ANNUAL FINANCIAL REPORT

30 June 2015

Directory

Responsible Entity
Abacus Funds Management Limited
ABN: 66 007 415 590
Level 34, Australia Square
264-278 George Street
SYDNEY NSW 2000
Tel: (02) 9253 8600
Fax: (02) 9253 8616
Website: www.abacusproperty.com.au

Custodian:
Perpetual Trustee Company Limited
Level 12 Angel Place
123 Pitt Street
SYDNEY NSW 2000

Directors of Responsible Entity
John Thame, Chairman
Frank Wolf, Managing Director
William Bartlett
Malcolm Irving
Myra Salkinder
Peter Spira

Company Secretary:
Ellis Varejes

Auditor (Financial and Compliance Plan):
Ernst & Young
Ernst & Young Centre
680 George Street
SYDNEY NSW 2000

Share Registry:
Boardroom Pty Ltd
Level 12, 225 George Street
SYDNEY NSW 2000
Tel: 1300 737 760
Fax: 1300 653 459

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DIRECTORS' REPORT
30 June 2015

The Directors of Abacus Funds Management Limited ("AFML"), the Responsible Entity of the Abacus Wodonga Land Fund ("AWLF" or the "Fund") submit their report for the Fund for the year ended 30 June 2015 and the auditor's report thereon.

PRINCIPAL ACTIVITIES

The Fund operates in Australia and derives income from the investment in a residential development in Wodonga, Victoria.

FUND STRUCTURE

AWLF is an Australian registered managed investment scheme. Abacus Funds Management Limited ("AFML"), the Responsible Entity of AWLF, is incorporated and domiciled in Australia and is a wholly-owned subsidiary of Abacus Group Holdings Limited ("AGHL").

The registered office and principal place of business of AGHL & AFML is located at Level 34, 264-278 George Street, Sydney, NSW 2000.

REVIEW AND RESULTS OF OPERATIONS

The Fund incurred a net profit attributable to unitholders of $5.0 million for the year ended 30 June 2015 (2014: $9.9m). The result for the year includes $12.9m debt forgiveness on the loan provided by the Abacus Finance Pty Limited and a $7.5m impairment loss incurred on the development inventory.

Income from the sales of land during the year was $21.8 million for 150 residential lots and 2 commercial lots (June 2014: $10.9m for 83 lots). The two commercial lots were sold to Abacus Property Group at independent valuation of $3.85m.

At 30 June 2015 the Fund had approximately 43 lots available for sale across stages that cater for retirees, families, first home buyers and investors. Stage 11 and stage 12 with 52 lots were recently released for sale. Further stages of residential lots will be developed to meet commitment.

Sales of land lots in Wodonga have historically been difficult and while AFML is working assiduously to recover value in the Fund the ultimate return to unitholders, if any, will be dependent on an increase in the rate and the value of future sales.

During the year the bank loan was fully repaid and cancelled. The project is wholly financed by Abacus Property Group. The annual interest rate on the loan was reduced from 10% to 6.5% in December 2014.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Fund occurred during the financial year:

The deficiency in net equity reduced from $6.3 million to $1.3 million on 30 June 2015 due to the debt forgiveness by Abacus Finance Pty Limited.

UNITS ON ISSUE

As at 30 June 2015 there were 57,037,037 units (2014: 57,037,037 units) in the Fund on issue.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

The Fund did not pay management fees (2014: Nil) or accounting fees (2014: Nil) to the Responsible Entity for the year ended 30 June 2015.

FUND ASSETS

At 30 June 2015 the Fund held assets to a total value of $22.8 million (2014: $36.1 million). The basis for valuation of the assets is disclosed in Note 10 of the financial report.

DIRECTORS' REPORT

30 June 2015

DISTRIBUTIONS

There were no cash distributions paid or provided for during the year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Other than as disclosed in this report and to the knowledge of directors, there has been no other matter or circumstance that has arisen since the end of the financial period that has or may affect the Fund's operations in future financial periods, the results of those operations or the Fund's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Fund will continue to pursue strategies that seek to improve profitability and market share of its activities during the coming year. In the opinion of the Directors, disclosure of any further information on future developments and results than is already disclosed in this report or the financial statements would be unreasonably prejudicial to the interests of the Fund.

DIRECTORS

The Directors of the Responsible Entity in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director
William Bartlett	Non-executive Director
Malcolm Irving	Non-executive Director
Myra Salkinder	Non-executive Director
Peter Spira	Non-executive Director – appointed 27 May 2015

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Fund is subject to significant environmental regulation in respect of its property activities. Adequate systems are in place for the management of the Fund's environmental responsibilities and compliance with the various licence requirements and regulations. No material breaches of requirements or any environmental issues have been identified during the year.

AUDITORS INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst & Young, and such declaration is shown on page 4.

ROUNDING

The amounts contained in this report and in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

John Thame
Chairman
Sydney, 21 August 2015

Frank Wolf
Managing Director

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com

Auditor's Independence Declaration to the Directors of Abacus Funds Management Limited, the Responsible Entity for Abacus Wodonga Land Fund

In relation to our audit of the financial report of Abacus Wodonga Land Fund for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Kathy Parsons
Partner
21 August 2015

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
REVENUE			
Sale of inventory		21,812	10,948
Total Revenue		**21,812**	**10,948**
OTHER INCOME			
Interest received		27	14
Net change in fair value of financial instruments derecognised		146	-
Debt forgiveness on the Abacus Finance Pty Ltd loan		12,900	10,000
Other		36	21
Total Revenue and Other Income		**34,921**	**20,983**
Cost of inventory sales	1	(22,423)	(11,094)
Net change in fair value of derivatives		-	(4)
Impairment of inventory		(7,500)	-
PROFIT BEFORE TAX		**4,998**	**9,885**
Income tax expense		-	-
NET PROFIT AFTER TAX		**4,998**	**9,885**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	3	1,005	177
Trade and other receivables		871	793
Inventory	2(a)	12,374	10,650
TOTAL CURRENT ASSETS		**14,250**	**11,620**
NON-CURRENT ASSETS			
Inventory	2(b)	8,560	24,512
Other		9	11
TOTAL NON-CURRENT ASSETS		**8,569**	**24,523**
TOTAL ASSETS		**22,819**	**36,143**
CURRENT LIABILITIES			
Trade and other payables		1,186	557
TOTAL CURRENT LIABILITIES		**1,186**	**557**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	5(a)	22,163	38,903
Derivatives at fair value		-	2,961
Other		750	-
TOTAL NON-CURRENT LIABILITIES		**22,913**	**41,864**
TOTAL LIABILITIES		**24,099**	**42,421**
NET LIABILITY		**(1,280)**	**(6,278)**
EQUITY			
Contributed equity	7(a)	19,348	19,348
Accumulated losses		(20,628)	(25,626)
TOTAL EQUITY		**(1,280)**	**(6,278)**

CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Income receipts		20,955	9,721
Interest received		24	13
Operating payments		(696)	(597)
Payments for development costs (inventory)		(10,039)	(10,822)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	3	**10,244**	**(1,685)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from funds repaid		22	-
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**22**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,755	18,134
Repayment of borrowings		(14,193)	(18,314)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(9,438)**	**(180)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		828	(1,865)
Cash and cash equivalents at beginning of year		177	2,042
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	**1,005**	**177**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2015

	Issued capital $'000	Retained earnings $'000	Total Equity $'000
At 1 July 2014	19,348	(25,626)	(6,278)
Total comprehensive income for the year	-	4,998	4,998
At 30 June 2015	**19,348**	**(20,628)**	**(1,280)**

	Issued capital $'000	Retained earnings $'000	Total Equity $'000
At 1 July 2013	19,348	(35,511)	(16,163)
Total comprehensive income for the year	-	9,885	9,885
At 30 June 2014	**19,348**	**(25,626)**	**(6,278)**

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30 JUNE 2015

The financial report of the Fund for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 21 August 2015.

The Fund is a registered managed investment scheme.

The nature of the operations and principal activities of the Fund are described in the Directors' report.

Net asset deficiency

At 30 June 2015, the Fund has a net asset deficiency of $1.3m (2014: net asset deficiency of $6.3m) due to impairment of inventory. The Fund has obtained a letter from Abacus Property Group ("APG") that APG does not intend to request repayment of its loan for a period of 12 months from the date of this financial report and to the extent necessary APG intends to provide financial support to enable the Fund to pay its debts as and when they fall due within the next 12 months.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Fund's accounting policies management regularly evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Fund. All judgements, estimates and assumptions made are believed to be reasonable, based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting estimates and assumptions

Net realisable value of inventory

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. The key assumptions that require the use of management judgment are reviewed half-yearly and these assumptions include the number of lots sold per year and the average selling price per lot. If the net realisable value is less than the carrying value of inventory, an impairment loss is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

1. EXPENSES

	2015 $'000	2014 $'000
Cost of inventory sales		
Cost of land sold	21,375	10,042
Selling costs	434	498
Administration and other expenses	614	554
Total cost of inventory sales	**22,423**	**11,094**

2. INVENTORY

	2015 $'000	2014 $'000
(a) Current		
Projects[1]		
- purchase consideration	3,928	2,345
- development costs	11,393	10,635
- finance costs[2]	4,647	1,805
- diminution	(7,594)	(4,135)
	12,374	**10,650**
(b) Non-current		
Projects[1]		
- purchase consideration	6,906	11,965
- development costs	10,825	23,274
- finance costs[2]	4,457	5,714
- diminution[3]	(13,628)	(16,441)
	8,560	**24,512**
Total inventory	**20,934**	**35,162**

1. Inventories are held at the lower of cost and net realisable value.
2. Finance costs were capitalised at interest rates within the range of 6.5% to 10% during the financial year (2014: 10% to 10.45%)
3. The diminution includes an impairment of $7.5m was provided for in the half-year which reflects a revision of future assumptions on revenues and development costs of the project based on current and anticipated market conditions and the impact of the revised development plan and planning permit approved by the City of Wodonga in the year.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

3. CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Reconciliation to Statement of Cash Flow		
For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise the following at 30 June 2015		
Cash at bank and in hand	**1,005**	**177**

1. cash at bank earns interest at floating rates. The carrying amounts of cash and cash equivalents represent fair value

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

	2015 $'000	2014 $'000
Net profit (loss)	4,998	9,885
Adjustments for:		
Net change in fair value of financial instruments derecognised	(146)	4
Impairment of inventory	7,500	-
Debt forgiveness on the Abacus Finance Pty Ltd loan	(12,900)	(10,000)
Increase / (decrease) in payables	629	383
(Increase) / decrease in inventories	13,843	(2,011)
Increase / (decrease) in receivables and other assets	(3,680)	54
Net cash from operating activities	**10,244**	**(1,685)**

(b) Disclosure of interest bearing loans and borrowings

Refer to note 5.

4. CAPITAL MANAGEMENT

The Fund seeks to manage its capital requirements through a mix of debt and equity funding. It also ensures that it complies with capital and distribution requirements of its Fund deeds, the capital requirements of relevant regulatory authorities and continues to operate as a going concern. The Fund also protects its equity in assets by taking out insurance.

The Fund assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. In addition to tracking actual against budgeted performance, The Fund reviews its capital structure to ensure sufficient funds and financing facilities (on a cost effective basis) are available to implement its strategy that adequate financing facilities are maintained.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

5. INTEREST BEARING LOANS AND BORROWINGS

	2015 $'000	2014 $'000
(a) Non Current		
Abacus Finance Pty Ltd	22,163	38,903
	22,163	**38,903**
(b) Maturity profile of current and non-current interest bearing loans		
Due within one year	-	-
Due between one and five years	22,163	38,903
	22,163	**38,903**

Fixed rate loan of up to $45 million drawn to $22.2m at 30 June 2015 (30 June 2014: $38.9 million) provided by Abacus Finance Pty Ltd to provide working capital and interest cost funding to the Fund. The interest rate on the borrowings was reduced during the period from 10% to 6.5% per annum. The loan is due for repayment by 1 July 2016.

(a) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	2015 $'000	2014 $'000
Total facilities		
Bank loans	-	12,000
Abacus Finance Pty Ltd	45,000	45,000
Facilities used at reporting date		
Abacus Finance Pty Ltd*	(22,163)	(38,903)
Facilities unused at reporting date	**22,837**	**18,097**

* The $22.2 million reflects principal of approx. $22 million with the remaining $0.2 million being capitalised interest.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

6. FINANCIAL INSTRUMENTS

Financial Risk Management

The risks arising from the use of the Fund's financial instruments are credit risk, liquidity risk and market risk (interest rate risk and price risk).

The Fund's financial risk management focuses on mitigating the unpredictability of the financial markets and its impact on the financial performance of the Fund. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Primary responsibility for identification and control of financial risks rests with the Treasury Management Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of interest rate risks and cash flow forecast projections.

The main purpose of the financial instruments used by the Fund is to raise finance for the Fund's operations. The Fund has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Fund also enters into derivative transactions principally interest rate swaps. The purpose is to manage the interest rate exposure arising from the Fund's operations and its sources of finance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in the section about this report and Note 10.

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Fund's receivables from bonds, deposits on the subdivisions of the land and derivative financial instruments.

Given the nature of the receivables, credit risk is considered to be low. Notwithstanding this, the receivable balances are monitored on an ongoing basis with the result that the Fund's exposure to bad debts is not significant.

Credit risk exposures

The Fund's maximum exposure to credit risk at the reporting date was:

	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Receivables	871	793
Cash and cash equivalents	1,005	177
	1,876	**970**

The aging of the Fund's receivables at the reporting date was:

		2015		2014
	Gross	Impairment	Gross	Impairment
		$'000		$'000
not past due - trade receivables	871	-	793	-
past due 0-30 days	-	-	-	-
past due 31-120 days	-	-	-	-
more than one year	-	-	-	-
	871	-	793	-

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

6. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate and diverse amount of committed credit facilities, the ability to close out market positions.

The Fund’s policy is to maintain an available facility with a related party sufficient to meet expected development costs.

As at 30 June 2015, the Fund had cash of $1 million which is adequate to cover short term funding requirements. Further information regarding the Fund’s debt profile is disclosed in Note 5.

The table below shows an analysis of the contractual maturities of key liabilities which forms part of the Fund assessment of liquidity risk.

30 June 2015	Carrying Amount $'000	Contractual cash flows $'000	1 Year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000
Liabilities					
Trade and other payables	1,186	1,186	1,186	-	-
Interest bearing loans and borrowings	22,163	25,048	1,441	23,608	-
Total liabilities	**23,349**	**26,234**	**2,627**	**23,608**	**-**

30 June 2014	Carrying Amount $'000	Contractual cash flows $'000	1 Year or less $'000	Over 1 year to 5 years $'000	Over 5 years $'000
Liabilities					
Trade and other payables	557	557	557	-	-
Interest bearing loans and borrowings#	41,864	50,269	4,928	45,341	-
Total liabilities	**42,421**	**50,826**	**5,485**	**45,341**	**-**

includes derivatives of a principal value of $20 million

carrying amount includes fair value of derivative liabilities. Contractual cash flows includes contracted debt and net swap payments using prevailing forward rates

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

6. FINANCIAL INSTRUMENTS (continued)

(c) Market Risk

Interest rate risk / Fair value interest rate risk

The Fund's exposure to interest rate risk and the effective weighted average interest rates for each class of financial asset and financial liability are:

30 June 2015	Floating interest rate $'000	Fixed interest less than 1 year $'000	Fixed interest 1 to 5 years $'000	Fixed interest over 5 years $'000	Non interest bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	1,005	-	-	-	-	1,005
Receivables	-	-	-	-	871	871
Total financial assets	**1,005**	**-**	**-**	**-**	**871**	**1,876**
Weighted average interest rate*	2.02%					
Financial liabilities						
Related party loans	-	-	22,163	-	-	22,163
Payables	-	-	-	-	1,186	1,186
Total financial liabilities	**-**	**-**	**22,163**	**-**	**1,186**	**23,349**

30 June 2014	Floating interest rate $'000	Fixed interest less than 1 year $'000	Fixed interest 1 to 5 years $'000	Fixed interest over 5 years $'000	Non interest bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	177	-	-	-	-	177
Receivables	-	-	-	-	793	793
Total financial assets	**177**	**-**	**-**	**-**	**793**	**970**
Weighted average interest rate*	2.06%					
Financial liabilities						
Related party loans	-	-	38,903	-	-	38,903
Derivatives	-	-	-	-	2,961	2,961
Payables	-	-	-	-	557	557
Total financial liabilities	**-**	**-**	**38,903**	**-**	**3,518**	**42,421**
Notional principal swap balance maturities*	-	-	20,000	-	-	20,000

* rate calculated at 30 June

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

6. FINANCIAL INSTRUMENTS (continued)

(c) Market Risk (continued)

Interest rate risk / Fair value interest rate risk (continued)

The following table is a summary of the interest rate sensitivity analysis:

	Carrying amount	-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30 June 2015	$'000	$'000	$'000	$'000	$'000
Financial assets	1,005	(10)	-	10	-
Financial liabilities	-	-	-	-	-

	Carrying amount	-1%		+1%	
	Floating	Profit	Equity	Profit	Equity
30 June 2014	$'000	$'000	$'000	$'000	$'000
Financial assets	177	(2)	-	2	-
Financial liabilities	2,961	(836)	-	792	-

The analysis for the interest rate sensitivity of financial liabilities includes derivatives.

(d) Fair values

In accordance with AASB 7 *Financial Instruments: Disclosures* and *AASB13 Fair Value Measurement* the Fund's financial instruments are classified into the following fair value measurement hierarchy:

Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data.

30 June 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-current				
Interest-bearing loans and borrowings	-	22,163	-	22,163
Total non-current	**-**	**22,163**	**-**	**22,163**

30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-current				
Interest-bearing loans and borrowings	-	38,903	-	38,903
Derivative liabilities	-	2,961	-	2,961
Total non-current	**-**	**41,864**	**-**	**41,864**

There were no transfers between Levels 1, 2 and 3 during the period

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6. FINANCIAL INSTRUMENTS (continued)

(d) Fair values (continued)

Determination of fair Value

The fair value of interest rate swaps is determined using a generally accepted pricing model on a discounted cash flow analysis using assumptions supported by observable market rates.

7. CONTRIBUTED EQUITY

(a) Issued units	2015 $'000	2014 $'000
Issued capital	20,000	20,000
Issue costs	(652)	(652)
Total contributed equity	19,348	19,348

(b) Movement in units on issue	Number '000	Value $'000
At 30 June 2014	57,037	19,348
Units on issue at 30 June 2015	57,037	19,348

8. COMMITMENTS AND CONTINGENCIES

The Fund has commitments for development expenditure of approximately $3.6 million (2014: $2.44 million)

NOTES TO THE FINANCIAL STATEMENTS

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9. RELATED PARTY DISCLOSURES

(a) Responsible Entity

The Responsible entity of AWLF is Abacus Funds Management Limited, an Australian Financial Services Licence holder, whose immediate and ultimate holding company is Abacus Group Holding Limited (AGHL).

Transactions between the Fund and the Responsible Entity results from normal dealings with that company as the Fund's Responsible Entity.

(b) Details of Key Management Personnel

(i) Directors

John Thame	Chairman (Non-executive)
Frank Wolf	Managing Director
William Bartlett	Non-executive Director
Malcolm Irving	Non-executive Director
Myra Salkinder	Non-executive Director
Peter Spira	Non-executive Director - appointed 27 May 2015

(ii) Executives

E Varejes	Chief Operating Officer and Company Secretary
R Baulderstone	Chief Financial Officer
J L'Estrange	Director – Property Ventures
C Aarons	Head of Strategy
C Laird	Director – Property Ventures

(iii) Other Key Management Personnel

In addition to the Directors noted above, Abacus Funds Management Limited, the Responsible Entity of the Trust is considered to be Key Management Personnel with the authority for the strategic direction and management of the Trust.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 9(c).

(c) Fees

Abacus Funds Management Limited provides management and investment accounting services to the Fund.

All cost associated with the provision of investment accounting services are paid by the Responsible Entity, and are conducted on normal commercial terms and conditions.

In accordance with Fund's offer document and constitution, the Responsible Entity is entitled to receive a monthly management fee of 0.5% p.a. of the total assets of the Fund under the terms of the Constitution. However no fees were paid to the Responsible Entity during the year for management of the Fund (2014: Nil) as the Responsible Entity has waived these fees for the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

9. RELATED PARTY DISCLOSURES (continued)

(d) Transactions with related parties

	2015 $'000	2014 $'000
Transactions with associates		
Expense		
Interest expense of loan from Abacus Finance Pty Ltd	2,783	3,988
Other transactions		
Loan advanced from Abacus Finance Pty Ltd	4,755	12,247
Loan repayments to Abacus Finance Pty Ltd	(11,378)	(5,770)
Debt Forgiveness	(12,900)	(10,000)
Sale of investment property to associate	(4,235)	-

Terms and conditions of transactions

Sales to related parties are made in arm’s length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from related parties during the year.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments which have been measured at fair value, interests in joint ventures and associates which are accounted for using the equity method, and certain investments and financial assets measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the class order applies.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS), as issued by the AASB and IASB respectively.

(c) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The following amending Standards have been adopted from 1 July 2014 along with the required changes arising from improvements to AASBs 2010-2012 cycle. Adoption of these standards and interpretations did not have any material effect on the financial position or performance of the Fund.

- AASB 2012-3: - Offsetting Financial Assets and Financial Liabilities

  The amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Fund as no entities within the Fund have any offsetting arrangements.

(ii) Accounting Standards and Interpretation issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the annual reporting period ended 30 June 2015. These are outlined below:

- AASB 9 Financial Instruments (effective 1 January 2018 / applicable for Fund 1 July 2018)

  This standard includes requirement to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement.

  The Fund will review the classification of its existing financial assets and liabilities in line with the Standard, such as secured and related party loans, options and derivatives.

- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138) (effective 1 January 2016 / applicable for Fund 1 July 2016)

  AASB 16 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodies in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodies in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

  The revision will have no impact on how the Fund measures its depreciation and amortisation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretation issued but not yet effective (continued)

- Revenue from Contracts with Customers (effective 1 January 2017 / applicable for Fund 1 July 2017)

  In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services).

  The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the flowing steps:

  a. Step 1: identify the contract(s) with a customer
  b. Step 2: identify the performance obligations in the contract
  c. Step 3: Determine the transaction price
  d. Step 4: Allocate the transaction price to the performance obligations in the contract
  e. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  Early adoption of this Standard is permitted. AASB 2015-5 incorporates the consequential amendments to a number of Australian Accounting Standards (including interpretations) arising from the issuance of AASB 15.

  The Fund will review any contracts it has with customers and assess the disclosure requirements, if any, of these contracts.

- Sale or Contribution of Assets between an Investor and its Associate for Joint Venture (effective 1 January 2016 / applicable for Fund 1 July 2016)

  AASB 201-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:

  a. A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and

  b. A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  AASB 2010-10 also makes an editorial correction to AASB 10. AASB 2010-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.

  The Fund will assess any transaction in line with the Standard when adopted by the AASB.

- Annual improvements to Australian Accounting Standards 2012-2014 Cycle (effective 1 January 2016 / applicable to Fund 1 July 2016)

  The subjects of the principal amendments to the Standards are set out below:

  - AASB 5 Non-current Assets Held for Sale and Discontinued Operations:

    Changes in methods of disposal – when an entity reclassifies an asset (or disposal Fund) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27-29 to account for this change.

  - AASB 7 Financial Instruments: Disclosures:

    Servicing contracts – clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purpose of applying the disclosure requirements in paragraph 42E – 42H of AASB 134.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) New accounting standards and interpretations (continued)

(ii) Accounting Standards and Interpretation issued but not yet effective (continued)

Applicability of the amendments to AASB 7 to condensed interim financial statements – clarify that the additional disclosure required by the amendments to AASB 7 Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.

- AASB 119 Employee Benefits

Discount rate: regional market issues – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.

- AASB 134 Interim Financial Reporting

Disclosure of information 'elsewhere in the interim financial report' amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.

We are currently assessing the impact of the amendment to the Fund.

- Disclosure Initiative: Amendments to AASB 101 (effective 1 January 2016 / applicable for Fund 1 July 2016)

The Standard makes amendment to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosure. The amendments also clarify that the companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The Fund has commenced aThe simplification and streamlining project on the format and presentation of the statutory report to keep up with industry standards and current focus on reducing complexity. This is an ongoing project and the Fund will assess current format in line with the Standard when adopted by the AASB.

AASB 14, AASB 2014-3, AASB2014-6, AASB2014-9, AASB 1056, AASB 2015-3, AASB 2015-4, AASB 2015-5 and AASB 2015-6 will have no application to the Fund.

(d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Finance Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition (continued)

Sale of inventory

Revenue from property development sales is recognised when the significant risks, rewards of ownership and effective control has been transferred to the purchaser which has been determined to occur upon settlement and after contractual duties are completed.

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

(e) Expenses

Expenses including rates, taxes and other outgoings, are brought to account on an accrual basis and any related payables are carried at cost.

(f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and shot-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised at amortised cost, which in the case of the Fund, is the original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Derivative financial instruments and hedging

The Fund utilises derivative financial instruments such as interest rate swaps to manage the risk associated with interest rate. Such derivative financial instruments are recognised at fair value.

The Fund has set defined policies and implemented hedging policies to manage interest rate risks. Derivative instruments are transacted in line with these policies to achieve the economic outcomes in line with the Fund's treasury and hedging policy. They are not transacted for speculative purposes.

The Fund does not employ hedge accounting and as such derivatives are recorded at fair value with gains or losses arising from the movement in fair values recorded in the income statement.

(i) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid in the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as non-current liabilities where the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Interest-bearing loans and borrowings (continued)

Borrowing Costs

Borrowing costs are recognised as an expense when incurred unless they relate to a qualifying asset or to upfront borrowing establishment and arrangement costs, which are deferred and amortised as an expense over the life of the facility. A qualifying asset is an asset that generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised into the cost of the asset. Where funds are borrowed by the Fund for the acquisition or construction of a qualifying asset, the amount of the borrowing costs capitalised are those incurred in relation to the borrowing.

(k) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Fund. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds.

(l) Inventories

Property Development

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of sales in the ordinary course of business. Expenses of marketing, selling and distribution to customers are estimated and deducted to establish net realisable value. Where the net realisable value of inventory is less than cost, an impairment expense is recognised in the consolidated income statement. Reversals of previously recognised impairment charges are recognised in the consolidated income statement such that the inventory is always carried at the lower of cost and net realisable value. Cost includes the purchase consideration, development costs and holding costs such as borrowing costs, rates and taxes.

(m) Taxation

AWLF is an entity to which Division 6C of the Income Tax Assessment Act will apply and therefore the Fund is taxed as a company.

Company income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

10. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Taxation (continued)

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2015

11. AUDITOR'S REMUNERATION

	2015 $	2014 $
Amounts received or due and receivable by Ernst & Young Australia for:		
- An audit of the financial report of the entity and any other entity	18,000	18,000
	18,000	**18,000**

12. EVENTS AFTER BALANCE SHEET DATE

Other than as disclosed in this report, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect, the Fund's operations in future financial years, the results of those operations or the Fund's state of affairs in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Abacus Funds Management Limited, we state that:

In the opinion of the directors:

a. the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Fund are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Fund's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 10(b); and

c. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable. The Fund has received an undertaking of support from AGHL.

On behalf of the Board

John Thame
Chairman
Sydney, 21 August 2015

Frank Wolf
Managing Director

Building a better working world

Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com

Independent auditor's report to the members of Abacus Wodonga Land Fund

Report on the financial report

We have audited the accompanying financial report of Abacus Wodonga Land Fund ('the Fund'), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Abacus Funds Management Limited, the Responsible Entity of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 10(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls 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 controls. 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.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

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Opinion

In our opinion:

a. the financial report of Abacus Wodonga Land Fund is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 10(b).

Ernst & Young

Ernst & Young

Kathy Parsons
Partner
Sydney
21 August 2015