

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 2012	31 December 2011

Results

Income	Down	56.2%	to	\$1,900,263
Profit before tax attributable to unitholders	Down	64.2%	to	\$552,783
Profit after tax attributable to unitholders	Down	64.2%	to	\$552,783

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 \$552,783 for the period ended 31 December 2012 (2011: \$1,542,421) for CVC Property Fund (ASX:CJT).

During the period the Group:

- undertook a marketing campaign to seek expressions of interest for the sale of development of the 1 Narabang Way, Belrose development site. Although the campaign was unsuccessful the Group continues to explore options for the development of the property; and
- continues to work closely with the purchaser of the Frenchs Forest properties to ensure the pre-conditions to the sale are met on or before 30 June 2014.

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 2013

**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 2012

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

Level 42, 259 George St

Sydney NSW 2000

Telephone: (02) 9087 8000

Facsimile: (02) 9087 8088

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) (resigned

10 October 2012)

COMPLIANCE COMMITTEE

Gordon Quah-Smith (Chairperson)

Russell Wheeler

Peter Kalantzis

SECRETARY

John Andrew Hunter

UNIT REGISTRY

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CUSTODIAN

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AUDITORS TO THE FUND

HLB Mann Judd

Chartered Accountants

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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 2012 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) (resigned 10 October 2012)

Operating Results

The net profit for the half-year ended 31 December 2012 amounted to \$552,783 (2011: \$1,542,421).

Review of Operations

During the period the Group:

- undertook a marketing campaign to seek expressions of interest for the sale of development of the 1 Narabang Way, Belrose development site. Although the campaign was unsuccessful the Group continues to explore options for the development of the property; and
- continues to work closely with the purchaser of the Frenchs Forest properties to ensure the pre-conditions to the sale are met on or before 30 June 2014.

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 2012.

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 2013

CVC PROPERTY FUND**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 2012, 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

28 February 2013

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CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		31 Dec 2012 \$	31 Dec 2011 \$
INCOME			
Interest income		1,025	44,914
Rental income		1,601,625	2,590,378
Outgoings recovered		297,613	610,439
Net change in fair value of investment properties	3	-	1,093,137
Total income		<u>1,900,263</u>	<u>4,338,868</u>
EXPENSES			
Administrative expenses		161,747	323,077
Borrowing costs		808,286	1,993,717
Investment property-related expenses		317,818	479,653
Change in fair value of investment properties	3	59,629	-
Total expenses		<u>1,347,480</u>	<u>2,796,447</u>
Profit attributable to unitholders		<u>552,783</u>	<u>1,542,421</u>
Other comprehensive income		-	-
Total comprehensive income for the half-year		<u><u>552,783</u></u>	<u><u>1,542,421</u></u>
Earnings per unit			
Basic and Diluted earnings per unit (cents)	8	<u><u>0.07</u></u>	<u><u>0.20</u></u>

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 2012

		31 December 2012	30 June 2012
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		223,069	254,920
Trade and other receivables	2	46,248	148,665
Current tax assets		17,887	17,887
Total current assets		287,204	421,472
NON-CURRENT ASSETS			
Investment properties	3	32,750,000	32,750,000
Total non-current assets		32,750,000	32,750,000
TOTAL ASSETS		33,037,204	33,171,472
CURRENT LIABILITIES			
Trade and other payables		391,871	410,814
Interest bearing liabilities	4	1,894,715	19,900,000
Total current liabilities		2,286,586	20,310,814
NON-CURRENT LIABILITIES			
Interest bearing liabilities	4	19,900,000	2,562,823
Total non-current liabilities		19,900,000	2,562,823
TOTAL LIABILITIES		22,186,586	22,873,637
NET ASSETS		10,850,618	10,297,835
EQUITY			
Contributed equity	5	32,468,074	32,468,074
Unallocated losses	6	(21,617,456)	(22,170,239)
TOTAL UNITHOLDERS' EQUITY		10,850,618	10,297,835

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 2012

	Contributed equity \$	Unallocated losses \$	Total \$
At 1 July 2012	32,468,074	(22,170,239)	10,297,835
Net profit for the half-year	-	552,783	552,783
Other comprehensive income	-	-	-
Total comprehensive income for the half-year	-	552,783	552,783
At 31 December 2012	32,468,074	(21,617,456)	10,850,618
At 1 July 2011	32,468,074	(19,099,771)	13,368,303
Net loss for the half-year	-	1,542,421	1,542,421
Other comprehensive income	-	-	-
Total comprehensive loss for the half-year	-	1,542,421	1,542,421
At 31 December 2011	32,468,074	(17,557,350)	14,910,724

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 2012

	31 Dec 2012 \$	31 Dec 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(582,834)	(1,134,002)
Cash receipts in the course of operations	2,110,937	3,444,015
Finance costs	(816,535)	(2,089,156)
Interest received	1,025	44,914
	<hr/>	<hr/>
Net cash provided by operating activities	712,593	265,771
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for investment properties	(82,265)	(414,560)
Proceeds on disposal of investment property	-	31,500,000
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(82,265)	31,085,440
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	186,000	615,967
Repayment of borrowings	(848,179)	(31,942,033)
	<hr/>	<hr/>
Net cash used in financing activities	(662,179)	(31,326,066)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents held	(31,851)	25,145
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the half-year	254,920	163,480
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	223,069	188,625
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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 2012

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 2012 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 2012 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 \$1,999,382. The deficiency includes the loan provided by CVC Limited of \$1,894,715 which has a maturity date of 31 October 2013. The balance of \$104,667 represents a working capital deficiency arising from the receipt of rent (unearned income) from tenants relating to January 2013. The Group is generating positive cash flows from operating activities to meet its operating expenses.

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

NOTE 2: TRADE AND OTHER RECEIVABLES

	31 Dec 2012 \$	30 June 2012 \$
Prepayments	46,248	148,665

NOTE 3: INVESTMENT PROPERTY

Investment properties	32,750,000	32,750,000
Reconciliation		
Opening balance	32,750,000	67,800,000
Additions – capital expenditure	59,629	579,654
Carrying value of investment property sold	-	(31,500,000)
Fair value adjustment	(59,629)	(4,129,654)
Closing balance	32,750,000	32,750,000

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 \$	30 June 2012 \$
NOTE 4: INTEREST BEARING LIABILITIES		
Current		
Unsecured:		
Related entity (a)	1,894,715	-
Secured:		
Unrelated entity (b)	-	19,900,000
	<u>1,894,715</u>	<u>19,900,000</u>
Unsecured:		
Related entity (a)	-	2,562,823
Secured:		
Unrelated entity (b)	19,900,000	-
	<u>19,900,000</u>	<u>2,562,823</u>

(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 are from National Australia Bank and attract a rate of interest 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 2015.

	31 Dec 2012 Number	\$	31 Dec 2011 Number	\$
NOTE 5: CONTRIBUTED EQUITY				
Ordinary issued units				
Balance at the beginning and end of the half-year	<u>767,850,204</u>	<u>32,468,074</u>	<u>767,850,204</u>	<u>32,468,074</u>

NOTE 6: UNALLOCATED LOSSES

	31 Dec 2012 \$	31 Dec 2011 \$
Balance at the beginning of the half-year	(22,170,239)	(19,099,771)
Net profit attributable to unitholders	552,783	1,542,421
Balance at the end of the half-year	<u>(21,617,456)</u>	<u>(17,557,350)</u>

CVC PROPERTY FUND AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 7: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 Dec 2012	31 Dec 2011
	\$	\$
Unitholders' funds at the end of the half-year	10,850,618	14,910,724
Number of units on issue	767,850,204	767,850,204
	31 Dec 2012	31 Dec 2011
Net tangible asset backing (cents per unit)	1.41	1.94

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 2012	31 Dec 2011
Basic and diluted earnings per unit (cents per unit)	0.07	0.20
	31 Dec 2012	31 Dec 2011
	\$	\$
Earnings used in the calculation of basic and diluted earnings per unit	552,783	1,542,421
Weighted average number of units used in the calculation of basic and diluted earnings per unit	767,850,204	767,850,204

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	2,562,823	(960,000)	186,000	105,892	1,894,715

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 2012.

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 2012 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 2013.

On behalf of the Directors



Alexander Beard
Director
CVC Property Managers Limited

CVC PROPERTY FUND**INDEPENDENT AUDITOR'S REPORT**

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 2012, 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.

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CVC PROPERTY FUND
INDEPENDENT AUDITOR'S REPORT
(continued)

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, the responsible entity of CVC Property Fund would be in the same terms if given to the directors as at the time of this auditor's review report.

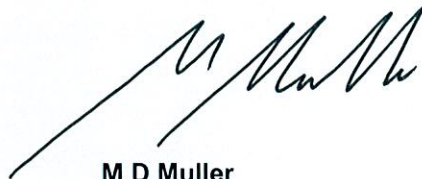
Conclusion

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 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 2012 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 2013