GLOBAL PROPERTIES LIMITED
ACN 094 384 273

FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2009

GLOBAL PROPERTIES LIMITED

ACN 094 384 273

CORPORATE DIRECTORY

Directors

Fred Bart (Chairman)
Ian Dennis
Cheryl Bart

Company Secretary

Ian Dennis

Registered Office

Suite 2, Level 12
75 Elizabeth Street
SYDNEY NSW 2000
Australia

Telephone:- 612 9233 3915
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E-Mail:- gloprop@bigpond.net.au

Web site

www.gloprop.com.au

Auditor

Deloitte Touche Tohmatsu
Chartered Accountants
8 Brindabella Circuit
Brindabella Business Park
Canberra Airport ACT 2609
Australia

Share Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

GPO Box 7045
Sydney NSW 1115
Australia

Telephone	1300 855 080 or +613 9415 5000 outside Australia
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DIRECTORS' REPORT

The Directors of Global Properties Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Particulars
Fred Bart	Chairman and Chief Executive Officer. A director since 5 September 2000. He has been Chairman and Managing Director of numerous private companies since 1980, specialising in manufacturing, property and marketable securities. He is a member of the Australian Institute of Company Directors.
Ian Dennis	Non executive director and Company Secretary is a chartered accountant with experience as secretary and director in various public listed, mining companies and trusts. He has been involved in the investment banking industry and stockbroking industry for the past twenty years. Prior to that, Ian was with KPMG, Chartered Accountants in Sydney. Appointed to the Board on 5 September 2000. He is a member of the Australian Institute of Company Directors.
Cheryl Bart	Non executive director. Appointed to the Board on 26 November 2001. Cheryl Bart is a lawyer and company director. She is Chairman of the South Australian Film Corporation, Adelaide Film Festival and Environmental Protection Authority. She is a non-executive director of ETSA Utilities, the Alcohol Education and Rehabilitation Foundation, Spark Infrastructure Group Limited and ANZ Executors Limited. She is a fellow of the Australian Institute of Company Directors.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Fred Bart	Genetic Technologies Limited	Since May 1996
	Electro Optic Systems Holdings Limited	Since May 2000
Ian Dennis	Electro Optic Systems Holdings Limited	Since May 2000
Cheryl Bart	Electro Optic Systems Holdings Limited	2001 – December 2006
	Spark Infrastructure Group Limited	Since November 2005
	ANZ Executors Limited	Since June 2006

DIRECTORS' REPORT (CONTINUED)

Principal activities

The principal activities of the Company are property and other investment activities.

Results

The net (loss)/profit for the financial year ended to 30 June 2009 was $(247,015) (2008 – $90,375 profit).

Dividends

The directors recommend that no dividend be paid and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this report.

Review of operations

The Company continues to lease its investment property known as Lots 3, 4, 25 and 45 at 360 Pacific Highway, Crows Nest. During the year the company also invested in ASX listed securities.

The Company continues to seek good quality property investments and other investments to maximise value for all shareholders.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

Significant events after balance date

There has not been any matter or circumstance that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial statements, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Future developments

The company will continue to assess new investment opportunities.

Environmental regulations

In the opinion of the directors the company is in compliance with all applicable environmental legislation and regulations.

DIRECTORS' REPORT (CONTINUED)

Indemnification of officers and auditors

During or since the financial year, the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Directors' interests and benefits

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with Section 205G(1) of the Corporations Act as at the date of this report are:

Name	Ordinary Shares
Fred Bart	5,021,889
Ian Dennis	520,050
Cheryl Bart	500,000

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in the financial statements) because of a contract made by the company or related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest. There are no employment contracts for any of the directors.

Remuneration report

This report outlines the remuneration arrangements in place for Directors of the Company. The Company has no executives.

The Directors are responsible for remuneration policies and packages applicable to the Board members of the Company. The entire Board makes up the Nomination and Remuneration Committee. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities.

There are currently no performance based incentives to directors based on the performance of the Company. There are no employment contracts in place with any Director of the Company.

DIRECTORS' REPORT (CONTINUED)

Remuneration report (cont)

The key management personnel of Global Properties Limited during the year were:

Fred Bart – Chairman and Chief Executive Officer
Cheryl Bart – Non executive director
Ian Dennis – Non executive director and company secretary

The board has continued to provide only nominal compensation to key management personnel until the activities of the company are increased. The Directors fees of $10,000 per annum per director have remained constant since the listing of the company in December 2004 and are not dependent on the earnings of the company and the consequences of the company's performance on shareholder wealth.

The table below sets out summary information about the company's earnings and movements in shareholder wealth for the last 5 financial years.

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Revenue	438,819	344,384	319,145	291,276	144,065
Net (loss)/profit before tax	(246,279)	129,107	72,503	79,716	(27,980)
Net (loss)/profit after tax	(247,015)	90,375	50,755	56,780	(19,586)

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Share price at start of year (at 24 December 2004)	0.205	0.270	0.450	0.900	Listed at 0.200 First trade at 0.305
Share price at end of year	0.160	0.205	0.270	0.370	0.750
Dividend Paid	0.000	0.000	0.000	0.000	0.000

DIRECTORS' REPORT (CONTINUED)

Remuneration report (cont)

The aggregate compensation of the key management personnel of the company is set out below:

	30 June 2009	30 June 2008
	$	$
Short-term employee benefits	30,000	30,000
Post employment benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
	30,000	30,000

	Short Term		Post Employment	Share Based Payments	Total
2009	**Directors fees**	**Non-monetary**	**Superannuation**	**Options**	
	$	$	$	$	$
Fred Bart	10,000	-	-	-	10,000
Cheryl Bart	10,000	-	-	-	10,000
Ian Dennis	10,000	-	-	-	10,000
	30,000	-	-	-	30,000
2008					
Fred Bart	10,000	-	-	-	10,000
Cheryl Bart	10,000	-	-	-	10,000
Ian Dennis	10,000	-	-	-	10,000
	30,000	-	-	-	30,000

Audit Committee

Due to the limitations imposed by size, the Company does not have a formally constituted audit committee.

Directors' meetings

During the year the company held two meetings of directors. The attendances of the directors at meetings of the Board were:

	Attended	Maximum possible attended
Fred Bart	2	2
Ian Dennis	2	2
Cheryl Bart	2	2

No meetings of the Nomination and Remuneration Committee were held during the year.

DIRECTORS' REPORT (CONTINUED)

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 5 to the financial statements.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services disclosed in Note 5 to the financial statements do not compromise the external auditors' independence, based on a resolution of directors, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration is included on page 8.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

I A Dennis
Director

Dated at Sydney this 20 day of August 2009

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Global Properties Limited
Level 12
75 Elizabeth Street
SYDNEY NSW 2000

20 August 2009

Dear Board Members

Global Properties Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Global Properties Limited.

As lead audit partner for the audit of the financial statements of Global Properties Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. Black

David Black
Partner
Chartered Accountants

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Deloitte.

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Independent Auditor's Report to the members of Global Properties Limited

Report on the Financial Report

We have audited the accompanying financial report of Global Properties Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 11 to 37.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

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internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Global Properties Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Global Properties Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. Black

David Black
Partner
Chartered Accountants
Canberra, 20 August 2009

GLOBAL PROPERTIES LIMITED
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DIRECTORS' DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the company; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

I A Dennis
Director

Dated at Sydney this 20 day of August 2009.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	**2009** $	**2008** $
Revenue	2	438,819	344,384
Administrative expenses		56,526	71,528
Directors fees		30,000	30,000
Finance costs		143,413	80,418
Impairment charges		248,731	-
Reduction in fair value of investment property		170,000	-
Property expenses		35,228	32,611
Other expenses		1,200	720
(Loss)/profit before income tax	2	(246,279)	129,107
Income tax (expense)	3	(736)	(38,732)
(Loss)/profit for the year attributable to equity holders of the entity		(247,015)	90,375
Earnings per share			
Basic and diluted (cents per share)	17	(1.544)	0.565

Notes to the financial statements are included on pages 16 to 37.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,195,675	2,312,311
Current tax asset	3	8,904	-
Trade and other receivables	7	37,981	3,752
TOTAL CURRENT ASSETS		1,242,560	2,316,063
NON CURRENT ASSETS			
Investments – available for sale	8	1,110,866	-
Investment property	9	1,830,000	2,000,000
TOTAL NON CURRENT ASSETS		2,940,866	2,000,000
TOTAL ASSETS		4,183,426	4,316,063
CURRENT LIABILITIES			
Trade and other payables	10	8,239	8,355
Current tax payables	3	-	20,642
Borrowings	11	900,000	900,000
TOTAL CURRENT LIABILITIES		908,239	928,997
NON CURRENT LIABILITIES			
Deferred tax liabilities	3	51,773	10,717
TOTAL NON CURRENT LIABILITIES		51,773	10,717
TOTAL LIABILITIES		960,012	939,714
NET ASSETS		3,223,414	3,376,349
EQUITY			
Issued capital	12	3,200,025	3,200,025
Reserves	13	94,080	-
(Accumulated losses)/retained earnings	14	(70,691)	176,324
TOTAL EQUITY		3,223,414	3,376,349

Notes to the financial statements are included on pages 16 to 37

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
Transfer to profit or loss on sale of available-for-sale investments		-	(580)
Gain on available for sale investments taken to equity		134,400	-
Income tax on items taken directly to equity		(40,320)	-
Net income/(expense) recognised directly in equity		94,080	(580)
(Loss)/profit for the year		(247,015)	90,375
Total recognised income and expense for the year attributable to equity holders of the entity		(152,935)	89,795

Notes to the financial statements are included on pages 16 to 37.

GLOBAL PROPERTIES LIMITED
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STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
Cash flows from operating activities			
Receipts from customers		185,420	207,071
Payments to suppliers and employees		(137,705)	(152,719)
Income taxes paid		(29,546)	(27,711)
Distributions received		143,658	-
Interest and bill discounts received		69,937	170,825
Interest and other costs of finance paid		(123,203)	(80,418)
Net cash provided by operating activities	15	108,561	117,048
Cash flows from investing activities			
Payment for investment securities		(1,225,197)	-
Proceeds on sale of investment securities		-	2,520
Net cash (outflows)/inflows from investing activities		(1,225,197)	2,520
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash provided by financing activities		-	-
Net (decrease)/increase in cash and cash equivalents held		(1,116,636)	119,568
Cash and cash equivalents at the beginning of the financial year		2,312,311	2,192,743
Cash and cash equivalents at the end of the financial year	6	1,195,675	2,312,311

Notes to the financial statements are included on pages 16 to 37.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

1. Summary of Significant Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Directors on 20 August 2009.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of investment property. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are expressed in Australian dollars.

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate method.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments maturing within less than 3 months at the date of acquisition, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Financial assets

Other financial assets are classified into the following specified categories: held to maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition.

Held to maturity investments

Bills of exchange are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Available-for-sale financial assets

Certain securities held by the entity are classified as being available-for-sale and are stated at fair values. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

(d) **Financial instruments issued by the company**

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest

Interest is classified as an expense consistent with the balance sheet classification of the related debt.

(e) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

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

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

(f) **Impairment of assets**

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(g) **Income Tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(g) Income Tax (cont)

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settles its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) **Investment property**

Investment property, which is properly held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of the investment property are included in profit or loss in the period in which they arise.

(i) **Payables**

Trade payable and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(j) **Provisions**

Provisions are recognised when the entity has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) **Revenue Recognition**

Rental revenue comprises revenue earned from the rental of the premises at 360 Pacific Highway, Crows Nest, New South Wales. Rental revenue is recognised when the rent in respect of the premises is receivable.

Interest income is recognised as it accrues.

(l) Accounting Standards not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
• AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments'	1 January 2009 (and that ends on or after 30 April 2009)	30 June 2010
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements' (revised) and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	Business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (Continued)

(l) Accounting Standards not yet effective (cont)

• AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	30 June 2010
• AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items'	1 July 2009	30 June 2010
• AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
• AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 January 2010	30 June 2011
• AASB 2009-6 "Amendments to Australian Accounting Standards"	1 January 2009	30 June 2010
• AASB 2009-7 "Amendments to Australian Accounting Standards"	1 July 2009	30 June 2010
• AASB 1 'First-time Adoption of Australian Accounting Standards'	1 July 2009	30 June 2010
• AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
• AASB Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010
• AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners'	1 July 2009	30 June 2010
• AASB Interpretation 18 'Transfers of Assets from Customers'	1 July 2009	30 June 2010

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the company but may change disclosures made.

(m) Critical accounting judgements

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making these judgements. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Investment Property

The directors made a critical judgement in relation to the value of the investment property included in Note 9. The directors determined the value to be $1,830,000 based on an independent valuation on 30 January 2009 by Landmark White (NSW) Pty Limited and are not aware of any reason for the value to have changed since the last independent valuation.

Listed Securities

The directors made a critical judgement in relation to the impairment of available-for-sale financial assets. The directors have determined that a decline of 20% below cost is considered significant and a decline below cost for 9 months is considered prolonged.

	2009 $	2008 $
2. (Loss)/profit from operations		
(a) Revenue		
Distributions received – other entities	185,011	-
Interest received – other entities	69,937	170,825
Reversal of gain from equity on disposal of investments classified as available-for-sale	-	580
Rental income	183,871	172,979
Total revenue	438,819	344,384
(b) Expenses		
Directors fees	30,000	30,000
Finance costs – interest paid - other entities	143,413	80,418
3. Income taxes		
(a) Income tax recognised in profit or loss		
Tax expense comprises:		
Current tax expense	-	32,975
Deferred tax expense	736	5,757
Total tax expense	736	38,732
The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:		
(Loss)/profit from operations	(246,279)	129,107
Income tax expense calculated at 30%	(73,884)	38,732
Deferred tax benefit not brought to account	74,619	-
	736	38,732
(a) Income tax recognised in equity		
Deferred tax on revaluation of available for sale investments	40,320	-

	2009 $	2008 $

3. **Income taxes (Cont)**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Current tax asset

Income tax refund due	8,904	-

(c) Current tax payables

Current year tax payable	-	20,642

(d) Deferred tax balances

Deferred tax liabilities comprise:		
Temporary differences	54,816	10,717
Tax loss	(3,043)	-
	51,773	10,717

Taxable and deductible temporary differences arise from the following:

2009 **Deferred tax liabilities:**	**Opening balance**	**Charged to income**	**Charged to equity**	**Closing balance**
Other	10,717	736	40,320	51,773

2008 **Deferred tax liabilities:**	**Opening balance**	**Charged to income**	**Charged to equity**	**Closing balance**
Other	4,960	5,757	-	10,717

	2009 $	2008 $

(e) Franking account balance

Adjusted franking account balance	63,279	43,637

	2009 $	2008 $

4. Key management personnel remuneration

The aggregate compensation of the key management personnel of the company is set out below:

Short-term employee benefits	30,000	30,000
Post employment benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
	30,000	30,000

The company has no executives, the remuneration above relates solely to directors fees paid to entities associated with Fred Bart, Cheryl Bart and Ian Dennis.

5. Remuneration of auditors

Audit or review of the financial report – Deloitte Touche Tohmatsu	10,250	12,000
Preparation of the tax return	1,760	1,000
	12,010	13,000

The auditor of Global Properties Limited is Deloitte Touche Tohmatsu

6. Cash and cash equivalents

Cash on hand and at bank	1,195,675	2,312,311
Weighted average interest rate received on cash	3.99%	7.39%

7. Trade and other receivables

Prepayments	-	3,752
Other debtors	21,143	-
Trade receivables	16,838	-
	37,981	3,752

There is no average credit period on trade receivables as rental is due monthly in advance. Other debtors comprise distributions receivable on listed securities.

	2009 $	2008 $

8. Other financial assets

Non Current		
Securities in listed entities – at fair value	1,110,866	-

The directors have determined that the fair value of the investments at 30 June 2009 is represented by the market value of the investments at 30 June 2009.

9. Investment Property

Strata Title commercial property		
Balance at start of financial year	2,000,000	2,000,000
Decrease for fair value adjustment	(170,000)	-
Balance at end of financial year	1,830,000	2,000,000
Current value of Strata Title Commercial Property	1,830,000	2,000,000

The fair value of the Strata Title commercial property was determined in accordance with a valuation carried out on 30 January 2009 by Landmark White (NSW) Pty Limited, independent valuers not related to the company. The valuation which conforms to Australian Valuation Standards was arrived at by reference to market evidence of transaction prices for similar properties and capitalisation of the net rental income at a rate of 8.00%.

The directors have determined the fair value of the property at 30 June 2009 based on the 30 January 2009 valuation and their review of market movements over the period.

10. Trade and other payables

Current		
Trade payables and accruals	8,239	8,355

The payables are non interest bearing and have an average credit period of 30 days.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009 (Continued)

	2009 $	2008 $
11. Current borrowings		
At amortised cost		
Commercial bill - secured	900,000	900,000
Financing arrangements		
Total facilities available	920,000	920,000
Facilities utilised at balance date	900,000	900,000
Facilities not used at balance date	20,000	20,000

The commercial bills are denominated in Australian dollars. The commercial bill facility of $900,000 is a committed facility secured by a registered first mortgage against the Strata Title property. The $900,000 commercial bill is rolled over on a monthly basis within a facility that expires on 21 December 2010. The average weighted interest rate on the interest bearing liabilities was 6.95% (2008 – 8.93%). The unused facility of $20,000 relates to a credit card facility.

12. Issued capital		
Issued and paid up capital		
Fully paid Ordinary Shares		
Balance at the beginning of the financial year	3,200,025	3,200,025
Balance at the end of the financial year	3,200,025	3,200,025
Fully paid Ordinary Shares	**Number**	**Number**
Balance at the beginning of the financial year	16,000,125	16,000,125
Balance at the end of the financial year	16,000,125	16,000,125

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

13. Reserves	$	$
Available-for-sale revaluation reserve on securities representing the change in fair value during the year		
Balance at the beginning of the financial year	-	580
Gain transferred to the income statement on sale of financial assets	-	(580)
Revaluation of securities to fair value	134,400	-
Related income tax	(40,320)	
Balance at the end of the financial year	94,080	-

	2009 $	2008 $

14. (Accumulated losses)/retained earnings

Balance at the beginning of the financial year	176,324	85,949
(Loss)/profit for the year	(247,015)	90,375
Balance at the end of the financial year	(70,691)	176,324

15. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than 3 months at the date of acquisition. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	1,195,675	2,312,311

(b) Reconciliation of profit for the year to net cash flows from operating activities

(Loss)/profit after related income tax	(247,015)	90,375
Gain on available-for-sale investments	-	(580)
Impairment charges recognised in (Loss)/profit	248,731	-
Reduction in fair value of investment property	170,000	-
Changes in assets and liabilities		
(Increase)/ decrease in assets		
Current trade and other receivables	(34,229)	16,840
Increase /(decrease) in liabilities		
Tax payable	(29,546)	5,267
Deferred tax liability	736	5,757
Current trade payables	(116)	(611)
Net cash from operating activities	108,561	117,048

	2009 $	2008 $

16. Related Party Transactions

(a) Directors

The Directors of Global Properties Limited in office during the year were Fred Bart, Ian Dennis and Cheryl Bart

(b) Directors' Shareholdings

	Number	Number
Fred Bart	5,021,889	5,000,075
Ian Dennis	520,050	500,050
Cheryl Bart	500,000	500,000

Apart from the purchase on market of 21,814 shares by Mr Fred Bart and the purchase on market of 20,000 shares by Mr Ian Dennis during the year ended 30 June 2009, there has been no changes to the number of shares held by each director during 2009 and 2008.

(c) Transactions with related entities

The company has paid $19,710 (2008: $23,444) in respect of rental of the Sydney offices premises to 4F Investments Pty Limited, a company associated with Fred Bart. These rentals are based on a share of actual costs incurred and do not include a profit mark up.

17. Earnings per Share

	Cents	Cents
Basic earnings (loss) per share	(1.544)	0.565
Diluted earnings (loss) per share	(1.544)	0.565
	Number	**Number**
Weighted average number of Ordinary Shares	16,000,125	16,000,125

(a) Earnings used in the calculation of basic earnings per share are the same as the net (loss)/profit in the income statement.

Diluted earnings (loss) per share

There are no options or other securities currently issued which would potentially result in the dilution of the share capital. Accordingly the basic earnings per share is the same as diluted earnings per share.

18. Segment Information

The company operates within the one geographic segment being Australia and has two separate investment segments being direct commercial property investment and investment in listed securities in the property sector.

Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable segment for the periods under review:

	30 June 2009	30 June 2008
	$	$
Revenue		
Property investment	183,871	172,979
Investment in listed securities	185,011	580
Revenue (excluding interest received)	368,882	173,559
Segment result		
Property investment	(21,357)	140,368
Investment in listed securities	(63,720)	580
Administrative costs	(57,726)	(72,248)
Directors fees	(30,000)	(30,000)
Finance costs	(143,413)	(80,418)
Interest revenue	69,937	170,825
(Loss)/profit before income tax	(246,279)	129,107

Segment assets and liabilities

The following is an analysis of the Company's assets and liabilities by reportable segment for the periods under review:

	Assets		Liabilities	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	$	$	$	$
Property investment	1,846,838	2,000,000	900,000	900,000
Investment in listed securities	1,132,009	-	-	-
Unallocated	1,204,579	2,316,063	60,012	39,714
Total assets and liabilities	4,183,426	4,316,063	960,012	939,714

19. Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables, cash and short term deposits.

Due to the small size of the company significant risk management decisions are taken by the board of directors. These risks include market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Directors do not plan to eliminate risk altogether, rather they plan to identify and respond to risks in a way that creates value for the company and its shareholders. Directors and shareholders appreciate that in order for the company to compete and grow, a long term strategy needs to involve risk taking for reward.

The Company does not use derivative financial instruments to hedge these risk exposures.

Risk Exposures and Responses

(a) Interest rate risk

The Company's exposure to market interest rates relates primarily to the Company's cash holdings and short term deposits.

At balance date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2009 $	2008 $
Financial assets		
Cash and cash equivalents	1,195,675	2,312,311
Financial liabilities		
Current borrowings at amortised cost	900,000	900,000

The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

19. Financial risk management objectives and policies (cont)

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2009	2008	2009	2008
	$	$	$	$
Company				
+1% (100 basis points)	8,377	16,186	8,377	16,186
-.5% (50 basis points)	(4,189)	(8,093)	(4,189)	(8,093)

The movements in profits are due to higher/lower interest rates on cash and cash equivalents balances. The cash and cash equivalents balances were lower in 2009 than in 2008 and accordingly the sensitivity is lower.

(b) Foreign currency risk

The Company has no foreign currency risk.

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Company has adopted a policy of only dealing with creditworthy counterparties which are continuously monitored.

The credit risk on liquid funds is limited because the counterparties are major banks with high credit-ratings assigned by international credit agencies.

(d) Liquidity risk management

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's investments in money market instruments all have a maturity of less than 3 months.

19. Financial risk management objectives and policies (cont)

(d) Liquidity risk management (cont)

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and managing maturity profiles of financial assets.

The Company's commercial bill borrowings of $900,000 are rolled over on a monthly basis at prevailing commercial interest rates. The commercial bill facility expires on 21 December 2010 and is not expected to be repaid before the expiry date.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on these assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $
2009					
Non interest bearing		-	-	-	-
Variable interest rate instruments	2.50	178,678	742	3,339	17,808
Fixed rate instruments	3.41	1,020,315	5,892	35,352	141,408
2008					
Non interest bearing		-	-	-	-
Variable interest rate instruments	3.00	32,701	162	729	3,888
Fixed rate instruments	7.91	-	2,309,333	133,389	533,556

(e) Commodity price risk

The Company has no exposure to commodity price risk.

(f) Other price risks

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

At reporting date, if the equity prices had been 5% p.a. higher / (lower):

- Net loss for the year ended 30 June 2009 would have been reduced / (increased) by $34,823 as certain investments were treated as permanently impaired and the loss taken to the profit and loss account.
- Other equity reserves would have been increase / (reduced) by $20,720, as a result of the changes in fair value of available-for-sale securities.

The Company's sensitivity to equity prices has changed significantly during the year as in prior years the company did not have equity securities.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

20. Leases

Operating leases – leasing arrangements (the Company as lessor)

Operating leases relate to the investment property owned by the company with a remaining lease term of three months, with options for two further terms of five years. The operating leases contain rental review clauses and the tenants are responsible for all outgoings. The lessee does not have an option to buy the property at the expiry of the lease period.

	2009 $	2008 $
Non-cancellable operating lease receivables		
Not longer than 1 year	37,740	149,507
Longer than 1 year and not longer than 5 years	-	37,740
Longer than 5 years	-	-
	37,740	187,247

21. Additional company information

Global Properties Limited is a listed public company, incorporated and operating in Australia.

Registered Office and Principal Place of Business

Suite 2, Level 12
75 Elizabeth Street
Sydney NSW 2000
Australia
Tel: (02) 9233 3915
Fax: (02) 9232 3411
www.gloprop.com.au

The Company has no employees.

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

HOME EXCHANGE

The Company's ordinary shares are quoted on the Australian Stock Exchange Limited under the trading symbol "GPB". The Home Exchange is Sydney.

SUBSTANTIAL SHAREHOLDERS

At 8 July 2009 the following substantial shareholders were registered:

	Ordinary Shares	Percentage of total Ordinary Shares
Fred Bart Group	5,021,889	31.39%

VOTING RIGHTS

At 8 July 2009 there were 428 holders of fully paid ordinary shares.

Rule 74 of the Company's Constitution stipulates the voting rights of members as follows:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares and to this Constitution:

(a) on a show of hands every person present in the capacity of a Member or a proxy, attorney or representative (or in more than one of these capacities) has one vote; and

(b) On a poll every person present who is a Member or proxy, attorney or representative has member present has:

(i) For each fully paid share that the person holds or represents – one vote; and

(ii) For each share other than a fully paid share that the person holds or represents – that proportion of one vote that the amount paid (not credited) on the shares bears to the total amount paid and payable on the share (excluding amounts credited)."

OTHER INFORMATION

In accordance with Listing Rule 4.10.19, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

DISTRIBUTION OF SHAREHOLDINGS

At 8 July 2009 the distribution of share and option holdings were:

Range	Ordinary Shareholders	Number of Shares
1-1,000	13	5,238
1,001 – 5,000	36	135,207
5,001 – 10,000	286	2,816,411
10,001 – 100,000	69	2,495 711
100,001 and over	24	10,547,558
	428	16,000,125

There were 28 ordinary shareholders with less than a marketable parcel.

There is no current on-market buy-back.

TWENTY LARGEST ORDINARY SHAREHOLDERS - QUOTED

At 8 July 2009 the 20 largest ordinary shareholders held 62.71% of the total issued fully paid quoted ordinary shares of 16,000,125.

Shareholder	Fully Paid Ordinary Shares	Percentage of Total
1. CMC Markets Stockbroking Nominees (No 2 Account)Pty Limited	3,615,000	22.59%
2. Fred Bart	1,102,250	6.89%
3. Rocket Science Pty Limited	680,000	4.25%
4. Ian Dennis and Caroline Dennis	520,000	3.25%
5. Cheryl Bart	500,000	3.12%
6. Kam Superannuation Fund Pty Limited	500,000	3.12%
7. Casalati Holdings Limited	323,747	2.02%
8. Brent McCarty, Yvonne McCarty and Zeljan Unkovich	300,000	1.87%
9. Matthew James Sachr	272,900	1.71%
10. James Bart	250,000	1.56%
11. Nicole Bart	250,000	1.56%
12. Locope Pty Limited	246,000	1.54%
13. Norbert Lipton	235,910	1.48%
14. Jamber Investments Pty Limited	201,000	1.26%
15. Deborah English & George Rozvany	200,000	1.25%
16. Dr Joshua Ehrlich	193,000	1.21%
17. Cosmos Nominees Pty Limited	175,000	1.09%
18. The Plastics Centre Pty Limited	170,001	1.06%
19. Kale Capital Corporation Limited	150,000	0.94%
20. Estate Late Zolly Palmay	150,000	0.94%
	10,034,808	62.71%

GLOBAL PROPERTIES LIMITED
ACN 094 384 273
CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Board of Directors of Global Properties Limited is responsible for the corporate governance of the entity. The Board guides and monitors the business and affairs of Global Properties Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board recognises that it has a number of legal and other obligations to non-shareholder stakeholders.

The Directors are committed to protecting stakeholders' interests and keeping investors fully informed about the performance of the Company, while meeting stakeholders' expectations of sound corporate governance practices. To ensure the best representation of Shareholder interests, the Board will regularly review its corporate governance practices.

The Corporate Governance Statement follows the Australian Stock Exchange Corporate Governance Council's (the "Council's") "Corporate Governance Principles and Recommendations" released on 2 August 2007. In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. Global Properties Limited's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the Board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Remunerate fairly and responsibly

Global Properties Limited's corporate governance practices were in place throughout the year ended 30 June 2009, unless otherwise stated, and embrace the Council's best practice recommendations which are being put in place as appropriate.

Due to the limitations imposed by size, the Company does not meet Recommendation 3.1 of the Guidelines as the Company does not have a formal code of conduct. The Company has no executives apart from the 3 directors to which the code of conduct applies.

Due to the limitations imposed by size, the Company does not meet Recommendation 4.2 of the Guidelines as the Company does not have a formally constituted audit committee. All Directors of the Company act as the audit committee.

In accordance with Recommendation 5.1, the Board has appointed Ian Dennis, Director and Company Secretary to ensure compliance with ASX Listing Rule disclosure requirements. Due to the limitations imposed by size the Board has not established written policies and procedures.

The Directors respect the rights of shareholders in accordance with Principle 6. The Company sends all financial communications to shareholders who have requested hard copy financial statements and posts all relevant information including all ASX Announcements on the Company web site. Notices of Meetings are sent to all shareholders inviting them to attend the Annual General Meeting which is held at the registered office in Sydney. A representative of the auditor, Deloitte Touche Tohmatsu attends the Annual General Meeting.

The Directors have established a formal risk assessment plan in order to comply with Principle 7.

Additional information regarding the Company's corporate governance policies, its Directors and other relevant information can be found on the Company's website:

www.gloprop.com.au

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each Director in office at the date of this Annual Report is included in the Directors' Report on page 2. Directors of Global Properties Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5 percent of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10 percent of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following Director of Global Properties Limited is considered to be independent:

Name	Position
Mr. Ian Dennis	Non-executive Director

Due to limitations imposed by the small size of the Company, the company does not comply with Recommendation 2.1 in having a majority of independent directors. The Chairman, Mr Fred Bart is not an independent Chairman as recommended by Recommendation 2.2. The Board proposes to maintain the current directors until the size of the activities of the Company warrant further changes.

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Position	Term in Office
Mr Fred Bart	Non-Executive Chairman	8 years
Mr. Ian Dennis	Non-Executive Director	8 years
Ms Cheryl Bart	Non-Executive Director	7 years

For additional details regarding board appointments, please refer to the Company's website.

Nomination Committee

The entire Board comprises the Nomination Committee. The Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director and, where appropriate, seeking the services of an independent consultant who is not a director of the Company to provide assistance in the recruitment of potential Directors.

Performance

The performance of the Board is reviewed regularly against both measurable and qualitative indicators. Directors whose performance is consistently unsatisfactory may be asked to retire.

Remuneration

One of the Company's key objectives is to provide maximum stakeholder benefits from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The entire Board comprises the Remuneration Committee. The expected outcomes of the remuneration structure are:

- Retention and motivation of directors; and
- Attraction of quality management to the Company;

For details regarding the amount of remuneration and all monetary and non-monetary components for each of the key management personnel during the year, refer to the Remuneration Report in the Directors report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.

Policy on Trading in Securities

In accordance with Recommendation 3.2 the Directors have set out the policy on share trading.

Directors and employees of Global Properties Limited should not buy or sell securities in Global Properties Limited, when Global Properties Limited is in possession of price sensitive information that is not generally available to the market.

Subject to the insider trading provisions of the Corporations Act and the notification requirements of the Company set out in the "Insider Trading Policy", the recommended time (in order to minimize suggestions of insider trading) for any Director or employee to deal in Securities is during the four week period commencing on the second business day after:

(a) Global Properties Limited annual general meeting;

(b) The release of Global Properties Limited half-yearly announcement to the ASX;

(c) The release of Global Properties Limited preliminary final statement or full year announcement to ASX (whichever is earlier);

(d) The release of a disclosure document (eg. a prospectus) by Global Properties Limited.

(e) The release of the quarterly commitments test report known as Appendix 4C.

The Chairman of the Board, or the Chairman's delegate, (eg. the Company Secretary) may also notify Directors and employees of Global Properties Limited in writing of other ad hoc "trading windows".

The complete Insider Trading Policy of the Company is available on the Company's website at www.gloprop.com.au