OF THE RESPONSIBLE ENTITY

The Directors of the Responsible Entity at any time during or since the end of the financial year were:

Hon Keith De Lacy AM Hon D Litt. DUniv, BA, DipAgr, FAIM, FAICD

Chairman since 1999.

Keith De Lacy is currently Chairman of Queensland Sugar Limited (and the Global Sugar Alliance), Macarthur Coal Limited, and Cubbie Group Limited; and a Director of Reef Casino Trust. Keith is also the Vice President of the Qld Division of the Australian Institute of Company Directors (AICD). He was Treasurer of Queensland from 1989 – 1996 and previously Chairman of both Ergon Energy and CEC Group Ltd. He was also formerly a Director of Queensland Investment Corporation as well as a range of not-for-profit companies.

Peter Lewis BCom, Licensed real estate agent

Executive Deputy Chairman – Director since 1999.

Peter Lewis is the founder of the Trinity Group and is actively involved in the marketing, identification of new opportunities and product development for the Trinity Group. Peter was previously founding Director of FPD Savills, Queensland – formerly known as Lewis and Partners, established in 1986, a Director of Richard Ellis Queensland, and earlier the owner of three Ray White franchised offices. In April 2006, Peter was appointed Chairman of the Queensland Rugby Union (QRU).

Robert Lette MAICD, MDIA, FASFA, AIST

Independent Non Executive Director since 2002.

Robert Lette is a consultant to and former partner of the law firm Mullins Lawyers. Since admission to the Supreme Court of Queensland in 1966 he has specialised in commercial, corporate, hospitality, construction and industrial law. He is currently a Director of Watpac Limited, Queensland Airports Limited and Chairman of BUSS (Q) – Building Super, Chairman of The Private Capital Group and the Infrastructure Fund of Australia and a Director of several private companies. Robert was formerly a Director of Viking Industries Limited, a board member of TABQ and is currently the Chairman of the Queensland Harness Racing Board.

Donald O'Rorke BBus (Marketing)

Executive Director since 2004.

Donald O'Rorke is the Managing Director of Consolidated Properties Group Pty Ltd, now a wholly owned subsidiary of Trinity Limited. Prior to founding Consolidated Properties in the early 1980s Donald worked with Richard Ellis and development company, CM Group.

Donald is past president of the Property Council of Australia's Queensland division, a former Director of Brisbane Marketing and the Wesley Research Institute

Anthony Hartnell AM BEc LLB (Hons) LLM (Highest Hons)

Independent Non Executive Director since 2006.

Anthony Hartnell is a founding partner of the law firm Atanaskovic Hartnell, and previously a partner of Allen Allen & Hemsley. He is also a former inaugural Chairman of the Australian Securities Commission (now ASIC). He is on the board of CEC Group Limited, and is the Deputy Chairman of ANU Endowment for Excellence.

Richard Friend BCom, LLB(Hons),LLM,FITA,MAICD

Independent Non-Executive Director appointed 25 September 2007.

Richard Friend currently runs his own consulting company, which provides specialist advice and general business consulting. Richard was formerly Managing Partner of Arthur Andersen Brisbane from 1993 until 2002 and then Head of Tax at Ernst & Young Brisbane until 2005. Richard is a Non- Executive Director of two unlisted public companies, one of which provides services to the property and infrastructure sectors and the other is in the finance services industry, and is on the Board of Management of the Abused Child Trust Inc. He also served on the Board of Partners of Ernst & Young Australia from 2002 until 2005.

Directors' Report

Patrick Corby BSc, M Ed, MAICD

Independent Non-Executive Director since 1999, resigned 5 September 2007.

Patrick Corby was a former Director of the Queensland Office of the Commonwealth Department of Education, and a former foundation senator of the Australian Catholic University. He was also a former Chairman of Logan Itec and past secretary of the Archdiocese of Brisbane having commenced his career as a mathematics teacher. He was formerly the Chairman of the Queensland Roman Catholic Retirement Plan.

Company Secretaries

Tracy Bartley LLB, BCL (Oxon)

Company Secretary appointed 1 February 2007.

Tracy Bartley commenced with the Trinity Group in January 2007. She is a lawyer who brings extensive experience having previously worked as a Senior Associate in the banking and finance sector with Gadens Lawyers and Malleson Stephen Jacques in Brisbane. She has also worked with Allen & Overy in London focusing on international capital markets. Tracy is also the Compliance Officer of the Trinity Group.

Denis Daley BBus, FCPA

Joint Company Secretary appointed 31 January 2008 – resigned 4 April 2008.

Denis Daley was Chief Financial Officer of Credit Union Australia where he had been employed for 27 years. He has experience in executive level finance, accounting, reporting, IT systems, risk management and compliance. Denis was appointed joint Company Secretary and Compliance Officer while Tracy Bartley was on maternity leave.

DirectorS' MEETINGS

The number of Directors' meetings of the Responsible Entity during the financial year (including meetings of committees of Directors) and the number of meetings attended by each of the Directors (or their nominated alternate Director) are:

	Board Meetings Parent		Compliance, Audit & Risk Management Committee Meetings		Investors Advisory Board	
Director	A	B	A	B	A	B
Keith De Lacy	13	13	6	6	-	-
Peter Lewis	13	13	-	-	1	1
Patrick Corby (resigned 5 September 2007)	2	2	1	1	-	-
Robert Lette	13	13	-	-	-	-
Richard Friend (appointed 25 September 2007)	11	11	5	5	-	-
Donald O'Rorke	13	13	-	-	-	-
Anthony Hartnell	13	13	-	-	-	-
Company Secretary/Compliance Officer						
Tracy Bartley#	13	13	6	6	-	-
Denis Daley# (resigned 4 April 2008)	8	8	4	4	-	-
External Committee Member						
Alex Fraser	-	-	6	6	-	-
Simone Daley (Fund Manager)	-	-	-	-	1	1
Craig Stevens	-	-	-	-	1	1
Kevin Hogan	-	-	-	-	1	1
John Coombe	-	-	-	-	1	1

A – Number of meetings held during the time the Directors/secretary held office during the year and for which leave of absence not granted

B – Number of meetings attended

Compliance Officer

Compliance, Audit and Risk Management Committee

The Audit and Risk Management Committee combined with the Compliance Committee on 12 February 2007 to become the Compliance, Audit and Risk Management Committee. The charters remain separate, however the committee meetings are now combined. The committee comprises Independent Directors and an external member. Patrick Corby was the Chairman of the committee until his resignation on the 5 September 2007. Richard Friend was appointed the Chairman of the committee on the 25 September 2007. Tracy Bartley is the committee secretary.

Investors Advisory Board

Membership of the Investors Advisory Board consists of two non-voting members and three voting members. The voting members are representative of the two largest unitholders of the fund and a representative of minority unitholders. The non-voting members are the fund manager and Peter Lewis, the Executive Deputy Chairman of the Trinity Group. Peter Lewis is the Chairman of the Investors Advisory Board.

PRINCIPAL ACTIVITIES

The principal activities of the Trust, during the course of the financial year, were investment in commercial, retail and industrial properties. The Responsible Entity holds an Australian Financial Services Licence No 237 588 issued pursuant to Section 913B of the *Corporations Act 2001* and the Trust was registered as a Managed Investment Scheme on 28 October 2004.

The Trust did not have any employees during the year.

CORPORATE STRUCTURE

Pursuant to a Stapling Deed between Trinity Limited and Trinity Funds Management Limited as Responsible Entity for Trinity Stapled Trust, shares of Trinity Limited and units in the Trust were issued as Stapled Securities in Trinity Group. Shares and units are not able to be traded separately and can only be traded as Stapled Securities.

The stapling arrangement came into effect from 14 December 2004 and Trinity Group commenced trading from this date. It is the current intention of the Trust and Trinity Limited to remain as a stapled entity, but this could be changed, subject to the Corporations Act and ASX Listing Rules, by special resolution of the Trust Unitholders and the Shareholders of Trinity Limited.

REVIEW AND RESULTS OF OPERATIONS

Trinity Stapled Trust remains focused on ensuring the direct portfolio has strong covenants providing underlying asset value, and to that end, the year has seen divestment and repositioning of capital into properties with longer lease expiry profile and improved covenants. The Trust, through its wholly owned subsidiary Trinity Prime Industrial Trust acquired a property at Richlands, Brisbane which has a ten year lease to John Holland. The construction of the Yamaha headquarters approached completion during the year with Yamaha commencing their tenancy to undertake their fitout. The final settlement of this property will take place in August 2008.

The construction of the Tower adjacent to the 308 Queen Street, Brisbane site commenced during the year, and the refurbishment of the heritage building is almost complete at year end. The project is expected to be fully completed in September 2008.

The fully underwritten one for thirteen rights issue offer to existing Securityholders made in May 2007 settled during the current financial year in July 2007.

Rental Income

Rental income of the consolidated entity for the year was $16.9 million, which compares with $12.8 million for the period from 1 July 2006 to 30 June 2007.

Profit

The profit of the consolidated entity for the year ended 30 June 2008 was $29.0 million (2007: $22.4 million). Of this profit, $7.4 million remains undistributed at 30 June 2008 (2007: $1.9 million).

DISTRIBUTION

The sum made available for distribution for the year ended 30 June 2008 after meeting all expenses of the consolidated entity is $21.6 million or 9.34 cents per unit held for the full year. This compares with $20.5 million or 11.0 cents per unit for the year ended 30 June 2007.

STATE OF AFFAIRS

During the 2007 financial year the Trust acquired a 50% interest in Trinity Enhanced Return Fund ("the Fund"). At balance date the Trust's interest in the Trinity Enhanced Return Fund amounted to 48% of the issued units in the Fund following a further capital raising in the Fund in which the Trust did not participate.

In June 2008, the Group entered into a Heads of Agreement to dissolve the joint venture between Trinity Group and CVC Limited. As part of this arrangement the Trust has agreed to sell its units in CVC Trinity Property Trust to CVC Limited or a nominated buyer.

In the opinion of the Responsible Entity there were no significant changes in the state of affairs of the Trust that occurred during the financial year under review other than those listed above.

LIKELY DEVELOPMENTS

Further information on likely developments in the operations of the Trust and the expected results of operations have not been included in this financial report because the Directors believe it would be likely to result in unreasonable prejudice of the Trust.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any particular significant environmental regulation under either Commonwealth or State legislation. However, the Responsible Entity believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breaches of those environmental requirements as they may apply to the consolidated entity.

EVENTS SUBSEQUENT TO BALANCE DATE

In the opinion of the Directors, there has not arisen in the interval between the end of the year and the date of the Directors' Report, any item, transaction or event of a material and unusual nature which has significantly affected the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

INTERESTS OF THE RESPONSIBLE ENTITY AND DIRECTORS

The Responsible Entity did not hold any units in the consolidated entity during the year. Details of the interest of the Directors in the consolidated entity are disclosed in Note 23 to the financial statements.

UNITS ON ISSUE

Details of units issued by the consolidated entity are disclosed in Note 18 to the financial statements. At 30 June 2008 there were 230,951,540 units on issue (2007: 208,350,430).

REMUNERATION

Responsible Entity's Remuneration

The Responsible Entity received remuneration of $1,649,036 (2007: $1,285,031) for its management and administration of the Trust during the year.

The Responsible Entity also received $113,371 (2007: $127,607) for its property management services, and received $61,686 (2007: $75,166) as fees for due diligence/acquisitions and project management services.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The consolidated entity has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the consolidated entity.

During the financial year the Responsible Entity has paid premiums in respect of its officers for liability, legal expenses and insurance contracts for the year ended 30 June 2008. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been executive officers of the Responsible Entity. Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

Trinity Stapled Trust

Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained a declaration of independence from our auditors, in accordance with Section 307C of the *Corporations Act 2001*, as set out on pages 130 -132.

AUDITOR

PKF Chartered Accountants continue in office in accordance with Section 327 of the *Corporations Act 2001*.

ROUNDING OF AMOUNTS

The entity is of a kind of entity referred to in *ASIC Class Order 98/100* dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors of Trinity Funds Management Limited, the Responsible Entity of Trinity Stapled Trust.

Keith De Lacy
Chairman

Richard Friend
Non-Executive Director

Dated: Brisbane, 28th day of August 2008

Trinity Stapled Trust
For the year ended 30 June 2008

Income Statements

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Revenue from property rental		16,924	12,804	13,759	12,534
Financial income	7	9,975	9,113	9,971	9,108
Other revenues and other income		1,409	3,219	8,364	8,197
Total revenue and other income from continuing activities	4	28,308	25,136	32,094	29,839
Other expenses from continuing activities excluding finance costs	5	(5,310)	(4,128)	(4,560)	(4,102)
Fair value movements in investment properties	11	(1,138)	3,063	2,009	3,063
Profit from continuing activities before finance costs and equity accounted associates	6	21,860	24,071	29,543	28,800
Finance costs	7	(7,404)	(5,647)	(5,660)	(5,549)
Share of net profit of equity accounted associates	12	14,569	4,016	-	-
Profit attributable to unitholders		**29,025**	**22,440**	**23,883**	**23,251**
Basic earnings per unit (cents)	36	12.8	12.2	-	-
Diluted earnings per unit (cents)	36	12.6	11.7	-	-

The above Income Statements should be read in conjunction with the accompanying notes.

Trinity Stapled Trust
For the year ended 30 June 2008

Balance Sheets

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Current assets					
Cash and cash equivalents	**28**	11,896	1,273	7,968	1,273
Trade and other receivables	**8**	47,104	8,303	41,972	7,793
Assets held for sale	**9**	1,250	18,000	1,250	18,000
Other assets	**10**	259	58	200	49
Total current assets		60,509	27,634	51,390	27,115
Non current assets					
Trade and other receivables	**8**	52,404	56,749	52,404	56,749
Equity accounted investments	**12**	99,239	91,370	-	-
Investments in associates	**33**	-	-	89,396	89,388
Investments in controlled entities	**31**	-	-	34,317	6,342
Investments	**32**	705	405	705	405
Investment properties	**11**	245,404	155,193	173,700	143,429
Inventory	**13**	17,074	-	-	-
Other assets	**10**	430	35	134	35
Total non current assets		415,256	303,752	350,656	296,348
Total assets		475,765	331,386	402,046	323,463
Current liabilities					
Trade and other payables	**14**	18,057	9,970	16,766	9,966
Distributions payable	**15**	8,876	11,895	8,876	11,895
Provisions	**16**	-	50	-	50
Interest bearing loans and borrowings	**17**	20,900	-	17,650	-
Total current liabilities		47,833	21,915	43,292	21,911
Non current liabilities					
Trade and other payables	**14**	3,438	2,061	3,438	2,061
Interest bearing loans and borrowings	**17**	154,873	82,716	92,894	76,929
Total non current liabilities		158,311	84,777	96,332	78,990
Total liabilities		206,144	106,692	139,624	100,901
Net assets		269,621	224,694	262,422	222,562

Trinity Stapled Trust
For the year ended 30 June 2008

Balance Sheets

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Equity					
Contributed equity	**18**	259,158	220,353	259,158	220,353
Undistributed profits	**19**	11,788	4,341	4,514	2,209
Fair value reserve	**20**	(1,003)	-	(1,250)	-
Foreign currency translation reserve	**21**	(473)	-	-	-
		269,470	224,694	262,422	222,562
Minority interest		151	-	-	-
Total equity		269,621	224,694	262,422	222,562

The above Balance Sheets should be read in conjunction with the accompanying notes.

Trinity Stapled Trust
For the year ended 30 June 2008

Statements of Cashflows

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		12,938	13,821	13,991	14,062
Cash payments in the course of operations		(7,985)	(5,127)	(7,703)	(5,283)
Interest received		1,627	7,487	1,622	7,482
Interest and finance costs paid		(7,095)	(5,647)	(5,519)	(5,369)
Net cash (used in)/provided by operating activities	**28**	(515)	10,534	2,391	10,892
Cash flows from investing activities					
Payment for investment properties and assets held for sale		(86,811)	(107,308)	(22,615)	(95,545)
Payment for inventory		(18,215)	-	-	-
Proceeds from sale of investment properties and assets held for sale		19,429	35,041	19,429	35,041
Payments for associated entities	**12**	-	(46,467)	-	(46,467)
Payments for investments		(300)	(220)	(300)	(220)
Payments for controlled entities		-	-	-	(300)
Loans to controlled entities		-	-	(28,534)	-
Loans to related entities		(560)	-	-	-
Loan to external entity		(13,292)	(7,414)	(13,292)	(13,455)
Dividends/distributions received		1,879	-	1,879	-
Net cash used in investing activities		(97,870)	(126,368)	(43,433)	(120,946)
Cash flows from financing activities					
Proceeds from equity raising		35,653	56,138	35,653	56,138
Minority interests		158	-	-	-
Transaction costs from issue of units		(1,309)	(1,234)	(1,309)	(1,234)
Payments for loan establishment costs		(750)	(239)	(41)	(89)
Proceeds from borrowings		95,125	59,955	33,515	54,025
Distributions paid		(20,081)	(9,165)	(20,081)	(9,165)
Net cash provided by financing activities		108,796	105,455	47,737	99,675
Net increase/(decrease) in cash and cash equivalents		10,411	(10,379)	6,695	(10,379)
Cash and cash equivalents at the beginning of the year		1,273	11,652	1,273	11,652
Net foreign exchange difference		212	-	-	-
Cash and cash equivalents at the end of the year	**28**	11,896	1,273	7,968	1,273

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Trinity Stapled Trust
For the year ended 30 June 2008

Statements of Changes in Equity

Consolidated	Contributed equity $'000	Undistributed profits $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Minority interest $'000	Total $'000
At 1 July 2007	220,353	4,341	-	-	-	224,694
Profit for the year attributable to unitholders	-	29,025	-	-	-	29,025
Net change in fair value of available for sale financial assets	-	-	-	(1,003)	-	(1,003)
Exchange differences on translation of foreign operations	-	-	(473)	-	-	(473)
Total income/(expense) for the period attributable to unitholders	-	29,025	(473)	(1,003)	-	27,549
Issue of units	40,114	-	-	-	-	40,114
Transaction costs of unit issue	(1,309)	-	-	-	-	(1,309)
Distributions to unitholders	-	(21,578)	-	-	-	(21,578)
Minority interest on acquisition of subsidiary	-	-	-	-	151	151
Total changes in equity as a result of transactions with members as members	38,805	(21,578)	-	-	151	17,378
At 30 June 2008	259,158	11,788	(473)	(1,003)	151	269,621

Consolidated	Contributed equity $'000	Undistributed profits $'000	Total $'000
At 1 July 2006	159,922	2,398	162,320
Profit for the year attributable to unitholders	-	22,440	22,440
Total income for the year attributable to unitholders	-	22,440	22,440
Issue of units	61,665	-	61,665
Transaction costs of unit issue	(1,234)	-	(1,234)
Distributions to unitholders	-	(20,497)	(20,497)
At 30 June 2007	220,353	4,341	224,694

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Trinity Stapled Trust
For the year ended 30 June 2008

Statements of Changes in Equity

Parent	Contributed equity $'000	Undistributed profits $'000	Fair value reserve $'000	Total $'000
At 1 July 2007	220,353	2,209	-	222,562
Profit for the year attributable to unitholders	-	23,883	-	23,883
Net change in fair value of available for sale financial assets	-	-	(1,250)	(1,250)
Total income/(expense) for the year attributable to unitholders	-	23,883	(1,250)	22,633
Issue of units	40,114	-	-	40,114
Transaction costs of unit issue	(1,309)	-	-	(1,309)
Distributions to unitholders	-	(21,578)	-	(21,578)
Total changes in equity as a result of transactions with members as members	38,805	(21,578)	-	17,227
At 30 June 2008	259,158	4,514	(1,250)	262,422

Parent	Contributed equity $'000	Undistributed profits $'000	Total equity $'000
At 1 July 2006	159,922	(545)	159,377
Profit for the year attributable to unitholders	-	23,251	23,251
Total income for the year attributable to unitholders	-	23,251	23,251
Issue of units	61,665	-	61,665
Transaction costs of unit issue	(1,234)	-	(1,234)
Distributions to unitholders	-	(20,497)	(20,497)
At 30 June 2007	220,353	2,209	222,562

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

1. Statement of significant accounting policies

Trinity Stapled Trust ("the Trust") was established under the Constitution dated 14 October 2004 ("the Constitution") and commenced on 14 October 2004. Trinity Stapled Trust and its controlled entities form part of the stapled group, Trinity Group. The Trust is a registered managed investment scheme in accordance with the *Corporations Act 2001* and is domiciled in Australia.

Trinity Funds Management Limited ("the Responsible Entity") is the Responsible Entity of the Trust.

The relationship of the Responsible Entity with the Trust is governed by the terms and conditions specified in the Constitution.

The financial report was authorised for issue by the Directors of the Responsible Entity on 28 August 2008.

The financial report is presented in Australian dollars.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for both the Trust as an individual entity and the Trust and its controlled entities for the financial year ended 30 June 2008.

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Trust complies with International Financial Reporting Standards (IFRS).

These financial statements have been prepared under the historical cost convention, except for investment properties and assets held for sale that have been measured at fair value.

(b) Significant accounting judgements, estimates and assumptions

(i) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Estimates of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available, the consolidated entity determines a property's value within a range of reasonable fair value estimates. In making its judgment, Trinity Funds Management Limited considers information from a variety of sources including:

(a) Current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

(b) Recent prices of similar properties in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

(c) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the term of any existing lease and other contracts, and where possible, from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows; and

(d) Capitalised income projections based upon a property's estimated net market income, which is assumed to be a level annuity in perpetuity and a capitalisation rate derived from analysis of market evidence. Reversions associated with short term leasing risks / costs incentives and capital expenditure may be deducted from the capitalised net income figure.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(b) Significant accounting judgements, estimates and assumptions (continued)

Assumptions underlying management's estimates of fair value

The discounted cash flow approach for investment properties usually includes assumptions in relation to current and recent investment property prices. If such prices are not available, then the fair value of investment properties is determined using assumptions that are mainly based on market conditions existing at each balance date.

The principle assumptions underlying management's estimations of fair value are those relating to the receipt of contractual rentals, void periods, maintenance requirements and appropriate discount rates. The valuations are regularly compared to actual market yield data, and actual transactions by the Trust and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(ii) Significant accounting judgements

In the process of applying the consolidated entity's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating Lease Commitments – As Lessor

The consolidated entity has entered into commercial property leases on its investment property portfolio. The consolidated entity has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Trust as at 30 June 2008 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Trust has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Trust controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Trust. They are de-consolidated from the date that control ceases.

Inter entity transactions, balances and unrealised gains on transactions between the entities are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Associates

Associates are all entities over which the Trust has significant influence but not control, generally accompanying a shareholding of between 15% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method.

Under this method, the Trust's share of associates' net profit after tax is recognised in the consolidated income statement, and the share of movements in reserves is recognised in reserves in the consolidated balance sheet. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends receivable from associates are recognised in the Trust's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(c) Principles of consolidation (continued)

Jointly controlled operations and assets

Interests of the Trust in jointly controlled operations and jointly controlled assets are brought to account by recognising in the financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns for the sale of goods or services by the joint venture.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity. When a foreign operation is disposed of, in part or full, the relevant amount in the foreign currency translation reserve is transferred to profit and loss.

(d) Revenue recognition

Rental Income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. When the Trust provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight line basis, as a reduction of rental income.

Distribution income

Distribution income is recognised when declared.

Interest income

Interest income is recognised on an accruals basis and if not received at balance date, is reflected in the balance sheet as a receivable.

Net gain on the sale of non current assets

The net gain on the sale of non-current assets is included as income when the significant risks and rewards of ownership have been transferred to the buyer, usually when a contract for the sale becomes unconditional.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(e) Income tax

Under current income tax legislation the trusts are not liable for income tax, provided its taxable income and taxable realised capital gains are fully distributed to unitholders each financial year. The trust fully distributes its distributable income, calculated in accordance with the constitution and applicable taxation legislation, to the unitholders who are presently entitled to the income under the constitution.

Income taxes are recognised in the Trust's Japanese subsidiaries in accordance with the applicable tax legislation. The Trust is not liable for income tax on Japanese earnings until they are distributed, at which time they are subject to Japanese withholding tax.

Realised capital losses are not distributed to unitholders but are retained in the trust to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses the excess is distributed to the unitholders.

(f) Investment properties

Investment properties are properties which are held for the purpose of producing rental income, capital appreciation, or both.

Investment properties are initially recognised at cost including acquisition costs. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in the Income Statement in the period. Fair value is determined from market based evidence, by an appraisal undertaken by a professionally qualified valuer with experience in the location and category of the investment property. External independent valuations are commissioned at least twice every three years at 30 June and 31 December, with internal valuations undertaken by suitably experienced and qualified appraisers for those investment properties not externally valued at each reporting date. Investment properties not showing significant movement in value may have the independent valuation delayed for a period of up to 18 months from the date of prior valuation.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(f) Investment properties (continued)

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the income statement in the year of derecognition.

Investment property held for sale is classified within non current assets held for sale, and is carried at fair value as the measurement provisions of AASB 5 *Non-current Assets Held for Sale and Discounted Operations* does not apply to investment properties.

(g) Inventories

Inventories comprising development properties are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and holding costs, such as borrowing costs, rates and taxes and is net of any income received in relation to the development property. Holding costs incurred after completion of development are expensed. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Current and non current inventory assets

Inventory is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months after the reporting date.

All other inventory is classified as non current.

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due to be settled 30 days after the period to which they relate.

Collectability of trade 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 consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

(i) Finance costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangements of borrowings and finance charges in respect of finance leases.

Interest payments in respect of financial instruments classified as liabilities are included in finance costs.

Loan establishment costs are offset against financial liabilities under the effective interest rate method and amortised over the term of the facility to which they relate.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within sixty days of recognition.

(k) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

Gains and losses are recognised in the Income Statement when the liabilities are derecognised and as well as through the amortisation process.

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(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 tax authority. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority 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 or financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows.

(m) Assets held for sale

Upon initial classification as held for sale, assets are recognised fair value less costs to sell.

(n) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(o) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(p) Impairment of assets

The carrying amounts of the consolidated entity's assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(q) Provisions

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

Where the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Distributions

A provision is made for the amount of any distribution payable under the Trust's constitution but not distributed at balance date.

(r) Operating lease payments

Payments required under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived for the leased property.

Lease incentives

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 as a reduction of rental income. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(s) Rounding of amounts

The financial report of the consolidated entity has been prepared in accordance with Class Order 98/100 issued by the Australian Securities & 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 the Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(t) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(u) Issue costs

Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received and are otherwise expensed.

(v) Earnings per security

Earnings per unit ("EPU") is calculated by dividing the net profit attributable to unitholders of the consolidated entity for the reporting period, after excluding any costs of servicing equity, by the weighted average number of units and dilutive potential units.

(w) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing these financial statements:

(i) Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB101 will become mandatory for the Trust's 30 June 2010 financial statements. Application of this standard will not affect any of the amounts recognised in the financial report but may result in changes in terminology.

(ii) Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The revised AASB 123 will become mandatory for the consolidated entity's 30 June 2010 financial statements and will constitute a change in accounting policy for the consolidated entity. In accordance with the transitional provisions the consolidated entity will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. The consolidated entity has not yet determined the potential effect of the revised standard on the financial report.

(iii) Revised AASB 3 *Business Combinations* changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutual entities. The revised standard becomes mandatory for the consolidated entity's 30 June 2010 financial report. The consolidated entity has not yet determined the potential effect of the revised standard on the financial report.

(iv) Revised AASB 127 *Consolidated and Separate Financial Statements* changes the accounting for investments in subsidiaries. Key changes include: the re-measurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in the Income Statement; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard becomes mandatory for the consolidated entity's 30 June 2010 financial report. The consolidated entity has not yet determined the potential effect of the revised standard on the financial report.

Trinity Stapled Trust
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Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

(w) New standards and interpretations not yet adopted (continued)

(v) AASB 2008-5 and AASB 2008-6 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. A number of accounting standards have been amended under the improvement project. The first part contains amendments that result in accounting changes for presentation, recognition and measurement purposes. The second part contains amendments that are terminology or editorial changes only, which is expected to have no or minimal effect on accounting. One of the key impacts relates to investment property under construction which will have to be fair valued during the construction period. The revised standard will become mandatory for the consolidated entity's 30 June 2010 financial report. The consolidated entity has not yet determined the potential effect of these improvements on the financial report.

(vi) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate. The key changes include: dividends received from a subsidiary, jointly controlled entity or associate out of pre-acquisition income will be recorded as income; a dividend from a subsidiary, jointly controlled entity or associate is recognised in the income statement when the right to receive the dividend is established; and the recognition of a dividend received by the parent is an impairment indicator in specified circumstances. The revised standard will become mandatory for the consolidated entity's 30 June 2010 financial report. The consolidated entity has not yet determined the potential effect of these improvements on the financial report.

2. Financial risk management

Overview

The consolidated entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Responsible Entity have overall responsibility for the establishment and oversight of the risk management framework. The Board of Trinity Funds Management Limited have established the Compliance, Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Compliance, Audit and Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers, project partners and development projects and amounts due from the leasing of premises in accordance with lease agreements between Trinity Stapled Trust or its controlled entities and building tenants.

Notes to the Financial Statements

2. Financial risk management (continued)

Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristic of each customer or tenant. The consolidated entity has a diverse range of customers and tenants and therefore there is no significant concentration of credit risk with any single counterparty of group of counterparties.

The Compliance, Audit and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the consolidated entity does business with them. The consolidated entity requests security deposits or bank guarantees from new tenants in order to secure the premises and tenants are invoiced monthly in advance. Ongoing checks are performed by management to ensure settlement terms detailed in individual contracts are adhered to. Detailed project feasibility analysis and monthly project reports provide comfort as to ongoing creditworthiness.

The consolidated entity has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Liquidity risk

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

The consolidated entity has liquidity risk management policies, which assists it in monitoring cash flow requirements. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the option to raise funds through the issue of new stapled securities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Interest rate risk

The consolidated entity adopts a policy of holding between 50 to 70% of long term debt on a fixed interest basis. At 30 June 2008 31.1% of long term debt was on a fixed interest basis. The consolidated entity did not employ any interest rate derivatives in managing its surplus funds on deposit or on drawdown of its facility.

(ii) Currency risk

AASB 7 defines that foreign currency risks can only arise on financial instruments that are denominated in a currency that is not the functional currency in which they are measured. As a result the risks resulting from the translation of the financial statements of the Japanese subsidiary into the consolidated entity's presentation currency are not taken into consideration for the purpose of the sensitivity analysis for foreign currency risks. The consolidated entity has no other foreign currency risk exposures.

3. Distributions

Distributions provided for or paid during the financial year are:

2008	Cents per unit $'000	Consolidated $'000	Parent $'000	Date of payment $'000
Half year ended 31/12/07	5.5	12,702	12,702	Feb 08
Half year ended 30/06/08	3.8	8,876	8,876	Aug 08
Total distributions		**21,578**	**21,578**	

Trinity Stapled Trust
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Notes to the Financial Statements

3. Distributions (continued)

2007	Cents per unit $'000	Consolidated $'000	Parent $'000	Date of payment $'000
Half year ended 31/12/06	5.0	8,608	8,608	Feb 07
Half year ended 30/06/07	6.0	11,895	11,895	Aug 07
Total distributions		**20,503**	**20,503**	

4. Revenue and other income from continuing activities

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Revenue				
Rental income (including outgoings recovered)	16,924	12,804	13,759	12,534
Other revenue				
Interest	9,975	9,113	9,971	9,108
Distribution income from associates	-	-	6,955	4,978
Other revenue	-	108	-	108
Other income				
Gain on disposal of investment properties	1,409	3,111	1,409	3,111
Total revenue and other income from continuing activities	28,308	25,136	32,094	29,839

5. Expenses from continuing activities (by function)

Property expenses	3,208	2,617	2,607	2,617
Management fees	1,758	1,285	1,649	1,285
Administration expenses	344	226	304	200
Total expenses from continuing activities	5,310	4,128	4,560	4,102

6. Profit from continuing activities

Profit from continuing activities is stated after charging (crediting) the following:				
Amortisation:				
Loan establishment expenses	290	180	141	180
Bad debts	8	85	8	85
Net movement in provision for:				
Bad and doubtful debts	(10)	(13)	(10)	(13)

Notes to the Financial Statements

7. Finance income and expense

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Finance income				
Bank deposits	250	221	246	222
Loans and receivables	9,725	8,892	9,725	8,886
	9,975	9,113	9,971	9,108
Finance expenses				
Interest expense on financial liabilities	(7,114)	(5,467)	(5,519)	(5,369)
Amortisation finance costs	(290)	(180)	(141)	(180)
	(7,404)	(5,647)	(5,660)	(5,549)
Net finance income/(expense)	2,571	3,466	4,311	3,559

8. Trade and other receivables

Current				
Trade receivables	254	330	214	330
Provision for doubtful debts	(12)	(22)	(12)	(22)
Other receivables	3,465	1,372	47	862
Accrued income	7,732	3,861	6,058	3,861
Related party loan – Trinity Holdings No2 Pty Ltd	16,174	-	16,174	-
Loans – other	14,161	-	14,161	-
Trinity Enhanced Return Fund distributions receivable	1,781	253	1,781	253
Trinity Property Trust distributions receivable	3,549	2,509	3,549	2,509
Total current	47,104	8,303	41,972	7,793
Non current				
Receivable – straight lining of rental income	526	112	526	112
Related party loan – Trinity Limited	50,633	51,515	50,633	51,515
Related party loan – Trinity Holdings No2 Pty Ltd	-	4,500	-	4,500
Loans-other	1,245	622	1,245	622
Total non current	52,404	56,749	52,404	56,749
	99,508	65,052	94,376	64,542

Terms and conditions

Terms and conditions relating to the above financial instruments are as follows:

- Trade receivables are non interest bearing and generally on 30 day terms
- Other receivables are non interest bearing and have repayment terms of between 30 and 90 days
- Accrued income includes amounts that are non interest bearing and will convert to trade receivables within 30 days
- Accrued income also includes development fees recognised on a percentage complete basis that will convert to trade receivables over the remaining life of each project
- Details of terms and conditions of related party receivables are set out in note 23
- Non current loans – other, includes an advance to an associated company of the CEO to purchase securities in accordance with the terms of his employment agreement
- Current loans – other, includes an interest bearing advance to an entity external to the consolidated entity which has used the funds to acquire land.

Trinity Stapled Trust
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Notes to the Financial Statements

9. Assets held for sale

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Investment – CVC Trinity Property Fund	1,250	-	1,250	-
Investment properties held for sale	-	18,000	-	18,000
	1,250	18,000	1,250	18,000

Prior to balance date, Trinity Group entered into a Heads of Agreement with CVC Limited to sell its investment in CVC Trinity Property Fund. This investment is stated at fair value as at 30 June 2008. In the 2007 financial year the Directors had resolved to sell an investment property, the Trust completed the sale of this property in the 2008 financial year.

10. Other assets

Current				
Prepayments	170	49	132	40
Lease incentives	89	9	68	9
Total current	259	58	200	49
Non current				
Lease incentives	430	35	134	35
Total non current	430	35	134	35

11. Investment properties

Investment properties at fair value	245,404	155,193	173,700	143,429
Movements in investment properties				
Balance at beginning of financial year	155,193	88,864	143,429	88,864
Additions	91,349	112,926	28,262	101,162
Disposals	(18,000)	(31,660)	(18,000)	(31,660)
Classified as held for sale	18,000	(18,000)	18,000	(18,000)
Net (loss)/gain from fair value adjustments	(1,138)	3,063	2,009	3,063
Balance at end of financial year	245,404	155,193	173,700	143,429

Fair value is determined by either a registered independent valuer or an appropriately experienced and professionally qualified internal appraiser. (Refer Note 1).

Notes to the Financial Statements

11. Investment properties (continued)

Details of investment properties owned/partly owned by the Trust are as follows:

Property	Ownership interest	Acquisition Date	Book Value 30 June 2008 $'000	Book Value 30 June 2007 $'000	Independent Valuation Date	Independent Valuation Amount $'000	Valuer
Retail							
Westcourt Village, Mulgrave Road, Cairns, QLD	100%	14/02/2006	8,501	8,095	31/12/2007	8,500	Colliers International
Centrepoint Arcade, Innisfail, QLD	100%	30/06/2006	12,898	10,600	11/05/2007	13,200 (as if complete)	Urbis JHD Valuations Pty Ltd
Coles, Edwards Street, Ayr, QLD	100%	14/11/2006	10,008	9,750	31/12/2007	10,000	Urbis JHD Valuations Pty Ltd
Woolworths Marketplace, Albany Creek, QLD	100%	15/09/2006	19,915	19,700	30/06/2008	20,000	Urbis JHD Valuations Pty Ltd
Nerang Fair Shopping Centre, Nerang, QLD	100%	23/02/2005	24,092	21,400	11/05/2007	24,335 (as if complete)	Urbis JHD Valuations Pty Ltd
Commercial							
308 Queen Street, Brisbane, QLD	100%	21/12/2006	35,235	12,900	11/02/2007	42,000 (as if complete)	Urbis JHD Valuations Pty
Ltd383 King Street, Melbourne, VIC	50%	24/10/2006	22,904	21,100	31/12/2007	22,750	Colliers International
Com.Park Circuit, Mulgrave, VIC	100%	13/01/2005	19,485	19,200	31/12/2007	19,500	Colliers International
Commercial/Industrial							
Mulgrave Business Park, Mulgrave, VIC	50%	01/06/2006	17,000	16,635	30/06/2008	17,000	Colliers International
Industrial							
Wodonga Distribution Centre, Wodonga, VIC	100%	14/11/2006	4,391	4,200	31/12/2007	4,300	Colliers International
Rivergate Distribution Centre, Murarrie, QLD	100%	28/02/2007	20,893	11,764	30/06/2008	27,700 (as if complete)	Colliers International
425-479 Freeman Road, Richlands, QLD	100%	30/04/2008	32,500	-	23/01/2008	32,500	LandMark White
Residential							
1912-7,1912-8, 1912-9 Honcho2chome, Koganei-shi, Tokyo, Japan	97%	10/08/2007	18,627	-	01/07/2007	19,000	Japan Real Estate Investment Co Ltd (JREIC)
Total investment properties (including amounts classified in other assets and receivables)			**246,449**	**155,344**			
Less amounts classified as:							
Other assets – lease incentives			(519)	(39)			
Trade and other receivables – straight lining of operating lease rental income			(526)	(112)			
Total investment properties			**245,404**	**155,193**			

Trinity Stapled Trust
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Notes to the Financial Statements

12. Equity accounted investments

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Trinity Property Trust	60,535	55,778	-	-
Trinity Enhanced Return Fund (formerly Trinity QW4 Trust)	38,704	33,069	-	-
CVC Trinity Property Fund	-	2,523	-	-
	99,239	91,370	-	-

The total purchase consideration for additional interests in existing associates and for new acquisitions amounted to $2.5 million (2007: $50.1 million). The portion of the purchase consideration settled in cash amounted to $nil (2007: $46.5 million) and the balance was settled by the reinvestment of distributions/dividends.

Interest in associate

	Country of formation	Ownership interest 2008	Ownership interest 2007
Trinity Enhanced Return Fund	Australia	47.9%	50.0%
Trinity Property Trust	Australia	16.5%	16.0%
CVC Trinity Property Fund	Australia	-	15.0%

The reduction in ownership interest in the Trinity Enhanced Return Fund was due to there being a further capital raising by the Fund in which the Trust did not participate.

Trinity Stapled Trust's 47.9% (2007: 50%) interest in Trinity Enhanced Return Fund and 16.5% (2007: 16%) interest in Trinity Property Trust is equity accounted in the books of the consolidated entity but carried at cost in the books of the parent entity (refer note 33). A Heads of Agreement to dissolve the joint venture between CVC Limited and Trinity Group was entered into in June 2008. As at balance date the consolidated entity's investment in CVC Trinity Property Fund has been reclassified as an asset held for sale.

Notes to the Financial Statements

12. Equity accounted investments (continued)

Trinity Property Trust

Principal activities

Trinity Property Trust has been established as a property trust with an investment strategy focused on investment in retail, commercial and industrial property in Australia. There has been no significant change in the nature of those activities during the financial year.

The following table illustrates summarised information of the investment in Trinity Property Trust:

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Share of associate's profit				
Share of associate's:				
– net profit	7,123	6,639	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	55,778	42,227	-	-
– acquisitions	2,509	11,637	-	-
– share of associate's net profit	7,123	6,639	-	-
– distributions received/ receivable from associate	(4,875)	(4,725)	-	-
Carrying amount of investment in associate at the end of the financial year	60,535	55,778	-	-
Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:				
Assets	580,454	548,838	-	-
Liabilities	214,011	208,619	-	-
Revenues	57,550	54,771	-	-
Profit/(loss)	43,184	38,486	-	-

CVC Trinity Property Fund

Principal activities

CVC Trinity Property Fund is a listed property trust which has been recapitalised to develop and invest in retail, commercial and industrial property in Australia.

The following table illustrates summarised information of the investment in CVC Trinity Property Fund:

Share of associate's (loss)/profit				
Share of associate's:				
– net (loss)/ profit to 31 December 2007	(270)	23	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	2,523	-	-	-
– acquisitions	-	2,500	-	-
– share of associate's net (loss)/profit	(270)	23	-	-
– associate recognised as an available for sale investment	(2,253)	-	-	-
Carrying amount of investment in associate at the end of the financial year	-	2,523	-	-

Notes to the Financial Statements

12. Equity accounted investments (continued)

Trinity Enhanced Return Fund (formerly Trinity QW4 Trust)

Principal activities

Trinity Enhanced Return Fund was established in May 2007 as a property trust with an investment strategy focused on investment in retail, commercial and industrial property in Australia.

The following table illustrates summarised information of the investment in Trinity Enhanced Return Fund:

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Share of associate's profit/(loss)				
Share of associate's:				
– net profit/(loss)	7,716	(2,646)	-	-

Trinity Enhanced Return Fund incurred a loss for the financial year ended 30 June 2007 as a result of fair valuing its investment properties and having to write off acquisition costs incurred.

Carrying amount of investment in associate				
Balance at beginning of financial year	33,069	-	-	-
– acquisitions	-	35,968	-	-
– share of associate's net profit / (loss)	7,716	(2,646)	-	-
– distributions received / receivable from associate	(2,081)	(253)	-	
Carrying amount of investment in associate at the end of the financial year	38,704	33,069	-	-
Summary presentation of the gross amounts of assets, liabilities, revenues and profits of associate:				
Assets	194,694	117,534	-	-
Liabilities	113,852	51,398	-	-
Revenues	27,774	4,883	-	-
Profit/(loss)	15,453	(5,798)	-	-

13. Inventory

Non current					
Properties under development	1(g)	17,074	-	-	-
Properties under development comprises:					
Costs of acquisition		16,448	-	-	-
Development costs capitalised		488	-	-	-
Finance costs capitalised		138	-	-	-
Total non current		17,074	-	-	-

Carrying amount of inventory pledged as security for liabilities is $17.1 million (2007: nil). This property is subject to a first registered mortgage to Tokyo Star Bank for $11.1 million.

Notes to the Financial Statements

14. Trade and other payables

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Trade accounts payable	820	241	117	241
Other payables	330	157	225	157
Deferred settlement payables	-	200	-	200
Accrued expenses	225	101	79	97
Accrued development costs	16,099	9,014	16,099	9,014
Security deposits held	295	41	41	41
Rent received in advance	288	216	205	216
Total current	18,057	9,970	16,766	9,966
Non current				
Other payables	8	-	8	-
Accrued development costs	-	2,061	-	2,061
Loan from related entity	3,430	-	3,430	-
Total non current	3,438	2,061	3,438	2,061

For the June 2007 year the deferred settlement amount relates to the balance of monies owing for the acquisition of an investment property. This was paid in the 2008 financial year. Details of terms and conditions of the loan to the related entity are set out in note 23.

Development costs payable relate to three properties owned by Trinity Stapled Trust which are currently in various stages of development. They are managed by Consolidated Properties Group and under the terms of the development agreements, are payable progressively to the related party developer as development works are completed.

15. Distributions payable

Distribution proposed and recognised as a liability				
Final distribution payable	8,876	11,895	8,876	11,895

Trinity Stapled Trust does not pay tax provided it distributes all of its taxable income.

16. Provisions

Other	-	50	-	50

Trinity Stapled Trust
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Notes to the Financial Statements

17. Interest bearing loans and borrowings

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Standby facility – secured	17,650	-	17,650	-
Cash advance facility – secured	3,250	-	-	-
	20,900	-	17,650	-
Non Current				
Bank bills – secured	93,090	83,155	93,090	77,225
Bank loans – secured	25,581	-	-	-
Cash advance facility – secured	37,022	-	-	-
Borrowing costs net of amortisation	(820)	(439)	(196)	(296)
Total non current (net)	154,873	82,716	92,894	76,929

As at 30 June 2008, Trinity Stapled Trust has access to a commercial bill facility with a limit of $106 million which equates to 60% of the bank's accepted valuations of the assets of Trinity Stapled Trust and a standby line of credit of $18 million. The facilities are secured by a registered first mortgage over all of the investment properties of Trinity Stapled Trust, a specific charge over the units held in Trinity Property Trust, and a debenture charge from Trinity Limited and Trinity Funds Management Limited. The commercial bill facility expires on 31 October 2011and the standby line of credit expires on 28 February 2009. At balance date the commercial bill facility was drawn to $93.1 million excluding bank guarantees of $0.7 million and the standby facility was drawn to $17.7 million.

The covenants of the Trust's facility include:

- Interest cover ratio will not be less than 1.7 times net rental income plus distributions divided by gross interest expense plus finance lease repayments
- While the standby facility is undrawn, the monies owing will not exceed the aggregate of 60% of the bank accepted valuations of the real properties held by the group and included in the security pool
- While the standby facility is utilised, the monies owing will not exceed the aggregate of 70% of the bank accepted valuations of the real properties held by the group and included in the security pool and 25% of the lesser of cost price or net tangible asset value of the investment units in the Trinity Property Trust

Trinity Prime Industrial Trust a subsidiary of Trinity Stapled Trust has a separate facility of $38.3 million secured by a registered first mortgage over all investment properties, a specific charge over the units held in Trinity Property Trust by Trinity Stapled Trust, and a debenture charge from Trinity Funds Management Limited. The covenants of this facility are: - interest cover ratio will not be less than 1.3 times net rental income plus distributions divided by gross interest expense plus finance lease repayments and the LVR is not to exceed 65%. The facility expires on 31 October 2011 and at balance date was drawn to $37 million.

Trinity Prime Industrial Trust also has a cash advance facility of $3.2 million secured by a registered first mortgage over all investment properties, a specific charge over the units held in Trinity Property Trust by Trinity Stapled Trust, and a debenture charge from Trinity Funds Management Limited. The facility expires on 31 August 2008 and at balance date was drawn to $3.2 million.

Trinity Japan Fund a subsidiary of Trinity Stapled Trust has two separate facilities. The first facility which was used to acquire the property in Tokyo is for $14.5 million and is secured by a registered mortgage over the property in Tokyo. The covenant of this facility is that the debt service coverage ratio is not to exceed 1:1.1. The facility expires on 31 July 2010 and was fully drawn at balance date.

The second facility which was used to acquire a development property in Osaka is for $16.9 million and is secured by a registered mortgage over the property in Osaka. The covenant of this facility is that the debt service coverage ratio is not to exceed 1:1.6 . The facility expires on 1 February 2011 and at balance date was drawn to $11.1 million.

Notes to the Financial Statements

18. Contributed equity

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Contributed equity at year end	267,310	227,196	267,310	227,196
Transaction costs arising on issue of units	(8,152)	(6,843)	(8,152)	(6,843)
	259,158	220,353	259,158	220,353

2008

During the financial year the following movements in issued securities occurred:

		Consolidated		Parent
Ordinary securities	No of Units	$'000	No of Units	$'000
On issue at beginning of year	208,350,430	215,283	208,350,430	215,283
CEO bonus securities	750,000	622	750,000	622
Rights issue securities issued July 2007	15,250,000	35,653	15,250,000	35,653
Dividend reinvestment plan	1,579,319	3,839	1,579,319	3,839
Conversion of A class securities to ordinary securities	5,021,791	5,070	5,021,791	5,070
Transaction costs arising on issue of securities	-	(1,309)	-	(1,309)
On issue at end of year	230,951,540	259,158	230,951,540	259,158
A Class securities				
On issue at beginning of year	5,021,791	5,070	5,021,791	5,070
Conversion of A Class securities to ordinary securities	(5,021,791)	(5,070)	(5,021,791)	(5,070)
On issue at end of year	-	-	-	-
Total equity attributable to unitholders		259,158		259,158

Under the terms of the Stapling Agreement, one ordinary share in Trinity Limited and one unit in Trinity Stapled Trust were issued to each securityholder. The shares and stapled securities do not have a par value.

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Notes to the Financial Statements

18. Contributed equity (continued)

2007

During the financial year the following movements in issued securities occurred:

		Consolidated		Parent
Ordinary securities	No of Units	$'000	No of Units	$'000
On issue at beginning of year	168,221,997	154,852	168,221,997	154,852
Conversion of non participating converting shares	3,196,286	-	3,196,286	-
CEO bonus securities	750,000	623	750,000	623
Placement securities issued December 2006	16,988,026	24,145	16,988,026	24,145
Share purchase plan	6,174,491	8,890	6,174,491	8,890
Distribution reinvestment plan	2,919,630	4,203	2,919,630	4,203
Placement securities issued June 2007	10,100,000	23,804	10,100,000	23,804
Transaction costs arising on issue of securities	-	(1,234)	-	(1,234)
On issue at end of year	208,350,430	215,283	208,350,430	215,283
A Class securities				
On issue at beginning of year	5,021,791	5,070	5,021,791	5,070
On issue at end of year	5,021,791	5,070	5,021,791	5,070
Total equity attributable to unitholders		220,353		220,353

On 27 July 2007, 15,250,000 units were issued at an issue price of $2.75 for the stapled security pursuant to a one for 13 rights issue.

On 30 July 2007, 750,000 units were issued to the CEO and an entity associated with the CEO in accordance with the CEO's remuneration package. The issue price was $1.00 for the stapled security pursuant to the subscription agreement.

On 31 August 2007, 1,579,319 units were issued at a price of $2.86 for the stapled security to those existing security holders who participated in the dividend and distribution reinvestment plan.

On the 26 June 2006, 5,021,791 A class securities were issued as a result of the merger agreement between Consolidated Properties Group Pty Ltd and Trinity Consolidated Projects Pty Ltd. These securities were in escrow until the 30 June 2007 results for the Consolidated Properties Group business were finalised. On the 27 November 2007 the 5,021,791 A Class securities converted into ordinary stapled securities as a result of the Consolidated Properties Group business meeting the minimum NPAT for the June 2007 financial year.

Capital management

When managing capital, being unitholders interests and undistributed profits, management's objective is to ensure that the entity continues as a going concern as well as to maintain optimal returns to its unitholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available.

The consolidated entity assesses the adequacy of its capital requirements, cost of capital and gearing (ie debt/equity mix) as part of its broader strategic plan. The consolidated entity is presently empowered by its Constitution to incur liabilities up to a limit of 75% of total tangible assets.

Gearing is a measure used to monitor levels of debt capital used by the business to fund its operations. This ratio is calculated as net interest bearing liabilities divided by tangible assets (less cash).

The gearing ratios at 30 June 2008 and 30 June 2007 were 35.3% and 24.7%.

There were no changes in the consolidated entity's approach to capital management during the year. The consolidated entity is not subject to externally imposed capital requirements.

Notes to the Financial Statements

19. Undistributed profits

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at beginning of year	4,341	2,398	2,209	(545)
Profit attributable to members of the Trust	29,025	22,440	23,883	23,251
Distributions	(21,578)	(20,497)	(21,578)	(20,497)
Balance at end of year	11,788	4,341	4,514	2,209

20. Fair value reserve

Balance at beginning of year	-	-	-	-
Total recognised income and expense	(1,003)	-	(1,250)	-
Balance at end of year	(1,003)	-	(1,250)	-

The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the investment is derecognised.

21. Foreign currency translation reserve

Balance at beginning of year	-	-	-	-
Total recognised income and expense	(473)	-	-	-
Balance at end of year	(473)	-	-	-

The translation reserve comprises the foreign currency differences arising from the translation of the financial statements of the Japanese operation.

22. Net tangible assets

Net tangible assets (excluding minority interest) - $'000	269,478	224,694	262,422	222,562
Units issued – '000	230,952	208,350	230,952	208,350
Net tangible asset backing (book value) per unit - $	1.1668	1.0784	1.1363	1.0682

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

23. Related party disclosures

Responsible entity

The Responsible Entity of Trinity Stapled Trust is Trinity Funds Management Limited (ABN 38 082 796 101).

Key management personnel (KMP)

The consolidated entity does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the consolidated entity and this is considered the KMP. The Directors of the Responsible Entity are key management personnel of that entity and their names are K De Lacy, P Lewis, P Corby (resigned 5 September 2007), R Lette, D O'Rorke and A Hartnell, and R Friend (appointed 25 September 2007).

No compensation is paid to Directors or directly by the consolidated entity to any of the key management personnel of the Responsible Entity.

Responsible Entity fees and other transactions

Set out below are the fees paid or payable by the consolidated entity to the Responsible Entity during the year

	2008 $	2007 $
Management fees	1,649,036	1,285,031
Property management services, due diligence/acquisitions and project management fees	175,057	202,773

Balances owed to the Responsible Entity

At balance date no monies is owed to the Responsible Entity. (2007: $172,164).

Loans

As at 30 June 2008 the Trust is owed $50.6 million from Trinity Limited (2007:$51.5 million). Trinity Stapled Trust advanced funds to Trinity Limited on no fixed term and at an interest rate of 14.75%. Interest income relating to the loan totalled $7.5 million for the 2008 financial year (2007: $7.8 million).

During the 2008 financial year, Trinity Stapled Trust loaned $7.4 million to the Consolidated Development Group at a rate of 12% per annum. This loan was repaid pre 30 June 2008. Trinity Stapled Trust has recognised interest income during the 2008 financial year of $0.4 million.

During the 2008 financial year, Trinity Stapled Trust loaned $5.5 million to the Consolidated Land Group at a rate of 22% per annum. This loan was repaid pre 30 June 2008. Trinity Stapled Trust has recognised interest income during the 2008 financial year of $1.0 million.

During the 2008 financial year, Trinity Stapled Trust advanced funds to Trinity Japan Fund Trust and Trinity Prime Industrial Trust on no fixed terms and interest free. The loan balance as at 30 June 2008 was $13.8 million and $20.2 million respectively.

During the 2008 financial year, Consolidated Properties Group Pty Limited advanced funds to Trinity Stapled Trust on no fixed terms and interest free. The loan balance as at 30 June 2008 was $3.4 million.

Fees

Robert Lette is a consultant to and former partner of Mullins Lawyers. Mullins Lawyers were paid fees of $142,481 for legal services provided to the Trust (2007: $180,543).

Richard Friend is a Director of Conics Limited. In the 2008 financial year fees totalling $232,771 (2007: nil) were paid to entities associated with Conics Limited.

Notes to the Financial Statements

23. Related party disclosures (continued)

Other transactions and agreements

Trinity Stapled Trust has a development agreement with 308 Queen Street Development Pty Ltd, a wholly owned subsidiary of Consolidated Development Group to develop the National Australia Bank site at 308 Queen Street, Brisbane. The fees payable in respect of this agreement are expected to be $43.8 million and are payable progressively as development works are completed within the next 3-4 months. The fees paid and accrued under this development agreement to date are $25.5 million. During the period of construction and redevelopment, Trinity Stapled Trust is entitled to a guaranteed return of 10.5%. The amount receivable under this agreement at 30 June 2008 is $2.5 million.

Trinity Stapled Trust has entered into a development agreement with Ayr Project Pty Ltd, a wholly owned subsidiary of Consolidated Development Group, to develop the Coles Supermarket site in Ayr. The development scope is still to be agreed at 30 June 2008.

Transactions with Director related entities – Donald O'Rorke

In September 2006, Trinity Stapled Trust acquired the Albany Creek Marketplace for $12,000,000 from Albany Creek Project Pty Ltd, which is a Director related entity. The acquisition was made at market value.

Trinity Stapled Trust had a development agreement with Albany Creek Project Pty Ltd to develop the Albany Creek Marketplace. The project was completed in July 2007. The total fees paid in respect of this agreement were $7,710,000 and Trinity Stapled Trust received a 9% guaranteed return during the development period of $1,017,626.

Trinity Stapled Trust has a development agreement with Innisfail Project Pty Ltd which is a Director related entity to develop the Centrepoint Shopping Centre. The fees payable in respect of this agreement are expected to be $8,200,000 and are payable progressively as development works are completed within the next 3 months. The fees paid and accrued under this development agreement to date are $8,200,000. During the period of construction and redevelopment Trinity Stapled Trust is entitled to a guaranteed return of 10%. The amount receivable under this agreement at 30 June 2008 is $1,003,575.

Trinity Stapled Trust has a development agreement with Nerang Project Pty Ltd which is a Director related entity to develop the Nerang Fair Shopping Centre. The fees payable in respect of this agreement are expected to be $15,642,827 and are payable progressively as development works are completed within the next 2 months. The fees paid and accrued under this development agreement to date are $15,642,827. During the period of construction and redevelopment Trinity Stapled Trust is entitled to a guaranteed return of 9%. The amount receivable under this agreement at 30 June 2008 is $2,445,097.

Unitholdings

Movements during the reporting period in the number of securities of the Trust held directly, indirectly or beneficially by each Director including personally related entities are as follows:

Directors	Held at 1 July 2007	Purchases/ (Sales)	Rights issue	Dividend reinvestment plan	Other	Held at 2008 30 June
Mr K De Lacy	80,209	40,000	6,169	-	-	126,378
Mr P Corby	28,721	-	2,209	603	(31,533)	-
Mr P Lewis	5,131,697	303,788	60,130	4,385	-	5,500,000
Mr R Lette	67,337	100,000	5,179	1,413	-	173,929
Mr D O'Rorke	27,812,335	14,704	181,818	3,825	(2,655,713)*	25,356,969
Mr R Friend	-	9,000	-	-	-	9,000
Mr A Hartnell	15,849	-	1,219	333	-	17,401

*At the time of the acquisition of the second half of the Consolidated Properties business in June 2006, securities were issued to Lindstro Pty Ltd as trustee of a number of trusts associated with Don O'Rorke and the project partners from Consolidated Properties. These securities issued were conditional on the financial performance of Consolidated Properties. As all financial performance hurdles have been met the securities have now been released to trustee Companies associated with some of those project partners.

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

23. Related party disclosures (continued)

Unitholdings (continued)

Movements during the reporting period in the number of securities of the Trust held directly, indirectly or beneficially by each key management personnel including personally related entities are as follows:

Executives	Held at 1 July 2007	Purchases/ (Sales)	Rights issue	Dividend reinvestment plan	Other	Held at 2008 30 June
Mrs T Bartley	5,500	-	-	-	-	5,500
Mr B McCarthy	3,158,007	768,500	200,000	-	-	4,126,507
Ms K Armstrong	42,798	17,282	-	-	-	60,080
Mr D Asplin	-	-	-	-	-	-
Mr B Baker	-	-	-	-	-	-
Mr Denis Daley	-	15,000	-	-	(15,000)	-

24. Segment reporting

The consolidated entity operates in predominately one business and geographical segment being the ownership, development and leasing of investment properties within Australia.

25. Capital commitments

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Capital expenditure contracted but not capitalised in the accounts Payable:				
– less than one year	8,365	44,324	8,365	27,888
– later than one year but less than five years	9,535	9,543	9,535	9,543
	17,900	53,867	17,900	37,431

26. Events subsequent to balance date

Since the end of the financial year the Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report of the financial statements that has significantly or may significantly affect the operations of the consolidated entity, or the state of the consolidated entity's affairs in future financial years.

27. Contingent assets and liabilities

The consolidated entity is unaware of any contingent assets and liabilities at 30 June 2008.

28. Notes to the statement of cash flows

Cash at bank and on hand	11,896	1,273	7,968	1,273

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as above:

Notes to the Financial Statements

28. Notes to the statement of cash flows (continued)

(b) Reconciliation of net profit to net cash flows from operations	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Net profit	29,025	22,440	23,883	23,251
Non-cash items:				
Amortisation expense	67	7	91	-
Amortised borrowing costs	290	180	141	180
Fair value movement in investment properties	1,138	(3,063)	(2,009)	(3,063)
Gain on sale of investment properties	(1,409)	(3,111)	(1,409)	(3,111)
Share of profit of associated entities	(14,569)	(4,016)	-	-
Distribution income from associates	-	-	(6,955)	(4,978)
Effects of exchange rate on foreign exchange items	(86)	-	-	-
Changes in assets and liabilities:				
Decrease/(increase) in receivables	(15,657)	(1,256)	(11,085)	(745)
Decrease/(increase) in prepayments and deposits	(100)	28	(100)	36
Increase/(decrease) in provisions	(50)	50	(50)	50
Increase/(decrease) in payables	836	(725)	(116)	(728)
Net cash (used in)/provided by operating activities	(515)	10,534	2,391	10,892

29. Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, available for sale financial assets, trade and other payables, interest bearing loans and borrowings and distributions payable.

Credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. Trade receivables as disclosed below are generally aged on 30 day terms. The consolidated entity's maximum exposure to credit risk at the reporting date was:

Carrying amount				
Cash and cash equivalents	11,896	1,273	7,968	1,273
Trade receivables	254	330	214	330
Other receivables	11,197	5,233	6,105	4,723
Loans - other	15,406	622	15,406	622
Related entity loans	66,807	56,015	66,807	56,015
Distributions receivable	5,330	2,762	5,330	2,762

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

29. Financial instruments (continued)

Impairment losses

As of 30 June 2008, certain trade receivables were impaired and provided for. A provision for impairment loss is recognised when there is evidence that an individual trade receivable is impaired. The individually impaired receivables mainly relate to tenants who are in difficult economic situations.

The aging of these receivables is as follows:

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
1 month or less	-	8	-	8
2 to 3 months	12	-	12	-
4 months or more	-	14	-	14
	12	22	12	22
Movements in the provision for impairment of receivables are as follows:				
Balance at 1 July	(22)	(35)	(22)	(35)
Provision for impairment recognised during the year	2	(72)	2	(72)
Receivables written off during the year as uncollectable	8	85	8	85
Balance at 30 June	(12)	(22)	(12)	(22)

The creation and release of the provision for impaired receivables has been included in other expenses from continuing activities excluding finance costs in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The balance of trade receivables at reporting date was:

1 month or less	220	271	179	271
2 to 3 months	-	7	-	7
4 months or more	23	29	23	29
	243	308	202	308

As at 30 June 2008, certain trade receivables were past due but not impaired. These relate to a number of tenants who have good debt history and are considered recoverable. Other receivables mainly comprises of accrued development fees which will be received within 4 months or more. Of the balance in loans-other $14 million will be received with in 1 month and the balance will be received within 4 months or more. The majority of other balances will be received within 2 to 3 months. All receivables with the exception of trade receivables do not contain impaired assets and are not past due.

Liquidity risk

The following are the contractual maturities of financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

With the exception of the facilities relating to the Trinity Japan Fund cashflows for the variable rate bank bills are based on conditions existing at 30 June 2008 and reflect interest payments only. As the consolidated entity's facilities mature the bank will, but without having the obligation to do so, review the facilities with a view to agreeing to an extension of the facilities for a further term. Consequently only interest payments have been disclosed in contractual cashflows. With regards to the facilities for the Trinity Japan Fund, the contractual cashflows reflect both interest payments and principal repayments at maturity as it is intended that these facilities be repaid at maturity.

29. Financial instruments (continued)

Liquidity risk (continued)

30 June 2008 Consolidated	Carrying amount $'000	Contractual cash flows $'000	Less than 6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Interest bearing liabilities						
Fixed rate	55,000	13,808	2,071	2,071	4,143	5,523
Variable rate	121,594	52,938	4,201	4,177	8,353	36,207
Non interest bearing liabilities	3,430	3,430	-	3,430	-	-
Trade and other payables	17,945	17,945	6,340	11,605	-	-
Distributions payable	8,876	8,876	8,876	-	-	-
30 June 2007						
Interest bearing liabilities						
Fixed rate	55,930	7,819	1,948	1,948	2,942	981
Variable rate	27,225	3,492	998	998	1,496	-
Trade and other payables	11,829	11,829	754	4,677	6,398	-
Deferred settlements	200	200	200	-	-	-
Distributions payable	11,895	11,895	11,895	-	-	-
Interest bearing liabilities						
Fixed rate	35,000	8,342	1,251	1,251	2,503	3,337
Variable rate	75,740	21,357	3,203	3,203	6,407	8,544
Non interest bearing liabilities	3,430	3,430	-	3,430	-	-
Trade and other payables	16,735	16,735	5,130	11,605	-	-
Distributions payable	8,876	8,876	8,876	-	-	-
30 June 2007						
Interest bearing liabilities						
Fixed rate	50,000	5,995	1,737	1,737	2,521	-
Variable rate	27,225	3,492	998	998	1,497	-
Trade and other payables	11,826	11,826	751	4,677	6,398	-
Deferred settlements	200	200	200	-	-	-
Distributions payable	11,895	11,895	11,895	-	-	-

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

29. Financial instruments (continued)

Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk and foreign exchange rate risks. All financial instruments are subject to market risk, however, the required market risk quantitative disclosures are restricted to the sensitivity of profit or loss and equity to changes in market risks. The following disclosures therefore focus on accounting (as opposed to economic) sensitivity and exclude, interest rate risk arising on fixed rate financial loans and receivables.

Interest rates over the twelve month period were analysed and sensitivities determined to show the effect on profit if the interest rates at reporting date had been 50 basis points higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at balance date on both financial liabilities and assets.

Interest rates sensitivity analysis

	Consolidated		Parent	
	2008 Net profit $'000	2007 Net profit $'000	2008 Net profit $'000	2007 Net profit $'000
Interest rates increase by 50bps	548	130	339	130
Interest rates decrease by 50bps	(548)	(130)	(339)	(130)

Fair values

The carrying values of the consolidated entity's financial assets and financial liabilities approximate their fair values as at 30 June 2008.

30. Auditors' remuneration

	Consolidated		Parent	
	2008 $	2007 $	2008 $	2007 $
Amounts received or due and receivable by auditors of the Trust for:				
PKF				
Audit and review of financial reports	56,500	43,000	56,500	40,000
Other assurance services:				
Other audit services – outgoings audits	3,200	3,450	3,200	3,450
	59,700	46,450	59,700	43,450

Notes to the Financial Statements

31. Controlled entities

Name	Country of incorporation/ formation	Ownership interest 2008 %	Ownership interest 2007 %
Trinity Prime Industrial Trust	Australia	100	100
Trinity Japan Fund Trust	Australia	100	-
Keppel Properties Goudo Kaisha ##	Japan	97	-
Yaesu Seven Tokutei Mokuteki Kaisha ^^^	Japan	99.5	-
Hamilton Goudo Kaisha ##	Japan	99	-
CH Chalon Yugen Sekinin Chukan Hojin ##	Japan	100	-

Investment is held by Trinity Japan Fund
^^^ Investment is held by Trinity Japan Fund and Hamilton Goudo Kaisha

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Trinity Prime Industrial Trust				
– investment at cost	-	-	300	300
– loan	-	-	20,254	6,042
Trinity Japan Fund Trust				
– investment at cost	-	-	1	-
– loan	-	-	13,762	-
	-	-	34,317	6,342

Loans to controlled entities are non interest bearing with no fixed repayment terms and have been provided to subsidiaries as an additional source of long-term capital. On this basis they have been classified as and included in investments in controlled entities.

32. Investments

Units in unlisted Fund				
Trinity Opportunistic Property Fund No 1	705	405	705	405

33. Investments in associates

Trinity Property Trust	-	-	53,429	50,921
Trinity Enhanced Return Fund	-	-	35,967	35,967
CVC Trinity Property Fund	-	-	-	2,500
	-	-	89,396	89,388

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

34. Future minimum lease receivables

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Future minimum lease payments to the Trust under current leases from tenants are:				
Within one year	16,502	6,121	16,502	6,121
Later than one year and no later than five years	59,051	16,286	59,051	16,286
Later than five years	78,100	4,351	78,100	4,351
	153,653	26,758	153,653	26,758

35. Jointly controlled assets and operations

Trinity Stapled Trust has a 50% (2007: 50%) interest in two joint venture assets, being two investment properties called Mulgrave Business Park and 383 King Street. For the financial year ended 30 June 2008, the contribution of the joint venture to the operating profit of the consolidated entity and parent was a profit of $4.1 million (2007: $1.0 million). Included in the assets of the consolidated entity and parent are the following assets of the joint venture:

Current assets				
Cash and cash equivalents	121	240	121	240
Other assets	215	85	215	85
Total current assets	336	325	336	325
Non current assets				
Investment properties	39,904	37,735	39,904	37,735
Total non current assets	39,904	37,735	39,904	37,735
Total assets	40,240	38,060	40,240	38,060

Notes to the Financial Statements

36. Earnings per unit

	Consolidated 2008 $'000	Earnings per unit cents	Consolidated 2007 $'000	Earnings per unit cents
Net profit attributable to Unitholders	29,025		22,440	
	Number of units '000		**Number of units '000**	
Total units on issue at year end	230,952		208,350	
Weighted average unit – basic	227,439	12.8	183,721	12.2
Weighted average unit – diluted	231,059	12.6	191,977	11.7

For the 2008 year the following are included in the diluted earnings per unit calculation:

– 5,021,791 A class stapled securities were in escrow until the 30 June 2007 results for the Consolidated Properties Group business were finalised. On the 27 November 2007 the 5,021,791 A class stapled securities converted into ordinary stapled securities as a result of the Consolidated Properties Group business meeting the minimum NPAT for the June 2007 financial year.

– An entity associated with the Chief Executive Officer of the Trinity Group has entered into a subscription deed to subscribe for a total of 3,000,000 stapled securities during the five years commencing 1 July 2006. As at 30 June 2008, 1,500,000 of these stapled securities had been issued.

	Number of units 2008 '000	2007 '000
Weighted average number of ordinary units for basic earnings per unit	227,439	183,721
Effect of dilution:		
'A' class shares and units (issued 26 June 2006 converted 27 November 2007)	2,058	5,022
CEO subscription deed securities (750,000 stapled securities were issued in September 2006 and July 2007)	1,562	2,437
Non participating converting stapled securities (converted in September 2006)	-	797
Adjusted weighted average number of ordinary units for diluted earnings per unit	231,059	191,977

There have been no other dilutive transactions involving ordinary units or potential ordinary units since the reporting date and before the completion of these financial statements.

Trinity Stapled Trust
For the year ended 30 June 2008

Notes to the Financial Statements

The Directors of Trinity Funds Management Limited, the Responsibility Entity of Trinity Stapled Trust ("the Trust") declare that:

(a) in the Directors' opinion the financial statements and notes on pages 93-128, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's and parent entity's financial position as at 30 June 2008 and of their performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1

(c) the Trust has operated during the year ended 30 June 2008 in accordance with the provisions of the Constitution dated 14 October 2004 and subsequent amendments; and

(d) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Trinity Funds Management Limited, the Responsible Entity of Trinity Stapled Trust.

Keith De Lacy
Chairman

Richard Friend
Non-Executive Director

Dated at Brisbane this 28th day of August 2008

Auditor's Independence Declaration

PKF
Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors of Trinity Funds Management Limited as responsible entity of Trinity Stapled Trust

As lead auditor for the audit of Trinity Stapled Trust 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 Trinity Stapled Trust.

PKF

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 28th day of August 2008

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Independence Auditor's Report

PKF
Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Trinity Stapled Trust

Report on the Financial Report
We have audited the accompanying financial report of Trinity Stapled Trust ("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 year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Trust and the consolidated entity. The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Trinity Funds Management Limited as Responsible Entity for the Trust 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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that compliance with 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 Trust'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 Trust'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.

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

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Independence Auditor's Report

PKF
Chartered Accountants
& Business Advisers

Independence

We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Trinity Funds Management Limited as Responsible Entity for the Trust, would be in the same terms if provided to the directors' as at the date of the audit report.

Auditor's Opinion

In our opinion:

(a) the financial report of Trinity Stapled Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's and the consolidated entity'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 1.

PKF

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 4th day of September 2008

Trinity Stapled Trust

Corporate Directory

Responsible Entity	**Trinity Funds Management Limited** ACN 082 796 101 AFS Licence No. 237588 Mezzanine Level, Trinity Place 88 Creek Street, BRISBANE QLD 4000 Telephone: (07) 3221 1221 Facsimile: (07) 3220 0202 Website: www.trinity.com.au
Directors of the Responsible Entity	Keith De Lacy (Chairman) Peter Lewis (Executive Deputy Chairman) Robert Lette Don O'Rorke Anthony Hartnell Richard Friend
Auditors	PKF Chartered Accountants Level 6, AMP Place 10 Eagle Street BRISBANE QLD 4000
Registered office and principal place of business	Mezzanine Level, Trinity Place 88 Creek Street, BRISBANE QLD 4000
Country of incorporation	Australia
Number of employees of the Responsible Entity at 30 June 2008	39 (2007: 33)

Trinity Group

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Trinity Limited ACN 110 831 288
Trinity Funds Management ACN 082 796 101
Trinity Stapled Trust ARSN 111 389 596

TRINITY