

Annual Report – 30 June 2002

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Investa Property Trust

Directors' Report

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust present their report together with the financial report of the Trust and the consolidated financial report of the Trust and its controlled entities for the year ended 30 June 2002.

Directors

The following persons were directors of Investa Properties Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

I K Payne (Chairman)
C J O'Donnell (Managing Director)
J L Arthur
P J Carney
S A Mays
D R Page

J L Arthur was appointed to the board on 2 July 2001.
D R Page was appointed to the board on 17 April 2002.

Principal activities

During the year the principal activity of the Trust continued to consist of investment in commercial properties.

Distributions

Distributions totalling \$78,375,902 (13.69 cents per unit) were paid or payable by the Trust for the year ended 30 June 2002 (2001: \$64,522,453 equivalent to 13.62 cents per unit). The 30 June 2002 distribution will be paid on 23 August 2002.

Matters subsequent to the end of the financial year

Since the end of the year, the directors of the Responsible Entity have not become aware of any matter or circumstance that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trust's affairs in future financial years.

Likely developments and expected results of operations

Information on the likely developments in operations and the expected results of these operations has not been included because the directors believe that it would be likely to result in unreasonable prejudice to the Trust.

Units on issue

	June 2002	June 2001
	No. '000	No. '000
Opening units on issue	515,490	456,999
Units issued via placements	70,358	46,321
Units issue through the distribution reinvestment plan	14,974	12,170
Closing units on issue	<u>600,822</u>	<u>515,490</u>

Environmental regulation

The Trust is subject to significant environmental regulation in respect of its land and property development activities. The directors of the Responsible Entity are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the directors are not aware of any material breaches to these requirements and to their best knowledge all activities have been undertaken in compliance with environmental requirements.

Investa Property Trust

Directors' Report (continued)

Review of Operations

Distributions from the Trust increased from 13.62 cents per unit in 2001 to 13.69 cents in 2002, with underlying profit attributable to unitholders before asset revaluations increasing from \$60,038,000 in 2001 to \$73,043,000 in 2002, an increase of 21.66%. This increase reflects growth in rental revenue and the effect of a full year of distributions from investments in associates.

Trust assets increased from \$1,152,384,000 in 2001 to \$1,384,155,000 a net increase of \$231,771,000, driven by the increase in loans to related entities and the revaluation of 11 properties.

Information on Directors

Director	Experience	Special responsibilities
I K Payne M.Ec	Ian has been Chairman since 1999. Previously he was Deputy Chief Executive and Executive Director of Commonwealth Bank of Australia from 1992 to 1997 and Chairman of Commonwealth Financial Services Limited. Ian is currently Chairman of Export Finance and Insurance Corporation and a Director of SFE Corporation Limited and Legalco Limited.	Non Executive Chairman
C J O'Donnell Dip.Bus. NZCB, FAICD, AIQS (Affil)	Chris has been Managing Director of Investa Property Group since December 2000. Prior to the formation of Investa, Chris was Executive Director of Westpac Investment Property Limited, Lend Lease Property Investment Services Limited and Managing Director of Capital Property Limited.	Managing Director
S A Mays B.Sc (Hons), M.Sc, MBA, FAICD	Shaun is the Managing Director of Westpac Financial Services. Prior to joining Westpac he was Chief Investment Officer of Commonwealth Financial Services and Managing Director & Chief Investment Officer of Mercury Asset Management.	Non Executive Director
J L Arthur LLB(Hons)	John has been a partner of Freehills since 1981, except for the period of 1992-1995, when he was General Counsel for the Lend Lease Group. John was a Director of the Manager of General Property Trust from 1989 to 1995 and is currently a Director of CSR Limited.	Non Executive Director Chairman Nominations and Remuneration Committee
P J Carney LLB	Peter has a long experience and understanding of the commercial and banking industry. Previously a partner of 21 years in Freehills and Deputy Chairman of the Advance Bank Group from 1987 to 1997.	Non Executive Director Chairman Due Diligence Committee
D R Page B.Ec, FCA MAICD	Deborah was a partner in Touche Ross/KPMG Peat Marwick from 1989 to 1992. Subsequently she held senior executive positions with the Lend Lease Group and the Commonwealth Bank. She is currently Chair of the NSW Cancer Council and a Director of Macquarie Generation and the Internal Audit Bureau of NSW. She is also a member of the Audit Committee of the Department of Community Services of NSW and the Sydney Harbour Federation Trust.	Non Executive Director Chairman Audit and Risk Management Committee

At 30 June 2002, interests in the units of Investa Property Trust were held by I K Payne (7,595 units), C J O'Donnell (1,017,760 units) and P J Carney (1,021 units).

Investa Property Trust

Directors' Report (continued)

Meetings of directors

The numbers of meetings of the Responsible Entity's board of directors and of each board committee held during the year to 30 June 2002, and the numbers of meetings attended by each director at the time the director held office or was a member of the committee during the year were:

	Board meeting		Audit & Risk Management Committee meeting		Due Diligence Committee meeting		Nominations & Remuneration Committee meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I K Payne	11	10	-	-	-	-	-	-
P J Carney	11	11	1	1	9	9	-	-
C J O'Donnell	11	11	1	1	9	6	-	-
S A Mays	11	9	-	-	-	-	-	-
J L Arthur	11	10	-	-	-	-	-	-
D R Page	2	2	1	1	-	-	-	-

An Audit & Risk Management Committee was established in April 2002 with D R Page as the Chairman. The Committee met for the first time in June 2002.

The Nominations and Remuneration Committee was established in June 2002 and is chaired by J L Arthur. The Committee met for the first time in July 2002. The Committee advises the board on remuneration policies and makes specific recommendations on remuneration packages and other terms of employment for executive and non-executive directors and other senior executives.

During the year, there were numerous project due diligence meetings. These meetings were in relation to new acquisitions, new syndications and the preparation of prospectuses relating thereto. All these meetings were chaired by P J Carney.

Responsible Entity Interests

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 18 to the financial statements.

No fees were paid out of Trust property to the directors of the responsible entity during the year. The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 18 to the financial statements.

Management expense ratio (MER)

The MER of the Trust for the past five years is shown in the following table. The MER figures include the expenses incurred directly and indirectly by the Trust:

	2002 %	2001 %	2000 %	1999 %	1998 %
MER	0.29	0.44	0.72	0.90	1.00

Indemnification and insurance of officers and auditors

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

Directors' Report (continued)

Rounding of amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars, in accordance with that class order, unless otherwise indicated.

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

Director

| [P.J. Carney](#)

30 July 2002

Investa Property Trust

Statements of Financial Performance For the year ended 30 June 2002

	Notes	Consolidated		Parent entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue from ordinary activities					
Rent		97,562	90,742	71,041	64,703
Distributions from associates		17,685	14,344	17,685	14,344
Other revenues from ordinary activities	4	4,493	26,445	24,894	20,643
Total revenue from ordinary activities		119,740	131,531	113,620	99,690
Property outgoings					
Repairs and maintenance		(21,216)	(19,891)	(15,805)	(14,301)
Borrowing costs		(2,388)	(2,655)	(1,794)	(2,037)
Increment on revaluations of investment properties	13(a)	(17,090)	(17,244)	(17,090)	(17,244)
Amortisation of intangibles		6,876	56,065	41,753	55,983
Other expenses from ordinary activities	2	(1,930)	(1,117)	(1,930)	(1,117)
		(4,073)	(30,586)	(3,958)	(4,871)
Net profit		79,919	116,103	114,796	116,103
Net increase in asset revaluation reserve		46,565	-	11,688	-
Total revenues, expenses and valuation adjustments attributable to unitholders of Investa Property Trust recognised directly in equity	13(a)	46,565	-	11,688	-
Total changes in equity other than those resulting from transactions with unitholders as owners		126,484	116,103	126,484	116,103
Distribution paid and payable	14	78,377	64,522		
		Cents	Cents		
Distribution paid and payable per unit (cents)	14	13.69	13.62		
Basic and diluted earnings per unit (cents per unit)	25	14.01	24.14		
Basic and diluted earnings per unit (before revaluation after amortisation)	25	12.81	12.84		
Basic and diluted earnings per unit (before revaluation and amortisation)	25	13.14	12.72		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

Investa Property Trust

Statements of Financial Position As at 30 June 2002

	Notes	Consolidated		Parent entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current assets					
Cash assets	5	11,670	11,454	10,105	9,155
Receivables	6	14,946	11,564	17,249	13,361
Loans to related entities	8	29,577	-	29,577	-
Total current assets		56,193	23,018	56,931	22,516
Non-current assets					
Intangibles	7	35,557	37,481	35,557	37,481
Loans to related entities	8	142,086	-	142,086	-
Investment properties	9	1,150,319	1,091,885	1,148,594	1,091,262
Total non-current assets		1,327,962	1,129,366	1,326,237	1,128,743
Total assets		1,384,155	1,152,384	1,383,168	1,151,259
Current liabilities					
Payables	10	7,079	5,063	6,092	3,938
Interest bearing liabilities	11	-	80,000	-	80,000
Provision for distribution	14	18,121	17,266	18,121	17,266
Total current liabilities		25,200	102,329	24,213	101,204
Non-current liabilities					
Interest bearing liabilities	11	269,000	163,000	269,000	163,000
Total non-current liabilities		269,000	163,000	269,000	163,000
Total liabilities		294,200	265,329	293,213	264,204
Net assets		1,089,955	887,055	1,089,955	887,055
Equity					
Contributed equity	12(a)	1,043,191	892,971	1,078,068	927,848
Reserves	13(a)	46,565	(6,876)	11,688	(41,753)
Amounts available for distribution	13(b)	199	960	199	960
Total equity		1,089,955	887,055	1,089,955	887,055

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Investa Property Trust

Statements of Cash Flows For the year ended 30 June 2002

	Notes	Consolidated		Parent entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash flows from operating activities					
Cash receipts in the course of operations		101,495	95,407	72,193	66,955
Cash payments in the course of operations		(34,175)	(36,307)	(25,420)	(27,193)
Interest received		2,376	943	2,326	687
Trust distribution income from controlled entities		-	-	20,226	20,397
Distributions from associates		18,284	13,447	18,284	13,447
Borrowing costs paid		(14,857)	(16,457)	(14,857)	(16,457)
Net cash inflow from operating activities	23	73,123	57,033	72,752	57,836
Cash flows from investing activities					
Proceeds from sale of property		-	25,500	-	-
Payments for additional investment in controlled entity		-	-	-	(4,500)
Payments for investment properties		(4,996)	(4,726)	(3,891)	(3,310)
Loans to related entities		(244,233)	-	(244,233)	-
Repayment from loans to related entities		74,103	-	74,103	-
Payments for investments in associates		-	(50,285)	-	(50,285)
Payment for intangible assets		-	(38,598)	-	(38,598)
Net cash (outflow) from investing activities		(175,126)	(68,109)	(174,021)	(96,693)
Cash flows from financing activities					
Proceeds from issues of units		161,002	80,268	161,002	80,268
Proceeds from borrowings		81,800	7,500	81,800	7,500
Redemption of units		-	-	-	26,600
Proceeds from issue of commercial notes		249,405	-	249,405	-
Payments for cost associated with issue of commercial notes		(1,018)	-	(1,018)	-
Repayment of borrowings		(305,800)	(38,000)	(305,800)	(38,000)
Payments for cost associated with issue of units		(5,649)	-	(5,649)	-
Distributions paid		(77,521)	(42,082)	(77,521)	(42,082)
Net cash inflow from financing activities		102,219	7,686	102,219	34,286
Net (decrease)/increase in cash held		216	(3,390)	950	(4,571)
Cash at the beginning of the financial year		11,454	14,844	9,155	13,726
Cash at the end of the financial year	5	11,670	11,454	10,105	9,155
Non-cash financing and investing activities	24				
Financing	11				

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

Investa Property Trust

Notes to the Financial Statements For the year ended 30 June 2002

Note 1. Summary of significant accounting policies

Investa Property Trust (the "Trust") was constituted on 15 July 1977.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Trust Constitution, Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. It is prepared on the basis of the going concern and historical cost conventions and has not been adjusted to take account of either changes in the general purchasing power of the dollar or changes in the values of specific assets, except to the extent that the Trust investments have been revalued. It is recommended that this report be read in conjunction with any public pronouncements made by the Trust during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted are consistent with those of the previous period unless otherwise specified.

The units in Investa Property Trust are 'stapled' to the shares in Investa Properties Limited. From 1 December 2000, all transactions in either security can only be in the form of transactions in Investa Property Group stapled securities.

(b) Principles of consolidation

The consolidated Financial Statements incorporate all the assets, liabilities and net operating results of the controlled entities. The effects of all transactions between controlled entities in the Trust have been eliminated in full. Certain property investments are held via joint ownership arrangements (refer Note 20). These joint ownership arrangements include the ownership of units in single purpose unlisted trusts over which the Trust exercises significant influence but does not control ("Associates"). Investments in Associates are recorded at cost in the year of acquisition and at the net asset value of the Associate thereafter.

(c) Revenue recognition

Rent

Rent is brought to account on an accrual basis and, if not received at the balance date, is reflected in the Statements of Financial Position as a receivable.

Interest

Interest is brought to account on an accrual basis and, if not received at the balance date, is reflected in the Statements of Financial Position as a receivable.

Disposal of assets

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of the disposal and the proceeds on disposal and is included in the Statements of Financial Performance in the year of disposal. Any related revaluation increment remaining in the asset revaluation reserve at the time of the disposal is transferred to contributed equity.

(d) Expenses

Property expenses

Property expenses include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of the Trust and are brought to account on an accruals basis.

Borrowing costs

Borrowing costs include interest expense and other costs incurred in respect of obtaining finance. Other costs incurred including loan establishment fees in respect of obtaining finance are deferred and written off over the term of the respective agreement.

Responsible Entity fee

In accordance with the provisions of the Trust Constitution, the Responsible Entity is entitled to payment of a fee. For the period 1 July 2000 to 30 November 2000, the fee was 0.65% per annum of the gross asset value of the Trust. With effect from 1 December 2000 this fee was amended to become the total expenses recoverable by the Responsible Entity in managing the Trust plus 5% of these expenses.

Notes to the Financial Statements For the year ended 30 June 2002

Note 1. Summary of significant accounting policies (continued)

(e) Taxation

Under current legislation, the Trust and its controlled entities are not liable for income tax, provided that the taxable income and taxable realised gains are fully distributed to unitholders each year.

(f) Investment properties

The Trust Constitution requires that all Trust property investments are valued at intervals of not more than three years and that such valuations be reflected in the Financial Report of the Trust. It is the policy of the Responsible Entity to review the carrying value of each property at the reporting date and to formally review the carrying value of each property every three years through external valuers, or earlier where the Responsible Entity believes there may be a material change in the carrying value of the property.

The basis of valuation of investment properties is fair value being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

A revaluation increment is credited directly to the asset revaluation reserve, unless it is reversing a previous decrement charged as an expense in the Statements of Financial Performance in respect of that same class of assets, in which case the increment is credited directly to the Statements of Financial Performance and then transferred to the asset revaluation reserve.

A revaluation decrement is recognised directly as an expense in the Statements of Financial Performance, unless it is reversing a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve in respect of that same class of assets, in which case it is debited directly to the asset revaluation reserve.

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Statements of Financial Performance in the year of disposal.

Interests held by Investa Property Trust in controlled trusts are brought to account at valuation based on the net tangible asset backing at the end of each period.

Land and buildings have the function of an investment and are regarded as a composite asset. Accounting standards do not require investment properties to be depreciated. Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Expenses capitalised to properties may include the cost of acquisition, additions, refurbishment, redevelopment, and fees incurred.

(g) Cash

For the purposes of the Statements of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(h) Receivables

Receivables to be settled within 30 days are carried at amounts due. The collectability of debts is reviewed on a regular basis and a specific provision is made for any doubtful debts.

(i) Payables

These amounts represent liabilities for amounts owing by the Trust at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and also include rent in advance and tenant security deposits.

(j) Maintenance and repairs

Plant of the Trust is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised in accordance with note 1(f). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

**Notes to the Financial Statements
For the year ended 30 June 2002**

Note 1. Summary of significant accounting policies (continued)

(k) Earnings per unit

- (a) Basic Earnings per Unit
Basic earnings per unit is determined by dividing the operating profit attributable to unitholders of the Trust by the weighted average number of units outstanding during the year.
- (b) Diluted Earnings per Unit
Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit by taking into account amounts unpaid on units and any reduction in earnings per unit that will probably arise from the exercise of options outstanding during the year.

(l) Intangible asset

Intangible assets have been recorded at the cost of acquisition and amortised on a straight line basis over twenty years, being the period during which the benefits are expected to be realised. The carrying value of each intangible asset is reviewed by management and the Board of Directors at the reporting date.

(m) Derivatives

The Trust has entered into an interest rate swap agreement to hedge against the risk of an increase in interest rates on the Trust's debt (refer to Note 11). Derivative financial instruments are not held for speculative purposes and are not recognised in the financial statements on inception. The net payments or receipts due under the swap agreement are accounted for on an accrual basis and included in borrowing costs expense.

(n) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through net cash inflows arising from its continued use and subsequent disposal. Where the carrying amount of an individual non-current asset is greater than its recoverable amount the asset is written down to its recoverable amount. To the extent that the revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise, the decrement is recognised as an expense in the Statement of Financial Performance.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market, risk-adjusted discount rate. The discount rates used ranged from 7.5% - 9.0%, depending upon the nature of the assets.

(o) Rounding of amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars, in accordance with that class order, unless otherwise indicated.

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 2. Other expenses from ordinary activities

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Carrying amount of investment property sold	-	25,510	-	-
Disposal cost for investment property sold	-	72	-	-
Legal fees	107	154	40	97
Provision for doubtful debts	613	37	613	37
Responsible Entity fees	2,667	3,945	2,667	3,945
Trustee/Custody fees	194	182	133	121
Auditor's remuneration (note 3)	143	151	132	126
Other expenses	349	535	373	545
Total other expenses from ordinary activities	4,073	30,586	3,958	4,871

Note 3. Remuneration of auditors

	Consolidated		Parent entity	
	2002 \$	2001 \$	2002 \$	2001 \$
Remuneration for audit of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditor of the Trust – PricewaterhouseCoopers	100,370	110,500	100,370	95,000
Remuneration for other services:				
Auditor of the Trust – PricewaterhouseCoopers:				
Taxation advice	30,750	21,009	20,945	14,970
Other services	11,590	19,866	11,050	16,146
Total	142,710	151,375	132,365	126,116

Note 4. Other revenues from ordinary activities

(a) Other revenue from ordinary activities

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue from operating activities				
Distributions from controlled entities	-	-	20,458	19,956
Interest income	4,493	945	4,436	687
Revenue from outside operating activities				
Sale of investment property	-	25,500	-	-
Total	4,493	26,445	24,894	20,643

(b) Individually significant items

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Other revenues from ordinary activity includes:				
Gross proceeds from sale of 107-109 Mount Street, North Sydney	-	25,500	-	-
Other expenses from ordinary activities includes:				
Carrying amount of 107-109 Mount Street, North Sydney	-	(25,510)	-	-
Disposal costs on sale of property	-	(72)	-	-
Net (loss) on sale of investment property	-	(82)	-	-

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 5. Cash assets

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash at bank and on hand	11,670	11,375	10,105	9,076
Deposits at call	-	79	-	79
	11,670	11,454	10,105	9,155

Note 6. Receivables

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Rent receivable	5,111	2,614	4,958	2,047
Less: Provision for doubtful debts	(619)	(37)	(619)	(37)
	4,492	2,577	4,339	2,010
Distribution receivable from controlled entity	-	-	3,411	3,178
Distribution receivable from associates	2,774	3,373	2,774	3,373
Prepayments	5,353	3,839	4,421	3,064
Other	2,327	1,775	2,304	1,736
	14,946	11,564	17,249	13,361

Note 7. Intangibles

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Restructure costs	4,754	4,748	4,754	4,748
Payment for relinquishment of management rights	33,850	33,850	33,850	33,850
	38,604	38,598	38,604	38,598
Less: accumulated amortisation	(3,047)	(1,117)	(3,047)	(1,117)
	35,557	37,481	35,557	37,481

Note 8. Loans to related entities

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Unsecured loans:				
Current				
Investa South Melbourne Trust ¹	29,577	-	29,577	-
Non-current				
Investa Properties Limited ¹	42,986	-	42,986	-
Investa Nominees Pty Limited ¹	27,248	-	27,248	-
Investa Development Holdings Pty Limited ²	61,003	-	61,003	-
Investa Third Industrial Trust ¹	10,849	-	10,849	-
	142,086	-	142,086	-

These loans arise as new capital is principally sourced by Investa Property Trust and loaned to Investa Properties Limited (or its subsidiaries) as required to support their investment activities. Under this arrangement the loans forwarded are at times non-interest bearing.

1 – These loans accrue interest at market rates.

2 – This loan does not presently accrue interest.

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 9. Investment properties

Property	Type	Ownership	Acquisition date	Cost including all additions \$'000	Independent valuation date	Independent valuation amount \$'000	Independent valuer	Consolidated book value 30/06/02 \$'000	Consolidated book value 30/06/01 \$'000
Non current assets									
Investa Property Trust									
62 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	26/02/88	28,744	30/06/02	27,500	P Harding, Knight Frank	27,500	25,800
64 Northbourne Avenue, Canberra, ACT	Offices 96 yr leasehold	100%	01/07/94	23,961	31/03/02	16,100	A Martin, AAPI JLL Advisory	16,100	12,000
73 Northbourne Avenue, Canberra, ACT *	Offices 99 yr leasehold	100%	06/05/94	23,324	31/12/00	17,000	P Dempsey, FAPI Arthur Andersen	17,134	17,115
73 Miller Street, North Sydney, NSW *	Offices/ Freehold	100%	12/06/97	75,483	30/06/02	90,000	A Richard, FAPI CB Richard Ellis	90,000	76,758
50-60 Talavera Road, North Ryde, NSW *	Offices/ Freehold	100%	01/11/99	32,739	30/09/00	31,400	R Lawrie, AAPI JLL Advisory	31,400	31,400
32 Philip Street, Parramatta, NSW	Offices/ Freehold	100%	01/11/99	21,784	30/09/00	21,100	A Martin, AAPI JLL Advisory	21,100	21,100
55 Market Street, Sydney, NSW *	Offices/ Freehold	100%	31/07/98	122,044	30/06/02	138,000	D Castles, AAPI Landmark White	138,000	130,000
241 Adelaide Street, Brisbane, QLD	Offices/ 75 yrs Leasehold	100%	10/09/98	21,121	30/06/02	18,100	W Wirmann, AAPI JLL Advisory	18,100	18,952
410 Ann Street, Brisbane, QLD *	Offices/ Freehold	100%	23/11/87	57,730	30/06/01	62,500	C Chatwood AAPI JLL Advisory	62,610	62,500
260 Queen Street, Brisbane, QLD	Offices/ Freehold	100%	01/11/99	23,983	31/03/01	23,000	W Wiermann, AAPI JLL Advisory	23,070	23,005
469 Latrobe Street, Melbourne, VIC *	Offices/ Freehold	100%	01/07/88	81,101	30/06/02	53,100	J Perillo, AAPI Knight Frank	53,100	42,158
485 Latrobe Street, Melbourne, VIC *	Offices/ Freehold	100%	10/09/98	91,058	30/06/02	111,000	G Longden, FAPI JLL Advisory	111,000	101,074
420 St Kilda Road, Melbourne, VIC	Offices/ Freehold	100%	12/12/86	24,686	30/06/01	27,000	C Plant JLL Advisory	27,159	27,000
109 St Georges Terrace, Perth, WA	Offices/ Freehold	100%	01/11/99	24,774	30/06/02	25,500	S Nuttall, AAPI ASIA CB Richard Ellis	25,500	23,812
Total Parent				<u>652,532</u>				<u>661,773</u>	<u>612,674</u>
Investment in controlled entities									
Investa Real Property Growth Trust									
115 Grenfell Street, Adelaide, SA *	Offices/ Freehold	100%	04/05/89	48,853	31/03/01	26,500	James Pledge AAPI, Knight Frank	26,680	26,675
110 George Street, Parramatta, NSW *	Offices/ Freehold	50% 50%	02/10/97 15/12/98	67,345	30/06/02	66,500	M Caruana, FAPI Knight Frank	66,500	66,527
Total - Investa Real Property Growth Trust				<u>116,198</u>				<u>93,180</u>	<u>93,202</u>
Lizabeth Trust									
255 Elizabeth Street, Sydney, NSW*	Offices/ Freehold	50% 10% 40%	21/09/94 11/12/98 01/11/99	172,172	31/03/01	153,500	A Pannifex, AAPI Knight Frank	154,447	153,594
Total - Lizabeth Trust				<u>172,172</u>				<u>154,447</u>	<u>153,594</u>
Total investment in controlled entities				<u>940,902</u>				<u>909,400</u>	<u>859,470</u>
Investments in associates									
60 Martin Place Unit Trust									
60 Martin Place, Sydney, NSW	Offices/ Freehold	50%	01/11/99	79,925	30/06/02	88,750	M S Smallhorn, FAPI JLL Advisory	88,325	87,130
SUNPAC Property Fund*									
1 Market Street, Sydney, NSW	Offices/ Freehold	50%	09/01/96	81,534	30/06/02	102,500	A Pannifex, FAPI FPDSavills	102,029	95,000
80 Pacific Highway Trust									
80 Pacific Highway, North Sydney, NSW	Offices/ Freehold	50%	04/05/01	45,745	31/03/01	45,375	M S Smallhorn, FAPI JLL Advisory	45,745	45,465
Investa Brisbane Commercial Trust**		20%	08/05/01	<u>4,820</u>	-	-	-	<u>4,820</u>	<u>4,820</u>
Total investment in associates				<u>212,024</u>				<u>240,919</u>	<u>232,415</u>
Total				<u>1,152,926</u>				<u>1,150,319</u>	<u>1,091,885</u>

* These properties and units are used as security for the issue of the commercial notes referred to in Note 11.

** The underlying properties are located at 45 Charlotte Street, Brisbane and 363 Adelaide Street, Brisbane.

Properties not independently valued during the last 12 months are carried at directors' valuation at 30 June 2002.

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 9. Investment properties (continued)

Reconciliations

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

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	1,091,885	1,007,382	1,091,262	1,003,784
Additions	4,993	53,948	3,891	58,095
Disposals/redemption	-	(25,510)	-	(26,600)
Revaluation increments	53,441	56,065	53,441	55,983
Carrying amount at end of year	1,150,319	1,091,885	1,148,594	1,091,262

Note 10. Payables

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Payables	6,042	4,109	5,258	3,367
Rent paid in advance	897	828	725	492
Tenant deposits	140	126	109	79
	7,079	5,063	6,092	3,938

Note 11. Interest bearing liabilities

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Secured liabilities				
(a) Current interest bearing liabilities				
Cash advance facility	-	80,000	-	80,000
(b) Non-current interest bearing liabilities				
Commercial notes	250,000	-	250,000	-
Cash advance facility	19,000	163,000	19,000	163,000
Total secured liabilities	269,000	243,000	269,000	243,000

The cash advance facilities are on the following terms:

Bank	Facility Amount \$'000	Utilised \$'000	Maturity of facility	Rate	Amount fixed \$'000	Fixed Rate
Commonwealth Bank of Australia	75,000	19,000	30/08/03	BBSY	5,000	6.07%
Westpac Banking Corporation	25,000	-	03/11/03	BBSY	-	-

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002**

Note 11. Interest bearing liabilities (continued)

Commercial notes

On 28 November 2001, the Trust issued \$250,000,000 of commercial notes in the form of commercial mortgage backed securities. The notes have been issued for a term of 5 years and consist of a fixed rate tranche of \$100,000,000 with a coupon rate of 6% per annum payable semi-annually and a floating rate tranche of \$150,000,000 at the 90 day BBSW rate plus a margin. The notes have been rated 'AAA' by Standard & Poors and are secured by first mortgages over investment property as detailed in Note 9. The floating tranche has been fully hedged through the use of interest rate swaps at an average fixed rate of 6.41%.

Financing arrangements

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Unrestricted access was available at balance date to the following cash advance facilities:				
Total facilities	350,000	247,000	350,000	247,000
Used at balance date	269,000	243,000	269,000	243,000
Unused at balance date	81,000	4,000	81,000	4,000

Note 12. Contributed equity

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
(a) Value of units				
Opening balance	892,971	791,132	927,848	825,927
Issue of units	160,441	100,490	160,441	100,490
Cost for issue of units and non deductible costs	(5,648)	(81)	(5,648)	(81)
Loss on sale of investment property	-	(82)	-	-
Transfer from asset revaluation reserve	-	4,031	-	4,031
Transfer to distributable income	(4,573)	(2,519)	(4,573)	(2,519)
Closing balance	1,043,191	892,971	1,078,068	927,848

Included within units on issue at 30 June 2002 are realised capital losses of \$99,724,868 (2001: \$99,724,868) which are available for offset against future capital gains.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002**

Note 12. Contributed equity (continued)

(b) Number of units

	Consolidated		Parent	
	2002 No.'000	2001 No.'000	2002 No.'000	2001 No.'000
Opening balance	515,490	456,999	515,490	456,999
Distributions reinvested - 31/07/00 @ \$1.59 per unit	-	4,489	-	4,489
Distributions reinvested - 31/10/00 @ \$1.62 per unit	-	4,835	-	4,835
Placement of units - 01/12/00 @ \$1.80 per unit	-	18,806	-	18,806
Distributions reinvested - 31/01/01 @ \$1.82 per unit	-	2,645	-	2,645
Distributions reinvested - 30/04/01 @ \$1.77 per unit	-	201	-	201
Placement of units - 02/05/01 @ \$1.69 per unit	-	27,515	-	27,515
Distributions reinvested - 31/07/01 @ \$1.76 Per unit	3,871	-	3,871	-
Placement of units - 24/09/01 @ \$1.87 per unit	21,670	-	21,670	-
Placement of units - 05/11/01 @ \$1.88 per unit	45,212	-	45,212	-
Distributions reinvested - 30/11/01 @ \$1.96 per unit	3,142	-	3,142	-
Security Purchase Plan - 28/12/01 @ \$1.88 per unit	3,476	-	3,476	-
Distributions reinvested - 28/02/02 @ \$1.99 per unit	4,668	-	4,668	-
Distributions reinvested - 31/05/02 @ \$2.03 per unit	3,293	-	3,293	-
Closing balance	600,822	515,490	600,822	515,490

Distribution reinvestment plan

The Trust has established a distribution reinvestment plan under which holders of ordinary units may elect to have all or part of their distribution entitlements satisfied by the issue of new ordinary units rather than by being paid in cash. Units are issued under the plan at the Volume Weighted Average Price. This is the average price of the security weighted by volume over the 5 business days up to and including the relevant record date.

Security purchase plan

The security purchase plan was established to provide an opportunity for all eligible unitholders to buy additional units in Investa Property Trust at the same price as those units issued under the placements.

Note 13. Reserves

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Asset revaluation reserve				
Opening balance	(6,876)	(58,910)	(41,753)	(93,705)
Transfer of realised gain on sale of investment property to contributed equity	-	(4,031)	-	(4,031)
Increment on revaluation of investment properties	46,565	-	11,688	-
Transfer from distributable income	6,876	56,065	41,753	55,983
Closing balance	46,565	(6,876)	11,688	(41,753)

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 13. Reserves (continued)

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Increments/(decrements) on revaluation of investment properties				
469 Latrobe Street, Melbourne	10,494	7,443	10,494	7,443
420 St Kilda Road, Melbourne	-	5,561	-	5,561
410 Ann Street, Brisbane	-	1,392	-	1,392
62 Northbourne Avenue, Canberra	1,700	2,135	1,700	2,135
64 Northbourne Avenue, Canberra	3,776	676	3,776	676
73 Northbourne Avenue, Canberra	-	(31)	-	(31)
73 Miller Street, North Sydney	12,543	3,388	12,543	3,388
55 Market Street, Sydney	7,821	9,754	7,821	9,754
485 Latrobe Street, Melbourne	9,734	10,160	9,734	10,160
241 Adelaide Street, Brisbane	(931)	(2,047)	(931)	(2,047)
32 Philip Street, Parramatta	-	475	-	475
260 Queen Street, Brisbane	-	21	-	21
109 St Georges Terrace, Perth	351	1,488	351	1,488
50-60 Talavera Road, North Ryde	-	400	-	400
Revaluation of investment in controlled entities				
110 George Street, Parramatta	(271)	(909)	-	-
115 Grenfell Street, Adelaide	-	1,999	-	-
255 Elizabeth Street, Sydney	-	3,467	-	-
Investment in Investa Real Property Growth Trust	-	-	(271)	1,008
Investment in Lizabeth Trust	-	-	-	3,467
Revaluation of investment in associates				
SUNPAC Property Fund	7,029	6,063	7,029	6,063
60 Martin Place Unit Trust	1,195	4,630	1,195	4,630
Total increment on revaluation of investment properties	53,441	56,065	53,441	55,983
Less revaluation increment taken to revenue as reversal of previous decrement	(6,876)	(56,065)	(41,753)	(55,983)
Net increment/(decrement) recognised directly in asset revaluation reserve	46,565	-	11,688	-

Nature & purpose of asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(f).

(b) Amounts available for distribution

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Amounts available for distribution at the beginning of the financial year	960	2,843	960	2,843
Net profit	79,919	116,103	114,796	116,103
Transfer to asset revaluation reserve	(6,876)	(56,065)	(41,753)	(55,983)
Transfer of loss on sale of investment property to contributed equity	-	82	-	-
Transfer from contributed equity*	4,573	2,519	4,573	2,519
Distributions provided for or paid	(78,377)	(64,522)	(78,377)	(64,522)
Amounts available for distribution at the end of the financial year	199	960	199	960

* This transfer represents \$1,517,000 income support on unit placements and amortisation of intangibles of \$3,056,000.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002**

Note 14. Distributions paid and payable

	2002	2002	2001	2001
	\$'000	CPU	\$'000	CPU
Timing of distributions				
The distributions were paid/payable as follows:				
30 September	18,670	3.575	15,171	3.288
31 December	20,523	3.575	15,436	3.310
31 March	21,063	3.525	16,649	3.550
30 June final payable *	18,121	3.016	17,266	3.476
	78,377	13.691	64,522	13.624

*The 30 June 2002 distribution will be paid on 23 August 2002.

Distributions actually paid or satisfied by the issue of units under the distribution reinvestment plan during the period were:

	2002	2001
	\$'000	\$'000
Paid in cash	48,576	42,082
Satisfied by the issue of units	28,945	20,141
	77,521	62,223

Note 15. Financial instruments

(a) Credit risk

Credit risk is the risk that a tenant will fail to perform contractual obligations including honouring the term of the lease agreements either in whole or in part, under a contract. Credit risk has been minimised primarily by undertaking credit references, ensuring that tenants have strong financial standing and obtaining bank guarantees from lessees where appropriate.

The credit risk on financial assets of the Trust which have been recognised in the Statements of Financial Position is generally the carrying amount.

(b) Market risk

Market risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in valuations. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market risk analysis is conducted regularly on a total portfolio basis.

(c) Liquidity and cash flow risk

Liquidity risk is the risk that the Trust will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments. Cash flow risk is the risk that the future cash flows will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through actively managing significant exposures to large creditors and ensuring tenants have strong financial standing.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002**

Note 15. Financial instruments (continued)

(d) Interest rate risk exposures

Interest rate risk is the risk that the value of a financial asset or liability will fluctuate due to changes in market interest rates.

The Trust's exposure to interest rate risk and the weighted average effective interest rate (for each class of financial asset and financial liability, and each maturity period including floating rate financial assets and liabilities) is set out in the table below:

2002	Notes	Floating interest rate \$'000	Fixed interest maturing in:				Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	
Financial assets							
Cash assets	5	11,670	-	-	-	-	11,670
Receivables	6	-	-	-	-	14,946	14,946
Related party loans	8	110,660	-	-	-	61,003	171,663
		122,330	-	-	-	75,949	198,279
Weighted average interest rate		6.06%					
Financial liabilities							
Payables	10	-	-	-	-	7,079	7,079
Interest bearing liabilities	11	169,000	-	-	100,000	-	269,000
Interest rate swaps*		(155,000)	50,000	105,000	-	-	-
		14,000	50,000	105,000	100,000	7,079	276,079
Weighted average interest rate		5.60%	6.28%	6.50%	6.00%		
Net financial (liabilities) /assets		108,330	(50,000)	(105,000)	(100,000)	68,870	(77,800)

* notional principal amount

Notes to the Financial Statements (continued)
For the year ended 30 June 2002

Note 15. Financial instruments (continued)

(d) Interest rate risk exposures (continued)

2001	Notes	Floating interest rate \$'000	1 year or less \$'000	Fixed interest maturing in:			Total \$'000
				Over 1 To 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets							
Cash assets	5	11,454	-	-	-	-	11,454
Receivables	6	-	-	-	-	11,564	11,564
		<u>11,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,564</u>	<u>23,018</u>
Weighted average interest rate		3.9%					
Financial liabilities							
Payables	10	-	-	-	-	5,063	5,063
Bank loans	11	88,000	55,000	100,000	-	-	243,000
Interest rate swaps*		(40,000)	-	40,000	-	-	-
		<u>48,000</u>	<u>55,000</u>	<u>140,000</u>	<u>-</u>	<u>5,063</u>	<u>248,063</u>
Weighted average interest rate		5.64%	6.57%	6.71%			
Net financial (liabilities) / assets		<u>(36,546)</u>	<u>(55,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>6,501</u>	<u>(225,045)</u>

* notional principal amount

(e) Off-balance sheet financial instrument financial assets/(liabilities)

	Consolidated		Parent entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Interest rate swaps	<u>(840)</u>	<u>(514)</u>	<u>(840)</u>	<u>(514)</u>

The off-balance sheet value of financial liabilities represents the present value of estimated future cash flows which have not been recognised as an on-balance sheet asset or liability.

The fixed interest rates on the swaps currently in place range between 5.85% - 6.07%. At 30 June 2002, the notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2002 \$'000	2001 \$'000
Less than 1 year	-	55,000
1 – 2 years	50,000	-
3 – 4 years	55,000	50,000
4 – 5 years	50,000	50,000
5 – 6 years	-	40,000

(f) Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities included in the Statement of Financial Position approximates their carrying value.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002****Note 16. Contingent liabilities**

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Guarantees	16,000	16,000	16,000	16,000

The Trust has guaranteed the cash advance and contingent liabilities facilities of Investa Properties Limited and Investa Developments Holdings Pty Limited with Commonwealth Bank of Australia.

Note 17. Commitments for expenditure

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Commitments for capital expenditure on investment properties contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	2,028	1,694	1,234	-

Note 18. Related parties**Responsible Entity**

Investa Properties Limited was the Responsible Entity for the year ended 30 June 2002.

Directors

The names of persons who were directors of the Responsible Entity at any time during the financial period were as follows: I K Payne; C J O'Donnell; S A Mays; P J Carney; J L Arthur and D R Page. J L Arthur was appointed on 2 July 2001, and D R Page on 17 April 2002.

Conflict of interest

No director of the Responsible Entity has become entitled to receive any benefits 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, unless otherwise stated below.

Directors' holding of units

The relevant interests of each director of Investa Properties Limited in the issued units of the Trust at year end are set out below:

	Number	
	2002	2001
I K Payne	7,595	6,000
C J O'Donnell	1,017,760	15,303
P J Carney	1,021	-

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 18. Related parties (continued)

Responsible Entity's fees and other transactions

	2002 Responsible Entity \$'000	2001 Responsible Entity \$'000
Fees for the year paid by the Trust to:		
- Westpac Property Funds Management Limited	-	2,347
- Investa Properties Limited	2,667	1,597
	2,667	3,944
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Trust Constitution	-	103
Aggregate of amounts payable to Responsible Entity at year end	272	205
Property management fees paid to Investa Asset Management Pty Limited	418	344
Property Management fees paid to Investa Asset Management (QLD) Pty Limited	50	-

Custodian

The custodian of the Trusts assets is Investa Properties Limited. During the year, no fees were paid to Investa Properties Limited in this capacity (2001:nil).

Related party transactions

All other related party transactions are conducted on normal commercial terms and conditions.

Unitholdings in related parties

Interests held in the following classes of related parties are set out in the following notes:

- (a) Controlled entities - Note 19
(b) Associates - Note 20

Note 19. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding		Cost of parent entity's investment	
			2002 %	2001 %	2002 \$'000	2001 \$'000
Lizabeth Trust	Australia	Ordinary	100%	100%	153,105	153,105
Investa Real Property Growth Trust	Australia	Ordinary	100%	100%	92,797	93,068
					245,902	246,173

Reconciliations

Reconciliations of the carrying amounts of each class of investments at the beginning and end of the current and previous financial year are set out below:

	2002 \$'000	2001 \$'000
Carrying amount at start of year	246,173	263,798
Additions	-	4,500
Redemptions	-	(26,600)
Revaluation (decrements)/increments	(271)	4,475
Carrying amount at end of year	245,902	246,173

Investa Property Trust

Notes to the Financial Statements (continued) For the year ended 30 June 2002

Note 20. Investments in associates

Investments in associates are carried at net asset value by the parent entity. Information relating to the associates is set out below:

Name of Trust	Ownership interest		Consolidated Carrying amount	
	2002 %	2001 %	2002 \$'000	2001 \$'000
SUNPAC Property Fund	50%	50%	102,029	95,000
60 Martin Place Unit Trust	50%	50%	88,325	87,130
80 Pacific Highway Trust	50%	50%	45,745	45,465
Investa Brisbane Commercial Trust	20%	20%	4,820	4,820
Investa South Melbourne Trust*	50%	-	-	-
			240,919	232,415

*investment is for \$1

The principal activity of all associates is investment in commercial property.

Summary of the performance and financial position of associates

	2002 \$'000	2001 \$'000
The aggregate profits, assets and liabilities of associates:		
Profits from ordinary activities	17,685	14,344
Assets	248,128	240,176
Liabilities	10,161	10,592

Reconciliations

Reconciliations of the carrying amounts of each class of investments at the beginning and end of the current and previous financial year are set out below:

	2002 \$'000	2001 \$'000
Carrying amount at start of year	232,415	171,437
Additions	280	50,285
Revaluation increments	8,224	10,693
Carrying amount at end of year	240,919	232,415

Results attributable to associates

	2002 \$'000	2001 \$'000
Operating profits before income tax	17,697	14,344
Income tax expense	-	-
Operating profits after income tax expense	17,697	14,344
Less: Distributions received/receivable	(17,685)	(14,344)
Undistributed income attributable to associates at the beginning of the financial year	-	-
Undistributed income attributable to associates at the end of the financial year	12	-

Share of associate's capital commitments

	2002 \$'000	2001 \$'000
Capital commitments	37,895	-

The commitments relate to the Trust's 50% share of the obligation Investa South Melbourne Trust has to make a final payment of approximately \$75,000,000 on the completion of the property located at 209 Kingsway, Melbourne in January 2003.

**Notes to the Financial Statements (continued)
For the year ended 30 June 2002**

Note 21. Events occurring after reporting date

Since the end of the year, the directors of the Responsible Entity have not become aware of any matter or circumstance not otherwise dealt with in this report or the financial statements that has significantly or may significantly affect the operations of the Trust, the results of those operations, or state of the Trust's affairs in future financial years.

Note 22. Segment information

The Consolidated Entity operates solely in the business of investment in commercial property in Australia.

Note 23. Reconciliation of net profit to net cash inflow from operating activities

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Net profit	79,919	116,175	114,796	116,103
Increment on revaluation of investment properties	(6,876)	(56,065)	(41,753)	(55,983)
Amortisation of intangibles	1,930	1,117	1,930	1,117
Loss on sale of investment property	-	10	-	-
Change in operating assets and liabilities:				
Increase in receivables	(3,865)	(3,251)	(4,375)	(2,695)
Increase in payables	2,015	(953)	2,154	(706)
Net cash inflow from operating activities	73,123	57,033	72,752	57,836

Note 24. Non-cash financing and investing activities

	Consolidated		Parent entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Issuance under Distribution Reinvestment Plan:				
Distributions reinvested – 31 July 2000	-	7,138	-	7,138
Distributions reinvested – 31 October 2000	-	7,833	-	7,833
Distributions reinvested – 31 January 2001	-	4,814	-	4,814
Distributions reinvested – 30 April 2001	-	356	-	356
Distributions reinvested – 31 July 2001	6,813	-	6,813	-
Distributions reinvested – 30 November 2001	6,159	-	6,159	-
Distributions reinvested – 28 February 2002	9,289	-	9,289	-
Distributions reinvested – 31 May 2002	6,684	-	6,684	-
	28,945	20,141	28,945	20,141

Note 25. Earnings per unit

	Consolidated	
	2002	2001
Basic earnings per unit (cents)	14.01 c	24.14 c
Basic earnings per unit (cents) before revaluation, after amortisation	12.81 c	12.48 c
Basic earnings per unit (cents) before revaluation, before amortisation	13.14 c	12.72 c
Weighted average number of units outstanding during the year used in the calculation of basic earnings per unit	570,361,749	480,910,124

Basic earnings per unit is significantly higher for 30 June 2001 due to the increases in the revaluations of investments being recorded in basic earnings to the extent they reverse previous decrements. In the current period, the majority of the revaluations are recorded 'below' basic earnings. Diluted earnings per unit is the same as basic earnings per unit in each of the above cases.

Investa Property Trust

Directors' Declaration

The directors of Investa Properties Limited, the Responsible Entity of Investa Property Trust declare that the financial statements and notes set out on pages 6 to 25:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Trust and the consolidated entity's financial position as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001;
- (b) there are reasonable grounds to believe that the Trust and the consolidated entity will be able to pay their debts as and when they become due and payable; and
- (c) the Trust and the consolidated entity has operated in accordance with the provisions of the Constitution dated 15 July 1977 (as amended), during the year ended 30 June 2002.

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

P J Carney
Director
Sydney
30 July 2002

**Independent audit report to the unitholders of
Investa Property Trust**

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Scope

We have audited the financial report of Investa Property Trust (the Trust) for the financial year ended 30 June 2002 as set out on pages 6 to 26. The directors of Investa Properties Limited (the responsible entity) are responsible for the financial report which includes the financial statements of the Trust and the consolidated financial statements comprising the Trust and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the unitholders of the Trust.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements, the Corporations Act 2001, and the Trust Constitution dated 15 July 1977 (as amended) so as to present a view which is consistent with our understanding of the Trust's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2002 and of their performance for the financial year ended on that date;
 - (ii) complying with Accounting Standards;
- (b) the Trust Constitution dated 15 July 1977 (as amended); and
- (c) other mandatory professional reporting requirements.

PricewaterhouseCoopers
Chartered Accountants

J A Dunning
Partner

Sydney
30 July 2002