



# Australian Education Trust

ABN 58 102 955 939 ARSN 102 955 939

## and Controlled Entity

### Annual Financial Report

30 June 2010



Responsible Entity:  
Austock Property Management Ltd  
ABN 46 111 338 937  
AFSL 281544



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# CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010



The Australian Education Trust ("Trust") is a managed investment scheme that is registered under the *Corporations Act 2001*. Austock Property Management Limited ("Responsible Entity") was appointed the responsible entity of the Trust on 17 December 2004. The Responsible Entity is a wholly-owned subsidiary of Austock Group Limited.

In accordance with ASX Listing Rule 4.10.3, set out below are the ASX Corporate Governance Council's eight principles of good corporate governance and the extent to which the Trust has sought to comply with the recommendations for each.

## Principle 1: Lay solid foundations for management and oversight

The Principle requires the Trust to establish and disclose the respective roles and responsibilities of both the Board and Management.

ASX recommendation / disclosure obligation	Trust's response
<b>1.1 Establish functions reserved to Board and those delegated to senior executives</b>	<p>The business of the Trust is managed under the direction of the Board of Directors of the Responsible Entity ("Board") with management of day to day operations delegated to Mr Nicholas Anagnostou, Chief Operating Officer / Fund Manager.</p> <p>The conduct of the Board is governed by the Constitution of the Trust and Responsible Entity and the Corporations Act 2001. The Board meets on a regular basis and is required to discuss pertinent business developments and issues and review the operations and performance of the Trust.</p>
<b>1.2 Process for evaluating performance of senior executives</b>	<p>There are 4 components to evaluating the performance of senior executives. Prior to the commencement of the financial year, a budget/strategy session is held involving an Austock Group representative, the Chief Operating Officer / Fund Manager and Chief Financial Officer and a business plan is agreed for the forthcoming year. An annual performance appraisal of the Chief Operating Officer / Fund Manager is conducted by Austock Group in July and KPIs that have been agreed are filtered down to individual team members. Biannual reviews are conducted to provide formal feedback to the Chief Operating Officer / Fund Manager regarding their individual and team's performance and to plan for the next 6 months. Performance is regularly reviewed at monthly meetings between an Austock Group representative and Chief Operating Officer / Fund Manager.</p> <p>Adopting this process, the performance of senior executives was evaluated during the financial year.</p>
<b>1.3 Availability of information</b>	<p>A copy of the Constitution of the Responsible Entity and Trust is available on the Trust's website.</p>

## Principle 2: Structure the Board to add value

The Principle requires the Trust to have a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

It is the objective that the Board comprises directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually and the Board collectively to supervise the operations of the Trust with excellence.

ASX recommendation / disclosure obligation	Trust's response
<b>2.1 Majority of Board should be independent directors</b>	<p>Throughout the financial year the majority of the Board comprised independent directors.</p> <p>The current Board comprises three directors, of whom two – Mr Vic Cottren and Mr Michael Johnstone – are independent. The other member of the Board is Mr Nicholas Anagnostou who holds an executive role and is not considered independent.</p> <p>Mr Tim Boyle was an executive director for the period from 24 March 2010 to 9 July 2010 and was not considered independent.</p>
<b>2.2 Chair should be an independent director</b>	<p>Mr Cottren has been Chairman of the Board since 4 August 2008 and is regarded as independent.</p>
<b>2.3 Roles of Chair and Chief Executive Officer should not be exercised by same individual</b>	<p>The roles of Chairman and Chief Executive Officer are not held by the same individual. Since the resignation of Mr Vin Harink on 28 July 2008, the role of Chief Executive Officer has been vacant, however the most senior executive role is held by Mr Anagnostou, Chief Operating Officer / Fund Manager. For the period from 24 March 2010 to 9 July 2010, Mr Boyle held the executive role of Chairman, Austock Investments.</p>
<b>2.4 Establish a Nomination Committee</b>	<p>Due to the small size of the Board it is not intended that a Nomination Committee be established. Responsibility for selecting, appointing, evaluating and removing directors is a matter for the full Board and Austock Group Limited.</p>

# CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

## Principle 2: Structure the Board to add value (continued)

ASX recommendation / disclosure obligation	Trust's response
<b>2.5 Process for performance evaluation of Board, its committees and individual directors</b>	<p>The Trust does not have in place formal evaluation measures and processes for the Board, its committees and individual directors as the nature and size of the business to date has justified an informal process.</p> <p>The Board has directed the Company Secretary to produce a policy which outlines the process for performance evaluation of the Board, its committees and individual directors. That policy has yet to be adopted by the Board and implemented. A performance evaluation will be undertaken at the earliest opportunity following implementation of the policy.</p>
<b>2.6 Information on Directors</b>	<p>Details of each Director's relevant skills, experience and expertise, as well as their independence status and period in office are set out in the Directors' Report. The number of meetings held and attended during the year are also set out in the Directors' Report.</p> <p>In determining the independence of directors, the Board has adopted the criteria set out in section 601JA(2) of the <i>Corporations Act 2001</i>.</p>
<b>2.7 Independent professional advice</b>	<p>Under the terms of the Trust's Constitution, the Directors and non-executive committee members of the Responsible Entity have the right to seek independent professional advice at the Trust's expense.</p>
<b>2.8 Procedure for selection and appointment of new directors and re-election of incumbent directors / Board policy for nomination and appointment of directors</b>	<p>The Board does not have in place a formal policy for the nomination and appointment of directors as responsibility for selecting and appointing directors is maintained by Austock Group Limited.</p> <p>Nevertheless, the Board regularly reviews the composition of the Board in view of the business and strategic needs of the business and provides feedback in relation thereto to Austock Group. If it is deemed necessary to recruit additional directors the Board will assist Austock Group in determining the skills and experience required by the additional directors. A search process is undertaken following which the Chairman and directors will interview the selected candidate(s). If a suitable candidate is found an appointment will be made.</p> <p>Neither the Responsible Entity's Constitution nor the ASX Listing Rules require newly appointed directors to seek election or incumbent directors to seek re-election.</p>
<b>2.9 Availability of information</b>	<p>A copy of the policy on Board performance evaluation will be made available on the Trust's website once adopted by the Board. A description of the procedure for the selection and appointment of new directors will also be made available on the Trust's website at this time.</p>

## Principle 3: Promote ethical and responsible decision making

The Principle requires that the Board should actively promote ethical and responsible decision-making.

ASX recommendation / disclosure obligation	Trust's response
<b>3.1 Establish a Code of Conduct</b>	<p>Directors and employees of the Responsible Entity are subject to a Code of Conduct which has been adopted by Austock Group Limited. The Board is committed to ensuring that all directors and employees act with the utmost integrity and objectivity in their dealings with all people that they come in contact with during their working life.</p>
<b>3.2 Establish a Share Trading Policy</b>	<p>The Board has adopted a Share Trading policy which governs dealing in units of the Trust by directors, responsible officers and persons who, because of their office or employment with the Responsible Entity or a related body corporate, are likely to be in possession of unpublished price sensitive information in relation to the Trust. This includes restricting dealings in the Trust's units without prior approval and then not in the period of 1 month immediately preceding the announcement of the Trust's annual or half year results (as applicable).</p>
<b>3.3 Availability of information</b>	<p>A copy of the Austock Group Code of Conduct and Share Trading Policy are available on the Trust's website.</p>

## Principle 4: Safeguard integrity in financial reporting

This Principle requires that the Trust have a structure in place to independently verify and safeguard the integrity of its financial reporting.

ASX recommendation / disclosure obligation	Trust's response
4.1 Establish an Audit Committee	<p>The Board has established an Audit and Compliance Committee whose responsibilities include monitoring the Responsibility Entity and the Trust's compliance with the <i>Corporations Act 2001</i>, the Trust's Constitution and Compliance Plan. This is notwithstanding that a separate compliance committee is not required under s.601JA of the Corporations Act.</p> <p>The current members of the Committee are Mr Warner Bastian (Chairman), Mr Michael Johnstone and Mr David Penman, all of whom are considered independent. Mr Bastian and Mr Penman are not members of the Board but possess a level of technical expertise appropriate for audit committee membership.</p>
4.2 Structure of Audit Committee	<p>The Board notes that as the Trust was not included in the top 300 of the S&amp;P All Ordinaries Index at the beginning of the financial year it is not required to follow the recommendations on the composition, operation and responsibilities of an audit committee.</p> <p>During the year the Committee had, at all times, 3 members who were independent. However, not all members were non-executive directors. Mr Bastian and Mr Penman are members of the Committee but are not directors of the Responsible Entity. The Board is of the view that it is preferable to have a non-compliant committee that is fully independent than to appoint non-independent directors to the committee.</p>
4.3 Formal Charter	The Audit and Compliance Committee has a formal charter which sets out its responsibilities.
4.4 Information on Audit Committee members	The names and qualifications of the Audit and Compliance Committee members and details of meetings held and attended during the year are set out in the Directors' Report.
4.5 Selection and appointment of external auditor and for rotation of external audit engagement partner	<p>The Board is responsible for appointing the external auditor, subject to confirmation by Unitholders at a general meeting.</p> <p>The Audit and Compliance Committee is directly responsible for making recommendations to the Board on the appointment, termination and oversight of the external auditor. In selecting an auditor, the Committee implements a selection process and makes a recommendation to the Board based on their assessment of the potential external auditor. The assessment takes into account a number of key criteria, including audit approach and methodology, internal quality control procedures, resources, key personnel and cost.</p> <p>The Audit and Compliance Committee is required to annually review the external auditor's performance and independence.</p> <p>In line with current professional standards, the external auditor is required to rotate Trust audit and review partners at least once every 5 years.</p>
4.6 Availability of information	A copy of the Audit and Compliance Committee Charter is available on the Trust's website. Information on the procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners will be posted to the website shortly.

## Principle 5: Make timely and balanced disclosure

The Principle requires the Trust to promote timely and balanced disclosure of all material aspects concerning the Trust.

ASX recommendation / disclosure obligation	Trust's response
5.1 Continuous Disclosure Policy	A Continuous Disclosure Policy has been adopted by the Board. This policy reflects the Board's commitment to ensuring that information that is expected to have a material effect on the price or value of the Trust's securities is immediately notified to the ASX for dissemination to the market in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.
5.2 Availability of information	A copy of the Continuous Disclosure Policy is available on the Trust's website.

# CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

## Principle 6: Respect the rights of shareholders

The Principle requires the Trust to respect the rights of Unitholders and facilitate the exercise of those rights.

ASX recommendation / disclosure obligation	Trust's response
<b>6.1 Communications Policy</b>	<p>A Communications Policy has been adopted by the Board, reflecting its policy that Unitholders be informed of all significant developments affecting the Trust's affairs.</p> <p>Information is communicated by:</p> <ul style="list-style-type: none"><li>• dispatching annual reports to Unitholders who request to receive it;</li><li>• dispatching Distribution Statements to all Unitholders which include details of distributions paid and the components of the distribution;</li><li>• maintaining a dedicated investor relations section on the Trust's website to which it posts copies of all ASX announcements, Annual Reports, Half Yearly Reports, details of corporate governance practices, presentations to Unitholders and other information of interest to investors; and</li></ul> <p>As a managed investment scheme, the Trust is not required to hold an annual general meeting. From time to time, however, the Trust has held Unitholders' meetings at which the auditor (at the request of the Responsible Entity) has been in attendance. In the interests of containing costs, a Unitholders' meeting was not held during the financial year. In deciding not to hold a Unitholders' meeting at which the auditor was present and available to answer questions, the Trust has not met the aims of section 250RA of the Corporations Act (which requires an auditor of a listed entity to attend the annual general meeting and answer questions on the audit).</p>
<b>6.2 Availability of information</b>	<p>A copy of the Communications Policy is available on the Trust's website.</p>

## Principle 7: Recognise and manage risk

This Principle requires the Trust to establish a sound system of risk oversight and management and internal control.

ASX recommendation / disclosure obligation	Trust's response
<b>7.1 Establish policies for the oversight and management of material business risks</b>	<p>The Board has adopted a Risk Management Plan, developed in accordance with the Australian Standard on Risk Management (AS/NZS 4360:2004). The policy reflects the Board's commitment to identifying, monitoring and mitigating risks as well as capturing opportunities.</p>
<b>7.2 Design and implement a risk management and internal control system to manage material business risks and report thereon to Board</b>	<p>Day to day responsibility for risk management has been delegated to Management, with review occurring at both Responsible Entity Board level and Austock Group Board level. In accordance with the Risk Management Plan, Management undertakes an exercise of identifying and prioritising its material business risks. These risks are documented in a Risk Register and, where the level of risk is considered to be above the desired level, an action plan is developed to address and mitigate the risk. Management's risk management process is reviewed by an external consultant every two years – the last review was commenced in early 2010 and is yet to be finalised.</p> <p>Risks, the effectiveness of mitigation strategies and the overall management system are regularly reviewed by Management to ensure changing circumstances do not alter the risk priorities. Management reports to the Board on the effectiveness of the Trust's management of its material business risks.</p>
<b>7.3 Assurance from Chief Executive Officer and Chief Financial Officer</b>	<p>The Chief Operating Officer / Fund Manager (the position of Chief Executive Officer being presently vacant) and Chief Financial Officer have certified in writing to the Board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>
<b>7.4 Availability of information</b>	<p>A copy of the Risk Management Plan is available on the Trust's website.</p>

## Principle 8: Remunerate fairly and responsibly

This Principle requires that the Trust ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

ASX recommendation / disclosure obligation	Trust's response
8.1 Establish a Remuneration Committee	Remuneration of the Responsible Entity is dealt with comprehensively in the Trust's Constitution. Accordingly, it is considered unnecessary to maintain a Remuneration Committee. All fees and expenses of the Responsible Entity are approved by the Board.
8.2 Distinction between structure of non-executive directors' remuneration and remuneration of directors and senior executives	<p>Remuneration of directors and senior executives is a matter for the Board and Austock Group Limited. Directors and senior executives are paid either directly by the Responsible Entity or by entities associated with the Responsible Entity or Austock Group. Directors and employees are not provided with any remuneration by the Trust itself.</p> <p>A distinction is made between the structure of non-executive directors' remuneration from that of executive directors and senior executives. Non-executive directors are remunerated by way of fees in the form of cash, non-cash benefits and superannuation contributions. Executive directors and senior executives' packages generally comprise fixed, performance-based and equity-based remuneration components (the equity component being equity in Austock Group, not the Trust itself). Neither directors nor senior executives are entitled to equity interests in the Trust or any rights to or options for equity interests in the Trust as a result of remuneration provided by the Responsible Entity.</p> <p>A Remuneration Report, which sets out information about the remuneration of the Responsible Entity for the financial year is included in the Directors' Report. The Responsible Entity is entitled to claim asset management fees, reimbursement for all expenses reasonably and property incurred in relation to the Trust or in performing its obligations under the Constitution, debt arrangement fees and property acquisition due diligence fees.</p>
8.3 Information on Remuneration Committee members	N/a
8.4 Schemes for retirement benefits	The Responsible Entity does not pay retirement benefits, other than superannuation, for its non-executive directors.
8.5 Policy on prohibiting transactions in associated products which limit the economic risk of participating in unvested entitlements under equity based remuneration schemes	Directors and employees are not remunerated by the Trust and do not receive equity in the Trust as a form of remuneration. Accordingly, it is considered unnecessary to have a policy which prohibits transactions in associated products which limit the economic risk of participating in unvested entitlements under equity based remuneration schemes.
8.6 Availability of information	A copy of the Constitution and Share Trading Policy is available on the Trust's website.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The Directors of Austock Property Management Limited ("the Responsible Entity"), the Responsible Entity of the Australian Education Trust and its controlled entity ("the Trust"), present their report together with the financial report of the Trust for the year ended 30 June 2010.

## THE RESPONSIBLE ENTITY

The registered office and principal place of business of the Responsible Entity and the Trust is Level 1, 350 Collins Street, Melbourne, Victoria, 3000.

### Structure of Trust/Responsible Entity

#### Directors of the Responsible Entity

The Directors of the Responsible Entity during the financial year and to the date of this report comprise:

Name	Period of Directorship
Mr Victor David Cottren	Appointed 22 December 2004
Mr Michael Francis Johnstone	Appointed 22 December 2004
Mr Nicholas James Anagnostou	Appointed 4 August 2008
Mr Tim David Boyle	Appointed 24 March 2010. Resigned 9 July 2010

#### Company Secretary's Qualifications and Experience

The Trust has Joint Company Secretaries with details as follows:

- Amanda Gawne, BCom, LLB (Melbourne University), Grad Dip CSP, ACIS - Appointed 2 March 2007. Amanda has over 12 year's company secretarial experience in large private and publicly listed organisations.
- Adrian Hill, BSc, LLB (Monash University) - Appointed 15 May 2009. Adrian joined Austock Group in 1998 as General Counsel. Austock Group is the parent of Austock Property Management Ltd the Responsible Entity of the Australian Education Trust. During his time at Austock, Adrian has served on boards and compliance committees for funds management businesses.

#### Remuneration of the Responsible Entity

During the financial year the Responsible Entity received fees totalling \$2,655,000 (2009: \$2,442,000) from the Trust.

## PRINCIPAL ACTIVITIES

The Trust is a specialist education property owner which as at 30 June 2010 owns a total of 340 childcare properties (415 properties as at 30 June 2009) in locations around Australia and New Zealand. The Trust's properties are categorised as follows:

	No of Properties	Carrying Value \$000's	Current Rent (pa) \$000's
<b>Operating Properties</b>			
GoodStart	193	219,287	20,709
ABC New Zealand (not in Administration)	56	41,727	3,551
Other	80	85,495	8,422
	329	346,509	32,682
<b>Closed Properties</b>			
Contracted/Settled subsequent to 30 June 2010	1	1,160	-
Available for Sale/Lease	5	2,210	-
<b>Development Sites</b>			
Australia Contracted/Settled subsequent to 30 June 2010	1	800	-
Australia Available for Sale	3	1,545	-
New Zealand	1	121	-
<b>Total Properties as at 30 June 2010</b>	<b>340</b>	<b>352,345</b>	<b>32,682</b>

## GOODSTART

### GoodStart New Tenant of 193 former ABC1 Childcare Properties

Effective May 2010, the not-for-profit group GoodStart Childcare Limited ("GoodStart") is the new tenant of 193 of the Trust's properties as the purchaser of the former ABC Learning Centres Ltd business assets. GoodStart is supported and funded by the Federal Government and has sourced funding from NAB as well as from the social capital sector. In addition, the Company has been granted exemption from payroll tax, income tax, concessional FBT benefits and relief from one off stamp duties in some areas. GoodStart will operate approximately 670 properties under the ABC banner. The four principal not-for-profit members represented on the GoodStart Board of Directors are:

- Mission Australia (Mission) is an organisation that assists the disadvantaged in the community. Mission's annual turnover in 2008/2009 was over \$300m and provided assistance for over 280,386 Australians. Mission Australia is an existing tenant of the Trust, independently leasing 20 childcare properties.
- The Brotherhood of St Laurence (BSL) is an independent organisation with strong Anglican and community links which works to free Australia from poverty. BSL provides services such as job training, placement programs, disability care, early childhood development programs as well as services for indigenous Australians, refugees and migrants. BSL had assets over \$85 million at 30 June 2009.
- The Benevolent Society is Australia's oldest charity established in 1813 with its main mission to give a voice to women, children, older people, those with disabilities and people experiencing poverty. At 30 June 2009 the charity had assets over \$80 million, with over 750 staff and volunteers Australia-wide.
- Social Ventures Australia (SVA) was established in 2002 by The Benevolent Society, The Smith Family, WorkVentures and AMP Foundation. SVA provides support to the portfolios of non-profit organisations, consults to the broader non-profit sector and develops social sector partnerships.

The transition to GoodStart has been successful with no disruption or reduction to the Trust's rental income and with 193 of the Trust's leases now in favour of GoodStart.

The Trust looks forward to a new relationship with GoodStart's management who are expected to provide significantly stronger executive and operational expertise together with enhanced corporate governance standards and transparency.

### Assignment of Leases

An overview of the lease arrangements with GoodStart are as follows:

- Assignment of the leases with the existing ABC triple net structure. Pursuant to the triple net structure, all outgoings and costs of repairs and maintenance, including periodic redecoration, are to be met by the tenant (not including Qld and Vic land tax ~\$2 million pa);
- No incentives, rent holidays or reductions were granted and there has been no variation to rent or rental review mechanisms. The exception is for 9 properties for which a right to exit after 2 years has been given if the properties do not operate profitably;

- Addition of a 6 month gross rent pooled bank guarantee (circa \$12.9 million). The bank guarantee has been incorporated into each lease, is reviewable annually including a portfolio default provision should the collective security due to the Trust be deficient at any time, subject to notice periods. The pooling arrangement allows the Trust to call on the guarantee on any one default up to a maximum of \$750,000 which can be drawn from the pooled guarantee. The guarantee extends through to 2035;
- All rental has been paid by the Receiver in accordance with the leases until the assignment date, as a precondition to the assignment;
- Pre-receivership outgoings in relation to the 193 leases to be assigned to GoodStart, unpaid by ABC prior to its collapse, have been recovered in full. This amount does not include compensation in respect to other former ABC sites previously disclaimed, including for capital losses incurred by the Trust which would otherwise only be claimable as an unsecured creditor;
- The majority of the Trust's costs relating to the assignment have been recovered from the Receiver; and
- In respect to the whole portfolio, the Trust holds bank guarantees supporting its tenants to the amount of approximately \$15.5 million, together with other Director and personal guarantees.

### ABC New Zealand

ABC New Zealand (ABC NZ) is a wholly owned subsidiary of the ABC Learning Centres (Receivers & Managers Appointed) Ltd. The New Zealand subsidiary is not in receivership or liquidation however, the Receiver, McGrath Nicol is in effective control of the business. The Receiver has sought to sell the NZ operating business, however has been unable to secure a purchaser. The Trust owns 56 properties in New Zealand which represents approximately \$41.7 million in capital value or 12% of the Trust's portfolio.

The Trust continues to receive rent under its leases and the Trust monitors the condition of its properties to ensure they are being maintained to the Trust's satisfaction.

### Closed Properties

As at 30 June 2010, there are 5 properties remaining on the sales and leasing campaign with a carrying value of \$2.2 million. The proceeds of sale from these properties will be used to pay down debt.

### Development Sites

As at 30 June 2010, there are 4 Australian properties and 1 New Zealand property remaining on the sales campaign with a carrying value of \$2.5 million. One of these properties has been contracted for sale subsequent to 30 June 2010. The proceeds of sale from these properties will be used to pay down debt.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

## REVIEW AND RESULTS OF OPERATIONS

The result for the year ending 30 June 2010 was a profit of \$3.6 million, equivalent to 2.7 cents per unit ("cpu"). Excluding the impact of non-recurring and non-cash amounts, the Trust produced operating income of \$6.4 million or earnings per unit of 4.7 cents per unit. For the corresponding period in 2009, the Trust produced operating income of \$6.2 million, equivalent to earnings of 4.6 cents per unit.

Full year ending 30 June (\$m's)	2010	2009
<b>Revenue</b>		
Lease income	34.1	36.5
Property outgoings recoverable	4.0	0.4
Other income	0.6	0.6
	38.7	37.5
<b>Expenses</b>		
Finance costs	20.0	21.3
Property expenses	6.9	2.8
Responsible entity's remuneration	2.7	2.4
Legal fees	1.3	1.4
Impairment of receivables	-	1.8
Other expenses	1.4	1.6
	32.3	31.3
<b>Operating income</b>	<b>6.4</b>	<b>6.2</b>
Change in fair value of cross currency interest rate swaps	-	21.4
Change in fair value of forward exchange contracts	0.7	-
Change in fair value of interest rate swaps	-	(14.0)
Gain / (Loss) on sale of investment properties	(2.0)	1.5
Amortisation of lease incentive asset & liability	0.9	0.2
Net revaluation decrement of investment properties	(0.8)	(28.7)
Realised foreign exchange gains	2.5	0.1
Realised losses on early termination of derivative contracts	(5.5)	-
Straight line rental adjustments	0.4	0.5
Unrealised foreign exchange gain/(losses)	3.7	(16.3)
Waiver / Consent Fee on Debt Refinancing	(2.6)	-
Other	(0.1)	0.1
<b>Net profit / (loss) attributable to Unitholders</b>	<b>3.6</b>	<b>(29.0)</b>

## DISTRIBUTIONS

The distribution for the year ending 30 June 2010 was 0.67 cents per unit (2009: 4.00 cents per unit).

A condition of the current debt funding arrangements with both the NAB and the Noteholders is that no distributions are to be made without the prior consent of both parties.

Due to the distribution restrictions placed on the Trust by NAB and the Noteholders, the Trust will only be distributing the Trust's taxable income of \$0.9 million, which is in accordance with the Trust's obligations under its Constitution. The distribution with respect to the year ending 30 June 2010 will be payable on 20 September 2010.

The Trust is in ongoing discussions with its debt providers about recommencing distributions on a permanent basis.

A condition of any debt refinancing arrangement will be the re-commencement of distributions.

## STATE OF AFFAIRS

### Funding

As at 30 June 2010 the total assets of the Trust were \$369.0 million, borrowings (based on conversion of foreign currency borrowings at 30 June 2010 exchange rates) were \$173.2 million and net assets were \$183.3 million. The NTA per unit is \$1.36 (30 June 2009: \$1.33). Based on the hedged rates which the Trust has entered into through forward exchange contracts, the Trust has borrowings at 30 June 2010 of \$179.5m and gearing (Borrowings / Investment Properties) of 51%. The NTA per unit based on the hedged rates is \$1.31.

The Trust has 134,973,383 units on issue as at 30 June 2010.

The Trust entered into new debt funding arrangements with its debt providers in September 2009. The NAB facilities were combined into one facility with an extended maturity date of 31 July 2011. The total margin charged on this facility is 4% pa compared to 1.5% pa under the previous facilities.

The Senior Secured Notes ("Notes") maturity dates were shortened to 31 July 2011, consistent with the NAB maturity date. This brings the maturity date of three series of Notes forward three years with the other series being brought forward six years.

Details of the Notes are as follows:

Series	Principal Amount	Coupon Rate (pa)
Series A	USD\$18m	9.84%
Series B	USD\$30m	9.84%
Series C	CAD\$19m	9.40%
Series D	USD\$59m	9.99%

The Trust has undertaken to make base debt repayments to ensure compliance with the new banking agreements. These are cumulative targets with repayments as follows:

- 31 December 2009 AUD\$35 million (paid)
- 30 June 2010 AUD\$80 million (paid)
- 31 December 2010 AUD\$89 million (includes the \$80 million repayment at 30 June 2010)

The remaining \$9 million is to be funded through asset sales and surplus cash.

In addition, there are target debt repayment levels which are designed to incentivise the Trust to reduce its debt levels through the period until 31 December 2010. In the event that the Trust is unsuccessful in achieving a target, an additional 0.5% pa will be payable by the Trust to both NAB and the Noteholders. As a result of the Trust not meeting its stretch debt repayment target at 30 June 2010, effective 1 July 2010, the average interest rate will increase by 0.5% pa.

No Unitholder distributions are to be made without the prior approval of NAB and the Noteholders.

#### *Hedging Arrangements*

- As part of the amended debt facility arrangements, the Trust closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing the Trust's exposure to both interest rate and foreign currency risk. The Trust received net cash proceeds of \$8.7 million from the close out of these derivatives, however, due to movements in exchange rates and interest rates, the Trust recorded a loss of \$5.5 million, which reflects the movement between the net fair values of these derivatives at 30 June 2009 of \$14.2 million and the final proceeds of \$8.7 million.
- New forward exchange contracts were entered into to fully hedge the Trust's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 – 0.92 for the CAD exposure.
- As the Notes coupon rates are fixed, the Trust is only exposed to variable interest rate exposure on the NAB debt facility which comprises 43% of the Trust's overall debt funding.
- As at 30 June 2010, the Trust has a weighted average cost of debt funding of 9.3% pa.

#### *Debt Amortisation*

- As at 30 June 2010, the Trust had made its debt repayment obligation of \$80 million.

#### *Refinancing of Debt*

Management is currently actively reviewing its debt position in order to achieve the following:

- Potential early repayment of the Senior Secured Noteholders;
- Margins that may reflect the improved risk profile of the Trust following the move away from the receivership of its major tenant and the reduced gearing levels through asset sales;
- Greater certainty as to the debt funding of the Trust with all debt currently maturing on 31 July 2011; and
- Cessation of debt amortisation targets.

Management is continuing discussions with its major debt provider, NAB which has expressed its support and intention of continuing to be the Trust's long-term banking partner.

#### *Distribution Reinvestment Plan*

The Distribution Reinvestment Plan ("DRP") was suspended on 17 December 2004. The Responsible Entity intends to re-introduce the DRP as and when it is considered appropriate.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

## Centre acquisitions & disposals

During the year, there were no new properties acquired and the total number of properties owned as at 30 June 2010 was 340. There were a total of 73 properties disposed of during the year, realising a net loss of \$2 million, primarily resulting from costs of disposals.

## ENVIRONMENTAL REGULATION

The Trust's properties are not subject to any significant environmental regulations under Commonwealth, State or Territory legislation. However, the Directors believe that the Trust has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Trust.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to year end, there are no events that have occurred which the Directors believe significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust.

## INTERESTS OF THE RESPONSIBLE ENTITY

Interests of both the Responsible Entity and its Directors in the Trust are disclosed in Notes 17 and 18 to the financial statements.

## UNITS ON ISSUE

The number of interests in the Trust as at the end of the financial year consists of 134,973,383 fully paid ordinary units (2009: 134,973,383 units).

The Trust had total assets valued at \$369.0 million as at 30 June 2010 (2009: \$461.5 million). The basis for valuation of the Trust's assets is disclosed in Note 1 to the financial statements.

The Trust neither acquired nor cancelled any units on issue during the period, including up to the date of this report.

No options have been granted over any unissued units in the Trust.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Management recognise Unitholders for their patience and support during the past 12 months whilst Management has been dealing with the Fund's major tenant in Receivership. Management has undertaken positive steps to ensure Unitholder's interests are adequately protected. The successful assignment of the 193 leases to GoodStart, repayment of the \$80 million debt repayment obligation, payment of pre-ABC Receivership outgoings and the recovery of the majority of costs relating to the assignment of GoodStart; will result in a more favourable and stable future for Unitholders.

Management's immediate focus is on re-financing the Trust's debt facility and the re-commencement of distributions to Unitholders.

Finance costs will continue to constrain earnings in the short to medium term, with the effect of expected bank fees and margins that have grown exponentially to the underlying bank bill swap rate. These expenses will offset to some degree the significant reduction in gearing and facility limits achieved through the recent sales/debt reduction program.

The Trust will as part of any refinancing package, explore and where appropriate implement interest rate hedging policies.

## INFORMATION ON DIRECTORS OF THE RESPONSIBLE ENTITY

The Directors of the Responsible Entity at the time of this report are:

Name and qualifications	Age	Experience and special responsibilities
<b>Mr Victor David Cottren</b> Independent Director and Chairman <i>Bachelor of Commerce (Melbourne)</i> <i>Fellow of Australian Insurance Institute</i> <i>Fellow of the Australian Society of Certified Practising Accountants</i> <i>Fellow of the Australian Institute of Company Directors</i>	68	Vic was appointed on 22 December 2004. Vic has an extensive background in financial planning, life insurance & superannuation and investment management gained with such companies as AMP, Williams Tolhurst, Australian Eagle, Norwich Union, Investors Life Group and National Australia Bank. Vic filled various senior management posts, including chief executive and Directorship positions within these companies and their subsidiaries prior to commencing his consulting business in 1995. He is a Director of Austock Group Ltd and several of its subsidiaries. Vic was also appointed as a Professorial Fellow at RMIT University in 1993 with responsibility for researching and establishing Australia's first undergraduate degree in financial planning.
<b>Mr Michael Francis Johnstone</b> Independent Director <i>Bachelor of Town &amp; Regional Planning</i> <i>Licensed Land Surveyor</i> <i>Advanced Management Program (Harvard)</i>	68	Michael was appointed on 22 December 2004. Michael has over 35 year's global experience in real estate finance, investment and development. Michael is currently a non-executive Director of Dennis Family Holdings and Dennis Family Homes, a non-executive Director of APN Funds Management and a member of the Investment Committee of APN Development Fund, a non-executive Director and Chairman of bWired Pty Ltd, a non-executive Director and Chairman of State Equity Group. Michael is also a member of the Audit and Compliance Committee of the Trust.
<b>Mr Nicholas James Anagnostou</b> Executive Director <i>Bachelor of Business in Property</i> <i>Associate of the Australian Property Institute</i> <i>Certified Practising Valuer</i> <i>Licensed Estate Agent (Vic)</i>	41	Nick was appointed on 4 August 2008. Nick joined Austock Property Management Ltd in 2005 as the Fund Manager for the Australian Education Trust. He has 20 years experience in the property industry in the areas of property investment, development and acquisitions, with groundings in valuation, transactions and real estate consultancy. Nick was previously a Director of Jones Lang LaSalle and has extensive experience in commercial and investment grade real estate.

The Trust's Constitution does not require Directors to retire and seek re-election.

## DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the directors of the Responsible Entity during the year were:

	Board Meetings	
	A	B
Mr MF Johnstone	15	15
Mr VD Cottren*	15	14
Mr TD Boyle	5	5
Mr NJ Anagnostou	15	15

\*Mr VD Cottren was granted leave of absence for the meeting in which he did not attend

A - Number of meetings held during the time the Director held office during the year.

B - Number of meetings attended.

## AUDIT AND COMPLIANCE COMMITTEE MEETINGS

The members of the Audit and Compliance Committee are:

- Mr WK Bastian (Independent Chairman)
- Mr D Penman (Independent member)
- Mr MF Johnstone (Member)

Mr Bastian and Mr Penman are not Directors of the Responsible Entity.

Details of meetings held during the year and member's attendance are as follows:

	Audit and Compliance Committee Meetings	
	A	B
Mr WK Bastian	5	5
Mr MF Johnstone	5	5
Mr D Penman	5	4

A - Number of meetings held during the year the member was eligible to attend

B - Number of meetings attended.

The experience of the Audit and Compliance Committee is set out below.

### Mr Warner Kenneth Bastian FAICD

Mr Bastian is the former Managing Director of The Pharmacy Guild of Australia's insurance and financial services subsidiaries with over 50 years experience in insurance and financial services.

### Mr Michael Francis Johnstone

See Information on Directors.

### Mr David Penman

Mr Penman is a Chartered Accountant, of D Penman and Co, advising on taxation and superannuation matters with over 30 years experience in chartered accounting.

## REMUNERATION REPORT

This report details the nature and amount for each director of the Responsible Entity and for the executives receiving the highest remuneration.

### Remuneration of Directors of the Responsible Entity

The Responsible Entity does not have a Remuneration Committee as the Trust's Constitution prescribes the Trust's remuneration arrangement with the Responsible Entity. In relation to remuneration of the directors of the Responsible Entity this is a matter for the Board and the ultimate parent entity of the Responsibility Entity.

It is the objective that the Board comprises directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually and the Board collectively to supervise the operations of the Trust with excellence. All fees and expenses of the Responsible Entity are approved by the Board and remuneration of the Responsible Entity is dealt with comprehensively in the Trust's Constitution.

Remuneration of the directors is paid either directly by the Responsible Entity or by entities associated with the shareholders of the Responsible Entity. The directors are not provided with any remuneration by the Trust itself. Directors are not entitled to any equity interests in the Trust, or any rights to or options for equity interests in the Trust, as a result of the remuneration provided by the Responsible Entity.

The Responsible Entity determines remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced directors and senior executives.

### Loans to Directors of the Responsible Entity

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the Directors of their personally-related entities at any time during the reporting period.

## DETAILS OF UNITHOLDINGS IN THE TRUST

The interests of the Directors of the RE in units of the Trust during the year are set out below:

Name	MF Johnstone	VD Cottren	NJ Anagnostou
Opening balance of units held	50,000	400,000	-
Acquisitions of units	-	-	-
Disposals of units	-	-	-
Closing balance of units held	50,000	400,000	-

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

## INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS AND AUDITORS

### Indemnification

Under the Trust Constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Trust's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation the Trust.

The Trust has not indemnified any auditor of the Trust.

### Insurance Premiums

During the financial year the Responsible Entity has paid premiums totalling \$11,253 in respect of its officers for liability and legal expenses insurance contracts for the year ended 30 June 2010. The Responsible Entity has paid or agreed to pay in respect of the Trust, premiums in respect of such insurance contracts for the year ending 30 June 2010.

Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

## PROCEEDINGS ON BEHALF OF RESPONSIBLE ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

The Responsible Entity was not a party to any such proceedings during the year.

## NON-AUDIT SERVICES

Details of non-audit services provided to the Trust by the independent Auditor during the year ended 30 June 2010 are contained in Note 23 to the financial statements.

## ROUNDING

The Trust is an entity of a kind referred to in Class order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity:



**Victor David Cottren**  
Chairman

Austock Property Management Limited  
Melbourne, 27 August 2010

PricewaterhouseCoopers  
ABN 52 780 433 757

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Telephone 61 3 8603 1000  
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## Auditor's Independence Declaration

As lead auditor for the audit of the Australian Education Trust for the year ended 30 June 2010, 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 the Australian Education Trust and the entities it controlled during the period.



Charles Christie  
Partner  
PricewaterhouseCoopers

27 Melbourne  
August 2010

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated Group	
		2010 \$'000	2009 \$'000
<b>Revenue</b>			
Lease income		35,421	37,128
Property outgoings recoveries		3,956	438
Interest income		480	625
Gain on sale of investment properties	2(a)	-	1,480
Change in the fair value of cross currency interest rate swaps		-	21,402
Change in the fair value of forward exchange contracts		725	-
Realised foreign exchange gains		2,496	108
Unrealised foreign exchange gains		3,683	-
Other income		102	-
<b>Total revenue</b>		<b>46,863</b>	<b>61,181</b>
<b>Expenses</b>			
Finance costs	2(c)	22,638	21,304
Other expenses	2(b)	2,697	3,020
Property outgoings		5,765	1,775
Loss on sale of investment properties	2(a)	1,968	-
Responsible entity's remuneration		2,655	2,382
Rent on leasehold properties		1,138	1,015
Impairment of receivables		-	1,774
Net property revaluation decrement	8	835	28,655
Change in the fair value of interest rate swaps		-	13,987
Realised foreign exchange losses		-	12
Realised losses on early termination of derivative contracts		5,533	-
Unrealised foreign exchange losses		-	16,275
<b>Total expenses</b>		<b>43,229</b>	<b>90,199</b>
<b>Net profit/(loss) attributable to Unitholders</b>		<b>3,634</b>	<b>(29,018)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss)</b>		<b>3,634</b>	<b>(29,018)</b>
<b>Earnings per unit</b>			
		Cents	Cents
Basic earnings per unit	4	2.69	(21.50)
Diluted earnings per unit	4	2.69	(21.50)

# BALANCE SHEET

AS AT 30 JUNE 2010



	Note	Consolidated Group	
		2010 \$'000	2009 \$'000
<b>Current assets</b>			
Cash and cash equivalents	15(a)	13,829	28,731
Trade and other receivables	5	703	808
Other current assets	6	7,263	33,881
Derivative financial instruments – forward exchange contract	7(a)	55	-
<b>Total current assets</b>		<b>21,850</b>	<b>63,420</b>
<b>Non-current assets</b>			
Investment properties	8	344,217	373,608
Investment properties – Straight line rental asset		2,292	1,874
Derivative financial instruments – forward exchange contract	7(b)	670	-
Derivative financial instruments – cross currency swap	7(b)	-	22,626
<b>Total non-current assets</b>		<b>347,179</b>	<b>398,108</b>
<b>Total assets</b>		<b>369,029</b>	<b>461,528</b>
<b>Current liabilities</b>			
Trade and other payables	9	9,749	9,377
Distribution payable	10	14	18
Borrowings	12	9,000	261,889
Other current liabilities	11	2,692	2,119
<b>Total current liabilities</b>		<b>21,455</b>	<b>273,403</b>
<b>Non-current liabilities</b>			
Borrowings	12	164,233	-
Derivative financial instruments – interest rate swap	13	-	8,418
<b>Total non-current liabilities</b>		<b>164,233</b>	<b>8,418</b>
<b>Total liabilities</b>		<b>185,688</b>	<b>281,821</b>
<b>Net assets</b>		<b>183,341</b>	<b>179,707</b>
<b>Equity</b>			
Contributed equity	14	166,314	166,314
Undistributed profit		17,027	13,393
<b>Total equity</b>		<b>183,341</b>	<b>179,707</b>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING 30 JUNE 2010

	Units on Issue \$'000	Undistributed Profit \$'000	Total \$'000
<b>Consolidated Group</b>			
<b>Balance at 1 July 2008</b>	166,314	47,810	214,124
Loss attributable to Unitholders	-	(29,018)	(29,018)
Distribution paid or provided for	-	(5,399)	(5,399)
<b>Balance at 30 June 2009</b>	<b>166,314</b>	<b>13,393</b>	<b>179,707</b>
<b>Balance at 1 July 2009</b>	166,314	13,393	179,707
Profit attributable to Unitholders	-	3,634	3,634
Distribution paid or provided for	-	-	-
<b>Balance at 30 June 2010</b>	<b>166,314</b>	<b>17,027</b>	<b>183,341</b>

The distribution for the year ending 30 June 2010 was declared after 30 June 2010 and therefore is not reflected in the 30 June 2010 financial statements.

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010



	Note	Consolidated Group	
		2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>			
Lease income received (inclusive of GST)		42,986	43,951
Payments in the course of operations (inclusive of GST)		(19,398)	(8,810)
Interest received		480	625
<b>Net cash provided by operating activities</b>	<b>15(b)</b>	<b>24,068</b>	<b>35,766</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment properties		54,419	26,357
Payments for investment properties		-	(7,107)
Proceeds from early settlement of derivatives		8,675	-
<b>Net cash provided by investing activities</b>		<b>63,094</b>	<b>19,250</b>
<b>Cash flows from financing activities</b>			
Finance costs paid		(18,760)	(21,683)
Repayment of borrowings		(83,300)	-
Distributions paid		(4)	(9,025)
<b>Net cash provided by financing activities</b>		<b>(102,064)</b>	<b>(30,708)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(14,902)</b>	<b>24,308</b>
<b>Cash at the beginning of the financial year</b>		<b>28,731</b>	<b>4,423</b>
<b>Cash at the end of the financial year</b>	<b>15(a)</b>	<b>13,829</b>	<b>28,731</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the Consolidated Group consisting of Australian Education Trust and its subsidiary.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the *Corporations Act 2001* and the requirements of the Trust Constitution dated 8 July 2002.

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

#### *Compliance with International Financial Reporting Standards*

The financial statements of the Trust also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### *Financial statement presentation*

The Trust has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Trust had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

#### *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(x).

### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Education Trust as at 30 June 2010 ("the Trust") and the results of all subsidiaries for the year then ended. Australian Education Trust and its subsidiaries together are referred to in this financial report as the Trust.

Subsidiaries are all entities (including special purpose entities) over which the Trust has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group 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 group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Trust.

Details of the subsidiary are contained in Note 17 to the financial statements. The subsidiary has a June financial year-end.

### (c) Investments in controlled entities

The Trust's direct investment in its subsidiary is carried at cost. Balances and transactions between the trust and the subsidiary have been eliminated in preparing the consolidated financial statements.

### (d) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

### (e) Revenue and expenditure recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking of transaction and the specifics of each arrangement.

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

Revenue is recognised for the major business activities as follows:

#### *Lease income:*

Rent income due but not received at balance date is reflected in the Balance Sheet as a receivable.

#### *Lease incentives:*

Lease incentives such as rent-free periods are capitalised in the Balance Sheet and amortised over the term of the lease.

#### *Fixed Rent Reviews:*

For leases with rent reviews based on a fixed rate, lease income arising on investment properties is recognised on a straight line basis over the lease term. Adjustments to lease income are also reflected in the Balance Sheet as a Straight Line Rental asset.

#### *Interest income:*

Interest is brought to account on a time proportion basis using the effective interest when earned and if not received at balance date, is reflected in the Consolidated Balance Sheet as a receivable.

#### *Responsible Entity's remuneration:*

Under the Trust Constitution, the Responsible Entity is entitled to a management fee amounting to 0.5% p.a. of the Total Tangible Assets of the Trust.

## (f) Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income and which are not occupied by the consolidated group. Property interests held under operating lease are deemed investment property.

Land and buildings comprising the investment properties are considered composite assets and are disclosed as such in the accompanying notes to the financial statements.

Investment properties acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The costs of assets constructed/redeveloped internally include the costs of materials and direct labour. Directly attributable overheads and other incidental costs including interest costs incurred during construction are also capitalised to the asset.

### *Valuations:*

After initial recognition, investment properties are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. The Trust's Constitution requires the Responsible Entity to have the Trust's property investments independently valued at intervals of not more than three years. These valuations are considered by the Directors of the Responsible Entity when determining fair value. When assessing fair value, the Directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

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

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
- (iv) it only takes into account instructions given by the Responsible Entity and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Responsible Entity.

All investment properties are considered one class of asset. Under AASB 140: Investment Property, adjustments to fair value are to be recognised directly against profit.

## (g) Income tax

Under current income tax legislation, the Trust is not liable for Australian income tax, provided unit-holders are presently entitled to all of the Trust's taxable income at 30 June each year and any capital gain derived from the sale of assets is fully distributed to unit-holders. Tax allowances for building, plant and equipment depreciation are distributed to unit-holders in the form of tax deferred components of distributions. The trust is taxed on a flow through basis from 1 July 2005 and accordingly all deferred tax balances have been written off to the statement of comprehensive income. This adjustment does not have a cash flow impact and it does not affect the ability to make cash distributions to Unitholders.

AET New Zealand Education Trust is subject to New Zealand tax on its earnings. Distributions paid by the entity are subject to New Zealand dividend withholding tax.

## (h) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with arrangement of borrowings. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than twelve months to get ready for their intended use or sale. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

## (i) Provisions

Provisions for legal claims and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## (j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 1. Summary of significant accounting policies (continued)

### (k) Financial Assets

#### (i) Classification

The Trust classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

The Fund's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments held for trading

Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification. The Fund does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit and loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and commercial paper.

These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

#### (ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit or loss. Financial assets carried at fair value through the profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

#### (iii) Measurement

##### *Financial assets and liabilities held at fair value through profit and loss*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Trust is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, they may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Trust recognises the difference in profit or loss to reflect a change in factors, including time that market participants would consider in setting a price.

#### (iv) Loans & receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

#### (v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (l) Trade and other receivables

Trade receivables are recognised at fair value, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

### (m) Trade and other payables

These amounts represent liabilities for goods or services provided to the Trust prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to Unitholders as at the end of each reporting period is recognised separately in the balance sheet when Unitholders are presently entitled to the distributable income under the Fund Constitution.

### (n) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### (o) Bank loans

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

### (p) Derivatives

Derivative instruments are measured at fair value. The Trust's derivatives do not qualify for hedge accounting and therefore changes in the fair value of any derivative instrument are recognised immediately in the statement of comprehensive income.

### (q) Distribution payable

Distribution payable is recognised as a liability when it has been declared and is due and payable at reporting date.

### (r) Impairment of assets

At each reporting date, the Trust reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets' fair value less costs to sell and value in use, is compared to the assets' carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (s) Contributed equity

The Trust applied the following pronouncements to the annual reporting period beginning 1 July 2009:

*AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation.*

This standard is applicable for reporting periods beginning on or after 1 January 2009. The Trust has adopted the amendments on 1 July 2009. Previously, the Trust classified Unitholders' funds, being their initial contribution plus accumulated reserves, as a financial liability called "net assets attributable to Unitholders". Following the application of the amended standard, all Unitholders' funds will be shown in equity and any distributions to Unitholders will be reflected as distributions from equity rather than as a finance cost. All Unitholders' funds have been classified as equity as the responsible entity considers all the criteria under the new accounting standard have been met. The amendment has been applied retrospectively.

Balance Sheet as at	30 June 2009	Adjustments	30 June 2009 (Restated)
\$'000			
<b>Financial Liabilities</b>			
Net assets attributable to Unitholders	179,707	(179,707)	-
<b>Equity</b>			
Contributed equity	-	166,314	166,314
Undistributed profit	-	13,393	13,393
	-	179,707	179,707

### (t) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables to the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (u) Earnings per unit

#### (i) Basic earnings per unit (EPU)

Basic earnings per unit is calculated by dividing:

- the profit attributable to the Unitholders, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary units outstanding during the financial year.

#### (ii) Diluted earnings per unit

Diluted earnings per unit adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary units, and
- the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary units.

### (v) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### (w) Rounding of amounts

The Trust is of a kind referred to in Class order 98/100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 1. Summary of significant accounting policies (continued)

### (x) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based upon historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based upon current trends and economic data, obtained both externally and within the Trust.

#### Key estimates – Valuation of Investment Properties

The valuation methodologies used were capitalisation and direct comparison approaches were consistent with the requirements of relevant Accounting Standards. Based on the revaluation of all 193 properties which were recently assigned to GoodStart and 25 properties in New Zealand, AET has revalued approximately 92% of its portfolio since 30 June 2009. As a result, the fair value of the operating investment property portfolio as at 30 June 2010 is entirely based on the most recent independent valuation.

Valuations on the 193 Australian properties decreased by \$9.2 million or 4% on the previous external valuations. The 167 Australian freehold operating properties values decreased by \$6.9 million or 3.3% from the previous valuations. Valuations for the 18 leasehold properties decreased by \$1.3 million or 11% and valuations for the 8 early termination centres decreased by \$1.1 million or 10.5%.

Valuations of the 25 New Zealand properties decreased by \$0.7 million or 4%, however this was largely due to negative exchange rate movements between last valuation / acquisition.

Following the revaluation of the majority of the portfolio, there is no longer a need for a general decrement adjustment against the portfolio which was made at 30 June 2009 for \$13.3 million across the Australian and New Zealand portfolio.

During the year ended 30 June 2010, AET made revaluation decrements totalling \$6.9 million in relation to Australian and New Zealand development sites and Australian closed centres.

Based on all of the revaluation adjustments during the year, removal of general decrement adjustment and other adjustments, the Trust recorded a revaluation decrement of \$0.8 million for the year.

### (y) Correction of error in measurement of straight line rental accounting in previous financial years

For the years ending 30 June 2009 and 30 June 2008, the measurement of leases with fixed rent reviews was incorrectly calculated. The error has been corrected by restating each of the affected financial statement line items for the prior years as described below.

Balance Sheet as at	30 June 2009	Adjustments	30 June 2009 (Restated)
\$'000			
<b>Non-Current Assets</b>			
Investment Properties	375,482	(1,874)	373,608
Straight line rental asset	-	1,874	1,874
	375,482	-	375,482

Statement of Comprehensive Income for the year ended	30 June 2009	Adjustments	30 June 2009 (Restated)
\$'000			
<b>Revenue</b>			
Lease Income	36,663	465	37,128
<b>Expenses</b>			
Net property revaluation decrement	28,190	465	28,655

Balance Sheet as at	30 June 2008	Adjustments	30 June 2008 (Restated)
\$'000			
<b>Non-Current Assets</b>			
Investment Properties	438,484	(1,409)	437,075
Straight line rental asset	-	1,409	1,409
	438,484	-	438,484

Statement of Comprehensive Income for the year ended	30 June 2008	Adjustments	30 June 2008 (Restated)
\$'000			
<b>Revenue</b>			
Lease Income	38,818	1,409	40,227
Net property revaluation increment	16,734	(1,409)	15,325

## (z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic steering committee.

### *Change in accounting policy*

AASB108(28) The group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a decrease in the number of reportable segments presented.

## (aa) Going concern

The Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of business activities, through the realisation of assets and settlement of liabilities in the normal course of business.

The going concern basis is appropriate for the Trust based upon the following factors:

- a) the successful assignment of all ABC1 leases to the GoodStart tenant;
- b) renegotiation of amended debt facilities with a maturity date of 31 July 2011 with the Trust in full compliance with its undertaking under these facilities;
- c) significant progress towards the debt amortisation targets with further repayments to be made primarily through asset sales (refer Note 6); and
- d) stabilisation of market conditions and property yields.

## (ab) Parent entity financial information

The financial information for the parent entity, Australian Education Trust, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

### *(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Australian Education Trust. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

### *(ii) Financial guarantees*

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

## (ac) New Accounting Standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

- (i) *AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB9 (effective from 1 January 2013)*

*AASB 9 Financial Instruments* addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. As the Trust does not hold any available-for-sale investments, management does not expect this to have any impact on the Fund's financial statements.

- (ii) *AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]*

In May 2009 the AASB issued a number of improvements to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 8 *Operating Segments*, AASB 101 *Presentation of Financial Statements*, AASB 101 *Statement of Cash Flows*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 136 *Impairment of Assets* and AASB 139 *Financial Instruments, Recognition and Measurement*. The Trust will apply the revised Standards from 1 July 2010. The Trust does not expect that any adjustments will be necessary as a result of applying the revised rules.

- (iii) *Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011). In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Trust will apply the amended standard from 1 July 2011. When the amendments are applied, the Trust would need to disclose any transactions between its subsidiaries and its associates. However, as the Trust only has one subsidiary and no associates, the amendment will not have any effect on the Trust's financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated Group	
	2010 \$'000	2009 \$'000

## 2. Income statement items

### (a) Gain/(loss) on sale of investment properties

Proceeds from sale of properties	53,018	20,032
Less: Carrying value of properties sold plus costs of disposal	(54,986)	(18,552)
<b>Net gain/(loss) on sale of investment properties</b>	<b>(1,968)</b>	<b>1,480</b>

### (b) Other expenses

ASX fees	32	32
Consultant fees	665	809
Custodian and compliance costs	109	110
Property valuation costs	352	527
Legal fees	1,327	1,379
Sundry expenses	124	84
Unit registry fees	33	89

### (c) Finance costs

External	22,638	21,304
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## 3. Distribution

Net profit/(loss) attributable to Unitholders	3,634	(29,018)
Adjusted for:		
Change in the fair value of cross currency interest rate swaps	-	(21,402)
Change in the fair value of forward exchange contracts	(725)	-
Realised losses on early termination of derivative contracts	5,533	-
Loss/(Gain) on sale of investment properties	1,968	(1,480)
Change in fair value of interest rate swaps	-	13,987
Unrealised foreign exchange losses / (gains)	(3,683)	16,275
Net property revaluation decrement	835	28,655
Straight line rental adjustments	(418)	(465)
Lease incentive income adjustments	(894)	(174)
Net profit distributable to Unitholders	6,250	6,378
<b>Distribution paid or payable</b>	<b>-</b>	<b>5,399</b>
Distribution per unit interim and final (cents)	-	4.00

Due to the restrictions placed on the Trust by NAB and the Noteholders, the Trust did not distribute all the income available for distribution for the year ended 30 June 2010. For the year ended 30 June 2010, the Trust distributed \$0.9 million which represents the Trust's taxable income, which is in accordance with the Fund's obligations under its Constitution.

The distribution for the year ending 30 June 2010 was declared after 30 June 2010 and therefore is not reflected in the 30 June 2010 financial statements.

	Consolidated Group	
	2010 cents	2009 cents

#### 4. Earnings per unit ("EPU")

Basic EPU	2.69	(21.50)
Diluted EPU	2.69	(21.50)

The following information reflects the income and security numbers used in the calculations of basic and diluted EPU.

	Number of Units '000	Number of Units '000
Weighted average number of ordinary units used in calculating basic EPU	134,974	134,974
Bonus element of unit options which are dilutive	-	-
<b>Adjusted weighted average number of ordinary units used in calculating diluted and distributable EPU</b>	<b>134,974</b>	<b>134,974</b>

	\$'000	\$'000
Earnings used in calculating basic EPU	3,634	(29,018)
<b>Earnings used in calculating diluted EPU</b>	<b>3,634</b>	<b>(29,018)</b>

There have been no conversions to, calls of, or subscriptions for ordinary units or issues of potential ordinary units since the reporting date and before the completion of this report.

	Consolidated Group	
	2010 \$'000	2009 \$'000

#### 5. Trade and other receivables

Lease debtors	403	808
Sundry debtors	300	-
	<b>703</b>	<b>808</b>

Trade receivables are recognised at fair value less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Provision for impairment of trade receivables is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted of the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of any impairment loss is recognised in the statement of comprehensive income. When a trade receivable for which a provision has been recognised becomes uncollectable in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

##### Trade receivables that are past due but not impaired:

As at 30 June 2010, trade receivables of \$176,893 (2009: \$17,781) were past due but not impaired. The ageing of these receivables is as follows:

	31-60 days	61-90 days	90+ days
<b>2010</b>			
Consolidated Group	54	49	74
<b>2009</b>			
Consolidated Group	-	-	18

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 5. Trade and other receivables (continued)

### Impairment of receivables:

No impairment of receivables has been made as at 30 June 2010.

### Related party receivables:

For terms and conditions of related party receivables, refer to Note 17 below.

### Fair value and credit risk:

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Trust's policy to transfer (on-sell) receivables to special purpose entities.

### Foreign exchange and interest rate risk:

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 20.

	Consolidated Group	
	2010 \$'000	2009 \$'000
<b>6. Other current assets</b>		
Deposits	17	36
Prepayments	342	420
Lease incentive asset	1,068	1,174
Investment properties expected to be sold within 12 months	5,836	32,251
	<b>7,263</b>	<b>33,881</b>

## 7. Derivative financial instruments

### (a) Current

Derivative financial instruments – forward exchange contracts	55	-
	<b>55</b>	<b>-</b>

### (b) Non-current

Derivative financial instruments – forward exchange contracts	670	-
Derivative financial instruments – cross currency swaps	-	22,626
	<b>670</b>	<b>22,626</b>

The trust uses derivative financial instruments (comprising forward exchange contracts) to offset its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

## 8. Investment properties

Freehold properties - at valuation	330,128	362,027
Leasehold properties - at valuation	19,751	22,367
Construction and development sites - at valuation	2,466	23,339
Total investment properties	352,345	407,733
Less: Investment properties to be sold within 12 months included in Note 6	(5,836)	(32,251)
Less: Straight Line Rental Adjustments	(2,292)	(1,874)
<b>Carrying amount at the end of the year</b>	<b>344,217</b>	<b>373,608</b>

	Consolidated Group	
	2010 \$'000	2009 \$'000
Movement in investment properties:		
Balance at the beginning of the year - at valuation or cost	373,608	437,075
Acquisition of properties	-	7,201
Disposal of properties	(54,972)	(20,919)
Investment properties to be sold in 12 months	26,416	(21,094)
Net revaluation decrement	(835)	(28,655)
<b>Carrying amount at the end of the year</b>	<b>344,217</b>	<b>373,608</b>

- (a) Investment properties are carried at fair value. The determination of fair value is based on independent valuations where appropriate. This includes the original acquisition costs together with capital expenditure since acquisition and either the latest full independent valuation or latest independent update. Total acquisition costs include incidental costs of acquisition such as stamp duty and legal fees. Refer to Note 1(f) for further detail on valuations.
- (b) A full independent valuation of a property is carried out at least once every three years. Independent valuations are prepared using both the capitalisation of net income method and the discounting of future net cash flows to their present value. Capital expenditure since valuation includes purchases of sundry properties (and associated expenses such as stamp duty, legal fees etc) and capital expenditure in respect of completed projects which has taken place since or was not included in the latest valuation of the properties.
- (c) Independent valuations as at 30 June 2010 were conducted by numerous valuers. The valuation methodologies used were capitalisation and direct comparison approaches and were consistent with the requirements of relevant Accounting Standards.

Based on the revaluation of all 193 properties which were recently assigned to GoodStart and 25 properties in New Zealand, AET has revalued approximately 92% of its portfolio since 30 June 2009. As a result, the fair value of the operating investment property portfolio as at 30 June 2010 is entirely based on the most recent independent valuation.

Valuations on the 193 Australian properties decreased by \$9.2 million or 4% on the previous external valuations. The 167 Australian freehold operating properties values decreased by \$6.9 million or 3.3% from the previous valuation. Valuations for the 18 leasehold properties decreased by \$1.3 million or 11% and valuations for the 8 early termination centres decreased by \$1.1 million or 10.5%.

Valuations of the 25 New Zealand properties decreased by \$0.7 million or 4%, however this was largely due to negative exchange rate movements between last valuation / acquisition.

Following the revaluation of the majority of the portfolio, there is no longer a need for a general decrement adjustment against the portfolio which was made at 30 June 2009 for \$13.3 million across the Australian and New Zealand portfolio.

During the year ended 30 June 2010, the Trust made revaluation decrements totalling \$6.9 million in relation to Australian and New Zealand development sites and Australian closed centres.

Based on all of the revaluation adjustments during the year, removal of general decrement adjustment and other adjustments, the Trust recorded a revaluation decrement of \$0.8 million for the year.

## 9. Trade and other payables

Trade creditors	1,102	1,461
Accrued interest	5,445	2,371
GST payable	1,690	1,687
Lease incentive liability	-	1,000
Accruals	1,512	2,858
	<b>9,749</b>	<b>9,377</b>

### Fair value and credit risk:

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

### Financial guarantees:

There are no financial guarantees in place.

### Interest rate, foreign exchange and liquidity risk:

Detail regarding interest rate, foreign exchange and liquidity risk exposure is disclosed in Note 20.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated Group	
	2010 \$'000	2009 \$'000
<b>10. Distribution payable</b>		
Distribution payable	14	18
	<b>14</b>	<b>18</b>

## 11. Other current liabilities

Rental income received in advance	2,692	2,119
	<b>2,692</b>	<b>2,119</b>

## 12. Borrowings

Current:		
Bank loans at face value - secured	3,880	112,110
Senior Secured Notes at face value	5,120	147,690
Less: unrealised foreign exchange gain on Notes (hedged)	-	-
Add: unrealised foreign exchange loss on Notes (hedged)	-	4,003
Less: up front transaction costs	-	(3,403)
Plus: amortised up front transaction costs	-	1,489
	<b>9,000</b>	<b>261,889</b>
Non-current:		
Bank loans at face value - secured	72,286	-
Senior Secured Notes at face value	99,217	-
Less: unrealised foreign exchange gain on Notes	(6,180)	-
Less: up front transaction costs	(3,402)	-
Plus: amortised up front transaction costs	2,312	-
	<b>164,233</b>	<b>-</b>

AET entered into new debt funding arrangements with its debt providers in September 2009. The NAB facilities were combined into one facility with an extended maturity date of 31 July 2011. The total margin charged on this facility is 4% pa compared to 1.5% pa under the previous facilities.

The Senior Secured Notes ("Notes") maturity dates were shortened to 31 July 2011, consistent with the NAB maturity date. This brings the maturity date of three series of Notes forward three years with the other series being brought forward six years.

Details of the Notes are as follows:

Series	Principal Amount	Coupon Rate (pa)
Series A	USD\$18m	9.84%
Series B	USD\$30m	9.84%
Series C	CAD\$19m	9.40%
Series D	USD\$59m	9.99%

The Trust has undertaken to make base debt repayments to ensure compliance with the new banking agreements. These are cumulative targets with repayments as follows:

- 31 December 2009 AUD\$35 million (paid)
- 30 June 2010 AUD\$80 million (paid)
- 31 December 2010 AUD\$89 million (includes the \$80 million repayment at 30 June 2010)

In addition, there are target debt repayment levels which are designed to incentivise the Trust to reduce its debt levels through the period until 31 December 2010. In the event that the Trust is unsuccessful in achieving a target, an additional 0.5% pa will be payable by the Trust to both NAB and the Noteholders. The Trust did not meet the stretch target as at 30 June 2010 therefore effective 1 July 2010 the average interest rate will increase by 0.5%.

No unitholder distributions are to be made without the prior approval of NAB and the Noteholders.

#### Hedging Arrangements

- As part of the amended debt facility arrangements, the Trust closed out both its cross-currency interest rate swaps and its interest rate swaps as they ceased to be effective in managing the Trust's exposure to both interest rate and foreign currency risk. The Trust received net cash proceeds of \$8.7 million from the close out of these derivatives, however, due to movements in exchange rates and interest rates, the Trust recorded a loss of \$5.5 million, which reflects the movement between the net fair values of these derivatives at 30 June 2009 of \$14.2 million and the final proceeds of \$8.7 million.
- New forward exchange contracts have been entered into to fully hedge the Trust's exposure to foreign currency fluctuation risk with both the United States Dollar (USD) and Canadian Dollar (CAD) principal and interest obligations. The forward exchange contracts have been entered into with a range of 0.81 – 0.87 for the USD exposure and 0.87 – 0.92 for the CAD exposure.
- As the Notes coupon rates are fixed, the Trust is only exposed to variable interest rate exposure on the NAB debt facility which comprises 43% of the Trust's overall debt funding.
- As at 30 June 2010, the Trust has a weighted average cost of debt funding of 9.3% pa.

#### Interest rate, foreign exchange and liquidity risk:

Refer to Note 20 for information on interest rate, foreign exchange and liquidity risk.

#### Fair values:

The carrying amounts of the Trust's Borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates, depending on the loan.

#### Unused financing facilities:

Refer to Note 15(c) for details of unused financing facilities.

#### Assets pledged as security:

To accommodate the issue of the Notes, a Security Trustee has been established to administer the security arrangements and to facilitate any future debt issuing on behalf of the Trust. The Noteholders and the NAB share security in the form of real property mortgages. In addition, the NAB retains a fixed and floating charge over the assets of the Trust as further security.

	Consolidated Group	
	2010 \$'000	2009 \$'000
Collateral that has been pledged for secured liabilities is as follows:		
(i) Financial assets pledged		
Cash and cash equivalents	13,829	28,731
Trade and other receivables	703	1,982
Derivative financial instruments	726	22,626
(ii) Other assets pledged		
Other current assets	7,263	32,707
Investment properties	346,509	375,482
<b>Total assets pledged</b>	<b>369,030</b>	<b>461,528</b>

The principal terms and conditions with respect to the assets pledged are:

- to conduct the business of the Trust (including collecting debts owed) in a proper, orderly and efficient manner;
- not, without lenders' consent, to cease conducting the business of the Trust;
- not, without lenders' consent (such consent not to be unreasonably withheld) raise any Financial Accommodation from any other party other than Permitted Financial Accommodation or give any Encumbrance over Trust Assets as security for Financial Accommodation other than Permitted Financial Accommodation;
- to maintain or, ensure that the tenant maintains (in relation to Trust Assets for which a tenant under a Lease is obliged to effect insurance) all risk insurance over the physical assets of the Fund and the Trust;
- not, without lenders' consent (such consent not to be unreasonably withheld), make any material amendments to any Lease;
- except for those assets which the tenant under a Lease is obliged to maintain, to maintain the Fund Assets and Trust Assets in a state of good repair, fair wear and tear excepted;
- not, without the prior written consent of lender, to sell, mortgage, transfer or deal with in any way the units in the sub-Trust held by the Trust;
- not to do anything which effects or facilitates the resettlement of the Trust Assets or the Fund Assets;
- without lenders' consent, not to create an Encumbrance or allow one to exist on the whole or any part of its present or future property other than any Permitted Encumbrance; and
- subject to the terms of any Security, without lenders' consent, not to dispose of (or agree to dispose of) all or a substantial part of the Trust Assets (either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 12. Borrowings (continued)

### Covenants:

The main requirements of both facilities are that the Trust maintains maximum debt to property value ratio of 65% for freehold properties, 50% for leasehold properties and 100% of cash held on deposit from asset disposals and minimum net earnings before interest and tax to interest ratio of 1.25 for the six month period to 30 June 2010.

The Trust was in compliance with all covenants as at 30 June 2010.

	Consolidated Group	
	2010 \$'000	2009 \$'000

## 13. Derivative financial instruments

Derivative financial instruments - interest rate swaps	-	8,418
	-	8,418

The Trust uses derivative financial instruments (comprising forward exchange contracts) to hedge its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Refer to Note 20 for further information on forward exchange contracts.

	Units on issue No '000	Units on issue \$'000
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## 14. Contributed Equity

### Consolidated Group

Balance at 1 July 2008	134,974	166,314
Units Issued	-	-
<b>Balance at 30 June 2009</b>	<b>134,974</b>	<b>166,314</b>

### Consolidated Group

Balance at 1 July 2009	134,974	166,314
Units Issued	-	-
<b>Balance at 30 June 2010</b>	<b>134,974</b>	<b>166,314</b>

During the year ending 30 June 2010, there were no units issued (2009: there were no units issued).

All units on issue rank equally for the purpose of distributions and on termination of the Trust. All units entitle the holders to one vote, either in person or by proxy, at a meeting of the trust.

### Capital management:

The RE's objective when managing capital objective is to ensure the Trust continues as a going concern as well as to maintain optimal returns to Unitholders and benefits for other stakeholders. The RE also aims to maintain a capital structure that ensures the lowest cost of capital available to the Trust.

The proportion of capital is largely determined by the loan-to-value ratio as specified under the Trust's debt facilities (refer Note 12). The maximum debt to property value ratio is 65% for freehold properties, 50% for leasehold properties and 100% of cash held on deposit from asset disposals. The Trust was in compliance with the loan-to-value ratio as at 30 June 2010.

The gearing ratios for the year ending 30 June 2010 and 30 June 2009 are as follows:

	Consolidated Group	
	2010 \$'000	2009 \$'000
Total borrowings	173,233	259,800
Less: cash and cash equivalents	(13,829)	(28,731)
Net debt	159,404	231,069
Total equity	183,341	179,707
<b>Total capital</b>	<b>342,745</b>	<b>410,776</b>
Gearing ratio	46.5%	56.3%

The RE has a policy of paying out as distributions only net income earned by the Trust for the period.

## 15. Cash and cash equivalents

### (a) Components of cash and cash equivalents

Cash	13,829	28,731
<b>Total cash and cash equivalents</b>	<b>13,829</b>	<b>28,731</b>

### (b) Reconciliation of profit after tax expense to net cash provided by operating activities

Profit / (Loss)	3,634	(29,018)
Finance costs	22,638	21,304
Loss/(profit) on disposal of investment properties	1,968	(1,480)
Unrealised foreign exchange (gain)/loss	(3,683)	16,275
Realised foreign exchange gains	(2,496)	-
Change in fair value of cross currency interest rate swaps	-	(21,402)
Change in fair value of interest rate swaps	-	13,987
Realised losses on early termination of derivative contracts	5,533	-
Change in the fair value of forward exchange contracts	(725)	-
Net property revaluation decrement	835	28,655
Straight line rental adjustments	(418)	(465)
(Increase)/decrease in debtors	368	2,803
(Increase)/decrease in prepayments	(204)	(111)
Increase/(decrease) in other current liabilities	572	2,111
Increase/(decrease) in trade and other payables	(3,954)	3,107
<b>Net cash flows provided by operating activities</b>	<b>24,068</b>	<b>35,766</b>

### (c) Financing facilities

Committed financing facilities available to the entity:		
Commercial loan facility	76,166	100,000
Standby facility	-	15,000
Amounts utilised	(76,166)	(112,110)
Available loan facilities	-	2,890
Senior Secured Notes facility	97,067	147,690
Amounts utilised	(97,067)	(147,690)
Available Note facilities	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 15. Cash and cash equivalents (continued)

	Consolidated Group	
	2010 \$'000	2009 \$'000
Cash	13,829	28,731
<b>Financing resources available at the end of the year</b>	<b>13,829</b>	<b>31,621</b>
<b>Maturity profile of financing facilities:</b>		
Due within one year	9,000	15,000
Due between one year and five years	164,233	100,000
Due after five years	-	147,690

Refer to Note 12 for details on the conditions of the financing facilities.

## 16. Segment information

The Trust operates as one business segment being the investment in childcare property centres, in one geographic segment being Asia Pacific.

## 17. Related party disclosures

### The Trust group

The consolidated financial statements include the financial statement of Australian Education Trust and its wholly owned subsidiary AET New Zealand Education Trust ("AETNZ"). AETNZ was established in Queensland, Australia with the issue of 2 units at \$1.00 each to AET on 10 October 2005. AET owns 100% of the 14,700,000 units (2009: 14,700,000) on issue in AETNZ at a carrying value of \$14,700,000 (2009: \$14,700,000)

Transactions between the parent entity and its subsidiary during the financial year are set out below:

Interest from subsidiary trust	3,463	3,269
Expense reimbursement from subsidiary trust	25	26
Loan to subsidiary trust	29,954	32,051

The amount due from AET New Zealand Education Trust is a long term loan with no fixed date for repayment. Interest is payable on the loan balance and is based on the average interest rate on loans held by the Parent Entity plus a margin of 2.74%. At 30 June 2010 interest totalling \$900,057 on the loan remains unpaid. AET New Zealand Education Trust has sufficient funds to repay the unpaid interest and this will be repaid in the short-term.

### Responsible Entity

The Responsible Entity ("RE") of the Trust is Austock Property Management Ltd.

In accordance with the Trust constitution and other agreements the RE is entitled to claim asset management fees, reimbursement for all expenses reasonably and properly incurred in relation with the trust or in performing its obligations under the constitution, debt arrangement fees and property acquisition due diligence fees.

The following table provides the total amount of transactions that have been entered into with the RE for the relevant financial year:

<b>Amounts paid or payable during the year</b>		
RE asset management fees	2,266	2,233
RE cost recoveries	389	209
	2,655	2,442
Amounts included in accruals or payables at balance date	567	541

	Consolidated Group	
	2010	2009
	\$'000	\$'000

### Custodian

The Custodian of the Trust assets is The Trust Company Ltd (formerly named Trust Company of Australia Ltd). The Custodian is entitled to fees for its services.

#### Amounts paid or payable during the year

Custodian fees	109	110
Amounts included in accruals or payables at balance date	36	55

### Terms and conditions of transactions with related parties

All transactions between related parties were made on normal commercial terms and conditions, except that there are no fixed terms for the repayment of the loan between the parent entity and its subsidiary. Any interest is charged on loans between the parties is at commercial rates.

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

### Units held in the Trust by Related Entity

Name	ASIF
Opening balance of units held	14,730,980
Acquisitions of units	-
Disposals of units	-
<b>Closing balance of units held</b>	<b>14,730,980</b>

Australian Social Infrastructure Fund ("ASIF") is a fund for which the RE is a related party to Austock Property Management Limited.

### Payment to Related Entity

Austock Corporate Finance Ltd, a company which has the same ultimate holding company as the Responsible Entity, received corporate advisory fees from the Fund during the year totalling \$800,000. This fee was paid for services provided by Austock Corporate Finance Limited in relation to the assignment of the ABC1 leases to GoodStart. The Fund recovered \$463,673 from the ABC Receiver and other Funds managed by this RE and another related Responsible Entity.

For the year ended 30 June 2010, the Group has not raised any provision for doubtful debts relating to amounts owed by related parties as the payment history does not suggest otherwise. This assessment will be undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. When assessed as required the Group raises such a provision.

## 18. Key management personnel

### Names:

The Directors of the RE are considered to be Key Management Personnel (KMP)

Chairman – Non-executive		
Victor Cottren	Appointed 22 Dec 2004	
Executive Directors		
Tim Boyle	Appointed 24 March 2010, resigned 9 July 2010	
Nicholas Anagnostou	Appointed 4 Aug 2008	
Non executive Directors		
Michael Johnstone	Appointed 22 Dec 2004	
Other KMP		
Role		
Travis Butcher	Chief Financial Officer	Appointed 30 October 2008

### Remuneration:

No KMP were remunerated directly by the Trust. The KMP of the RE receive remuneration in their capacity as Directors and senior management of the RE and these amounts are paid from an entity related to the RE.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 18. Key management personnel (continued)

The names of each person holding the position of Director of the RE during the financial year were Messrs MF Johnstone, VD Cottren, TD Boyle and NJ Anagnostou. No Director of the RE received or became entitled to receive any benefit because of a contract made by the Trust with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest.

### Units held in the Trust by Directors:

The relevant interests of each Director of the RE (including Director related entities) acquired on the market in the unit capital of the Trust are set out below.

Name	MF Johnstone	VD Cottren	NJ Anagnostou
Opening balance of units held	50,000	400,000	-
Acquisitions of units	-	-	-
Disposals of units	-	-	-
<b>Closing balance of units held</b>	<b>50,000</b>	<b>400,000</b>	<b>-</b>

	Consolidated Group	
	2010	2009
	\$'000	\$'000

## 19. Capital and lease commitments

### (a) Capital expenditure commitments – centre acquisitions and development

Estimated capital expenditure commitments contracted at balance date but not provided for:

not later than 1 year	-	-
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### (b) Lease revenue commitments

Details of non-cancellable operating leases contracted but not capitalised in the financial statements are shown below:

The property leases are non-cancellable with a fifteen year term and rent is reviewed annually in accordance with CPI movements. Further, two five year options exist to renew the leases for further terms.

#### Receivable:

not later than 1 year	33,317	34,971
later than 1 year but no later than 5 years	142,918	149,063
later than 5 years	232,922	279,603
	<b>409,157</b>	<b>463,637</b>

### (c) Leasehold property commitments

Details of non-cancellable property leases contracted for not capitalised in the financial statements are shown below:

The property leases are a non-cancellable lease with a twenty year term, with rent payable quarterly or monthly in advance. Contingent rental provisions within the lease agreements require the minimum lease payments shall be increased by the minimum of CPI to a maximum of 5% per annum. A right or option exists to renew the leases for a further term. The lease allows for subletting of all lease areas.

#### Payable:

not later than 1 year	1,021	982
later than 1 year but no later than 5 years	4,414	4,398
later than 5 years	15,449	16,668
	<b>20,884</b>	<b>22,048</b>

## 20. Financial risk management

The Trust's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest risk), credit risk and liquidity risk. The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust. The Trust uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, ie not as trading or other speculative instruments. The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange, and aging analysis for credit risk.

The Trust's financial instruments consist of deposits with banks, accounts receivable and payable, derivatives, loans from banks and other financial intermediaries and a loan to a subsidiary.

The Responsible Entity ("RE") manages the Trust's exposure to key financial risks in accordance with its Risk Management Plan. The objective of the plan is to support the delivery of the Trust's financial targets whilst protecting future financial security.

A Risk Management Plan, developed in accordance with the Australian Standard on Risk Management (AS/NZS 4360:1999) was adopted by the Board on 26 May 2005. The policy reflects the Board's commitment to identifying, monitoring and mitigating risks as well as capturing opportunities. Day to day responsibility for risk management has been delegated to executive management, with review occurring at both Committee level (by the Audit and Compliance Committee) and at Board level.

The RE reviews and implements policies for managing each risk as summarised below.

### (b) Risk exposures and responses

#### (i) Market risk

The Trust is exposed to interest rate, foreign currency, liquidity and credit risks. Details are provided in the following paragraphs. There are no known exposures to other risks that are material to the financial statements.

- *Interest rate risk*

The source of interest rate risk to the Trust is primarily long-term debt obligations.

The Trust has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

	Consolidated Group	
	2010 \$'000	2009 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	13,829	28,731
	<b>13,829</b>	<b>28,731</b>
<b>Financial liabilities</b>		
Borrowings	(173,233)	(259,800)
	<b>(173,233)</b>	<b>(259,800)</b>
<b>Net exposure</b>	<b>(159,404)</b>	<b>(231,069)</b>

The weighted average interest rates relating to the above financial assets and financial liabilities were as follows:

	%	%
<b>Financial assets</b>		
Cash and cash equivalents	3.10%	2.79%
<b>Financial liabilities</b>		
Borrowings	8.18%	7.29%

Financial assets are not hedged and are exposed to variable interest rate risk. The RE believes that this exposure is relatively low and does not pose a material risk to the Trust.

The Trust's fixed rate borrowings and receivables are carried at amortised cost. They therefore not subject to interest rate risk as defined in AASB 7.

Refer to Note 7 for details on the fair value of forward exchange contracts as at the reporting date.

The RE constantly analyses the Trust's interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. The RE is currently considering the most appropriate interest rate profile and strategy from a variety of options, one of which will be adopted in the near future.

The balance of loans of \$76.1 million is unhedged and as at 30 June 2010, the weighted average variable interest rate is 8.67% pa.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 20. Financial risk management (continued)

At 30 June 2010, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Net profit		Equity		
	Increase/(decrease)		Increase/(decrease)		
	2010	2009	2010	2009	
Judgements of reasonably possible movements:	\$'000	\$'000	\$'000	\$'000	
<b>Consolidated Group</b>					
Increase in variable interest rates of	1.00%	762	4,869	-	-
Decrease in variable interest rates of	0.50%	(381)	(2,434)	-	-

The movements in profit are due to the net impact of higher/lower interest costs from variable rate debt and cash balances and the increase/decrease in the fair value of derivative instruments. Such movements are reflected in the statement of comprehensive income with no impact on equity.

- Foreign currency risk:*

The Trust has exposure to foreign currency movements through its investment in New Zealand properties and the issue of Senior Secured Notes, some of which are denominated in United States Dollars ("USD") and Canadian Dollars ("CAD").

It is a policy of the RE not to expose the Trust to any material risks relating to movements in foreign currencies.

With respect to property investments in New Zealand, there is currently no relevant hedging in place. Of the total value of property investments held by the Trust, 11.8% is represented by properties held in New Zealand. The intention is to hold New Zealand properties on an on-going basis. In accordance with accounting standards, movements in foreign exchange rates are recognised at the time the properties are revalued to fair value. The Trust also has transactional New Zealand Dollar ("NZD") exposures. Such exposures arise from rental income and purchases of services in NZD. Further, the Trust holds some cash, receivables and payables which are denominated in NZD. In the opinion of the Directors of the RE the level of the Trust's transactions in NZD is relatively low and does not constitute a material risk to the Trust.

With respect to the Senior Secured Notes, the Trust uses forward exchange contracts hedge fully its exposure to movements in USD and CAD (refer to Note 12).

The Trust's exposure to foreign currency risk and the relevant classes of financial assets and financial liabilities is set out below:

	Consolidated Group	
	2010	2009
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	699	608
Receivables	-	-
	<b>699</b>	<b>608</b>
<b>Financial liabilities</b>		
Payables	8	380
Borrowings	98,157	112,250
	<b>98,165</b>	<b>112,630</b>
<b>Net exposure</b>	<b>(97,466)</b>	<b>(112,022)</b>

	Net profit		Equity		
	Increase/(decrease)		Increase/(decrease)		
	2010	2009	2010	2009	
Judgements of reasonably possible movements:	\$'000	\$'000	\$'000	\$'000	
<b>Consolidated Group</b>					
AUD/NZD +	15.00%	(6,363)	(6,682)	6,363	6,682
AUD/NZD -	15.00%	6,363	6,682	(6,363)	(6,682)

The movements in profit are due to variations in the AUD/NZD exchange rate impacting valuations of assets and liabilities denominated in NZD.

Such movements are reflected in the statement of comprehensive income and equity. The exposure of the parent entity to NZD movements is via its investment in AET New Zealand Education Trust, being the entity which holds the New Zealand-based investments.

No sensitivity analysis has been presented for USD and CAD movements. This is because the Senior Secured Notes are fully hedged.

- Price risk*

The Trust does not invest in any listed securities and hence is not exposed to any price risk.

## (ii) Liquidity risk:

Liquidity risk is managed by adhering to restrictions under the Trust's investment strategy from entering into contractual arrangements that produce an exposure not covered by sufficient liquid assets or a total investment exposure in excess of total Unitholders' funds. Further, the RE ensures that sufficient cash and cash equivalents are maintained to meet the needs of the Trust through cash flow monitoring and forecasting.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, including derivative financial instruments as at 30 June 2010. For derivative financial instruments, the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Market value is not materially different from the break value. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing as at 30 June 2010.

The remaining contractual maturities of the Trust's financial liabilities are:

	Consolidated Group	
	2010 \$'000	2009 \$'000
6 months or less	21,455	24,014
6 to 12 months	-	-
1 to 5 years	164,233	99,610
Later than 5 years	-	156,108
	<b>185,688</b>	<b>279,732</b>

## Maturity analysis of financial assets and liability based on management expectations:

The table below reflects a maturity analysis of financial assets and financial liabilities based on management's expectations. Apparent shortfalls in cash are due to the maturity of debt facilities at various points in time. Prior to the maturity of these facilities, the Trust will either negotiate to extend the term of these facilities or arrange new facilities on terms appropriate at that time.

Consolidated Group	6 months or less \$'000	6 to 12 months \$'000	1 to 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2010</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13,829	-	-	-	13,829
Receivables	1,062	-	-	-	1,062
Derivatives	29	26	670	-	725
	<b>14,920</b>	<b>26</b>	<b>670</b>	<b>-</b>	<b>15,616</b>
<b>Financial liabilities</b>					
Payables	12,455	-	-	-	12,455
Borrowings	9,000	-	164,233	-	173,233
Derivatives	-	-	-	-	-
	<b>21,455</b>	<b>-</b>	<b>164,233</b>	<b>-</b>	<b>185,688</b>
<b>Net exposure</b>	<b>(6,535)</b>	<b>26</b>	<b>(163,563)</b>	<b>-</b>	<b>(170,072)</b>
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents	28,731	-	-	-	28,731
Receivables	1,264	-	-	-	1,264
Derivatives	-	-	22,626	-	22,626
	<b>29,995</b>	<b>-</b>	<b>22,626</b>	<b>-</b>	<b>52,621</b>
<b>Financial liabilities</b>					
Payables	11,514	-	-	-	11,514
Borrowings	12,500	-	99,610	147,690	259,800
Derivatives	-	-	8,418	-	8,418
	<b>24,014</b>	<b>-</b>	<b>108,028</b>	<b>147,690</b>	<b>279,732</b>
<b>Net exposure</b>	<b>5,981</b>	<b>-</b>	<b>(85,402)</b>	<b>(147,690)</b>	<b>(227,111)</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 20. Financial risk management (continued)

### (iii) Credit risk

Credit risk arises from the financial assets of the Trust, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Trust's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable Note.

Receivables are generally received within 30 days, except for the amount due to the Parent Entity from AET New Zealand Education Trust which has no fixed date of repayment (refer to Note 17).

The Trust does not hold any credit derivatives to offset its credit exposure.

The Trust trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Trust's policy to securitise its trade and other receivables.

The Trust's credit exposure is concentrated with one debtor, GoodStart, who contribute 63% of rental income. The total credit risk for financial instruments contained in the Balance Sheet is limited to the carrying amount disclosed in the Balance Sheet, net of any provisions for doubtful debts. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant.

### (iv) Fair Value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As of 1 July 2009, the Trust has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following tables present the Trust's and the parent entity's assets and liabilities measured and recognised at fair value at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

Consolidated Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2010</b>				
<b>Assets</b>				
Derivatives used for hedging	-	725	-	725
<b>Total assets</b>	-	725	-	725
<b>Liabilities</b>				
Derivatives used for hedging	-	-	-	-
<b>Total liabilities</b>	-	-	-	-

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Trust is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

The carrying amounts of bank deposits, receivables, other debtors, accounts payable, bank loans, lease liabilities and distributions payable approximate net fair value.

### Net fair values

#### Recognised financial instruments:

The Trust's financial assets and liabilities included in current and non-current assets and liabilities on the Balance Sheet are carried at amounts that approximate net fair value.

#### Unrecognised financial instruments:

The Trust has no off-balance sheet financial instruments.

	Consolidated Group	
	2010 \$'000	2009 \$'000
<b>21. Net tangible assets</b>		
Net tangible assets (\$ '000)	183,341	179,707
Units used (No '000)	134,974	134,974
Net tangible assets at carrying value per unit	\$1.358	\$1.331

## 22. Contingent liabilities

No contingent liabilities to the Trust exist of which the Responsible Entity is aware.

## 23. Auditor's Remuneration

### *Audit and other assurance service*

Audit or review of financial report – PricewaterhouseCoopers, Australian firm	53,000	-
Audit or review of financial report – Moore Stephens	-	73,498
Audit of compliance plan – PricewaterhouseCoopers, Australian firm	4,000	-
Audit of compliance plan – Moore Stephens	-	3,250
<i>Taxation services</i>		
Taxation – PricewaterhouseCoopers, Australian firm	36,225	-
Taxation – Moore Stephens	-	32,850
<b>Total audit remuneration</b>	<b>93,225</b>	<b>109,598</b>

## 24. Parent entity financial information

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2010 \$	2009 \$
<b>Balance sheet</b>		
Current assets	16,153	90,790
Total assets	370,643	464,082
Current liabilities	15,526	272,962
Total liabilities	183,727	281,380
<b>Shareholders' equity</b>		
Contributed equity	166,314	166,314
Undistributed profits	20,602	16,388
	<b>186,916</b>	<b>182,702</b>
<b>Profit/(loss) for the year</b>	<b>4,213</b>	<b>(25,321)</b>
<b>Total comprehensive income/(loss)</b>	<b>4,213</b>	<b>(25,321)</b>

### (b) Guarantees entered into by the parent entity

As at 30 June 2010, the parent entity has not provided any guarantees in relation to its subsidiary, AET New Zealand Education Trust.

### (c) Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2010 or 30 June 2009.

### (d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2010 or 30 June 2009.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## 25. Subsequent events

The financial report was authorised on 27th August 2010 by the Board of Directors of the Responsible Entity.

A distribution of 0.67 cents per unit was declared on 26 August 2010 and payable to Unitholders on 20 September 2010 with respect to the year ending 30 June 2010.

There have been no other significant events since 30 June 2010 that have or may significantly affect the results and operations of the Trust.

## 26. Trust details

The registered office and principal place of business of the Trust is Level 1, 350 Collins Street, Melbourne Victoria 3000 and the principal activity being a specialist childcare centre property owner. The domicile of the Trust is Australia.

# DIRECTORS' DECLARATION



In the opinion of the directors of Austock Property Management Limited, the responsible entity of Australian Education Trust and its controlled entity ("the Trust"):

1. the financial statements and notes, set out on pages 14 to 40 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
2. there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
3. the Trust has operated during the year ended 30 June 2010 in accordance with the provisions of the Trust Constitution dated 8 July 2002 (as amended).

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief operating officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors of Austock Property Management Limited.

Dated at Melbourne this 27th day of August 2010

A handwritten signature in black ink, appearing to read 'V. Cottren', written over a horizontal line.

**Victor David Cottren**

Chairman

Austock Property Management Limited

## Independent auditor's report to the unitholders of Australia Education Trust and controlled entity

### Report on the financial report

We have audited the accompanying financial report of Australian Education Trust (the Trust), which comprises the balance sheet as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Australian Education Trust (the consolidated entity). The consolidated entity comprises the trust and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the financial report*

The directors of Austock Property Management Limited (the Responsible Entity of the Trust) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that 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. 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.

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

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

**Independent auditor's report to the unitholders of  
Australia Education Trust and controlled entity (continued)**

*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 Australian Education Trust is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its 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 and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 19 to 20 of the directors' report for the year ended 30 June 2010. The directors of the Responsible Entity of the Trust 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 Australian Education Trust for the ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



Charles Christie  
Partner

2) Melbourne  
August 2010

# ADDITIONAL STOCK EXCHANGE INFORMATION

AS AT 26 AUGUST 2010

## Number of holders of ordinary units and voting rights

There were 134,973,383 fully paid ordinary units on issue, held by 2,820 Unitholders.

The voting rights attaching to the ordinary units, set out in section 253C of the Corporations Act 2001, are:

(a) on a show of hands every person present who is a unitholder has one vote; and

(b) on a poll each unitholder present in person or by proxy or attorney has one vote for each dollar of value of the total interests they have in the Trust.

## Distribution of Unitholders

Number of Units Held	Number of Unitholders
1 - 1,000	224
1,001 - 5,000	725
5,001 - 10,000	743
10,001 - 100,000	1,010
100,001 and over	118
<b>Total</b>	<b>2,820</b>
Holdings less than a marketable parcel	77

## Substantial Unitholders

Name of Substantial Unitholder	Number
Orbis Group	23,710,993
Austock Group Limited	15,068,231
Acorn Capital Limited	14,481,639

## Twenty Largest Unitholders

Name	Number	Fully paid percentage
National Nominees Limited	19,312,164	14.308
Trust Company Limited <ASIF A/C>	14,730,980	10.914
J P Morgan Nominees Australia Limited	10,348,816	7.667
HSBC Custody Nominees (Australia) Limited	8,656,906	6.414
Sandhurst Trustees Ltd <The Childcare Prop Fund A/C>	6,280,000	4.653
Chemical Trustee Limited	3,500,000	2.593
Denman Investments Limited	1,500,000	1.111
J & L Nominees Pty Ltd <Kids Cottage Child Care A/C>	1,500,000	1.111
Mr Louis Pierre Ledger	1,430,013	1.059
Citicorp Nominees Pty Limited <Cwlth Bank Off Super A/C>	1,381,514	1.024
Mr Robert Adamson	1,033,894	0.766
Citicorp Nominees Pty Limited	962,684	0.713
Mr Raymond Martin & Mrs Deborah Martin <Martin Tooling Stf S/F A/C>	800,000	0.593
Melbourne Corporation Of Australia Pty Ltd	730,000	0.541
Buratu Pty Ltd <Connolly Super Fund A/C>	690,000	0.511
Maycot Pty Ltd	688,818	0.510
Yagm Pty Ltd <G B Stay Super Fund A/C>	663,090	0.491
Herro International Pty Limited	650,000	0.482
Mr Charles Nightingale & Mrs Jennifer Nightingale	607,441	0.450
Melbourne Corporation Of Australia Pty Ltd <Superfund A/C>	550,000	0.407
	<b>76,016,320</b>	<b>56.319</b>

## On market buy back

There is no current on-market buy-back.

# Directory

**Responsible Entity and principal place of business of the Trust**      **Austock Property Management Limited**  
Level 1  
350 Collins Street  
Melbourne VIC 3000

**Directors of the Responsible Entity**      **Victor David Cottren (Chairman)**  
Michael Francis Johnstone  
Nicholas James Anagnostou

**Solicitors**      **Macrossans Lawyers**  
Level 23  
AMP Place  
10 Eagle Street  
Brisbane Qld 4000

**Share Registry**      **Registries Limited**  
Level 7, 207 Kent Street  
Sydney NSW 2000

**Auditors**      **PricewaterhouseCoopers**  
Freshwater Place  
2 Southbank Boulevard  
Southbank Vic 3006

**Taxation Advisors**      **PricewaterhouseCoopers**  
Freshwater Place  
2 Southbank Boulevard  
Southbank Vic 3006

**Bank**      **National Australia Bank**  
Level 20  
100 Creek Street  
Brisbane QLD 4000

**Custodian**      **The Trust Company Limited**  
213-217 St Pauls Terrace  
Spring Hill Qld 4006

**Secretary of the Responsible Entity**      **Amanda Jane Gawne**  
Level 1  
350 Collins Street  
Melbourne VIC 3000  
**Adrian Seamus Hill**  
Level 1  
350 Collins Street  
Melbourne VIC 3000

