1. Company details and reporting period

Name of Entity and ABN:

TRINITY GROUP ('Combined Group') comprising of
- Trinity Limited ('Parent Entity') ABN 11 110 831 288; and
- Trinity Stapled Trust ("Trust") ARSN 111 389 596 the responsible entity of which is Trinity Funds Management Limited ABN 38 082 796 101, AFS Licence number 237588;
- and their controlled entities.

Reporting Period: 30 June 2009

Previous Corresponding Period: 30 June 2008

2. Results for Announcement to the Market

	$'000		% change from prior period
Revenue from ordinary activities	50,332		Up 1%
(Loss)/profit from ordinary activities after tax attributable to members	(225,891)		Down 754%
Net (loss)/profit for the period attributable to members	(225,891)		Down 754%
Dividends and Distributions			
• **Interim distribution paid per stapled security**	0 cents		Down 100%
• **Final distribution / dividend provided per stapled security.**	0 cents		Down 100%
Record date for determining entitlement to dividends and distribution	30 June 2009		
Net tangible assets per security	$0.38		Down 67%

3. Income Statement with Notes to the Statement

Refer to page 28 of the 30 June 2009 Trinity Group Financial Report and accompanying notes.

4. Balance Sheet with Notes to the Balance Sheet

Refer to pages 29-30 of the 30 June 2009 Trinity Group Financial Report and accompanying notes.

5. Statement of Cashflows with Notes to the Statement

Refer to page 31 of the 30 June 2009 Trinity Group Financial Report and accompanying notes.

6. Dividends / Distributions

Refer to Note 22 on page 67 of the 30 June 2009 Trinity Group Financial Report and accompanying notes.

7. Dividend/distribution reinvestment plan

A dividend and distribution reinvestment plan was launched in February 2007 for the securityholders of Trinity Group. The plan is not available in respect of the current distribution period.

8. Statement of Retained Earnings showing movements

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	19,551	6,608	(8,632)	(4,953)
Prior year adjustment	-	-	(195)	-
Net (loss)/profit attributable to shareholders	(69,656)	11,466	(59,899)	(3,679)
Net (loss)/profit attributable to unitholders	(156,087)	23,055	-	-
Dividends/distributions	(5,443)	(21,578)	(5,443)	-
Balance at end of year	(211,635)	19,551	(74,169)	(8,632)

9. Net Tangible Assets (NTA) per Stapled Security

NTA per stapled security as at 30 June 2009: $0.38

NTA per stapled security as at 30 June 2008: $1.15

10. Entities over which control has been gained or lost during the period

Refer to Note 25 pages 69-70 of the 30 June 2009 Trinity Group Financial Report and accompanying notes.

11. Associates and joint venture entities

Entity Name	Group Holding	Share of Net Profit / (Loss) Year ended 30 June 2009 $'000	Share of Net Profit / (Loss) Year ended 30 June 2008 $'000
Trinity Property Trust	10%	(11,129)	7,241
Trinity Enhanced Return Fund	38.5%	(26,076)	7,716
Trinity Development Group (formerly Consolidated Development Group)	48.7%	(13,314)	594
Trinity Land Group (formerly Consolidated Land Group)	18.7%	(3,428)	0

12. Other significant information

Refer to the 30 June 2009 Trinity Group Financial Report and accompanying notes.

13. Accounting standards used for foreign entities

Not Applicable.

14. Commentary on the results for the period
Refer to Directors Report on pages 7-8 of the 30 June 2009 Trinity Group Financial Report and attached ASX and media announcement.

15. Status of audit
The 2009 Trinity Group Financial Report and accompanying notes have been audited.

16. Dispute or qualifications if not yet audited
N/A

17. Dispute or qualifications if audited
None

Richard Friend
Non-Executive Director **31st August 2009**

TRINITY

property·investment·knowledge

TRINITY GROUP

consisting of the financial reports of
Trinity Limited ABN 11 110 831 288
and its controlled entities

2009 FINANCIAL 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 2009 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 Brett Heading BCom LLB (Hons) Chairman Independent Non-Executive Director Appointed to Trinity Limited on 21 August 2009	Chairman Member of Compliance, Audit & Risk Management Committee - Appointed 21 August 2009 Chairman of Nomination and Remuneration Committee - Appointed 21 August 2009 Mr Heading is an experienced company director and corporate lawyer. He is Chairman of Partners at McCullough Robertson and has been a partner of that firm since 1985, specialising in capital raising, mergers and acquisitions. Mr Heading has been a director of a number of listed and unlisted companies. He is currently Chairman of ASX listed ChemGenex Pharmaceuticals Ltd. Mr Heading is also a former long-standing member of the Board of Taxation and was a member of the Takeovers Panel from 1997 to 2009. Other listed company directorships in the last three years: • ChemGenex Pharmaceuticals Limited – (Appointed July 2002) • Australian Agricultural Company Limited (Appointed 17 June 2008 - Retired 12 June 2009) • Ambri Limited (Appointed 10 November 2006 – Resigned 2 July 2008) • Capilano Honey Limited (Appointed July 2008 – Resigned October 2008)
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 and resigned on 21 August 2009	Chairman Member of Compliance, Audit & Risk Management Committee until 21 August 2009 Chairman of Nomination and Remuneration Committee until 21 August 2009 Keith De Lacy is currently Chairman of Nimrod Resources Ltd, Macarthur Coal Limited, and Cubbie Group Limited; and a director of Reef Casino Trust and Queensland Energy Resources Pty Ltd. 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 Queensland Sugar Limited (and the Global Sugar Alliance), 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) • Securities Exchange Guarantee Corporation Limited (Appointed 1 December 1998 – Resigned 31 December 2006)

Mr Christopher Morton BCom, LLB, LLM, MAICD Managing Director Appointed to Trinity Limited on 21 August 2009	Managing Director Member of Nomination and Remuneration Committee - Appointed 21 August 2009 Mr Morton has over 24 years' experience in the areas of property law, investment and funds management. He has been admitted as a solicitor for over 25 years and was formerly a senior property law partner and senior management executive with the national legal firm Phillips Fox. In 1997, Chris founded and was Managing Director of Property Funds Australia Limited (PFA), a specialist property funds management company and responsible entity for the $700 million, Australian exchange listed, PFA Diversified Property Trust. PFA was acquired by Mirvac Group in October 2007. Mr Morton has been a past president of the Property Council of Australia (Queensland Division), past president of the Australian Direct Property Investment Association (ADPIA) and a member of the Queensland Heritage Council. Other listed company directorships in the last three years: Nil
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 Chairman of Property Governance Committee - Appointed 26 May 2009 and the committee was disbanded on 5 August 2009 Member of Nomination and Remuneration Committee - Appointed 23 June 2009 Chairman of Due Diligence Committee – Appointed 10 June 2009 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 an unlisted public company in the financial 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 Anthony Hartnell AM BEc, LLB(Hons),LLM(Highest Hons) Independent Non-Executive Director Appointed to Trinity Limited on 18 September 2006 Resigned as Non-Executive Director 21 August 2009	Non-Executive Director Member Nomination and Remuneration Committee until 21 August 2009 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 Chairman of CEC Group Limited and Early Learning Services Limited and is the Chairman of ANU Endowment for Excellence. Other listed company directorships in the last three years: • CostaExchange Ltd – Director Appointed July 1984 and resigned 30 November 2006 • CEC Group Limited – Chairman Appointed 28 September 2005 • Global Television Limited – Director and Chairman Appointed July 1994 and resigned 5 January 2007 • Early Learning Services Limited – Chairman Appointed 26 October 2007

Mr Peter B Lewis BCom Licensed real estate agent Executive Deputy Chairman to 13 November 2008 Interim Managing Director (appointed 19 December 2008 - resigned 5 February 2009) Non – Executive Director (appointed 5 February 2009) Appointed to Trinity Limited on 4 October 2004 Resigned as Non-Executive Director 22 July 2009	Non-Executive Director Member of Due Diligence Committee until 25 February 2009 Chairman Property Governance Committee until 26 May 2009 Chairman of Nomination and Remuneration Committee until 3 June 2009 Chairman of Investors Advisory Committee until 23 February 2009 Peter Lewis is the former founder of the Trinity 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 as Chairman of the Queensland Rugby Union (QRU) and resigned on 30 July 2009. 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 Resigned as Non-Executive Director 9 June 2009	Non-Executive Director Chairman of Due Diligence Committee until 9 June 2009 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. 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)
Mr Donald C O'Rorke BBus (Marketing) Executive Director Appointed to Trinity Limited 4 October 2004 Resigned as Executive Director 10 December 2008	Executive Director Member of Nomination and Remuneration Committee until 10 December 2008 Donald O'Rorke was the Managing Director of Trinity Development Group Pty Ltd (formerly 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

COMPANY SECRETARIES

Tracy Bartley LLB (Hons), BCL (Oxon)

Company Secretary appointed 1 February 2007 resigned effective from 28 August 2009

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.

Lisa Myers LLB, BBus (Management)

Interim Company Secretary effective from 28 August 2009

Lisa Myers commenced with Trinity Group in July 2007. She is a lawyer who brings extensive experience having previously worked as a Senior Associate in the property sector with Deacons Lawyers in Brisbane. Lisa is also the Trinity Group Legal Counsel.

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

The following person is an officer of the Company and Trinity Funds Management Limited and was previously a partner of the current audit firm, PKF Chartered Accountants & Business Advisors, at a time when PKF undertook an audit of the Company and Responsible Entity.

- Craig Bellamy

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:

Director	Board Meetings Parent		Board Meetings Responsible Entity		Compliance, Audit & Risk Management Committee	
	A	B	A	B	A	B
Richard Friend	15	15	13	13	8	8
Keith De Lacy (resigned 21 August 2009)	15	15	13	13	8	8
Anthony Hartnell (resigned 21 August 2009)	15	15	13	13	-	-
Peter Lewis (resigned 22 July 2009)	15	15	13	13	-	-
Robert Lette (resigned 10 June 2009)	15	14	13	12	-	-
Donald O'Rorke (resigned 10 December 2008)	7	7	6	6	-	-
Company Secretary/ Compliance Officer						
Tracy Bartley# (resigned 28 August 2009)	15	15	13	13	8	8
External committee member						
Alex Fraser	-	-	-	-	8	8
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)

Director	Due Diligence Committee Meetings		Nomination and Remuneration Committee Meetings *		Property Governance Committee **		Investors Advisory Board ***	
	A	B	A	B	A	B	A	B
Richard Friend	-	-	1	1	1	1	-	-
Keith De Lacy (resigned 21 August 2009)	-	-	1	1	-	-	-	-
Anthony Hartnell (resigned 21 August 2009)	-	-	-	-	-	-	-	-
Peter Lewis (resigned from the Board on 22 July 2009 and resigned from the IAB on 23 February 2009)	3	3	-	-	2	2	2	2
Robert Lette (resigned 10 June 2009)	6	6	1	1	-	-	-	-
Donald O'Rorke (resigned 10 December 2008)	-	-	-	-	-	-	-	-
Company Secretary/ Compliance Officer								
Tracy Bartley# (resigned effective 28 August 2009)	-	-	1	1	3	3	1	1
External committee members								
Alex Fraser	n/a	n/a	n/a	n/a	3	3	n/a	n/a
Bob Henricks (resigned 5 August 2009)	n/a	n/a	n/a	n/a	3	3	n/a	n/a
Jim Kruger (appointed 6 January 2009)	4	4	n/a	n/a	n/a	n/a	n/a	n/a
Craig Stevens	n/a	n/a	n/a	n/a	n/a	n/a	2	2
Kevin Hogan (resigned 24 September 2008)	n/a	n/a	n/a	n/a	n/a	n/a	1	1
John Coombe	n/a	n/a	n/a	n/a	n/a	n/a	2	2
Greg Cantor (appointed 24 September 2008)	n/a	n/a	n/a	n/a	n/a	n/a	1	1
Megan Chan (appointed 7 October 2008)	n/a	n/a	n/a	n/a	n/a	n/a	1	1
Simone Daley (Fund Manager)	n/a	n/a	n/a	n/a	n/a	n/a	1	1
Bruce Baker (Head of Funds Management – resigned 19 December 2008)	2	2	n/a	n/a	n/a	n/a	1	1
David Asplin (Head of Distribution appointed 19 December 2008)	n/a	n/a	n/a	n/a	n/a	n/a	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								

* - The Nomination Committee and the Remuneration Committee combined on 24 November 2008 to form the Nomination and Remuneration Committee

** - The Property Governance Committee was disbanded on 5 August 2009.

***** -** The Investors Advisory Board will be disbanded at the next Board meeting

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' AND EXECUTIVES INTERESTS

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

Director	No of securities/options	Senior Executives	No of securities
Mr Brett Heading (securities)	-	Mr Craig Bellamy	35,000
Mr Richard Friend (securities)	80,500	Mr David Asplin	300,000
Mr Christopher Morton (securities)	28,102,113		
Mr Christopher Morton (options)	4,750,000		

SECURITY OPTIONS

Options granted to Directors and executives of the Group

During or since the end of the financial year, the Group granted options for no consideration over unissued securities in the stapled Group to the following executives as part of their remuneration:

Executives	Number of options granted	Exercise price	Expiry date
Laurence Brindle	5,000,000	20 cents	30 June 2014
	5,000,000	25 cents	30 June 2014
	5,000,000	30 cents	30 June 2014
Steven Leigh	5,000,000	20 cents	30 June 2014
	5,000,000	25 cents	30 June 2014
	5,000,000	30 cents	30 June 2014
Christopher Morton	4,750,000	18 cents	30 June 2014

The options relating to Laurence Brindle and Steven Leigh were granted and vested during the financial year. These granted options expire 90 days after the date their employment ceases. Christopher Morton's options were granted and vested post balance date.

CORPORATE GOVERNANCE

A Corporate Governance Statement attached at page 21 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 11 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 2009	**30 June 2008**
Revenue and other income ($'000)	50,332	49,743
(Loss)/profit attributable to Securityholders of Trinity Group ($'000)	(225,891)	34,521
Basic (loss)/earnings per stapled security (cents)	(97.5)	15.2
Diluted (loss)/earnings per stapled security (cents)	(97.5)	14.9
Net assets ($'000)	98,198	321,585
Net tangible assets per stapled security ($)	0.38	1.15

DISTRIBUTIONS AND DIVIDENDS

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

	Cents per security	**$'000**
Interim distribution paid	Nil	-
Final distribution payable	Nil	-

GROUP OVERVIEW

Trinity Group faced numerous challenges during the year ended 30 June 2009.

The global financial crisis contributed to falling property values, a tightening in credit markets and reduced business and consumer confidence. The Group also experienced significant change at an executive level and at an operational level, as the Group refocused on its core funds management business and wound back its property development activities.

The Group's results for the 2009 financial year reflect a number of non cash adjustments, including property write-downs, co-investment write-downs and impairment of goodwill. The Group also suffered losses due to its development activities and non-recurring employment costs, including sign-on fees, termination payments and option expenses.

However, underlying revenue from the Group's funds management business and property portfolio remained steady during the year, despite a difficult market for raising new capital and the Group having no entitlement to funds management fees from certain funds due to the funds' underlying performance.

In the coming year, the Group will continue to implement its capital management program, with a view to reducing group debt and establishing a sound platform for growth of the funds management business over the medium to long term.

STATE OF AFFAIRS

Funds management & co-investment

The Group's funds management business has focused on maximizing returns for investors through additional fund capital raising, sale of assets to reduce gearing, renegotiation of key debt facilities and continued improvement in quality of the investment portfolios, including enhancement of recurrent income streams through new leasing deals and tenant retention.

The Trinity Enhanced Return Fund, in which the Group has a 38% stake, continued construction on a 22 level office tower in the Brisbane CBD, with pre-commitments from tenants now accounting for more than 80 percent of the property. The project is due for completion in September 2009.

The Group continues to hold co-investments in each of its managed funds, ranging from 2% to 49%, aligning the interests of the Group with those of the fund investors. The Group's percentage holding in some of the managed funds changed during the year, reflecting the acquisition of new units and/or participation in fund capital raisings. During the year, the termination of the Group's joint venture with listed group CVC Limited for the management of the listed CVC Trinity Property Fund was finalised.

Property investment

The value of the Group's direct property portfolio has been negatively impacted by market conditions. However, recurrent net property income streams have remained stable during the year, reflecting the quality of the leasing covenants.

Refurbishment of a heritage-listed building in the Brisbane CBD and construction of an adjoining seven level tower was completed in September 2008. Construction of an office building in Osaka, Japan also completed on schedule in July 2009.

Consistent with the Group's prudent capital management initiatives, four properties have been sold during the year and all proceeds received have been used to repay debt.

Capital Structure

As at 30 June 2009, the Group's gearing ratio, calculated as a percentage of net interest bearing liabilities over total tangible assets (excluding cash) was 60.8 % (2008: 37.2%). The Group's property gearing ratio, calculated as a percentage of net interest bearing liabilities over total property assets was 82.9% (2008: 59.9%)

Total debt facilities were $225.2 million at balance date, of which $203.4 million was utilised as at 30 June 2009. The Group manages interest rate exposure on debt facilities through the use of fixed rate bills. At year end, $120.0 million or 59% of the Group's debt was hedged. The blended interest rate across all facilities is 7.35%. 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.

During the financial year, the Group renegotiated its debt facilities with National Australia Bank (NAB) with effect from 1 July 2009, increasing the total NAB facilities from $156 million to $172.8 million. These facilities have a common expiry date of 31 October 2011, and a loan to value ratio target of 60%.

The Group had issued securities at balance date of 231,701,540. During the year, 750,000 securities were issued to Benjamin McCarthy, a former CEO as part of his remuneration package.

There was a net cash outflow of $7.6 million during the year, primarily attributable to a series of one-off employment related costs. Operating activities resulted in a net cash outflow of $5.9 million, while the sale of a number of properties and some of the Group's holding in the Trinity Property Trust resulted in a net cash inflow from investing activities of $24.3 million. These funds were largely used to repay debt. There was a net cash outflow from financing activities of $26.0 million.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Trinity Stapled Trust entered into an unconditional contract on 24 July 2009 to sell a retail property at Nerang. Settlement is scheduled to take place in September 2009.

The Group acquired on 10 July 2009 the Cumberland Lorne Resort in Victoria for $21.1 million. Under this acquisition the Group acquired 51 freehold units, a conference centre and management rights.

On 31 July 2009 the Investors Advisory Board notified Trinity of its intention to recommend the commencement of a tender process for the management of its unlisted managed funds. Trinity Funds Management Limited is currently the manager of these funds and has been invited to participate in the tender process. The timing of the tender process is yet to be determined.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE (continued)

On 24 August 2009, the members of the Investors Advisory Board advised Trinity Funds Management Limited of their resignation, citing the need for increased independence from Trinity Funds Management Limited as the unlisted investors group further explores the possibility of an independent tender process.

Other than the matters discussed above, there have been no other significant events since balance date which may affect either the operations of the consolidated entity or results of those operations or the state of affairs of the consolidated entity, which have not been disclosed already in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

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 license 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 2009, 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 2009. Such insurance contracts insure against certain liabilities (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.

CLAIMS AGAINST THE GROUP

CVC Limited and Others

In September 2008 Trinity Limited, Trinity Funds Management Limited as responsible entity for Trinity Stapled Trust and Trinity Holdings No. 3 Pty Ltd signed a separation agreement with CVC Limited and others. Under the terms of the separation agreement Trinity Limited must use its best endeavours to purchase, or arrange a purchaser for CVC Limited and others interests in the Trinity Development Group (formerly the Consolidated Development Group) for an amount of $7.4 million. On 2 April 2009, CVC Limited and others commenced legal proceedings against the Trinity parties for specific performance of the Separation Agreement. The Trinity parties have lodged a response to CVC's claims with the Supreme Court of New South Wales and have provided all discovery documents which were required by 21 August 2009. The matter has been set down for a 5 day trial period commencing 16 November 2009. The Group strongly denies any breach of its obligations and is strenuously defending the claims by CVC Limited and its associates. In the Directors' opinion, disclosure of any further information in the financial report would be prejudicial to the interests of the Group.

J Hutchinson Pty Ltd

On 5 August 2009 J Hutchinson Pty Ltd lodged a Statement of Claim against Trinity Funds Management Limited in the Supreme Court of Queensland for a breach of the Trade Practices Act. The alleged breach is related to J Hutchinson Pty Ltd's investments in the Trinity Development Group (formerly the Consolidated Development Group) and the Trinity Land Group (formerly the Consolidated Land Group). The claim is for the difference between the amount invested by J Hutchinson Pty Ltd in each of the Funds and the current value of the units in the Funds which amounts to approximately $2.8 million. Trinity Funds Management Limited is preparing a Notice of Intention to Defend which will be lodged with the Supreme Court by 2 September 2009. The Directors consider the chances of success of the claim by J Hutchinson Pty Ltd to be remote.

NON AUDIT SERVICES

During the year PKF (East Coast Practice), 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.

	2009	2008
Auditors of the Group	**$**	**$**
- Audit and review of financial reports PKF (East Coast Practice)	212,858	189,010

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 90.

AUDITOR

PKF (East Coast Practice) 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 a resolution of the Board of Directors of Trinity Limited.

Richard Friend
Non-Executive Director

Dated in Brisbane this 31st day of August 2009.

The Board has established a Nomination and Remuneration Committee which, among other things, 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 Brett Heading (Chairman), Mr Richard Friend and Mr Christopher Morton. 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.

The Nomination Committee and the Remuneration Committee combined on 24 November 2008 to form the Nomination and Remuneration Committee

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 2009 were:

Non-Executive Directors

Mr Richard Friend

Former Non-Executive Directors

Mr Keith DeLacy	Resigned 21 August 2009
Mr Anthony Hartnell	Resigned 21 August 2009
Mr Robert Lette	Resigned 10 June 2009

Former Executive Directors

Mr Peter Lewis	Resigned 22 July 2009
Mr Donald O'Rorke	Resigned 10 December 2008

Senior Executives

Mr Craig Bellamy	Chief Executive Officer (appointed 19 July 2009) Chief Financial Officer (appointed 8 January 2009)
Mr David Asplin	Head of Funds Management (appointed 19 July 2009) Head of Distribution Held position of Deputy Chief Executive Officer from 19 July 2009 to 21 August 2009

Key Management Personnel (continued):

Former Senior Executives

Mr Laurence Brindle	Former Chief Executive Officer (appointed 5 February 2009, resigned 19 July 2009)
Mr Steven Leigh	Former Deputy Chief Executive Officer (appointed 5 February 2009, resigned 19 July 2009)
Mrs Tracy Bartley	Company Secretary and Compliance Officer (resigned effective from 28 August 2009)
Mr Wayne Rex	Former Managing Director – Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd) (resigned 27 February 2009)
Mr Benjamin McCarthy	Former Chief Executive Officer (resigned 19 December 2008)
Mr Bruce Baker	Former Head of Property (resigned 19 December 2008)
Ms Kerry Armstrong	Former Chief Financial Officer (resigned 13 November 2008)
Mr Denis Daley	Former Chief Financial Officer (appointed 20 August 2007 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.

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

Fixed remuneration is typically set by reference to the competitive market for executive talent. Fixed remuneration is calculated on a "total cost to the Group" basis, including the cost of employee benefits such as superannuation, motor vehicles and car parking, together with fringe benefits tax applicable to those benefits.

The Group's employment contracts explicitly state that fixed remuneration will be reviewed each year but increases are not guaranteed.

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 and specific executive performance. Even though underlying market conditions have significantly impacted the Group's performance, bonuses have been used as a means of retaining the current executives at a time when the Group has experienced a high turnover of executives.

Given the high turnover of executives in the past financial year the Nomination and Remuneration Committee is currently reviewing the remuneration policy of the Group for the 2010 financial year.

Non-Executive Directors do not receive performance based remuneration.

Termination Benefits

Notice periods and termination benefits as required by law apply to each of the Directors and key management personnel.

In June 2008, the Group established two employee stapled securities schemes. The Trinity Stapled Securities Plan Trust was set up with the plan trustee being Trinity ESOP Pty Ltd, a wholly owned subsidiary of Trinity Limited. While the schemes were established in the 2008 financial year the intention was for them to start operating in the 2009 financial year. Details of the schemes are as follows:

1. Trinity Exempt Employee Stapled Securities Plan – under this plan all current full time and permanent part time employees with 12 months service are eligible to be allocated $1,000 worth of stapled securities each year providing the Group meets the annual EPS target set by the board for that relevant year. The board may decide in August each year whether a grant of exempt securities will be made for that year. For the initial allocation on the 24 October 2008 32 employees were eligible and all securities allocated were acquired on market by the Trust.

Restrictions on disposal of exempt securities

Under the exempt plan employees cannot sell securities until
- a period of three years has elapsed from the date on which the exempt securities were allocated by the plan trustee; or
- the employee is no longer employed by Trinity or its related companies.

2. Trinity Deferred Employee Stapled Securities Plan – a participant in this plan must be a full time or permanent part time employee. Eligible employees can defer on a voluntary basis up to 100% of their potential short term incentive (STI) by electing that the plan trustee acquire stapled securities (deferred STI securities) to the same value. These securities are subject to disposal restrictions but there are no vesting conditions imposed on these deferred STI securities.

   In addition to the above eligible employees may also be awarded stapled securities (deferred reward securities) for no cost. The board may determine the timing and frequency for granting deferred reward securities, the appropriate vesting conditions and the relevant time period over which these vesting conditions are relevant.

   Restrictions on disposal

   Deferred STI securities and vested deferred reward securities will be released from the Plan Trust on the earliest of:
   - the employee submitting a notice of withdrawal and the board approving the release
   - the employee ceasing employment with Trinity or its related companies
   - Trinity being the subject of a takeover offer or change in control proposal
   - ten years after the date the deferred STI securities or vested deferred reward securities were allocated; or
   - the board otherwise decides the deferred STI securities or vested deferred reward securities should be released.

For the 2009 financial year 545,000 deferred STI securities were allocated on the 24 October 2008 and all securities allocated were acquired on market by the Trust.

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	Sign on Fee	Non Monetary Benefits	Super-annuation	Retirement Benefits	Termination Benefits	Incentive Plans	Options and Securities	
Directors	$	$	$	$	$	$	$	$	$	$
Mr Keith De Lacy (resigned 21 August 2009)										
30/6/09	89,449	-	-	-	8,050	-	-	-	-	97,499
30/6/08	71,483	-	-	-	13,517	-	-	-	-	85,000
Mr Richard Friend										
30/6/09	66,514	-	-	-	5,986	-	-	-	-	72,500
30/6/08	45,719	-	-	-	4,115	-	-	-	-	49,834
Mr Anthony Hartnell (resigned 21 August 2009)										
30/6/09	60,000	-	-	-	-	-	-	-	-	60,000
30/6/08	18,333	-	-	-	36,667	-	-	-	-	55,000
Mr Robert Lette (resigned 9 June 2009)										
30/6/09	60,080	-	-	-	5,407	-	-	-	-	65,487
30/6/08	60,000	-	-	-	-	-	-	-	-	60,000
Mr Peter Lewis (resigned 22 July 2009)										
30/6/09	440,691	-	-	8,335	13,745	-	-	-	-	462,771
30/6/08	170,000	-	-	7,548	13,500	-	-	-	-	191,048
Mr Donald O'Rorke (resigned 10 December 2008)										
30/6/09	141,714	-	-	9,210	5,357	-	-	-	-	156,281
30/6/08	96,219	-	-	60,398	8,660	-	-	-	-	165,277
Mr Patrick Corby (resigned 5 September 2007)										
30/6/09	-	-	-	-	-	-	-	-	-	-
30/6/08	9,780	-	-	-	3,970	75,700	-	-	-	89,450
Total Remuneration: Directors										
30/6/09	**858,448**	**-**	**-**	**17,545**	**38,545**	**-**	**-**	**-**	**-**	**914,538**
30/6/08	**471,534**		**-**	**67,946**	**80,429**	**75,700**	**-**	**-**	**-**	**695,609**

Non-Executive Directors remuneration comprises fixed fees determined having regard to the level of responsibility including committee memberships, industry practice and the need to retain appropriately qualified independent persons. Fees for the year ended 30 June 2009 do not contain any non-monetary benefits. Non-Executive Directors are entitled to receive stapled securities as part of their remuneration for the 2008 and 2009 financial years. No securities have yet been purchased by the Group relating to these entitlements.

Remuneration of the former Executive Directors (Mr Peter Lewis and Mr Donald O'Rorke) was determined by the Board. In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility. Mr Lewis was paid in the 2009 financial year an amount of $300,000 in recognition of his years of service as an Executive Director. This was paid upon his resignation as an Executive Director on 5 February 2009.

TRINITY property·investment·knowledge

	Short Term				Post Employment			Long - Term	Share Based Payment	Total	Proportion of remuneration	Value of share based payments
Senior Executives	**Salary & Fees**	**Cash Bonus (D)**	**Sign on Fee**	**Non Monetary Benefits**	**Super-annuation**	**Retire ment Benefits**	**Term-ination Benefits**	**Incentive Plans**	**Options and Securities**		**performance related**	**as proportion of remuneration**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
Mr Craig Bellamy												
30/6/09	125,705	139,000	-	6,107	6,872	-	-	-	-	277,684	50.0%	-
30/6/08	-	-	-	-	-	-	-	-	-	-	-	-
Mr David Asplin												
30/6/09	303,798	473,744	-	-	50,000	-	-	-	73,500 (B)	901,042	60.7%	8.2%
30/6/08	265,325	20,000	-	-	35,822	-	-	-	-	321,147	6.2%	-
Former Senior Executives												
Mr Laurence Brindle												
30/6/09	184,896	-	4,000,000	4,413	4,582	-	-	-	1,194,552 (A)	5,388,443	-	22.2%
30/6/08	-	-	-	-	-	-	-	-	-	-	-	-
Mr Steven Leigh												
30/6/09	204,438	-	3,000,000	5,294	4,582	-	-	-	1,194,552 (A)	4,408,866	-	27.1%
30/6/08	-	-	-	-	-	-	-	-	-	-	-	-
Mrs Tracy Bartley (part time)												
30/6/09	97,360	-	-	-	8,762	-	-	-	954 (B)	107,076	0.9%	0.9%
30/6/08	72,084	2,000	-	-	6,488	-	-	-	-	80,572	2.5%	-
Mr Benjamin McCarthy (C)												
30/6/09	189,200	-	-	7,481	13,745	-	1,050,000	598,819	-	1,859,245	-	-
30/6/08	378,402	-	-	7,476	21,600	-	-	668,877	-	1,076,355	-	-
Ms Kerry Armstrong												
30/6/09	108,019	-	-	5,412	6,250	-	175,000	-	-	294,681	-	-
30/6/08	259,834	15,000	-	7,548	15,000	-	-	-	-	297,382	5.0%	-
Mr Bruce Baker												
30/6/09	225,316	250,000	-	6,385	6,872	-	-	-	183,750 (B)	672,323	64.5%	27.3%
30/6/08	383,567	40,000	-	7,548	16,446	-	-	-	-	447,561	8.9%	-
Mr Wayne Rex												
30/6/09	387,980	-	-	-	6,831	-	171,828	-	-	566,639	-	-
30/6/08	-	-	-	-	-	-	-	-	-	-	-	-
Mr Denis Daley												
30/6/09	-	-	-	-	-	-	-	-	-	-	-	-
30/6/08	195,577	10,000	-	-	10,788	-	-	-	-	216,365	4.6%	-
Total Remuneration: Executives												
30/6/09	**1,826,712**	**862,744**	**7,000,000**	**35,092**	**108,496**	**-**	**1,396,828**	**598,819**	**2,647,308**	**14,475,999**		
30/6/08	**1,554,789**	**87,000**	**-**	**22,572**	**106,144**	**-**	**-**	**668,877**	**-**	**2,439,382**		

Notes in relation to the table of Directors' and Executive Officers' remuneration – audited

A. The fair value of the options was calculated at the grant date using the Black Scholes option-pricing model. The options granted to Laurence Brindle and Steven Leigh vested on the grant date and the fair value of the options has been recognised in this reporting period.
B. These securities have been allocated under the Group's share based payment schemes and have been allotted for a price equal to the VWAP of the securities on the ASX for five trading days prior to the date of allotment.
C. Upon termination of Benjamin McCarthy's contract in December 2008, he was paid an accrued bonus of $2.075 million. $175,000 is being held as security against his outstanding loan due to mature in 2011. This bonus had been accrued in past financial years and disclosed in the remuneration report for those respective years. For further details refer to the service contract section in the remuneration report.
D. Amounts included in remuneration for the financial year represent amounts accrued and paid in the financial year based on the achievement of personal goals and satisfaction of specified performance criteria. Bonuses have also been used as a means of retaining executives at a time when the Group has experienced a high turnover of executives.

Options granted as compensation
Details on options over stapled securities in the Group that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

Former Senior Executives	Number of options granted during 2009	Grant date	Fair value per option at grant date ($)	Exercise price per option (cents)	Expiry date	Number of options vested during 2009
Laurence Brindle	5,000,000	5 February 2009	0.0819	20 cents	30 June 2014	5,000,000
	5,000,000	5 February 2009	0.0795	25 cents	30 June 2014	5,000,000
	5,000,000	5 February 2009	0.0775	30 cents	30 June 2014	5,000,000
Steven Leigh	5,000,000	5 February 2009	0.0819	20 cents	30 June 2014	5,000,000
	5,000,000	5 February 2009	0.0795	25 cents	30 June 2014	5,000,000
	5,000,000	5 February 2009	0.0775	30 cents	30 June 2014	5,000,000

Since the end of the financial year 4.75 million options have been granted at an exercise price of 0.18 cents per option to the newly appointed Managing Director, Mr Christopher Morton. No options have been granted in past financial years. All options were provided at no cost to the recipients.

The options relating to Laurence Brindle and Steven Leigh expire on the earlier of:

(i) if the executive ceases his employment prior to the expiry date due to illness or incapacity then 365 days after the date their employment ceases;
(ii) if the executive ceases his employment prior to the expiry date for any other reason than listed above then 90 days after the date their employment ceases; and
(iii) the expiry date.

Modification of terms of share based payment transactions

No terms of share based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

Exercise of options granted as compensation

No options were exercised during the reporting period.

Analysis of movements in options

The movement during the reporting period, by value, of options over stapled securities in the Group held by each Executive is detailed below.

	Granted in year	Value of options exercised in year	Lapsed in year
Former Senior Executives	**$**	**$**	**$**
Laurence Brindle	1,194,552	-	-
Steven Leigh	1,194,552	-	-
	2,389,104	-	-

(i) The value of the options granted in the year is the fair value of the options calculated at grant date using the Black Scholes option pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

Service contracts

It is the Group's policy that service contracts for key management personnel, excluding the Chief Executive Officer and Deputy Chief Executive Officer, are unlimited in term but capable of termination on 1 months' notice and the Group retains the right to terminate the contract immediately, by making payment equal to 1 months' pay in lieu of notice.

On 21 August 2009 Christopher Morton commenced his role as Managing Director. He will be remunerated for the first three months at the equivalent rate of a Non-Executive Director (approximately $65,000 per annum) and his ongoing package will thereafter be negotiated. A component of Mr Morton's remuneration package includes a grant of 4.75 million options to acquire stapled securities at an exercise price of 18 cents. These options will be escrowed until one year from the commencement of employment and will expire on 30 June 2014.

The key management personnel are entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave.

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account any change in the scope of the role performed by the senior executive.

Mr Craig Bellamy, Chief Executive Officer, has entered into a contract of employment with the Company effective 19 July 2009. The contract specifies the duties and obligations to be fulfilled by the Chief Executive Officer and provides for the Board to review the executive's performance annually or at other intervals agreed between the executive and the Board. The service contract has a completion date of 19 July 2014 and a starting salary package of $400,000.

A summary of the terms of the employment contract are as follows:

(i) The executive is entitled to a short term incentive (STI) up to a maximum of 100% of annual salary after being assessed annually against key performance indicators yet to be set. Half of the STI is to be taken in cash and the other half is to be taken as stapled securities to vest three years after the date of assessment of the STI. A trust arrangement will be established to hold the stapled securities, with the distributions being paid to the executive throughout the three year period before they vest. If the executive ceases employment for any reason prior to the date of vesting he will forfeit any rights to the stapled securities.

(ii) The executive's employment may be terminated by the executive or by the employer at any time by either of them giving to the other not less than two months written notice. If the employer terminates the executive's employment without cause and without providing notice, the employer will then pay to the executive one year's salary.

Former Senior Executives' contracts

Mr Laurence Brindle, Chief Executive Officer until 19 July 2009, had entered into a contract of employment with the Company dated 6 February 2009. The contract specified the duties and obligations to be fulfilled by the Chief Executive Officer and provided that the Board review the executive's performance annually or at other intervals agreed between the executive and the Board. The service contract had a completion date of 1 July 2014.

A summary of the terms of the employment contract are as follows:

(i) Upon execution of the employment agreement the executive received a sign on fee and the grant of options to acquire stapled securities. These were to compensate the executive for any loss suffered on termination of existing employment arrangements and as an inducement to leave existing employment and commence with the Group.
(ii) The executive was entitled to an annual performance bonus based on achievement of key performance indicators set by the Board and executive. The bonus was to be awarded after the announcement of the annual financial results for the Group in 2010 and then in each year until 2014 and paid in the form of stapled securities. A maximum of 3.0 million stapled securities on a cumulative basis could be issued in each review period, with an aggregate cumulative maximum limit for the term of the service contract being 10.0 million stapled securities. No bonus was awarded during the term of the executive's employment.
(iii) The executive's employment could be terminated by either the executive or the employer at any time, by either of them giving to the other not less than 60 days' written notice unless there is misconduct.

Mr Steven Leigh, Deputy Chief Executive Officer until 19 July 2009, had entered into a contract of employment with the Company dated 6 February 2009. The contract specified the duties and obligations to be fulfilled by the Deputy Chief Executive Officer and provided that the Board review the executive's performance annually or at other intervals agreed between the executive and the Board. The service contract has a completion date of 1 July 2014.

A summary of the terms of the employment contract are as follows:

(i) Upon execution of the employment agreement the executive received a sign on fee and the grant of options to acquire stapled securities. These were to compensate the executive for any loss suffered on termination of existing employment arrangements and as an inducement to leave existing employment and commence with the Group.
(ii) The executive was entitled to an annual performance bonus based on achievement of key performance indicators set by the Board and executive. The bonus was to be awarded after the announcement of the annual financial results for the Group in 2010 and then in each year until 2014 and paid in the form of stapled securities. A maximum of 3.0 million stapled securities on a cumulative basis could be issued in each review period, with an aggregate cumulative maximum limit for the term of the service contract being 10.0 million stapled securities. No bonus was awarded during the term of the executive's employment.
(iii) The executive's employment could be terminated by either the executive or the employer at any time, by either of them giving to the other not less than 60 days' written notice unless there is misconduct.

Mr Benjamin McCarthy, Chief Executive Officer until 19 December 2008, had entered into a contract of employment dated 28 October 2004 with the Group. As per the terms of his employment contract he was paid the following upon termination of his employment:

(i) an amount equal to 1.5 times the executive's salary at the time
(ii) an accrued performance bonus of $2.25 million less an amount of $175,000 held as security against the loan given to the executive by the employer
(iii) three months salary

As per the original terms and conditions of his Employment Contract and Subscription Deed a deferred bonus was accrued each year by the Group but not paid and held as security against a loan advanced to him to acquire stapled securities at an issue price of $1.00. A total of 2.25 million securities were issued during the term of his employment. Upon termination of his employment the deferred bonus of $2.075 million was paid and the remaining $175 thousand was held as security against the outstanding loan. A Deed of Variation and acknowledgement entered into upon his termination, varied the terms of his original Employment Contract such that the loan was no longer repayable upon cessation of his employment and the loan became a limited recourse loan.

Under the Deed of Variation and Acknowledgment entered into, the executive must repay the loan amount and outstanding interest on or before the final loan repayment date being 1 July 2011 by transferring cleared funds to the Group or transferring the issued stapled securities free of encumbrances to Trinity Funds Management Limited, a wholly owned subsidiary or its nominated party. Until repayment of the loan the executive is unable to sell, transfer, or otherwise dispose, or agree or offer to sell, transfer or otherwise dispose of the stapled securities held.

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 2008	Purchases/ (Sales)	Employee Stapled Securities Plans	Dividend reinvestment plan	Other*	Held at 30 June 2009
Mr K De Lacy	126,378	300,000	-	-	-	426,378
Mr P Lewis	5,500,000	800,000	-	-	-	6,300,000
Mr R Lette	173,929	200,000	-	-	(373,929)	-
Mr D O'Rorke	25,356,969	-	-	-	(25,356,969)	-
Mr R Friend	9,000	71,500	-	-	-	80,500
Mr A Hartnell	17,401	492,800	-	-	-	510,201

* No longer Directors at balance date.

Senior Executives	Held at 1 July 2008	Purchases/ (Sales)	Employee Stapled Securities Plans	Dividend reinvestment plan	Other*	Held at 30 June 2009
Mr C Bellamy	-	35,000	-	-	-	35,000
Mr D Asplin	-	150,000	150,000	-	-	300,000
Former Senior Executives						
Mr L Brindle	-	-	-	-	-	-
Mr S Leigh	-	-	-	-	-	-
Mrs T Bartley **	5,500	-	1,947	-	-	7,447
Mr B McCarthy	4,126,507	704,521	-	-	(4,831,028)	-
Ms K Armstrong	60,080	-	-	-	(60,080)	-
Mr W Rex	-	-	-	-	-	-
Mr B Baker	-	-	375,000	-	(375,000)	-

* No longer Senior Executives at balance date.
** Tracy Bartley resigned effective 28 August 2009

Loans and other transactions with Directors and key management personnel are disclosed in full at Note 27 of the 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 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 which includes further detail on those matters reserved for the Board are located on the Group's website (www.trinity.com.au).

The Board of Trinity Limited and Trinity Funds Management Limited (the "Responsible Entity") currently 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 Managing Director, 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;
- Due Diligence Committee;
- Nomination and Remuneration Committee;
- Investors Advisory Board; and
- Until recently the Property Governance Committee which was disbanded effective from 5 August 2009.

The Compliance, Audit and Risk Management Committee, Nomination and Remuneration Committee and Investors Advisory Board 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, Managing Director and Chief Executive Officer. Standing items include both the Managing Director's and Chief Executive Officer's report, fund reports, 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, through management, inform 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.

Board evaluation
An internal review of the effectiveness of the Board, its committees and its members has been 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 and its performance, executive management and their performance. In addition the review considered board processes, corporate governance and strategic planning.

Further, the performance of senior management (other than the Managing Director and Chief Executive Officer) is reviewed by either the Managing Director or Chief Executive Officer and the Managing Director's and Chief Executive Officer's performance is reviewed by the Board. The performance review of the key management personnel for the 2008 financial year was undertaken in September and October 2008 in accordance with these processes. The performance review of the former Chief Executive Officer Benjamin McCarthy was in progress when he resigned in December 2008.

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 pages 1 to 3 of this report.

The composition of the Board is determined using the following principles:
- a minimum of three 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 Independent Non-Executive 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

The Board currently has two Independent Non-Executive Directors and a Managing Director.

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.

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. Currently the committee has two Independent Non-Executive Directors and an external Independent Non-Executive Committee Member. 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 and up to the date of this report were:

Compliance, Audit and Risk Management Committee (continued)

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

Mr Brett Heading – Independent Non-Executive Director appointed a member of the committee on 21 August 2009
BCom LLB (Hons)

Mr Keith De Lacy - Independent Non-Executive Director resigned as a member of the committee on 21 August 2009
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, other Directors the Managing Director, Chief Executive Officer and Chief Financial Officer are invited to Compliance, Audit and Risk Management Committee meetings at the discretion of the Committee. The Committee met eight times during the year and the committee members' attendance record is disclosed in the table of Directors' meetings.

For the 2009 financial year the Chief Executive Officer and the Chief Financial Officer will declare in writing to the Board that the financial records of the Group have been properly maintained, the Group's financial reports for the year ended 30 June 2009 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 and for subsequent years the Managing Director, Chief Executive Officer and Chief Financial Officer will declare in writing to the Board that the financial records of the Group have been properly maintained.

The external auditor met with the Compliance, Audit and Risk Management Committee five 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;
- establishing procedures for selecting, appointing and, if necessary, removing the external auditor;
- 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 oversight 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 License, 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.

The Group is committed to proper identification and effective management of risk. The Group's risk management systems are designed to ensure that decisions made enhance long-term shareholder value and that any calculated risks taken are considered by the Board.

Management, through the Managing Director, Chief Executive Officer or Chief Financial Officer, report to both the Compliance, Audit and Risk Management Committee and the Board quarterly or more frequently if necessary on the company's key risks and how they are being managed.

The Compliance, Audit and Risk Management Committee on behalf of the Board reviews the Group's risk management systems annually to ensure that management has developed and implemented a sound system of risk management and internal control. Internal controls are reviewed by our external auditors as part of the Group's full year reporting to the market.

Management has established and implemented the risk management system for assessing, monitoring and managing operational, financial reporting and compliance risks for the Group. For the 2009 financial year the Chief Executive Officer has provided assurance in writing to the Board, that the financial reporting and operational risk management and associated internal controls have been assessed and found to be operating effectively. 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 on the status of notified risks.

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.

These risks are not an exhaustive list but are provided to enable investors to better understand the risks the Group is faced with.

A detailed compliance plan also exists for registered Managed Investment Schemes to ensure compliance with all legislative and regulatory obligations. Compliance with the compliance plan is reported on a quarterly basis to the Compliance Audit and Risk Management Committee and is reviewed annually by external auditors.

OH&S and treasury risks are also considered by executive management and reported to the Board on a regular basis.

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.

Compliance, Audit and Risk Management Committee (continued)

Risk Management Plan (continued)

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 28 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.

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.

As part of achieving Financial Reporting Accuracy and Compliance with the Financial Reporting Regulatory Framework, the Board requires the Managing Director, 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 2009 financial year. Forecasts are updated monthly based on actual results and are reported to the Board.

Nomination and Remuneration Committee
The Nomination Committee and the Remuneration Committee combined on 24 November 2008 to form the Nomination and Remuneration Committee. The Nomination and Remuneration 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 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 Committee during the year and up to the date of this report were:

Mr Brett Heading – Independent Non-Executive Director appointed Chairman of the committee on 21 August 2009

Mr Richard John Friend – Independent Non-Executive Director appointed committee member 23 June 2009

Mr Christopher Morton – Managing Director appointed committee member on 21 August 2009

Mr Peter Lewis – Non- Executive Director resigned as Chairman of the Committee on 3 June 2009

Mr Keith De Lacy - Independent Non-Executive Director appointed Chairman of the Committee on 3 June 2009 and resigned on 21 August 2009

Mr Tony Hartnell – Independent Non-Executive Director appointed committee member 22 June 2009 and resigned on 21 August 2009

Mr Donald O'Rorke – Executive Director Resigned 10 December 2008

The Committee also 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.

Nomination and Remuneration Committee (continued)

The Nomination and Remuneration 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 and Remuneration 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.

The Managing Director and Chief Executive Officer are invited to the Nomination and Remuneration Committee meetings, as required, to discuss senior executives' performance and remuneration packages but do not attend meetings involving matters pertaining to them.

Remuneration report
The remuneration report is set out on pages 11 to 19.

Property Governance Committee
The purpose of the Property Governance Committee was 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 was 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 and up to the date of this report were:

Mr Peter Lewis – Non-Executive Director resigned as Chairman of the Committee on 26 May 2009

Mr Richard Friend – Independent Non-Executive Director appointed as Chairman of the Committee on 26 May 2009

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 resigned as a member of the committee on 19 December 2008

Just prior to the release of this report the Board resolved to disband the Property Governance Committee.

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 and up to the date of this report were:

Mr Robert Lette – Independent Non-Executive Director resigned as Chairman of the Committee on 9 June 2009

Mr Peter Lewis – Non-Executive Director resigned as a member of the committee on 25 February 2009

Mr Richard Friend – Independent Non-Executive Director appointed Chairman of the Committee on 10 June 2009

Mr Jim Kruger – Independent Non-Executive Committee member appointed 6 January 2009

The Due Diligence Committee meets as required.

Investors Advisory Board
The mandate and charter for the Investors Advisory Board (IAB) states that the IAB represents external investors in the unlisted funds and in that capacity makes recommendations to the Responsible Entity in connection with Trinity's entity allocation process, fund mandate, investor reporting and communications. The entity allocation process was used by Trinity to determine which fund is best suited to a property. . Whilst the Responsible Entity may consider these recommendations, any decisions made were decisions of the Directors of the Responsible Entity.

Investors Advisory Board (continued)

On 24 August, Trinity Funds Management received correspondence from the members of the IAB advising of their resignation, citing the need for increased independence from Trinity Funds Management (given the IAB was a sub committee of the Board of the Responsible Entity) as the unlisted investors group further explores the possibility of an independent tender process. The members of the Investors Advisory Board for the year were:

Mr Peter Lewis – Non-Executive Director, resigned as Chairman of the Investors Advisory Board on 23 February 2009

Mr Craig Stevens – CEO Austsafe, Independent Non-Executive Committee Member appointed Chairman 23 February 2009 resigned 24 August 2009

Mr Kevin Hogan – Investment Officer Catholic Super, Independent Non-Executive Committee Member resigned 24 September 2008

Mr John Coombe – Head of Consulting – Sydney and Executive Director Jana on behalf of Intrust, Independent Non-Executive Committee Member resigned 24 August 2009

Mr Greg Cantor – CEO Catholic Super & Retirement Fund – Independent Non-Executive Member appointed 24 September 2008 resigned 24 August 2009

Ms Megan Chan – Portfolio Manager – SunSuper Pty Ltd, Independent Non-Executive Committee Member appointed 7 October 2008 resigned 24 August 2009

The IAB met at least quarterly or when requested by any member.

The Board's intention is to disband the IAB at the next Board meeting.

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 27.

Code of conduct
The Group expects Directors, senior management and employees to act in accordance with the conduct requirements. 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 Managing Director, Chief Executive Officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board. The Managing Director and Chief Executive Officer are 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.

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 and consists of a majority of independent Directors. The Compliance, Audit and Risk Management Committee currently 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 currently the Parent only has two Independent Directors and a Managing Director and considers that requiring three Independent Directors to serve on the committee would prove too onerous at this stage.

TRINITY property·investment·knowledge

TRINITY GROUP
INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Revenue and other income from continuing activities					
Revenue from property rental		18,538	17,120	-	-
Revenue from rendering of services		11,120	20,713	-	-
Revenue from property development		17,271	4,841	-	-
Finance income	6	1,712	5,309	1,453	2,548
Other revenues and other income		1,691	1,760	5,560	-
Total revenue and other income from continuing activities	4	50,332	49,743	7,013	2,548
Other expenses from continuing activities excluding finance costs	5	(91,187)	(19,337)	(14,391)	(444)
Fair value movements in investment properties	16	(45,637)	(1,138)	-	-
Impairment of inventory	11	(21,441)	-	-	-
Impairment of investments	25	-	-	(46,988)	-
Impairment of intangibles	18	(46,938)	-	-	-
Net changes in fair value of derivative financial instruments		(5,827)	-	(284)	-
(Loss)/profit from continuing activities before tax, finance costs and equity accounted associates		(160,698)	29,268	(54,650)	2,104
Finance costs	6	(12,843)	(7,913)	(8,149)	(7,480)
Share of net (loss)/ profit of equity accounted associates	14	(53,947)	15,399	-	-
(Loss)/profit before income tax		(227,488)	36,754	(62,799)	(5,376)
Income tax benefit/(expense)	9	1,597	(2,233)	2,900	1,697
(Loss)/profit for the year		(225,891)	34,521	(59,899)	(3,679)
Attributable to:					
Members of the parent		(69,656)	11,466	(59,899)	(3,679)
Unitholders of the Trust as minority interest		(156,087)	23,055	-	-
Minority interest		(148)	-	-	-
(Loss)/profit for the year		(225,891)	34,521	(59,899)	(3,679)
Basic (loss)/earnings per stapled security (cents)	7	(97.5)	15.2	-	-
Diluted (loss)/earnings per stapled security (cents)	7	(97.5)	14.9	-	-
Distributions per security (cents)	22	-	9.3	-	-
Dividend per security (cents)	22	-	2.4	-	2.4

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

TRINITY GROUP
BALANCE SHEETS
AS AT 30 JUNE 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Current assets					
Cash and cash equivalents	**33**	20,181	26,501	716	408
Trade and other receivables	**10**	17,050	56,063	4,926	19,060
Inventory	**11**	-	11,192	-	-
Current tax receivable		101	48	101	48
Assets held for sale	**13**	45,400	1,463	-	-
Other assets	**12**	468	437	71	-
Total current assets		83,200	95,704	5,814	19,516
Non-current assets					
Trade and other receivables	**10**	1,262	3,643	10,460	8,961
Equity accounted investments	**14**	59,297	117,009	-	-
Investments in controlled entities	**25**	-	-	10,352	57,340
Investments	**15**	698	705	-	-
Investment properties	**16**	139,380	245,404	-	-
Inventory	**11**	35,595	37,424	-	-
Property, plant and equipment	**17**	361	888	-	-
Intangible assets	**18**	9,650	56,640	-	-
Derivative financial instruments		186	-	-	-
Deferred tax assets	**9**	-	-	7,086	969
Other assets	**12**	380	430	-	-
Total non-current assets		246,809	462,143	27,898	67,270
Total assets		330,009	557,847	33,712	86,786
Current liabilities					
Trade and other payables	**19**	17,021	21,747	4,366	584
Interest bearing loans and borrowings	**20**	26,413	38,863	-	-
Derivative financial instruments		2,433	-	-	-
Distributions payable	**22**	-	8,876	-	-
Provisions	**21**	203	200	32	-
Total current liabilities		46,070	69,686	4,398	584
Non-current liabilities					
Trade and other payables	**19**	8,077	465	-	-
Interest bearing loans and borrowings	**20**	176,410	164,492	58,761	50,633
Derivative financial instruments		1,224	-	-	-
Provisions	**21**	30	17	-	-
Net deferred tax liabilities	**9**	-	1,602	-	-
Total non-current liabilities		185,741	166,576	58,761	50,633
Total liabilities		231,811	236,262	63,159	51,217
Net assets/(liabilities)		98,198	321,585	(29,447)	35,569

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

		Consolidated		Parent	
		2009	2008	2009	2008
	Notes	$'000	$'000	$'000	$'000
Equity					
Equity attributable to members of the Company					
Contributed equity	**23**	44,329	44,201	44,329	44,201
Reserves	**24**	393	-	393	-
(Accumulated losses) /retained profits		(51,839)	23,260	(74,169)	(8,632)
		(7,117)	67,461	(29,447)	35,569
Equity attributable to unitholders of the Trust (as minority interest)					
Contributed equity	**23**	259,781	259,158	-	-
Reserves	**24**	5,282	(1,476)	-	-
(Deficiency)/undistributed profits		(159,796)	(3,709)	-	-
		105,267	253,973	-	-
Minority interest		48	151	-	-
Total equity/(deficiency)		98,198	321,585	(29,447)	35,569

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		38,454	41,439	2,130	-
Cash payments in the course of operations		(34,322)	(23,138)	(4,400)	(423)
Interest received		2,128	2,445	802	1,552
Interest and finance costs paid		(12,125)	(8,355)	(1)	-
Income taxes paid		(58)	(835)	(58)	(318)
Net cash from operating activities	**33(b)**	(5,923)	11,556	(1,527)	811
Cash flows from investing activities					
Payments for investment properties and assets held for sale		(19,811)	(87,918)	-	-
Proceeds from sale of investment properties and assets held for sale		22,175	22,858	-	-
Payments for capitalised development costs		(8,606)	(26,232)	-	-
Proceeds from sale of inventory		6,986	-	-	-
Payments for property, plant and equipment		(148)	(459)	-	-
Payments for equity accounted investments		(11,199)	(11,574)	-	-
Proceeds from sale of equity accounted investments		10,713	-	-	-
Payments for investments		(295)	(300)	-	-
Proceeds from sale of financial assets		2,000	-	-	-
Loans repaid by/(advanced to) controlled entities		-	-	4,778	(4,072)
Loans advanced to related entities		(1,318)	(3,151)	-	(3,142)
Loans repaid by related entities		1,162	-	2,500	
Loans repaid by/(advanced to) external entities		15,792	(13,075)	-	-
Minority interests		-	158	-	-
Distributions received		6,839	1,901	-	-
Net cash from investing activities		24,290	(117,792)	7,278	(7,214)
Cash flows from financing activities					
Proceeds from equity raising		-	41,937	-	6,962
Transaction costs from issue of securities		-	(1,540)	-	(231)
Purchase of own shares		(611)	-	-	-
Proceeds from borrowings		40,503	106,513	-	-
Repayment of borrowings		(51,146)	(314)	-	-
Payments for derivative financial instruments		(384)	-	-	-
Payments for loan establishment costs		-	(707)	-	-
Distributions/dividends paid		(14,319)	(20,081)	(5,443)	-
Net cash from financing activities		(25,957)	125,808	(5,443)	6,731
Net (decrease)/increase in cash and cash equivalents		(7,590)	19,572	308	328
Net foreign exchange differences		1,270	212	-	-
Cash and cash equivalents at beginning of the year		26,501	6,717	408	80
Cash and cash equivalents at the end of the year	**33(a)**	20,181	26,501	716	408

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

CONSOLIDATED	Attributable to members of the company				Attributable to unitholders of the Trust (as minority interest)					
	Contributed equity	**Reserves**	*(Accumulated losses)/ Retained profits*	*Total*	*Contributed equity*	**Reserves**	*(Accumulated losses)/ Retained profits*	*Total*	*External minority interest*	*Total equity*
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2008	44,201	-	23,260	67,461	259,158	(1,476)	(3,709)	253,973	151	321,585
Losses for the year attributable to members of the Company	-	-	(69,656)	(69,656)	-	-	-	-	-	(69,656)
Losses for the year attributable to unitholders of Trust	-	-	-	-	-	-	(156,087)	(156,087)	(148)	(156,235)
Exchange differences on translation of foreign operations	-	-	-	-	-	4,072	-	4,072	45	4,117
Net change in fair value of available for sale financial assets	-	-	-	-	-	1,003	-	1,003	-	1,003
Total income / (expense) for the year attributable to members	-	-	(69,656)	(69,656)	-	5,075	(156,087)	(151,012)	(103)	(220,771)
Issue of share capital	128	-	-	128	-	-	-	-	-	128
Issue of units	-	-	-	-	623	-	-	623	-	623
Movement in employee share based payment option and securities reserve	-	393	-	393	-	1,683	-	1,683	-	2,076
Dividends to unitholders	-	-	(5,443)	(5,443)	-	-	-	-	-	(5,443)
Total changes in equity as a result of transactions with members as members	128	393	(5,443)	(4,922)	623	1,683	-	2,306	-	(2,616)
At 30 June 2009	44,329	393	(51,839)	(7,117)	259,781	5,282	(159,796)	105,267	48	98,198

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

CONSOLIDATED	*Attributable to members of the company*			*Attributable to unitholders of the Trust (as minority interest)*					
	Contributed equity	***Retained profits***	***Total***	***Contributed equity***	**Reserves**	***Retained profits***	***Total***	***External minority interest***	***Total equity***
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2007	37,343	11,794	49,137	220,353	-	(5,186)	215,167	-	264,304
Profit/(loss) for the year attributable to shareholders	-	11,466	11,466	-	-	-	-	-	11,466
Earnings for the year attributable to unitholders	-	-	-	-	-	23,055	23,055	-	23,055
Exchange differences on translation of foreign operations	-	-	-	-	(473)	-	(473)	-	(473)
Net change in fair value of available for sale financial assets	-	-	-	-	(1,003)	-	(1,003)	-	(1,003)
Total income / (expense) for the year attributable to members	-	11,466	11,466	-	(1,476)	23,055	21,579	-	33,045
Issue of share capital	7,089	-	7,089	-	-	-	-	-	7,089
Issue of units	-	-	-	40,114	-	-	40,114	-	40,114
Transaction costs:									
Share issue	(231)	-	(231)	-	-	-	-	-	(231)
Unit issue	-	-	-	(1,309)	-	-	(1,309)	-	(1,309)
Distributions to unitholders	-	-	-	-	-	(21,578)	(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	-	6,858	38,805	-	(21,578)	17,227	151	24,236
At 30 June 2008	44,201	23,260	67,461	259,158	(1,476)	(3,709)	253,973	151	321,585

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

PARENT	*Contributed equity*	*Reserves*	*(Accumulated losses)/Retained profits*	*Total*
	$'000	**$'000**	**$'000**	**$'000**
At 1 July 2008	44,201	-	(8,632)	35,569
Prior year adjustment	-	-	(195)	(195)
Loss for the year attributable to shareholders	-	-	(59,899)	(59,899)
Total expense for the year attributable to shareholders	-	-	(59,899)	(59,899)
Issue of share capital	128	-	-	128
Movement in employee share based payment option and securities reserve	-	393	-	393
Dividends to unitholders	-	-	(5,443)	(5,443)
Total changes in equity as a result of transactions with shareholders as shareholders	128	393	(5,443)	(4,922)
At 30 June 2009	44,329	393	(74,169)	(29,447)

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

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

1.Statement 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. Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2009, the Group and the Company incurred losses of $225.9 million and $59.9 million respectively, and had net cash outflows from operating activities of $5.9 million and $1.5 million respectively. After excluding Group non recurring and non cash income and expenditure of $229.8 million (Company $57.6 million), the Group earned an adjusted net profit of $3.9 million and the Company incurred an adjusted net loss of $2.3 million for the year ended 30 June 2009.

Consolidated Entity
As announced to the Australian Stock Exchange on 31 July 2009, the Investors Advisory Board (IAB) advised the Group that is was to commence the investigation to determine the process that was required to put the management of Trinity Property Trust, Trinity Enhanced Return Fund, Trinity Opportunistic Property Fund No.1, Trinity Development Group and Trinity Land Group, out to tender. The IAB represents external investors in the unlisted funds that the Group manages. The Group has been advised by the IAB that should the tender process be undertaken, the Group will be invited to tender for the continued management of these Trusts. No time frame has been established for this process.

As a consequence of this announcement and the potential tender process, there is a potential risk that Trinity Funds Management Limited will not be retained as manager of these funds. In the absence of new funds under management, the loss of management of these funds will impact the Group's funds management business, the carrying value of Goodwill associated with the funds management business and profitability. Despite this uncertainty, the Directors believe the going concern basis of preparation of the Group financial report is appropriate for the following reasons:

a) Current assets exceed current liabilities at 30 June 2009;
b) The Group has positive net tangible assets at 30 June 2009; and
c) Forecast cashflows of the Group exclusive of the Funds Management business are positive.

In the event that the group does not retain the management rights for the funds, the Directors believe that the associated operational costs of the business can be reduced without any impact on the ability of the group to continue as a going concern.

The Group's forecast cash flows include the disposal of certain investment properties and the application of these sale proceeds to the repayment of loan facilities. The related loans are not required to be settled within the next twelve months from the balance date, however the sale of the properties and the repayment of the loans is necessary to achieve the reduction in the loan to value ratio (LVR) at the dates set out in the renegotiated loan facilities (refer Note 20). The Directors believe that these property sales and the reduction in the LVR can be achieved within the timeframes envisaged in the cash flow forecasts.

Parent Entity
The financial statements of the Company as at 30 June 2009 show a deficiency in net assets of $29.4 million. The Directors believe the going concern concept for the Company is appropriate for the following reasons:

a) Trinity Limited's current assets exceed current liabilities as at 30 June 2009;
b) Trinity Limited has a loan with Trinity Stapled Trust of $58.7 million. Under the provisions of the Stapling Deed dated 14 October 2004, Trinity Limited will only be required to repay this loan on demand upon the unstapling of Trinity Limited and Trinity Stapled Trust. The Directors advise that there is no current intention to unstaple Trinity Limited and Trinity Stapled Trust.

The Directors are confident that the Group and the Company will be able to generate sufficient cash flows from operating activities to fund ongoing working capital needs for at least a period of twelve months for the date of signature of the Directors' report.

1. Statement of significant accounting policies (continued)

b. 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 the following:

- derivative financial instruments are measured at fair value
- available for sale assets are measured at fair value less cost of sales
- investment properties are measured at fair value
- inventory is measured at lower of cost or net realisable value
- employee share based payments arrangements are measured at fair value

The methods used to measure fair values are discussed further in Note 2.

The financial report is presented in Australian Dollars.

c. 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 2009 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those 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 10% 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.

1. Statement of significant accounting policies (continued)

d. Revenue recognition

Property 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 the Group 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.

Property development revenue includes recovery of estimated losses from project partners in accordance with contractual arrangements.

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.

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.

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.

1. Statement of significant accounting policies (continued)

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

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the differences relating to investments in subsidiaries to the extent that it is probable that it will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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. These deferred tax assets are only recognised to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

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.

h. Goods and services tax

Revenue, 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.

1. Statement of significant accounting policies (continued)

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.

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

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

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.

1. Statement of significant accounting policies (continued)

m. Intangible assets (continued)

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 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 there 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 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.

q. Investments and other financial assets

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non current assets. Loans and receivables are included in trade and other receivables in the Balance Sheet.

Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at each balance date whether there is objective evidence that a financial asset is impaired.

r. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognised initially at fair value and attributable transactions costs are recognised in the Income Statement when incurred. Subsequent to initial recognition any changes in fair value at each balance date are recognised in the Income Statement.

1. Statement of significant accounting policies (continued)

s. 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.

t. 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.

(iii) *Share based payments*

The fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of security options for which the related service and non marketing vesting conditions are met.

Under the employee share scheme securities issued by the Trinity Stapled Securities Plan Trust to employees for no cash consideration vest immediately on grant date. On this date the fair value of the securities granted to employees is recognised as an employee expense, with a corresponding increase in equity.

(iv) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees.

u. 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.

1. Statement of significant accounting policies (continued)

v. 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.

w. Segment Information

A segment is a distinguishable component of the Group that is engaged in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group’s business and geographical segments. The Group’s primary format for segment reporting is based on business segments. The business segments are determined based on the Group’s management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

x. 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.

(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.

1. Statement of significant accounting policies (continued)

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

Estimates of fair value of investment properties (continued)

Assumptions underlying management's estimates of fair value

The Australian market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced. Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged. The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at balance date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

Allowances for Project Partner Contributions

Project Partners share profits and losses in accordance with their project partner agreements. In the event of losses, project partners are required to reimburse the project for their share of any loss. Trinity Development Group Pty Limited (TD) has guaranteed the performance of project partners to the Trinity Land Group. In the event of default by a project partner TD will reimburse the project for the project partner's loss and will then seek recovery from the project partner in accordance with contractual arrangements. Allowances are made against these recoveries where the project partner has insufficient forecast profit share in remaining projects to offset forecast losses. Potential losses arising under the guarantee are brought to account when identified but TD is only required to settle any loss upon the realisation of development losses for the Fund and after project partner default.

Forecast profit share and losses are estimates based on the most recent feasibilities and information. As the outcome of land projects are subject to various factors outside the control of the Group such as economic conditions, estimates for these allowances may be subject to future fluctuation.

y. 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.

z. 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.

aa. Assets held for sale

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

bb. 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 2009 financial year, the Group did not have any financial guarantee contracts that required to be recognised in the financial statements (2008: nil).

1. Statement of significant accounting policies (continued)

cc. 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 2009, but have not been applied in preparing these financial statements:

(i) Revised AASB 101 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. 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.

(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. Therefore there will be no impact on prior periods in the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on future earnings.

(iii) Revised AASB 3 *Business Combinations (2008)* incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in the Income Statement
- Transaction costs, other than share and debt issue costs, will be expensed as incurred
- Any pre existing interest in the acquire will be measured at fair value with the gain and loss recognised in the Income Statement
- Any non controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of theacquiree, on a transaction by transaction basis.

Revised AASB3, which becomes mandatory for the Group's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

(iv) Revised AASB 127 *Consolidated and Separate Financial Statements (2008)* requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in the income statement. The amendments to AASB127, which become mandatory for the Group's 30 June 2010 financial statements are not expected to have a significant impact on the consolidated financial statements.

(v) AASB 2008-5 Amendments to Australian Accounting Standards arising from the *Annual Improvements Process* and 2008-6 Further Amendments to Australian Accounting Standards arising from the *Annual Improvements Process* affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of these improvements on the financial statements.

(vi) AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an *Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement of dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of these improvements on the financial statements.

1. Statement of significant accounting policies (continued)

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

(vii) AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments*: Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non vesting conditions, requires non vesting conditions to be reflected in grant date fair value and provides the accounting treatment for non vesting conditions and cancellations. The amendments to AASB2 will be mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential affect of the amendment.

(viii) AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Group's decision makers in order to assess each segment's performance and to allocate resources to them. The amendments to the AASB 8 are not expected to have a significant impact on the Group's consolidated financial statements.

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.

(ii) Investment properties

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.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cashflows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

(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 an impairment provision is assumed to approximate their fair values due to their short term nature. The fair value of other non-current receivables is estimated as the present value of future cash flows, discounted at the market rate of interest.

2. Determination of fair values(continued)

(v) Derivatives

The fair value of interest rate swaps is based on broker quotes and these can be tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(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.

(vii) Share based payment transactions

The fair value of employee security options is measured using the Black-Scholes model. Measurement inputs include security price on measurement date, exercise price of the options, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the option and expected distributions.

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 Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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.

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 or 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.

3. Financial risk management (continued)

Trade and other receivables(continued)

The major concentration of credit risk in 2009 arose from the Group's involvement in development. In its dealings with Project Partners the Group was unable to secure amounts owing due to forecast project profits not being available.

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.

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, under both normal and stressed conditions, 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 ensuring a minimum of 50 percent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps.

(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 Japanese subsidiary's financial statements are only denominated in Yen. 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.

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 net interest bearing liabilities divided by tangible assets (less cash).

The gearing ratios at 30 June 2009 and 30 June 2008 were 60.8% and 37.2% excluding cash.

From time to time the Group purchases its own securities on market; the timing of these purchases depends on market prices and on anticipated awards under the newly established Employee Stapled Securities Plans. Primarily the securities are intended to be used for issuing securities under the Group's share based payment schemes.

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

	Notes	Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
Revenue		**$'000**	**$'000**	**$'000**	**$'000**
Rent (including outgoings recovered)		18,538	17,120	-	-
Rendering of services – responsible entity fees		5,315	5,060	-	-
Rendering of services – property management		1,227	1,195	-	-
*Rendering of services – project/performance fees		(2,536)	5,321	-	-
Rendering of services – development management		6,007	8,297	-	-
Rendering of services - other		1,107	840	-	-
Property development	**1(d)**	17,271	4,841	-	-
		46,929	42,674	-	-
Other revenue					
Dividends/distributions		-	-	5,560	-
Interest		1,712	5,309	1,453	2,548
Other revenue		1,691	121	-	-
		3,403	5,430	7,013	2,548
Other income					
Gain on disposal of investment properties		-	1,639	-	-
Total revenue and other income from continuing activities		50,332	49,743	7,013	2,548

* Project and performance fees recognised in past financial years have been reversed in this financial year.

Interest from related parties included in total interest revenue:					
Trinity Funds Management Limited	**27**	-	-	664	664
Lytton Road Project Pty Ltd	**27**	-	-	713	-
Trinity Development Group	**27**	298	598	-	-
Trinity Land Group	**27**	140	837	-	-
Trinity Opportunistic Property Fund No 1	**27**	-	141	-	-
		438	1,576	1,377	664

Note 5 Other expenses from continuing activities

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Classified by nature					
Accounting and audit		294	259	88	117
Property related costs		4,006	3,418	-	-
Employee related expenses (a)		21,121	9,045	4,543	-
Rent		735	360	88	-
Depreciation and amortisation		276	356		-
Consultancy and legal fees		2,509	1,116	278	-
Property development expenses (b)		12,790	-	-	-
Project performance guarantee expense	**1(x)**	10,283	-	-	-
Doubtful debts – trade and other receivables (c)		1,862	8	5,814	-
Project partners doubtful debts		19,786	-	-	-
Other project doubtful debts		236	-	-	-
Project investigation costs		1,664	1,266	-	-
Management and administration expenses		5,192	3,509	3,580	327
Loss on sale property, plant and equipment		417	-	-	-
Loss on sale of investment properties		7,895	-	-	-
Loss on sale of equity accounted investments		2,121	-	-	-
Total expenses from continuing activities		91,187	19,337	14,391	444

(a) During the 2009 financial year the parent Trinity Limited became an employer.
(b) Property development expenses includes share of losses associated with various development projects.
(c) As at 30 June 2009, Trinity Limited impaired various loans due by subsidiaries. Based on the underlying net asset value of these entities it is not probable that Trinity Limited will recover the full amount.

Note 6 Finance income and expense

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Finance income					
Bank deposits		953	808	10	16
Loans and receivables		759	4,501	1,443	2,532
Finance income		1,712	5,309	1,453	2,548
Finance expenses					
Interest paid and payable to third parties		(15,917)	(9,797)	-	-
Amortisation of finance costs		(354)	(321)	-	-
Interest paid to related entities:					
Trinity Stapled Trust	**27**	-	-	(8,149)	(7,480)
Trinity Development Group		(106)	-	-	-
Less: Interest capitalised to property developments included in inventory		3,534	2,205	-	-
Finance expenses		(12,843)	(7,913)	(8,149)	(7,480)
Net finance income / (expense)		(11,131)	(2,604)	(6,696)	(4,932)

Note 7 Earnings per stapled security

	Consolidated 2009 $'000	Earnings per Security cents	Consolidated 2008 $'000	Earnings per Security cents
Net (loss)/profit after tax attributable to Securityholders	(225,891)		34,521	
	Number of securities '000		**Number of securities '000**	
Total stapled securities on issue at year end	231,702		230,952	
Weighted average stapled securities – basic	231,697	(97.5)	227,439	15.2
Weighted average stapled securities – diluted	231,697	(97.5)	231,059	14.9

	Number of securities 2009 '000	Number of securities 2008 '000
Weighted average number of ordinary securities for basic earnings per security	231,697	227,439
Effect of dilution:		
'A' class shares and units (issued 26 June 2006 converted 27 November 2007)	-	2,058
CEO subscription deed securities (750,000 securities were issued in September 2006 and July 2007)	-	1,562
Adjusted weighted average number of ordinary securities for diluted earnings per security	231,697	231,059

For the 2009 year, there were no securities outstanding that had a dilutive effect on the earnings per security calculation.

During the 2009 financial year, and subsequent to balance date 30.0 million and 4.75 million options respectively were granted to executives but these have not been included in the calculation of the diluted earnings per security as they were anti dilutive for the periods presented.
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.

Note 8 Auditor's remuneration

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Amounts received or due and receivable by auditors of the Group for:				
- Audit and review of financial reports and other audit work under the *Corporations Act 2001* - PKF (East Coast Practice)	212,858	189,010	53,944	92,010

Note 9 Taxation

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Income tax (expense)/benefit				
Current tax (expense)/benefit	(24,813)	(569)	(13,850)	1,742
Deferred tax				
- Adjustments in respect of deferred tax of previous years	30	32	30	32
- Relating to origination and reversal of temporary differences	26,380	(1,696)	16,720	(77)
Income tax benefit/(expense) reported in the Income Statement	1,597	(2,233)	2,900	1,697
Reconciliation of income tax expense to prima facie tax payable				
Accounting (loss)/profit before income tax	(227,488)	36,754	(62,799)	(5,376)
At the Group's statutory income tax rate of 30% (2008: 30%) benefit/(expense)	68,246	(11,026)	18,840	1,613
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non assessable income/ (expenditure)	(34,172)	8,679	1,668	-
Deductible cost of equity raising	-	69	-	69
Adjustment in respect of prior year:				
- deferred tax	35	25	32	14
Other (deductible)/non-deductible expenses	(833)	20	(137)	1
Current year tax losses and temporary differences for which no deferred tax asset was recognised	(31,679)	-	(17,503)	-
Income tax benefit/(expense) reported in Income Statement	1,597	(2,233)	2,900	1,697
Deferred tax assets and liabilities				
Deferred tax assets				
Tax losses carried forward	7,641	740	7,641	740
Provisions, accruals, employee entitlements, accrued expenditure and share issue expenses not currently deductible	31,124	349	16,948	229
	38,765	1,089	24,589	969
Deferred tax liabilities				
Other	38	1,027	-	-
Income accruals	7,048	1,664	-	-
	7,086	2,691	-	-
Net deferred tax assets/(liabilities)	31,679	(1,602)	24,589	969
Deferred tax assets not recognised	(31,679)	-	(17,503)	-
Net recognised deferred tax asset/(liability)	-	(1,602)	7,086	969
Unrecognised deferred tax assets				
Deductible temporary differences	31,125	-	17,503	-
Tax losses	554	-	-	-
	31,679	-	17,503	-

Note 9 Taxation (continued)

The deductible temporary differences and tax losses do not expire under current tax legislation.

A deferred tax asset attributable to temporary differences of $17.0 million (2008: nil) has not been recognised as management has taken the view it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

A deferred tax asset has also not been recognised in respect of temporary differences of $14.1 million (2008: nil) arising as a result of the parent impairing its investment in Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd) and Trinity Funds Management Limited. Management has concluded that it is not probable that this will reverse in the foreseeable future.

At 30 June 2009, there is no recognised or unrecognised deferred income tax liability (2008: $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**		**Parent**	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade receivables	8,804	9,529	21	22
- Provision for doubtful debts	(2,265)	(12)	-	-
Recoverable project costs	700	2,069	-	-
- Provision for doubtful debts	(8)	-	-	-
Recoverable project costs from project partners	3,590	-	-	-
- Provision for doubtful debts	(3,590)	-	-	-
Sundry receivables	7,971	8,954	-	1
- Provision for doubtful debts	(94)	-	-	-
Accrued Income	221	12,518	-	-
- Provision for doubtful debts	(212)	-	-	-
Loans – other	1,780	17,147	-	2,562
- Provision for doubtful debts	(1,107)	-	-	-
Entities in the Group				
- Trinity Jindalee Pty Ltd	-	-	410	4,560
- Provision for impairment	-	-	(310)	-
- Lytton Road Project Pty Ltd	-	-	4,805	7,215
- Trinity Holdings No 3 Pty Limited	-	-	-	200
- Trinity Funds Management Limited	-	-	-	4,500
Related entities				
- Trinity Property Trust distributions receivable	1,144	3,607	-	-
- Trinity Enhanced Return Fund distributions receivable	-	1,781	-	-
- Loans to related entities	116	470	-	-
Total current	17,050	56,063	4,926	19,060

Note 10 Trade and other receivables (continued)

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Non Current				
Trade receivables	-	359	-	-
Receivable – straight lining of rental income	682	526	-	-
Loans – other	580	1,752	99	255
Recoverable project costs from project partners	14,618	-	-	-
Provision for impairment	(14,618)	-	-	-
Accrued income	-	1,006		-
Entities in the Group				
- TDG Holdings Pty Limited (formerly Trinity Consolidated Projects Pty Ltd)	-	-	3,817	3,817
- Provision for impairment	-	-	(2,214)	-
- Trinity Funds Management Limited	-	-	4,500	-
- Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd)	-	-	2,724	-
- Trinity Stapled Securities Plan Trust	-	-	4	-
- Inter entity tax loans	-	-	1,530	4,889
Total non current	1,262	3,643	10,460	8,961

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 generally have repayment terms of between 30 and 90 days.
- Accrued income includes amounts that are non interest bearing and unless provided for will convert to trade receivables within 30 days.
- For the 2008 financial year accrued income also included development fees recognised on a percentage complete basis. All projects have been completed in the 2009 financial year.
- Details of terms and conditions of related party receivables are set out in note 27.
- Non-current loans – other, includes an advance to the former CEO Benjamin McCarthy to purchase securities as per the terms of his employment agreement, this loan has been fair valued as at 30 June 2009. For more details refer to the remuneration report page 16.
- Recoverable project costs are amounts receivable from entities in relation to project investigation funding and unless provided for are recoverable within 3 months.
- Recoverable project costs from project partners relates to their share of losses from various projects in the Trinity Land Group. Trinity Development Group Pty Limited (TD) has guaranteed the performance of project partners to the Trinity Land Group and in the event of default by a project partner TD will reimburse the project for the loss and then seek recovery from the project partner in accordance with contractual agreements. Potential losses arising under the guarantee have been brought to account but TD is only required to settle the loss upon realisation within the Fund and after project partner default (refer Note 1(y)).
- Current loans – other includes (i) an interest bearing advance to a an entity external to the Group which has used the funds to acquire land this loan was repaid in the 2009 financial year (ii) an interest bearing advance to a related entity which has used the funds to acquire an investment property this loan was repaid in the 2009 financial year and (iii) interest bearing advances to a project partners which have been provided for.
- For the 2008 financial year, loans to related entities were amounts advanced to projects and accrued interest at 10% per annum. These loans were repaid in the 2009 financial year. The related entity loan in the 2009 financial year is non interest bearing and repayable within 3 months.

Note 10 Trade and other receivables (continued)

b. Future minimum lease receivables	Consolidated		Parent	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Future minimum lease payments to Trinity Stapled Trust under current leases from tenants are:				
Within one year	12,963	16,502	-	-
Later than one year and no later than five years	42,389	59,051	-	-
Later than five years	47,034	78,099	-	-
	102,386	153,652	-	-

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	-	-
Properties under development comprises:					
Costs of acquisition		-	8,119	-	-
Development costs capitalised		-	3,073	-	-
Total current		-	11,192	-	-

The inventory held in the 2008 financial year was sold during the 2009 financial year.

Non current	**Note**				
Properties under development	**1(j)**	35,595	37,424	-	-
Properties under development comprises:					
Costs of acquisition		34,500	28,882	-	-
Development costs capitalised		15,193	5,282	-	-
Finance costs capitalised		7,343	3,260	-	-
Impairment of inventory		(21,441)	-	-	-
Total non current		35,595	37,424	-	-

Carrying amount of inventory pledged as security for liabilities is $35.6 million (2008:$37.4 million). These properties are subject to a first registered mortgage to the National Australia Bank for $11.7 million and a first registered mortgage to Tokyo Star Bank for $18.0 million and a second registered mortgage to Trinity Opportunistic Property Fund No 1 for $14.8 million.

Note 12 Other Assets

	Consolidated		Parent	
	2009	2008	2009	2008
Current	$'000	$'000	$'000	$'000
Prepayments	368	348	71	-
Lease incentives	100	89	-	-
Total current	468	437	71	-
Non current				
Lease incentives	380	430	-	-
Total non current	380	430	-	-

Note 13 Assets held for sale

Investment properties held for sale	45,400	-	-	-
Investment – CVC Trinity Property Fund	-	1,250	-	-
Investment – CVC Trinity Property Managers Limited	-	213	-	-
	45,400	1,463	-	-

In the 2009 financial year the Directors had resolved to sell two investment properties located in Brisbane and the Gold Coast as part of the overall strategy of the Trinity Stapled Trust.

In the 2008 financial year 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 assets were settled in the 2009 financial year.

Note 14 Equity accounted investments

Trinity Property Trust	35,443	61,536	-	-
Trinity Enhanced Return Fund	12,628	38,704	-	-
Trinity Development Group (formerly Consolidated Development Group)	7,154	9,269	-	-
Trinity Land Group (formerly Consolidated Land Group)	4,072	7,500	-	-
Investment in associates	59,297	117,009	-	-

Interest in associate	Country of incorporation/ formation	Balance Date	Consolidated Ownership interest		Parent Ownership interest	
			2009	2008	2009	2008
Trinity Property Trust *	Australia	30 June	10.0%	16.8%	-	-
Trinity Enhanced Return Fund	Australia	30 June	38.5%	47.9%	-	-
Trinity Development Group (formerly Consolidated Development Group)	Australia	30 June	48.7%	23.1%	-	-
Trinity Land Group (formerly Consolidated Land Group)*	Australia	30 June	18.7%	34.1%	-	-

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

Note 14 Equity accounted investments (continued)

The reduction in ownership interest in the Trinity Enhanced Return Fund was due to there being a capital injection previously committed to by investors to the Fund. Trinity Stapled Trust was not party to this commitment.

The reduction in ownership interest in Trinity Property Trust is due to Trinity Stapled Trust selling 10.5 million units.

The reduction in the ownership interest in Trinity Land Group is due to the dilutionary effect of new capital raised during the first half of the year.

The increase in ownership interest in Trinity Development Group is due to the acquisition of additional securities during the year and the issue of securities resulting from a previously committed subscription.

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	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Share of associate's (losses)/profit				
Share of associate's:				
- net (loss)/profit	(11,129)	7,241	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	61,536	56,700	-	-
- acquisitions	-	2,551	-	-
- disposals	(12,368)	-	-	-
- share of associate's net (loss)/profits	(11,129)	7,241	-	-
- distributions received / receivable from associate	(2,596)	(4,956)	-	-
Carrying amount of investment in associate at the end of the financial year	35,443	61,536	-	-

Summary presentation of the gross amounts of assets, liabilities, revenues and (losses)/profits of associate:

Assets	546,205	580,454	-	-
Liabilities	191,645	214,011	-	-
Revenue and other income	52,218	57,550	-	-
(Loss)/profits	(100,373)	43,190	-	-

Note 14 Equity accounted investments (continued)

Trinity Enhanced Return Fund

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	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Share of associate's (losses)/profit				
Share of associate's:				
- net (loss)/profit	(26,076)	7,716	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	38,704	33,069	-	-
- share of associate's net (loss)/profit	(26,076)	7,716	-	-
- distributions received / receivable from associate	-	(2,081)	-	-
Carrying amount of investment in associate at the end of the financial year	12,628	38,704	-	-
Summary presentation of the gross amounts of assets, liabilities, revenues and (losses)/profits of associate:				
Assets	165,773	194,694	-	-
Liabilities	132,992	113,852	-	-
Revenues	13,813	27,774	-	-
(Loss)/profit	(56,461)	15,453	-	-

Trinity Development Group (formerly Consolidated Development Group)

Principal activities

Trinity 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 Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd). 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 Trinity Development Group:

Share of associate's (loss)/profit				
Share of associate's:				
- net (loss)/profit	(13,314)	594	-	-

Note 14 Equity accounted investments (continued)

Trinity Development Group (formerly Consolidated Development Group) (continued)

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Carrying amount of investment in associate				
Balance at beginning of financial year	9,269	4,500	-	-
- acquisitions	11,468	4,500	-	-
- share of associate's net (losses)/profits	(13,314)	594	-	-
- distributions received/receivable from associate	(269)	(325)	-	-
Carrying amount of investment in associate at the end of the financial year	7,154	9,269	-	-
Summary presentation of the gross amounts of assets, liabilities, revenues and (losses)/profits of associate:				
Assets	93,491	122,901	-	-
Liabilities	78,794	83,864	-	-
Revenues	105,906	78,571	-	-
(Loss)/profit	(34,796)	2,785	-	-

Trinity Land Group (formerly Consolidated Land Group)

Principal activities

Trinity 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 Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd). 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 Trinity Land Group:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Share of associate's (loss)/profit				
Share of associate's:				
- net loss	(3,428)	-	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	7,500	-	-	-
- acquisitions	-	7,500	-	-
- share of associate's net losses	(3,428)	-	-	-
Carrying amount of investment in associate at the end of the financial year	4,072	7,500	-	-
Summary presentation of the gross amounts of assets, liabilities, revenues and (losses)/profits of associate:				
Assets	48,026	63,847	-	-
Liabilities	26,200	41,870	-	-
Revenues	3,434	-	-	-
Profits/ (losses)	(18,352)	-	-	-

Note 14 Equity accounted investments (continued)

CVC Trinity Property Fund

Principal activities

A Heads of Agreement to dissolve the joint venture between CVC Limited and the Group was entered into in June 2008 and settled in October 2008.

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

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Share of associate's loss				
Share of associate's:				
- net loss for six month to 31 December 2007	-	(270)	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	-	2,523	-	-
- share of associate's net loss	-	(270)	-	-
- associate recognised as an available for sale investment	-	(2,253)	-	-
Carrying amount of investment in associate at the end of the financial year	-	-	-	-

CVC Trinity Property Managers Limited

Principal activities

A Heads of Agreement to dissolve the joint venture between CVC Limited and the Group was entered into in June 2008 and settled in October 2008.

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

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Share of associate's profit				
Share of associate's:				
- net profit for six months to 31 December 2007	-	118	-	-
Carrying amount of investment in associate				
Balance at beginning of financial year	-	253	-	-
- share of associate's net profits	-	118	-	-
- 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	-	-	-	-

Note 15 Investments

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Units in unlisted Fund				
Trinity Opportunistic Property Fund No 1	698	705	-	-

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Note 16 Investment properties				
Investment properties at fair value	139,380	245,404	-	-
Movements in investment properties:				
Balance at beginning of financial year	245,404	155,193	-	-
Classified as held for sale at 30 June 2007	-	18,000		
Additions	13,466	91,349	-	-
Disposals	(28,453)	(18,000)	-	-
Classified as held for sale at June 2009	(45,400)	-	-	-
Net (loss) from fair value movements	(45,637)	(1,138)	-	-
Balance at end of financial year	139,380	245,404	-	-

Fair value is determined by either a registered independent valuer or an appropriately experienced and professionally qualified internal appraiser (refer Note 1 and 2 for further details regarding accounting policy for investment property).

Details of investment properties are as follows:

Property	Ownership interest	Acquisition Date	Book Value 30 June 2009 $'000	Book Value 30 June 2008 $'000	Independent Valuation Date	Independent Valuation Amount $'000	Valuer
Retail							
Westcourt Village, Mulgrave Road, Cairns, QLD	Sold 30/04/2009	14/02/2006	-	8,501	31/12/2008	7,300	Jones Lang LaSalle
Centrepoint Arcade, Innisfail, QLD	100%	30/06/2006	9,850	12,898	31/12/2008	10,000	Jones Lang LaSalle
Coles, Edwards Street, Ayr, QLD	100%	14/11/2006	9,750	10,008	31/12/2008	8,550	Jones Lang LaSalle
Woolworths Marketplace, Albany Creek, QLD	Sold 10/03/2009	15/09/2009	-	19,915	30/06/2008	20,000	Urbis JHD Valuations Pty Ltd
Nerang Fair Shopping Centre, Nerang, QLD	100%	23/02/2005	-	24,092	30/06/2009	17,000	Jones Lang LaSalle
Commercial							
308 Queen Street, Brisbane, QLD	100%	21/12/2006	-	35,235	23/03/2009	32,375	LandMark White
383 King Street, Melbourne, VIC	50%	24/10/2006	18,500	22,904	31/12/2008	19,750	Jones Lang LaSalle
Com.Park Circuit, Mulgrave, VIC	100%	13/01/2005	16,500	19,485	31/12/2008	18,000	Jones Lang LaSalle
Commercial/Industrial							
Mulgrave Business Park, Mulgrave, VIC	50%	01/06/2006	13,500	17,000	30/06/2009	13,500	Jones Lang LaSalle

Note 16 Investment properties (continued)

Property	Ownership interest	Acquisition Date	Book Value 30 June 2009 $'000	Book Value 30 June 2008 $'000	Independent Valuation Date	Independent Valuation Amount $'000	Valuer
Industrial							
Wodonga Distribution Centre, Wodonga, VIC	100%	14/11/2006	3,500	4,391	31/12/2008	4,000	Jones Lang LaSalle
Rivergate Distribution Centre, Murarrie, QLD	100%	28/02/2007	22,400	20,893	30/06/2009	22,400	Jones Lang LaSalle
425-479 Freeman Road, Richlands, QLD	100%	30/04/2008	26,000	32,500	04/11/2008	30,000	LandMark White
Residential							
1912-7,1912-8,1912-9 Honcho2chome, Koganei-shi, Tokyo, Japan	97%	10/08/2007	20,542	18,627	30/06/2009	20,542*	Japan Real Estate Investment Co Ltd (JREIC)
Total investment properties (including amounts classified in other assets and receivables)			**140,542**	**246,449**			
Less amounts classified as:							
Other assets – lease incentives			(480)	(519)			
Trade and other receivables – straight lining of operating lease rental income			(682)	(526)			
Total investment properties			**139,380**	**245,404**			

* The valuation of the Japan property is for Yen 1.63 billion converted at an exchange rate on the 30 June 2009 of Yen 79.35.

Note 17 Property, plant and equipment

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
Plant and equipment	**$'000**	**$'000**	**$'000**	**$'000**
At cost	539	1,293	-	-
Accumulated depreciation	(178)	(405)	-	-
	361	888	-	-
Movements during the year				
Plant and equipment				
Carrying amount at beginning of year:	888	738	-	-
Additions	148	440	-	-
Disposals	(476)	(83)	-	-
Depreciation	(199)	(207)	-	-
Carrying amount at end of year	361	888	-	-

Note 18 Intangible assets	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Brand Names				
Balance at beginning of year	1,200	1,200	-	-
Impairment	(1,200)	-	-	-
Carrying amount at end of year	-	1,200	-	-
Goodwill				
Balance at beginning of year	55,338	55,338	-	-
Impairment	(45,738)	-	-	-
Carrying amount at end of year (a)	9,600	55,338	-	-
Website				
Balance at beginning of year	-	2	-	-
Additions	24	-	-	-
Amortisation	-	(2)	-	-
Carrying amount at end of year	24	-	-	-
Software				
Balance at beginning of year	102	221	-	-
Additions	1	28	-	-
Amortisation	(77)	(147)	-	-
Carrying amount at end of year	26	102	-	-
	9,650	56,640	-	-

(a) The carrying value of goodwill at 30 June 2009 is allocated to the funds management business (Trinity Funds Management Limited).

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 pre tax discount rate of 25% pa (2008: 12% pa). The discount rate incorporates the risk associated with the proposed tender of the management rights of the Group's unlisted managed funds. Cash flows beyond that period have been extrapolated using a nil growth rate.

TDG Holdings Pty Ltd (formerly Trinity Consolidated Projects Pty Ltd) and Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd)

The recoverable amount was determined based on "fair value less costs to sell" by capitalisation of estimated Future Maintainable Earnings (FME) at an appropriate earnings multiple. Given that management has made the decision not to continue in the development sector the recoverable amount of the above cash generating unit (the development business) has been estimated to be nil. The impairment loss has been recognised in the 2009 financial year.

Brand name

As the brand name was also associated with Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd), its recoverable amount has also been assessed to be nil and an impairment loss has been recognised in the 2009 financial year.

Note 19 Trade and other payables

	Consolidated		Parent	
	2009	2008	2009	2008
Current	**$'000**	**$'000**	**$'000**	**$'000**
Trade payables	1,139	1,583	645	3
Other payables	4,123	1,655	610	523
Project guarantee	2,271	-	-	-
Accrued expenses	8,488	2,084	3,111	58
Accrued development costs	-	16,099	-	-
Rent received in advance	555	326	-	-
Loan to related entities	445	-	-	-
Total current	17,021	21,747	4,366	584
Non current				
Other payables	64	20	-	-
Project guarantee	8,013	-	-	-
Loan to related entities	-	445	-	-
Total non current	8,077	465	-	-

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

The project guarantee amounts relates to the potential loss Trinity Development Group Pty Ltd (TD) has under the guarantee to the Trinity Land Group. As per Note 1(x), TD has guaranteed the performance of project partners to the Trinity Land Group and in the event of default by a project partner TD will reimburse the Fund for the project partner's loss and will then seek recovery from the project partner in accordance with contractual arrangements.

Accrued development costs payable relate to three properties owned by Trinity Stapled Trust. These properties are managed by Trinity Development Group Pty Ltd and under the terms of the development agreements, accrued development costs are payable progressively to the related party developer as development works are completed. These development properties were completed in the June 2009 year.

Included in other payables in the June 2009 year is a provision for repayment of fees by the Responsible Entity and Trinity Development Group Pty Ltd to both Trinity Land Group and Trinity Development Group.

Note 20 Interest bearing loans and borrowings

Current				
Hire purchase liability	-	10	-	-
Bank loans - secured	11,660	11,660	-	-
Standby facility – secured	-	17,650	-	-
Other related parties - secured	14,753	-	-	-
Cash advance facility – secured	-	9,550	-	-
Borrowing costs net of amortisation	-	(7)	-	-
	26,413	38,863	-	-

Note 20 Interest bearing loans and borrowings (continued)

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Non-current				
Hire purchase liability	-	26	-	-
Other related parties - secured	-	9,594	-	-
Bank loans - secured	36,925	25,581	-	-
Bank bills – secured	102,505	93,090	-	-
Cash advance facility – secured	37,500	37,022	-	-
Borrowing costs net of amortisation	(520)	(821)	-	-
Entities within the Group				
- Trinity Stapled Trust	-	-	58,761	50,633
	176,410	164,492	58,761	50,633

As at 30 June 2009, Trinity Stapled Trust has access to a multi option facility (commercial bills and bank guarantee facilities) with a limit of $106.0 million (2008: $106.0 million) which equates to 60% of the bank's accepted valuations of the assets of Trinity Stapled Trust. The facility is 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 multi option facility expires on 31 October 2011. During the year the Trust also had access to a second commercial bill facility for $18.0 million which it extinguished in June 2009. At balance date the multi option facility was drawn to $102.5 million (2008: $93.1 million) excluding bank guarantees of $0.1 million.

The covenants of the Trust's facility as at 30 June 2009 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 second commercial bill 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 second commercial bill 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.

Trinity Jindalee Pty Limited a subsidiary of the consolidated entity had a separate facility of $6.3 million which was repaid in the June 2009 financial year.

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. The cash advance facility for $3.2 million was repaid in August 2008.

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 2010 and at balance date was fully drawn. This subsidiary also has a second facility of $28.4 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 $14.8 million.

Note 20 Interest bearing loans and borrowings (continued)

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 Yen 1.5bn (equating to $18.9 million at an exchange rate of JPY79.35 as at 30 June 2009) 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 Yen 1.74bn (equating to $21.9 million at an exchange rate of JPY79.35 as at 30 June 2009) 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 Yen 1.43bn (equating to $18.0 million at an exchange rate of JPY 79.35 as at 30 June 2009).

From 1 July 2009 the Group's facilities, excluding the Trinity Japan Fund and San Remo facilities, have been renegotiated with its financiers National Australia Bank and the Group now has access to an aggregated facility with a limit of $161.1 million. The facility expires on 31 October 2011 and is secured by a first registered mortgage over all the investment properties of Trinity Prime Industrial Trust and Trinity Stapled Trust, a specific charge over the units held in Trinity Property Trust by Trinity Stapled Trust and a debenture charge from Trinity Limited and Trinity Funds Management Limited. It is also secured by a first registered mortgage over the real property held by Trinity Lorne Resort Pty Ltd and a specific charge by Trinity Resort Management Pty Ltd over the management rights attached to the Cumberland Lorne Resort which was acquired in July 2009.

The covenants of the Group's renegotiated facility include:

- minimum aggregated property finance interest cover ratio to be 1.15 times upon initial funding, 1.35 times as at 30 September 2009 and 1.5 times as at 31 March 2010 and half yearly thereafter.

- a maximum aggregated property finance loan to value ratio of 76% upon initial funding, 70% as at 30 September 2009 and 60% as at 31 March 2010.

- a minimum weighted average lease term of 5 years tested half yearly in relation to Trinity Stapled Trust and Trinity Prime Industrial Trust

- a minimum of $5.0 million of unit sales be achieved by 31 March 2010 in relation to Trinity Lorne Resort Pty Ltd.

At 30 June 2009 the Parent held a loan facility with Trinity Stapled Trust on no fixed terms and with an interest rate of 14.75% (2008:14.75%)

Derivative financial instruments

During the year the Group entered into interest rate derivatives to minimise its' exposure to changes in interest rates on borrowings. The total face value of these interest rate swaps is $100 million and they were fair valued at 30 June 2009, resulting in a loss of $3.7 million.

During the year, Trinity Japan Fund a subsidiary of Trinity Stapled Trust bought a Vanilla Put Option for ¥1.5 billion (AUD384 thousand) to hedge against fluctuations in foreign currency movements. This option is due to expire in September 2010 and was fair valued at 30 June 2009 resulting in a loss of $0.2 million being recorded in the income statement.

Note 20 Interest bearing loans and borrowings (continued)

The consolidated entity has access to the following lines of credit as at 30 June 2009:

	Consolidated	
	2009	**2008**
	$'000	**$'000**
Total facilities available:		
Bill acceptance facility (including bank guarantee facility)	106,000	106,000
Standby facility	-	18,000
Secured loans	80,902	68,849
Cash advance facility	38,330	47,880
	225,232	240,729
Facilities utilised at reporting date		
Bill acceptance facility	102,505	93,090
Standby facility	-	17,650
Secured loans	63,338	46,835
Cash advance facility	37,500	46,572
Bank guarantees	93	650
	203,436	204,797
Facilities not utilised at reporting date		
Bill acceptance facility	3,402	12,260
Standby facility	-	350
Secured loans	17,564	22,014
Cash advance facility	830	1,308
	21,796	35,932

Note 21 Provisions

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Employee benefits	203	200	32	-
Non current				
Employee benefits	30	17	-	-

Note 22 Distributions/dividends payable

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Distribution proposed and recognised as a liability				
Distribution (stapled security)	-	8,876	-	-

There are no distributions paid or payable in the 2009 financial year.

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

After 30 June 2008 the following dividend was proposed by the Directors for 2008. The financial effect of this dividend has been brought to account in the financial statements for the financial year ended 30 June 2009.

Distributions/dividends paid during the year:				
Prior year final distribution	8,876	11,895	-	-
Prior year dividend	5,443	-	-	-
Current year interim distribution	-	12,702	-	-
	14,319	24,597	-	-

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 2009 financial year was unfranked.

Note 23 Contributed equity

Stapled securities				
Contributed equity at year end	314,452	313,701	46,519	46,391
Transaction costs arising on issue of securities	(10,342)	(10,342)	(2,190)	(2,190)
	304,110	303,359	44,329	44,201

2009	**Consolidated**		**Parent**	
During the financial year the following movements in issued securities occurred:	**No of Units**	**$'000**	**No of Units**	**$'000**
Ordinary securities				
On issue at beginning of year	230,951,540	303,359	230,951,540	44,201
CEO bonus securities	750,000	751	750,000	128
On issue at end of year	231,701,540	304,110	231,701,540	44,329
Total equity attributable to securityholders		304,110		44,329

On 2 July 2008, a total of 750,000 stapled securities were issued to the former CEO Benjamin McCarthy and an entity associated with the former CEO in accordance with his remuneration package. The issue price for these securities was $1 pursuant to the subscription agreement.

Note 23 Contributed equity (continued)

2008	Consolidated		Parent	
During the financial year the following movements in issued securities occurred:	No of Units	$'000	No of Units	$'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

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.

Note 24 Reserves

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Fair value reserve	-	(1,003)	-	-
Foreign currency translation reserve	3,599	(473)	-	-
Share based payments reserve	2,076	-	393	-
	5,675	(1,476)	393	-

Note 25 Controlled entities

Name	Country of incorporation/ formation	Ownership interest 2009 %	Ownership interest 2008 %
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	100
Trinity Prime Industrial Trust	Australia	100	100
TDG Holdings Pty Ltd (formerly Trinity Consolidated Projects Pty Ltd)	Australia	100	100
TCP No1 Pty Ltd (formerly 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
Trinity Real Estate Services Pty Ltd^	Australia	100	100
Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd)^^	Australia	100	100
Albert Street Leasing Pty Ltd *	Australia	100	100
Neweropco Pty Ltd *	Australia	100	100
Trinity Land Trust (formerly Consolidated Land Holding Trust)#	Australia	100	100
San Remo Project Pty Ltd**	Australia	100	100
Seahaven Development Pty Ltd *	Australia	100	-
Caseywalk Development Pty Ltd *	Australia	100	-
Trinity Lorne Resort Pty Ltd	Australia	100	-
Trinity Resort Management Pty Ltd ###	Australia	100	-
Trinity ESOP Pty Ltd	Australia	100	-
Trinity Stapled Securities Plan Trust	Australia	100	-
Trinity Japan Fund	Australia	100	100
Keppel Properties Goudo Kaisha ##	Japan	97	97
Yaesu Seven Tokutei Mokuteki Kaisha ^^^	Japan	99.5	99.5
Hamilton Goudo Kaisha ##	Japan	99	99
CH Chalon Yugen Sekinin Chukan Hojin ##	Japan	100	100

^Investment is held by Trinity Funds Management Limited

^^Investment is held by TDG Holdings Pty Ltd (formerly Trinity Consolidated Projects Pty Ltd)

^^^ Investment is held by Trinity Japan Fund and Hamilton Goudo Kaisha

**Investment is held by Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd)*

***Investment is held by Trinity Land Trust (formerly Consolidated Land Holding Trust)*

#Investment is held by Trinity Holdings No 2 Pty Ltd

Investment is held by Trinity Japan Fund

Investment is held by Trinity Lorne Resort Pty Ltd

Note 25 Controlled entities (continued)

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
TDG Holdings Pty Ltd (formerly Trinity Consolidated Projects Pty Ltd)	-	-	36,608	36,608
Provision for diminution	-	-	(36,608)	-
Trinity Funds Management Limited	-	-	20,732	20,732
Provision for diminution	-	-	(10,380)	-
	-	-	10,352	57,340

Note 26 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

Note 26 Segment reporting (continued)

2009 - Consolidated	Funds manage-ment $'000	Property invest-ment $'000	Co Invest-ment $'000	Property develop-ment $'000	Eliminations $'000	Consolid-ated $'000
Revenue						
External segment revenue	5,120	18,608	-	24,892	-	48,620
Inter-segment revenue	7,858	645	-	11,740	(20,243)	-
Total segment revenue	12,978	19,253	-	36,632	(20,243)	48,620
Other inter-segment revenue	664	8,148	-	713	(9,525)	-
Total segment revenue and other income	13,642	27,401	-	37,345	(29,768)	48,620
Other unallocated revenue						1,712
Total revenue and other income						50,332
Result						
Segment result	5,120	7,181	-	(26,771)	-	(14,470)
Share of net losses of equity accounted investments	(213)	-	(53,734)	-	-	(53,947)
Fair value adjustment of investment properties	-	(45,637)	-	-	-	(45,637)
Net change in fair value of financial assets	(284)	(5,543)	-	-	-	(5,827)
Net loss on sale of investment properties	-	(6,289)	-	-	-	(6,289)
Net loss on sale of equity accounted investments	-	(2,121)	-	-	-	(2,121)
Net loss on sale of inventory	-	-	-	(1,607)	-	(1,607)
Impairment of intangibles	(10,380)	-	-	(36,558)	-	(46,938)
Impairment of inventory	-	(7,897)	-	(13,544)	-	(21,441)
Total segment result	(5,757)	(60,306)	(53,734)	(78,480)	-	(198,277)
Unallocated revenue less unallocated corporate expenses						(16,368)
Loss from continuing activities						(214,645)
Finance costs						(12,843)
Income tax benefit						1,597
Loss for the year						**(225,891)**
Segment assets	19,027	234,986	-	53,048	(48,103)	258,958
Investments accounted for using the equity method	-	-	59,297	-`	-	59,297
Unallocated corporate assets						11,754
Total assets						330,009
Segment liabilities	3,577	4,870	27,412	41,554	(56,537)	20,876
Interest bearing liabilities and derivative financial instruments						206,480
Unallocated corporate liabilities						4,455
Total liabilities						231,811

Note 26 Segment reporting (continued)

2008 - Consolidated	Funds manage-ment $'000	Property invest -ment $'000	Co Invest-ment $'000	Property develop -ment $'000	Eliminations $'000	Consolid -ated $'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

Note 27 Related party disclosures

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Loans				
Loans to parent				
Balance at the beginning of the financial year	-	-	(50,633)	(51,515)
Net repaid	-	-	21	8,362
Interest	-	-	(8,149)	(7,480)
Balance at the end of the financial year	-	-	(58,761)	(50,633)

Trinity Stapled Trust advanced funds to Trinity Limited on no fixed terms with an interest rate of 14.75% (2008: 14.75%).

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Loans to/(from) subsidiaries				
Balance at the beginning of the financial year	-	-	25,181	23,720
Net (repaid) /advanced	-	-	(4,816)	(136)
Interest	-	-	713	1,597
Impairment	-	-	(5,812)	-
Balance at the end of the financial year	-	-	15,266	25,181
Interest paid/ payable during the financial year			664	664

As at 30 June 2009 $4.5 million relates to a loan with a fixed term of three years and an interest rate of 14.75% (2008:14.75%) and $4.5 million relates to a loan with no fixed term and an interest rate of 15% which was no longer charged from the end of April 2009 (2008: 15%) and $6.3 million (2008: $13.5 million) with no fixed repayment terms and interest free.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Loans to/(from) related entities				
Balance at the beginning of the financial year	3,248	1,344	2,562	-
Net advanced / (repaid)	(3,705)	1,842	(2,628)	2,500
Interest	128	62	66	62
Balance at the end of the financial year	(329)	3,248	-	2,562
Interest paid during the financial year	-	170	-	170

Trinity Limited advanced $2.5 million to CVC Trinity Property Fund at an interest rate of 10% per annum. The joint venture between CVC Limited and the Group was dissolved in October 2008 and the loan repaid. Trinity Limited has recognised interest income during the 2009 financial year of $0.1 million.

In the 2008 financial year Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Limited) provided temporary funding of $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. These loans were repaid in the 2009 financial year and Trinity Development Group Pty Limited recognised interest income during the 2009 financial year of $0.004 million.

During the 2009 financial year Trinity Holdings No2 Pty Limited advanced $5.2 million to Trinity Development Group at an interest rate of 12% per annum. Trinity Holdings No2 Pty Limited recognised interest income during the 2009 financial year of $0.2 million. In April 2009 this loan and interest were converted to equity as part payment of the tranche 3 call for Trinity Development Group.

During the 2008 financial year Trinity Stapled Trust loaned $5.5 million to the Trinity Land Group (formerly 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.

Note 27 Related party disclosures (continued)

Loans to /(from) related entities(continued)

During the 2009 financial year, Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Limited) advanced an interest free short term loan of $0.1 million to Deeragun Project Unit Trust. This advance was repaid in August 2009. Director related – Don O'Rorke

During the 2008 financial year Trinity Commercial Trust advanced $0.4 million to Albert Street Leasing Pty Limited a wholly owned subsidiary of Trinity Limited on no fixed terms and interest free.

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

Trinity Development Trust (formerly Consolidated Development Trust), which is not a member of the Group

Trinity Land Equity Trust (formerly Consolidated Land Equity Trust), which is not a member of the Group

and acts as manager of TDG Holdings Pty Ltd (formerly 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:

	2009	2008
	$	$
Trinity Stapled Trust	1,865,290	1,824,093
Trinity Property Trust	5,776,170	5,600,725
Trinity Opportunistic Property Fund No 1	326,309	386,713
Trinity Enhanced Return Fund	1,325,229	1,092,522
Trinity Commercial Trust	-	117,367
Trinity Prime Industrial Trust	470,204	142,786
Trinity Development Group (formerly Consolidated Development Group)	(2,609,013)*	5,054,929

All fees relating to the 2009 financial year for Trinity Commercial Trust have been processed through the parent Trinity Enhanced Return Fund.

* Management fees for Trinity Development Group recognised in past financial years, totalling $1.8 million were reversed in the 2009 financial year along with performance fees of $1.7 million. These reversals have been netted against the management fee income recognised in the 2009 financial year of $0.9 million.

As at 30 June 2009, a provision for repayment of management fees of $1.2 million and $0.1 million has been recognised in the Group's financial statements pertaining to Trinity Development Group and Trinity Land Group respectively, due to hurdle rates not being achieved.

Note 27 Related party disclosures (continued)

	2009 $'000	2008 $'000
Fees for rent of business premises paid during the year by Trinity Funds Management Limited to:		
Trinity Property Trust	185	280
Trinity Stapled Trust	484	-

The following monies were owed to Trinity Funds Management Limited from related entities as at 30 June 2009. The amounts outstanding do not accrue interest and will be repaid within 3 to 6 months.

	2009	2008
Albert Street Project Pty Limited	-	157
501 Ann Street Pty Limited	-	18
Trinity Development Trust (formerly Consolidated Development Trust)	440	70
Trinity Land Equity Trust (formerly Consolidated Land Equity Trust)	-	22
Doncaster Project Pty Limited	-	69
Frenchs Forest No 1 Trust	-	76
Kinabalu Pty Limited - Related to former Chief Executive Officer	-	12
Kippa Ring Project Trust	-	744
Peter B Lewis – Director	-	2
Lorne Project Pty Limited	2	66
Nerang Riverview Project Pty Limited	-	81
308 Queen Street Development Pty Limited	-	42
Trinity Opportunistic Property Fund No 1	-	41
Trinity Enhanced Return Fund	-	110
Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Limited)	12	-

The following monies were owed from Trinity Funds Management Limited to related entities as at 30 June 2009.

	2009	2008
Trinity Property Trust	(3)	-

The following monies were owed to Trinity Limited from related entities as at 30 June 2009. The amounts outstanding do not accrue interest and will be repaid within 3 months.

	2009	2008
Trinity Land Equity Trust (formerly Consolidated Land Equity Trust)	-	14

Other transactions and agreements with related parties

Transactions with entities in the Trinity Development Group (formerly 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 project was completed in September 2008. The fees paid in respect of this agreement are $29,416,179. Trinity Stapled Trust is entitled to a guaranteed return of 10.5% during the development period of $3,156,741. The amount receivable under this agreement at 30 June 2009 is $2,918,280 which includes the guaranteed return and refund of amounts overpaid due to a fall in the market value of the property.

Note 27 Related party disclosures (continued)

Other transactions and agreements with related parties (continued)

Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd) has entered into development agreements with entities in the Trinity Development Group (formerly Consolidated Development Group). For the year ended 30 June 2009, Trinity Development Group Pty Ltd has reversed revenue recognised in past financial years pursuant to these project agreements of $4.8 million. As at 30 June 2009, Trinity Development Group Pty Limited had a net payable of $0.2 million owing to these entities, in relation to project management fees, accrued development fees and other reimbursable costs.

In 2006, Trinity Stapled Trust entered into a development agreement with Ayr Project Pty Ltd to develop the Coles Supermarket site in Ayr. Due to a changed property strategy, this development will not proceed and the development agreement will be terminated.

Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd) earned management fee income from the following associated entities in the Trinity Development Group (formerly Consolidated Development Group):	**2009** **$'000**	**2008** **$'000**
308 Queen Street Development Pty Limited	125	900
Aitkenvale Project Pty Limited	-	121
Larapinta Project Pty Limited	590	-
501 Ann Street Pty Limited	177	180
Albert Street Project Pty Limited	2,700	2,525
Dbah Project Pty Limited	300	30
Doncaster Project Pty Limited	175	300
Kippa Ring Project Trust	880	400
Lorne Project Pty Limited	1,970	600
Nerang Riverview Project Pty Limited	245	317

As at 30 June 2009, Trinity Development Group Pty Limited had a receivable owing from these entities of $4.1 million, in relation to management fees. A provision for doubtful debts of $0.06 million has been recognised in relation to the outstanding amounts.

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

Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd) has entered into development agreements with entities in the Trinity Land Group (formerly Consolidated Land Group). As at 30 June 2009, Trinity Development Group Pty Limited had a receivable owing from these entities of $0.005 million, in relation to project management fees, project investigation costs and other reimbursable costs.

Trinity Development Group Pty Ltd earned management fee income from the following associated entities in the Trinity Land Group:		
Bluewater Land Project Pty Limited	93	41
Gatton Project Pty Limited	162	108
Torquay Project No1 Pty Limited	432	-

As at 30 June 2009, Trinity Development Group Pty Limited had a receivable owing from these entities of $0.06 million, in relation to management fees.

Trinity Limited also owes the Trinity Land Group $0.5m for tax benefits utilised by the company for the year to 30 June 2008.

Note 27 Related party disclosures (continued)

Transactions with Director related entities – Donald O'Rorke

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 project was completed in September 2008. The fees payable in respect of this agreement were $5,000,000 and Trinity Stapled Trust was entitled to a guaranteed return of 10% during the development period of $1,117,132. The amount receivable under this agreement at 30 June 2009 is $77,045. A provision for doubtful debts of $77,045 has been recognised in relation to the outstanding amount.

Trinity Stapled Trust had a development agreement with Nerang Project Pty Ltd which is a director related entity to develop the Nerang Fair Shopping Centre. The project was completed in July 2008. The fees paid in respect of this agreement were $15,544,952 and Trinity Stapled Trust was entitled to a guaranteed return of 9% during the development period of $2,333,000. The amount receivable under this agreement at 30 June 2009 is nil.

Trinity Jindalee Pty Ltd had a development agreement with Jindalee Project Pty Ltd which is a director related entity to develop the Jindalee Shopping Centre. The project was completed in October 2008.The fees paid in respect of this agreement are $2,707,195. Trinity Jindalee Pty Ltd was entitled to a guaranteed return of 9% during the development period of $1,001,022. The amount receivable under this agreement at 30 June 2009 is nil.

Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd) has a project agreement with Doroshin Pty Ltd as trustee for DOR Family Trust, which is a director related entity, and Don O'Rorke as guarantor in relation to the development of the Jindalee Shopping Centre. As a loss was realised on the project, Doroshin Pty Ltd has an obligation to pay Trinity Development Group Pty Ltd an amount of $1,189,960 which is still outstanding as at 30 June 2009. A provision for doubtful debts of $1,189,960 has been recognised in relation to the outstanding amount

TDG Holdings Pty Limited (formerly Trinity Consolidated Projects Pty Ltd) has entered into a project agreement with Lismore Land Co Pty Ltd which is a director related entity of Donald O'Rorke. The amount receivable under this agreement at 30 June 2009 is $1,602,500.

Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd) entered into development agreements with Albany Creek Project Pty Ltd, Innisfail Project Pty Ltd and Nerang Project Pty Ltd, which are director related entities, in prior financial years.

For the year ended 30 June 2009, Trinity Development Group Pty Ltd recognised expenses pursuant to these agreements of $3,391,528 for Innisfail Project Pty Ltd and $86,454 for Nerang Project Pty Ltd. The receivables from these entities at 30 June 2009 were $38.01 from Innisfail Project Pty Ltd and $129,528 from Nerang Project Pty Ltd. $52,266 is also receivable from Albany Creek Project Pty Ltd as at 30 June 2009. A provision for doubtful debts of $170,019 has been recognised in relation to the outstanding amounts.

Trinity Development Group Pty Ltd (formerly Consolidated Properties Group Pty Ltd) recognised management fee income from the following director related entities pursuant to development agreements:

	2009	2008
	$	$
Deeragun Project Pty Ltd	30,000	20,000
Innisfail Project Pty Ltd	-	25,000
Nerang Project Pty Ltd	-	85,000
TBWC Development Pty Ltd	-	74,500

Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Ltd) had a lease agreement with 344 Queen Street Pty Ltd, a director related entity, to lease the premises at Level 12, 344 Queen Street. This lease expired in September 2008 and $0.04 million rent was paid during the 2009 financial year to 344 Queen Street Pty Ltd.

Trinity Development Group Pty Ltd (formerly 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 2009 was $198,735, in relation to management fees and the recharge of business expenses paid by Trinity Development Group Pty Ltd. A provision for doubtful debts of $198,735 has been recognised in relation to the outstanding amount.

Note 27 Related party disclosures (continued)

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

	Director related	2009 $	2008 $
Fees for legal advice – Mullins Lawyers	Mr R Lette	150,468	187,575
Fees for project services – Conics Limited	Mr R Friend	44,217	232,771

Robert Lette is a consultant to and former partner of Mullins Lawyers and Richard Friend was a Non-Executive Director of Conics Limited until his resignation on 22 July 2009.

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 2009 were:

Directors

Richard Friend	Non-Executive Director
Mr Keith De Lacy	Chairman (resigned 21 August 2009)
Anthony Hartnell	Non-Executive Director (resigned 21 August 2009)
Peter B Lewis	Non-Executive Director (resigned 22 July 2009)
Robert J Lette	Non-Executive Director (resigned 10 June 2009)
Donald C O'Rorke	Executive Director (resigned 10 December 2008)

Current Senior Executives

Craig Bellamy	Chief Executive Officer (appointed 19 July 2009) Chief Financial Officer (appointed 8 January 2009)
David Asplin	Head of Funds Management (appointed 19 July 2009) Head of Distribution Held position of Deputy Chief Executive Officer from 19 July 2009 to 21 August 2009

Former Senior Executives

Laurence Brindle	Chief Executive Officer (appointed 5 February 2009, resigned 19 July 2009)
Steven Leigh	Deputy Chief Executive Officer (appointed 5 February 2009, resigned 19 July 2009)
Tracy Bartley	Company Secretary and Compliance Officer (resigned 28 August 2009)
Ben McCarthy	Chief Executive Officer (resigned 19 December 2008)
Kerry Armstrong	Chief Finance Officer (resigned 13 November 2008)
Bruce Baker	Head of Property (resigned 19 December 2008)
Wayne Rex	Managing Director – Trinity Development Group Pty Limited (formerly Consolidated Properties Group Pty Limited) (resigned 27 February 2009)
Denis Daley	Chief Financial 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 would fit the definition of key management personnel.

Note 27 Related party disclosures (continued)

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 2008	Purchases/ (Sales)	Employee Stapled Securities Plans	Dividend reinvestment plan	Other*	Held at 30 June 2009
Mr K De Lacy	126,378	300,000	-	-	-	426,378
Mr P Lewis	5,500,000	800,000	-	-	-	6,300,000
Mr R Lette	173,929	200,000	-	-	(373,929)	-
Mr D O'Rorke	25,356,969	-	-	-	(25,356,969)	-
Mr R Friend	9,000	71,500	-	-	-	80,500
Mr A Hartnell	17,401	492,800	-	-	-	510,201

* No longer Directors at balance date.

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:

Senior Executives	Held at 1 July 2008	Purchases/ (Sales)	Employee Stapled Securities Plans	Dividend reinvestment plan	Other*	Held at 30 June 2009
Mr C Bellamy	-	35,000	-	-	-	35,000
Mr D Asplin	-	150,000	150,000	-	-	300,000
Former Senior Executives						
Mr L Brindle	-	-	-	-	-	-
Mr S Leigh	-	-	-	-	-	-
Mrs T Bartley **	5,500	-	1,947	-	-	7,447
Mr B McCarthy	4,126,507	704,521	-	-	(4,831,028)	-
Ms K Armstrong	60,080	-	-	-	(60,080)	-
Mr W Rex	-	-	-	-	-	-
Mr B Baker	-	-	375,000	-	(375,000)	-

* No longer Senior Executives at balance date
** Tracy Bartley resigned effective 28 August 2009

The key management personnel compensation included in employee related expenses in Other Expenses from Continuing Activities (see Note 5) is as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Short term employee benefits	10,600,541	2,203,841	7,399,041	-
Post employment benefits	147,041	262,273	9,164	-
Long term incentive plans	598,819	668,877	-	-
Termination benefits	1,396,828	-	-	-
Share based payments	2,647,308	-	2,389,104	-
	15,390,537	3,134,991	9,797,309	-

Note 27 Related party disclosures (continued)

Other related transactions with Directors

Following Donald O'Rorke's resignation as a director, agreement was reached for ownership of the Consolidated Properties business name and brand to be assigned to him at no cost, and for him to be released from his trading restrictions on the stapled securities he held.

Loans to key management personnel and their related parties

As part of the terms and conditions of the former Chief Executive Officer's Employment Contract and Subscription Deed (Benjamin McCarthy) the Group provided a loan of $2.25 million which was used to acquire stapled securities at an issue price of $1.00. A Deed of Variation and acknowledgment was entered into upon his termination in December 2008 which varied the terms of this loan. The former Chief Executive Officer must repay the loan amount on or before the 1 July 2011 by transferring cleared funds to the Group or transferring the issued stapled securities free of encumbrances. This loan has been fair valued at 30 June 2009 to $0.6 million less $0.2 million being held as security.

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 28 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		Parent	
	2009	2008	2009	2008
Carrying amount	$'000	$'000	$'000	$'000
Cash and cash equivalents	20,181	26,501	716	408
Trade receivables	8,804	9,888	21	22
Other receivables	8,192	21,472	-	1
Recoverable project costs	700	2,069	-	-
Recoverable project costs from project partners	18,208	-	-	-
Loans - other	2,360	17,147	99	2,817
Group entity loans	-	-	17,790	25,181
Related entity loans	116	470	-	-
Distribution receivable	1,144	5,388	-	-

Note 28 Financial instruments (continued)

Impairment losses

As of 30 June 2009, 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:

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
1 month or less	1,223	-	-	-
2 to 3 months	462	12	-	-
4 months or more	580	-	-	-
	2,265	12	-	-

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

Balance at 1 July	(12)	(22)	-	-
Provision for impairment recognised during the year	(2,255)	2	-	-
Receivables written off during the year as uncollectable	2	8	-	-
Balance at 30 June	(2,265)	(12)	-	-

The creation and release of the provision for impaired trade 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	952	6,198	21	22
2 to 3 months	2,580	1,481	-	-
4 months or more	3,007	2,197	-	-
	6,539	9,876	21	22

As at 30 June 2009, 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.

The following receivables have also been impaired as at 30 June 2009

Recoverable project costs	700	2,069	-	-
Provision for doubtful debts	(8)	-	-	-
	692	2,069	-	-
Recoverable project costs from project partners	18,208	-	-	-
Provision for doubtful debts	(18,208)	-	-	-
	-	-	-	-

Note 28 Financial instruments (continued)

The following receivables have also been impaired as at 30 June 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Other receivables	8,192	21,472	-	-
Provision for doubtful debts	(306)	-	-	-
	7,886	21,472	-	-
Loans – other	2,360	17,147	99	2,817
Provision for doubtful debts	(1,107)	-	-	-
	1,253	17,147	99	2,817
Group entity loans	-	-	17,790	-
Provision for impairment	-	-	(2,524)	-
	-	-	15,266	-

A total impairment loss of $18.2 million in respect of recoverable project costs and recoverable project costs from project partners was recognised during the year as management took the view that there were insufficient forecast profit share from remaining projects to offset against forecast losses.

For other receivables an impairment loss of $0.3 million has been recognised at June 2009 due to financial difficulties being experienced by these debtors. The remaining balance of $7.9 million has not been impaired and will be received within 4 months or more.

An impairment loss of $1.1 million in respect of other loans relating to project partners was recognised during the year as management took the view that there were insufficient forecast profit share from remaining projects to offset against these loans. The remaining other loans have not been impaired are on no fixed terms and will be received within 4-6 months.

For Group entity loans, an impairment loss of $2.5 million has been recognised at 30 June 2009. Based on the underlying net asset value of the controlled entities it is not probable that the Parent will recover the full amount.

All receivables with the exception of those mentioned above do not contain impaired assets and are not past due. The majority of the other balances will be received within 2-3 months.

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 table below reflects all contractual maturities of financial liabilities including principal and estimated interest cash flows calculated based on conditions existing at balance date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As the Group's facilities mature in October 2011 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.

The Group's facilities have been renegotiated with its financiers and the new arrangements take place from 1 July 2009. From the 10 July 2009 an additional $21.0 million was drawn to settle the acquisition of the Cumberland Lorne Resort in Victoria this is expected to increase future cash outflows by $3.1 million over the term of the facility until 31 October 2011. Other amendments including establishment fees and increased margins are expected to increase future cash outflows by $6.8million over the remaining term of the facility until 31 October 2011.

Note 28 Financial instruments (continued)

Consolidated 30 June 2009	**Carrying amount**	**Contractual cash flows**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**
Non derivative financial liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Interest bearing liabilities						
Fixed rate – non current	138,021	153,196	3,318	3,318	24,494	122,066
Fixed rate - current	14,753	16,753	-	16,753	-	-
Variable rate – non current	38,909	41,616	706	706	19,885	20,319
Variable rate – current	11,660	12,021	271	11,750	-	-
Trade and other payables	24,548	24,548	9,644	6,769	8,020	115
Loans to related entities	445	445	-	445	-	-
Derivative financial instruments						
Interest rate swaps	3,657	3,646	1,392	1,072	989	193

Consolidated 30 June 2008						
Non derivative financial liabilities						
Interest bearing liabilities						
Hire purchase liability	36	36	6	30	-	-
Fixed rate	64,593	82,356	2,071	2,071	17,690	60,524
Variable rate	139,554	163,899	8,269	39,561	6,855	109,214
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	-

Parent 30 June 2009						
Trade and other payables	4,366	4,366	844	3,522	-	-

Parent 30 June 2008						
Trade and other payables	584	584	584	-	-	-

Note 28 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. The 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	
	2009	2008	2009	2008
	Net profit	Net profit	Net profit	Net profit
	$'000	$'000	$'000	$'000
Interest rates increase by 50bps	(152)	(565)	4	2
Interest rates decrease by 50bps	152	565	(4)	(2)

Subsequent to balance date margins on the facilities have been repriced which would also decrease profit for the Group by $2.0 million.

Fair values

The carrying values of the Group's financial assets and financial liabilities approximate their fair values as at 30 June 2009.

Note 29 Share based payments

In June 2008, the Group established two employee stapled securities schemes. The Trinity Stapled Securities Plan Trust was set up with the plan trustee being Trinity ESOP Pty Ltd, a wholly owned subsidiary of Trinity Limited. While the schemes were established in the 2008 financial year the intention was for them to start operating in the 2009 financial year. Details of each scheme are as follows:

Trinity Exempt Employee Stapled Securities Plan – under this plan all current fulltime and permanent part time employees with twelve months service were eligible to be allocated $1,000 worth of stapled securities. For the initial allocation on the 24 October 2008 32 employees were eligible to participate in the scheme and were allocated 1,947 stapled securities each. All securities were acquired on market by the Trust and a volume weighted average price of $0.5135 for the week ending 24 October 2008 was used to determine the allotment of the 1,947 stapled securities to each employee. A total expense of $0.31 million was recognised by the Group in the 2009 financial year.

Trinity Deferred Employee Stapled Securities Plan – under this plan full time or permanent part time employees are eligible to defer up to 100% of their potential short term incentive (STI) and elect the plan trustee acquire stapled securities to the same value. For the initial allocation on the 24 October 2008 three employees participated in the scheme and were allocated 545,000 securities between them. All securities were acquired on market by the Trust and a close price on the allotment date of 24 October 2008 of $0.49 was used to determine the allotment of the 545,000 securities. A total expense of $0.3 million was recognised by the Group in the 2009 financial year.

Note 29 Share based payments (continued)

The Group granted options to key management personnel as part of their employment agreements. The terms and conditions of the grants are as follows: all options are to be settled by the physical delivery of stapled securities.

Grant date/employees entitled	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Option grant to Laurence Brindle and Steven Leigh on 5 February 2009	10,000,000	20 cents	vested on 5 February 2009	5 years
Option grant to Laurence Brindle and Steven Leigh on 5 February 2009	10,000,000	25 cents	vested on 5 February 2009	5 years
Option grant to Laurence Brindle and Steven Leigh on 5 February 2009	10,000,000	30 cents	vested on 5 February 2009	5 years
Option grant to Chris Morton on 21 August 2009	4,750,000	18 cents	vested on 21 August 2009	5 years

Subsequent to balance date 4.75 million options were granted to the newly appointed Managing Director Christopher Morton. No options have been granted in past financial years. These options have been granted at no cost to the recipients and as at 30 June 2009 no options have been exercised. A total share option expense of $2.4 million was recognised by the Group in the 2009 financial year relating to the options granted on 5 February 2009.

The options granted to Laurence Brindle and Steve Leigh are due to expire 90 days after the date their employment ceased (for further details refer to the remuneration report).

The assumptions underlying the Black Scholes model used to value the fair value the options granted and vested in the 2009 financial year are as follows:

2009	Fair value at grant date	Market share price	Expected volatility	Option life	Expected dividends
Exercise price					
20 cents	.0819 cents	$0.104	33.78%	1970 days	nil
25 cents	.0795 cents	$0.104	33.78%	1970 days	nil
30 cents	.0775 cents	$0.104	33.78%	1970 days	nil

The market price used has been adjusted due to the escrow conditions attaching to the options.

Note 30 Commitments for expenditure

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Capital commitments				
Capital expenditure contracted for but not capitalised in the accounts				
Payable:				
- less than one year	4,544	14,374	-	-
- later than one year but less than five years	-	15,535	-	-
	4,544	29,909	-	-

The above relates to the unpaid tranche 3 call on the Trinity Development Group units held by Trinity Holdings No2 Pty Limited. Interest of 10% per annum has been charged by Trinity Development Group on the unpaid calls and an expense of $0.1 million has been recognised by the Group for the 2009 financial year.

Note 30 Commitments for expenditure (continued)

	Consolidated		Parent	
	2009	2008	2009	2008
Operating lease commitments	**$'000**	**$'000**	**$'000**	**$'000**
Non-Cancellable operating leases for rental of office premises contracted for but not capitalised in the accounts.				
Payable:				
- less than one year	261	243	-	-
- later than one year but less than five years	307	491	-	-
	568	734	-	-

Note 31 Events subsequent to balance date

Trinity Stapled Trust entered into an unconditional contract on 24 July 2009 to sell a retail property at Nerang. Settlement is scheduled to take place in September 2009.

The Group acquired on 10 July 2009 the Cumberland Lorne Resort in Victoria. Under this acquisition the Group acquired 51 freehold units, a conference centre and management rights.

On 31 July 2009 the Investors Advisory Board notified Trinity of its intention to recommend the commencement of a tender process for the management of its unlisted managed funds. Trinity Funds Management Limited is currently the manager of these funds and has been invited to participate in the tender process. The timing of the tender process is yet to be determined.

On 24 August 2009, the members of the Investors Advisory Board advised Trinity Funds Management Limited of their resignation, citing the need for increased independence from Trinity Funds Management Limited as the unlisted investors group further explores the possibility of an independent tender process.

Other than the matters discussed above, there have been no other significant events since balance date which may affect either the operations of the consolidated entity or results of those operations or the state of affairs of the consolidated entity, which have not been disclosed already in this report.

Note 32 Contingent assets and liabilities

As at 30 June 2009 Trinity Group has a contingent liability in relation to its investment in the Trinity Land Group (TLG) of $4.0 million. The Group has agreed to treat a portion of its co investment equity (up to 10% of TLG's paid up equity) in TLG as subordinated equity. In the event of a net loss in TLG at the time it is wound up the loss will first be absorbed by the subordinated equity.

Trinity Group is unaware of any contingent assets at 30 June 2009.

Note 33 Notes to the statement of cash flows

	Consolidated		Parent	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
(a) Cash and cash equivalents				
Cash at bank and on hand	20,181	26,501	716	408

For the purposes of the statement of cash flows, cash includes cash on hand and at bank, short term deposits with an original maturity of three months or less. As at 30 June 2009 $4.5 million is being held by Trinity Funds Management Limited as security for its AFSL Licence and a further $2.2 million is being held by the Japanese lender as required by the terms of the facility agreement. These funds are not available to the Group to be used in its ordinary course of business.

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

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent 2009 $'000	Parent 2008 $'000
Operating (loss)/profit after income tax	(225,891)	34,521	(59,899)	(3,679)
Non-cash items:				
Movement in provision for doubtful debts	21,883	8	5,814	-
Fair value movement in investment properties	45,636	1,138	-	-
Fair value movement in financial assets	5,827	-	284	-
Amortisation expense	77	166	-	-
Depreciation expense	615	202	-	-
Impairment of investment	-	-	46,988	-
Impairment of intangible assets	46,938	-	-	-
Impairment of inventory	21,441	-	-	-
Loss on sale of equity accounted investments	2,121	-	-	-
Loss on sale of inventory	1,607	-	-	-
Loss/(gain) on sale of investment properties	6,289	(1,639)	-	-
Share of loss/(profit) of associated entity	53,947	(15,399)	-	-
Equity security based payment transactions	2,687	-	-	-
Amortised borrowing costs	354	271	-	-
Effects of exchange rate on foreign exchange items	(939)	20	-	-
Changes in assets and liabilities:				
(Increase)/decrease in income tax receivable	(54)	(48)	(54)	(48)
(Decrease)/increase in income tax payable	-	(279)	-	(284)
(Increase)Decrease in deferred tax assets	(5,997)	84	(6,118)	105
Increase in deferred tax liability	4,396	1,641	-	-
(Increase)/decrease in trade and other receivables	(6,374)	(11,485)	7,211	3,509
Decrease/(Increase) in other assets	(20)	2,145	-	-
Increase/(decrease) in trade and other payables	15,332	183	1,247	1,208
Increase in provisions	4,202	27	3,000	-
Net cash provided by/(used in) operating activities	(5,923)	11,556	(1,527)	811

Note 34 Net tangible assets

	Consolidated		Parent	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Net tangible assets - $'000	88,692	264,801	(29,447)	35,569
Securities issued – '000	231,702	230,952	231,702	230,952
Net tangible asset backing (book value) per security ($)	0.38	1.15	(0.13)	0.15

Note 35 Jointly controlled assets and operations

Trinity Stapled Trust has a 50% (2008: 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 2009, the contribution of the joint venture to the operating loss of the Group was a loss of $5.4 million (2008: profit of $4.1 million) and of the Parent nil (2008 nil). Included in the assets of the Group are the following assets of the joint venture:

	2009	**2008**
	$'000	**$'000**
Current assets		
Cash and cash equivalents	209	121
Other assets	98	215
Total current assets	307	336
Non current assets		
Investment properties	32,000	39,904
Total non current assets	32,000	39,904
Total assets	32,307	40,240

The Directors of Trinity Limited declare that:

(a) in the Directors' opinion the financial statements and notes on pages 28 to 88, 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 2009 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 2009, required by Section 295A of the *Corporations Act 2001*.

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

Richard Friend, Director
Non-Executive Director

Dated in Brisbane this 31st day of August 2009

Chartered Accountants
& Business Advisers

AUDITORS' INDEPENDENCE DECLARATION

To: Directors of Trinity Limited

As lead auditor for the audit of Trinity Limited for the year ended 30 June 2009, 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 period.

PKF

PKF

Wayne Wessels
Partner

Dated at Brisbane this 31st day of August 2009

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 6, 10 Eagle Street | Brisbane | Queensland 4000 | Australia
GPO Box 1078 | Brisbane | Queensland 4001

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 2009, 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 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.

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 6, 10 Eagle Street | Brisbane | Queensland 4000 | Australia
GPO Box 1078 | Brisbane | Queensland 4001

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 2009 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 11 to 19 of the directors' report for the year ended 30 June 2009. 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 2009, complies with section 300A of the *Corporations Acts 2001*.

PKF

PKF

Wayne Wessels
Partner

Dated at Brisbane this 31st day of August 2009