

Appendix 4D

Half Yearly Report Results for announcement to the market

CVC Property Fund		
ARSN	Half Year ended (‘Reporting Period’)	Previous Half Year ended (‘Corresponding period’)
107 276 184	31 December 2011	31 December 2010

Results

Income	Up	29.4%	to	\$4,338,868
Profit before tax attributable to unitholders	Up	n/a	to	\$1,542,421
Profit after tax attributable to unitholders	Up	n/a	to	\$1,542,421

The preliminary half yearly report is based on accounts which have been reviewed.

Commentary

Half-Year Result:

The Directors of CVC Property Managers Limited, the Manager and Responsible Entity, report a profit of \$1,542,421 for the period ended 31 December 2011 (2010: loss \$383,354) for CVC Property Fund (ASX:CJT). The profit was primarily arising from the revaluation of investments properties during the period, representing an increase of \$1,093,137 to the statement of comprehensive income.

During the period the property at 1464 Ferntree Gully Road Knoxfield Victoria was sold for a price of \$31.5 million, generating a profit of \$2.2 million.

At present CJT is not in a position to pay a distribution to unitholders. Although we continue to be focused on reducing debt, the Directors will continue to assess its ability to pay distributions in the future.


Alexander Beard
Director
28 February 2012

**CVC PROPERTY FUND
AND ITS CONTROLLED ENTITIES**

HALF-YEAR FINANCIAL REPORT

ARSN 107 276 184
ABN 32 224 732 497

For the half-year ended
31 December 2011

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

PARTICULARS

CVC Property Fund

ARSN 107 276 184

ABN 32 224 732 497

RESPONSIBLE ENTITY

CVC Property Managers Limited

Level 42, 259 George St

Sydney NSW 2000

ACN 066 092 028

ABN 72 066 092 028

REGISTERED OFFICE

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Sydney NSW 2000

Telephone: (02) 9087 8000

Facsimile: (02) 9087 8088

CUSTODIAN

Trust Company Limited

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Sydney NSW 2001

ACN 113 947 309

Telephone: (02) 8295 8800

Facsimile: (02) 8295 8675

DIRECTORS OF THE RESPONSIBLE ENTITY

Vanda Russell Gould (Chairman and Executive Director)

Alexander Damien Beard (Executive Director)

Kim Warren McGrath (Non-Executive Director)

John Tak Ching Lau (Non-Executive Director)

SOLICITORS TO RESPONSIBLE ENTITY

Thompsons Lawyers

Level 16, Waterfront Place

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COMPLIANCE COMMITTEE

Gordon Quah-Smith (Chairperson)

Russell Wheeler

Peter Kalantzis

AUDITORS TO THE FUND

HLB Mann Judd

Chartered Accountants

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SECRETARY

John Andrew Hunter

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STOCK EXCHANGE LISTING

Australian Stock Exchange Limited

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

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CVC PROPERTY FUND

DIRECTORS' REPORT

The Directors of CVC Property Managers Limited (ACN 066 092 028), (the "Responsible Entity"), submit herewith the financial report of CVC Property Fund ("the Fund") and its controlled entities ("the Group") for the half-year ended 31 December 2011 and the independent review report thereon.

Directors

The Directors of the Responsible Entity during and since the end of the half-year are:

Vanda Russell Gould (Chairman and Executive Director)

Alexander Damien Beard (Executive Director)

Kim Warren McGrath (Non-Executive Director)

John Tak Ching Lau (Non-Executive Director)

Operating Results

The net profit for the half-year ended 31 December 2011 amounted to \$1,542,421 (2010: loss of \$383,354).

Review of Operations

On 16 November 2011, the Group sold 1464 Ferntree Gully Road Knoxfield Victoria for a sale price of \$31.5 million generating a profit of \$2.2 million.

Subsequent Events

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial periods subsequent to 31 December 2011.

Auditor's Independence Declaration

A copy of the Independence Declaration given to the Directors by the auditor for the review undertaken by HLB Mann Judd is included on page 3.

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity.

On behalf of the Directors



Alexander Beard
Director

CVC Property Managers Limited
28 February 2012

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of CVC Property Managers Limited:

As lead auditor for the review of the financial report of CVC Property Fund for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of CVC Property Fund and the entities it controlled during the period.



M'D Muller
Partner

Sydney
28 February 2012

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011	31 Dec 2010
	\$	\$
INCOME		
Interest income	44,914	1,929
Rental income	2,590,378	2,862,955
Outgoings recovered	610,439	488,474
Net change in fair value of investment properties	1,093,137	-
Other Income	-	1,000
Total income	4,338,868	3,354,358
EXPENSES		
Administrative expenses	323,077	309,874
Borrowing costs	1,993,717	2,212,958
Investment property-related expenses	479,653	303,133
Change in fair value of investment properties	-	911,747
Total expenses	2,796,447	3,737,712
Profit/(loss) attributable to unitholders	1,542,421	(383,354)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the half-year	1,542,421	(383,354)
Earnings per unit		
Basic and Diluted earnings per unit (cents)	0.20	(0.06)

The above statement of comprehensive income should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

		31 December 2011	30 June 2011
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		188,625	163,480
Trade and other receivables	2	59,117	288,219
Current tax assets		17,887	17,887
Total current assets		265,629	469,586
NON-CURRENT ASSETS			
Investment properties	3	37,800,000	68,700,000
Total non-current assets		37,800,000	68,700,000
TOTAL ASSETS		38,065,629	68,269,586
CURRENT LIABILITIES			
Trade and other payables		337,198	651,323
Interest bearing liabilities	4	19,900,000	-
Total current liabilities		20,237,198	651,323
NON-CURRENT LIABILITIES			
Interest bearing liabilities	4	2,917,707	54,249,960
Total non-current liabilities		2,917,707	54,249,960
TOTAL LIABILITIES		23,154,905	54,901,283
NET ASSETS		14,910,724	13,368,303
EQUITY			
Contributed equity	5	32,468,074	32,468,074
Unallocated losses	6	(17,557,350)	(19,099,771)
TOTAL UNITHOLDERS' EQUITY		14,910,724	13,368,303

The above statement of financial position should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Contributed equity \$	Unallocated losses \$	Total \$
At 1 July 2011	32,468,074	(19,099,771)	13,368,303
Net profit for the half-year	-	1,542,421	1,542,421
Other comprehensive income	-	-	-
Total comprehensive income for the half-year	-	1,542,421	1,542,421
At 31 December 2011	32,468,074	(17,557,350)	14,910,724
At 1 July 2010	27,196,248	(18,781,858)	8,414,390
Net loss for the half-year	-	(383,354)	(383,354)
Other comprehensive income	-	-	-
Total comprehensive loss for the half-year	-	(383,354)	(383,354)
Transactions with unitholders:			
Units issued	5,303,284	-	5,303,284
Transaction costs in relation to units issued	(19,614)	-	(19,614)
At 31 December 2010	32,479,918	(19,165,212)	13,314,706

The above statement of changes in equity should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011	31 Dec 2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(1,134,002)	(439,207)
Cash receipts in the course of operations	3,444,015	3,405,914
Finance costs	(2,089,156)	(2,165,746)
Interest received	44,914	1,929
Net cash provided by operating activities	265,771	802,890
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for investment properties	(414,560)	(61,276)
Proceeds on disposal of investment property	31,500,000	-
Net cash provided by/(used in) investing activities	31,085,440	(61,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	615,967	1,063,612
Repayment of borrowings	(31,942,033)	(2,007,449)
Units issued	-	330,241
Transaction costs in relation to units issued	-	(74,614)
Net cash used in financing activities	(31,326,066)	(688,210)
Net increase in cash and cash equivalents held	25,145	53,404
Cash and cash equivalents at the beginning of the half-year	163,480	61,352
Cash and cash equivalents at the end of the half-year	188,625	114,756

The above statement of cash flows should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

CVC Property Managers Limited ABN 72 066 092 028 is the Responsible Entity of the Fund. The Responsible Entity's registered office is Level 42, 259 George St, Sydney, NSW 2000. The Fund commenced operations on 10 October 1980.

This general purpose financial report for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with the requirements of the Trust's Constitution, Accounting Standards AASB 134 *Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Going Concern

The financial report has been prepared on a going concern basis despite the Group having a deficiency of current assets compared to current liabilities of \$19,971,569. A letter of financial support has been received from CVC Limited, a related party that sets out that it is willing to extend the maturity date of the facility it provides and provide additional financial support in order for the Group to meet its financial commitments, up to 1 July 2013.

The accounting policies are consistent with those of the previous financial period.

NOTE 2: TRADE AND OTHER RECEIVABLES

	31 Dec 2011	30 June 2011
	\$	\$
Trade debtors and other receivables	1,283	-
Prepayments	57,834	288,219
	<u>59,117</u>	<u>288,219</u>

NOTE 3: INVESTMENT PROPERTY

Gross carrying amount		
Opening balance	67,800,000	68,700,000
Additions – capital expenditure	406,863	163,330
Carrying value of investment property sold	(31,500,000)	-
Fair value adjustment	1,093,137	(1,063,330)
	<u>37,800,000</u>	<u>67,800,000</u>

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011	30 June 2011
	\$	\$
NOTE 4: INTEREST BEARING LIABILITIES		
Current		
Secured:		
Unrelated entity (b)	19,900,000	-
Non-Current		
Unsecured:		
Related entity (a)	2,917,707	18,349,960
Secured:		
Unrelated entity (b)	-	35,900,000
	2,917,707	54,249,960
	2,917,707	54,249,960

- (a) Borrowing from the related party is an unsecured loan. The loan attracts an interest rate of 10% per annum and has a maturity date of 31 October 2013.
- (b) Borrowings from the unrelated entity, National Australia Bank attract an interest rate of BBSY plus 1.85% per annum and are secured by a first ranking mortgage over the properties at 8 Rodborough Road Frenchs Forest NSW, 1 Narabang Way Belrose NSW and 357-373 Warringah Road, Frenchs Forest NSW. The terms of the loan include the maintenance of a loan valuation ratio of not more than 55% and an interest cover ratio of 1.5 times with the maturity of the facility at 31 October 2012.

	31 Dec 2011		31 Dec 2010	
	Number	\$	Number	\$
NOTE 5: CONTRIBUTED EQUITY				
Ordinary issued units				
Balance at the beginning of the half-year	767,850,204	32,468,074	325,909,839	27,196,248
Units issued	-	-	441,940,365	5,303,284
Transaction costs in relation to units issued	-	-	-	(19,614)
	767,850,204	32,468,074	767,850,204	32,479,918
	767,850,204	32,468,074	767,850,204	32,479,918

	31 Dec 2011	31 Dec 2010
	\$	\$
NOTE 6: UNALLOCATED LOSSES		
Balance at the beginning of the half-year	(19,099,771)	(18,781,858)
Net profit/(loss) attributable to unitholders	1,542,421	(383,354)
	(17,557,350)	(19,165,212)
	(17,557,350)	(19,165,212)

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 7: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 Dec 2011	31 Dec 2010
	\$	\$
Unitholders' funds at the end of the half-year	14,910,724	13,314,706
Number of units on issue	767,850,204	767,850,204
	31 Dec 2011	31 Dec 2010
Net tangible asset backing (cents per unit)	1.94	1.73

All units on issue were of the one class, namely fully paid ordinary voting units and carry the right to distributions. Each unitholder is entitled to one vote on a show of hands on any matter at a meeting of unitholders. On a poll, each unitholder has one vote for each dollar of the value of the total interests they have in the Fund.

NOTE 8: EARNINGS PER UNIT

	31 Dec 2011	31 Dec 2010
Basic and diluted earnings per unit (cents per unit)	0.20	(0.06)
	31 Dec 2011	31 Dec 2010
	\$	\$
Earnings used in the calculation of basic and diluted earnings per unit	1,542,421	(383,354)
Weighted average number of units used in the calculation of basic and diluted earnings per unit	767,850,204	671,776,212

NOTE 9: SEGMENT INFORMATION

The Group operates predominantly in one industry being property investment and development and in one geographical location being Australia.

NOTE 10: RELATED PARTY INFORMATION

CVC Limited has provided loans to certain entities of the Group. The transactions during the half year are as follows:

	Opening balance	Repayments	Proceeds	Interest charged	Closing balance
Frenchs Forest No.2 Trust	4,154,676	(1,841,822)	417,063	187,790	2,917,707
CVC Knoxfield Unit Trust No.1	14,195,284	(14,928,178)	198,904	533,990	-

NOTE 11: SUBSEQUENT EVENTS

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial periods subsequent to 31 December 2011.

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the opinion of the Directors of the Responsible Entity:

- (a) the interim financial statements and notes set out in pages 4 to 10, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Board of Directors of the Responsible Entity.

Dated at Sydney 28 February 2012.

On behalf of the Directors



Alexander Beard
Director
CVC Property Managers Limited

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

To the unitholders of CVC Property Fund

We have reviewed the accompanying half-year financial report of CVC Property Fund ("the Fund") which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the CVC Property Managers Limited, the responsible entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT (Continued)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CVC Property Managers Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CVC Property Fund and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB MANN JUDD
Chartered Accountants



M D Muller
Partner

Sydney
28 February 2012