



APGF Property Syndicate No. 24

(Formerly Austgrowth Property Syndicate No. 24)

2007/08 Annual Report



APGF MANAGEMENT LIMITED

Austgrowth Property Syndicate No.24

ARSN 114 228 590

**Financial Report
For the Financial Year Ended
30 June 2008**

Austgrowth Property Syndicate No.24

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

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Austgrowth Property Syndicate No.24

DIRECTORS' REPORT

The directors of APGF Management Limited A.C.N.: 090 257 480 ("the Responsible Entity") submit herewith the financial report of the Austgrowth Property Syndicate No.24 ARSN 114 228 590 ("the Fund") for the year ended 30 June 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Neil Edwin Summerson BCom, FCA, FAICD, FAIM

Neil Summerson is non-executive Chairman of Australian Property Growth Fund (APGF). He is a director of several public, private and government corporations and has over 35 years experience practicing as a Chartered Accountant. During the last three years Neil has served and continues to serve as a Director of Bank of Queensland Limited (appointed Director 5 December 1996 and appointed Chairman on 20 August 2008) and Pioneer Permanent Building Society Limited (appointed 15 December 2006). He was a partner and Managing Partner (Queensland) of Ernst & Young and a past State Chairman of the Institute of Chartered Accountants. As a practicing accountant Neil's field of expertise was in corporate reconstruction, mostly in the building and property sectors and consequently he has broad experience in property development and construction. His core strengths include strategic planning, risk management, corporate governance, regulatory compliance and financial analysis.

Geoffrey Michael McMahon BEcon, BCom, FCPA, FAICD, FCIM, F FIN

Geoffrey ('Geoff') McMahon is Managing Director of APGF. He has been working in the property sector in excess of 18 years and has been involved in over \$750 million worth of successful property projects. Geoff is responsible for the Fund's corporate strategy, property funds management, investments and development. Geoff has been employed by the Responsible Entity and its founding securityholder, Leyshon Group, since 1988. He has significant and detailed experience in property investment, development and funds management.

Robert Bryan BSc (Hons, Geology), FAusIMM

Robert ('Bob') Bryan joined the Board of APGM as a non-executive Director on 11 March 2008. Bob has had a long-term involvement in the mining industry in Australia and South East Asia. In 1984 Bob founded Pan Australian Mining Ltd and in the capacity as Managing Director oversaw the development of a major gold mine at Mt Leyshon. Bob is an Honorary Life Member of the Queensland Resources Council and a director of the Sustainable Minerals Institute within the University of Queensland. During the last three years Bob has served and unless otherwise indicated continues to serve as Chairman of the following listed companies: PanAust Limited (formerly Pan Australian Resources Limited) (appointed 12 December 1994 and retired on 30 June 2008), Highlands Pacific Ltd (appointed 1 July 1998 and retired on 20 May 2008) and Queensland Gas Company Limited (appointed 22 September 1999). Since selling his controlling interest in Pan Australian Mining in 1989, Bob's private interests, Leyshon Group, has focused on property investment and development.

Scott Edward Bryan BSc (Hons, Geology), PhD

Scott Bryan joined the Board of APGM as a non-executive Director on 11 March 2008. Scott is a geologist, graduating from the University of Queensland with First Class Honours in Geology and obtained a PhD from Monash University. Scott was a Research Fellow at Yale University and a Senior Lecturer at Kingston University in the United Kingdom. Since April 2008 Scott has been a Principal Research Fellow with the Sustainable Minerals Institute at the University of Queensland. Scott has been on the Board of APGF since 2004 and has been involved in property funds management, development and investment through his directorship of Leyshon Group since 2001.

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Kenneth Ross Pickard BCom, FCA, FITA

Kenneth ('Ken') Pickard joined the Board of APGM as a non-executive Director on 11 March 2008. Ken is the Managing Director of Moore Stephens (Queensland) Limited Chartered Accountants, a Queensland based firm of approximately 220 staff providing a full range of financial services to clients. Ken was a partner of Ernst & Young from 1982, a position he held until the formation of his own firm, Pickards BDS in 1996, which subsequently became Moore Stephens in July 2007. He has over 30 years experience in business services, consulting and audit. Ken has developed a wide range of skills for the provision of accounting services and financial management advice to all business sectors including manufacturing, marine and the property industry.

Adriano Julius Cragnolini B.Bus(Acc), CA, F FIN

Adriano Cragnolini is CFO of APGF and was an executive Director of APGM from 31 August 2007 until 11 March 2008. Adriano has over 16 years experience in senior management positions spread between public practice experience at Ernst & Young Australia, and in commerce working for a diversified property/hospitality group based in Papua New Guinea as well as a venture capital backed IT start-up company based in London.

Service Providers

The service providers during or since the end of the financial year are:

- APGF Management Limited - Responsible entity from 22nd April 2008 and Bank Custodian from 1st August 2008.
- Austgrowth Property Syndicates Limited – Responsible Entity until 22nd April 2008.
- Austgrowth Investments Management Limited – Property Manager.
- Trust Company Limited – Bank Custodian to 31st July 2008 and Property Custodian.
- WHK Horwath Sydney – Independent Auditor and Compliance Auditor.

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia. The Fund continued its principal activity which is to hold and acquire investment properties for rental and capital gain returns. There have been no significant changes in the activities of the Fund during the financial year. The Fund did not have any employees during the year.

Review of Operations

Management

On the 22nd of April 2008, Austgrowth Property Syndicates Limited was replaced by APGF Management Limited, a related wholly owned subsidiary of the Australian Property Growth Fund Group, as Responsible Entity. Key management personnel were retained through the transition.

Results

The investment properties performed to expectations. There are no foreseeable matters at the date of this report that would see this position change in the near future.

The results from operations of the Fund are disclosed in the Income Statement forming part of these financial statements. The profit attributable to unitholders for the year ended 30 June 2008 was \$335,649 (2007: \$401,125).

Austgrowth Property Syndicate No.24

Distributions

In respect of the financial year ended 30 June 2008, distributions were paid monthly in the middle of the month. The distribution for the full financial year gave an annual return to investors of 7.28% (2007: 7.98%).

Number of Investors

Austgrowth Property Syndicate No. 24 338

Management Costs

The Indirect Cost Ratio ("ICR") is the ratio of the Fund's management costs that are not deducted directly from an investor's account to the Fund's total average net assets. Expenses which would be incurred by a direct investor, such as transaction costs, brokerage, government taxes and charges on purchases and sales, are excluded where these can be identified and isolated.

	2008	2007
	\$	\$
ICR related expenses incurred by the Fund	127,939	136,441
	%	%
ICR %	1.48	1.50

Changes in State of Affairs

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

Subsequent Events

On the 1st of August 2008, APGF Management Limited was appointed Bank Custodian of the Fund. This has no material operational impact on the Fund. Other than this appointment, there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial years.

Future Developments

Further information on likely future developments of the Fund, including changes in operations and the expected results of those operations, have not been included in this report because it would be likely to result in unreasonable prejudice to the Fund.

Options Granted

No options were:

- (i) Granted over unissued units in the Fund during or since the end of the financial year;
- or
- (ii) Granted to the Responsible Entity.

No unissued units in the Fund were under option as at the date on which this report is made.

Austgrowth Property Syndicate No.24

No units were issued in the Fund during or since the end of the financial year as a result of the exercise of an option over unissued units in the Fund.

Indemnification of Officers of the Responsible Entity and Auditors

During the financial year, the Responsible Entity paid a premium in respect of a contract insuring the directors and officers of the Responsible Entity to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 6 of the financial report.

Fund Information in the Financial Report

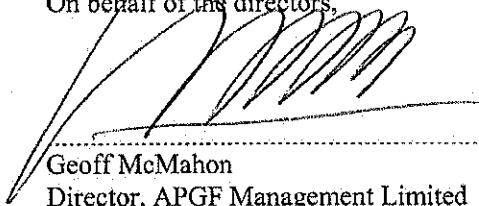
Fees paid to the Responsible Entity and its associates out of Fund property during the financial year are disclosed in note 18 to the financial statements.

The number of interests in the Fund issued during the financial year, withdrawals from the Fund during the financial year, and the number of interests in the Fund at the end of the financial year are disclosed in note 12 to the financial statements.

The value of the Fund's assets as at the end of the financial year is disclosed in the balance sheet as "Total Assets" and the basis of valuation of the investment property is included in notes 3 & 8 to the financial statements.

Signed in accordance with a resolution of the directors of APGF Management Limited, made pursuant to section 298 (2) of the Corporations Act 2001.

On behalf of the directors,



.....

Geoff McMahon
Director, APGF Management Limited

Brisbane, 22nd September 2008



Auditor's independence declaration

As the auditor of Austgrowth Property Syndicate No. 24 for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Austgrowth Property Syndicate No. 24 during the period.

WHK Horwath Sydney

WHK HORWATH SYDNEY

Roger Wong

ROGER WONG
Principal

Dated this 22nd day of September 2008.

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss Verein. Each member of the Association is a separate and independent legal entity.



Liability limited by a scheme approved under Professional Standards Legislation

Member Horwath International

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A WHK Group Firm

INDEPENDENT AUDIT REPORT TO THE INVESTORS OF AUSTGROWTH PROPERTY SYNDICATE NO 24

Scope

We have audited the accompanying financial report of Austgrowth Property Syndicate No. 24 (the Fund), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Fund for the year ended 30 June 2008.

Directors' responsibility for the financial report

The directors of APGF Management Limited (the Responsible Entity) 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 of the Responsible Entity also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, 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.

**INDEPENDENT AUDIT REPORT TO THE INVESTORS
OF AUSTGROWTH PROPERTY SYNDICATE NO 24**

Independence

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

Auditor's Opinion

In our opinion:

- a. the financial report of Austgrowth Property Syndicate No. 24 is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2008 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.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK Horwath Sydney

WHK HORWATH SYDNEY

Roger Wong

ROGER WONG
Principal

Dated this 22nd day of September 2008.

Austgrowth Property Syndicate No.24

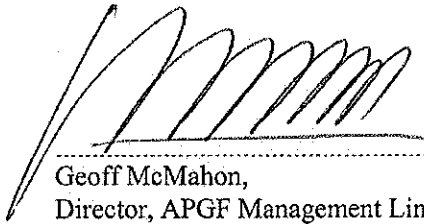
DIRECTORS' DECLARATION

The directors of APGF Management Limited as the Responsible Entity of the Fund declare that:

1. The financial statements and notes, as set out on pages 10 to 26, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Fund;
2. In the directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors,



.....
Geoff McMahon,
Director, APGF Management Limited
Brisbane, 22nd September 2008

Austgrowth Property Syndicate No.24

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	30 June 2008 \$	30 June 2007 \$
Income			
Rental income		1,370,511	1,467,188
Interest income		28,059	23,574
Other Income		2,850	24,650
Unrealised change in fair value of financial assets		120,478	172,514
Total Income		1,521,898	1,687,926
Expenses			
Auditors' remuneration	14	12,020	11,490
Bank Fees		6,741	194
Finance costs (<i>excluding finance costs attributable to unitholders</i>)		558,796	671,699
Filing fees & penalties		2,525	33
Compliance fees- audit	14	3,100	2,950
Compliance fees- other		5,035	4,451
Custodian fees		13,317	10,398
Depreciation		457,453	456,493
IT administration fees		7,022	10,627
Professional fees		3,452	10,451
Valuation fees		10,100	-
Management fees paid to Responsible Entity		81,000	108,000
Other		25,688	16
Total Expenses		1,186,249	1,286,802
Profit Attributable to Unitholders		335,649	401,124
Finance Costs Attributable to Unitholders			
Distributions to unitholders	13	823,991	821,732
Change in Net Assets Attributable to Unitholders		(488,342)	(420,608)

STATEMENT OF RECOGNISED INCOME AND EXPENSE

Under AIFRS, net assets attributable to unitholders are classified as a liability rather than equity. As the Fund has no equity, the Fund has not included any items of recognised income and expense for the current or comparative period.

Notes to the financial statements are included on pages 13 to 26.

Austgrowth Property Syndicate No.24

BALANCE SHEET AS AT 30 JUNE 2008

	Note	30 June 2008 \$	30 June 2007 \$
Current assets			
Cash and cash equivalents	6	599,285	680,888
Other Current Assets	7	551,580	603,453
Total current assets		<u>1,150,865</u>	<u>1,284,341</u>
Non-current assets			
Investment property	8	18,389,002	18,810,459
Total non-current assets		<u>18,389,002</u>	<u>18,810,459</u>
Total Assets		<u>19,539,867</u>	<u>20,094,800</u>
Current liabilities (excluding liabilities attributable to unitholders)			
Trade and other payables	9	339,922	407,334
Other current liabilities	10	2,575	1,753
Total current liabilities (excluding liabilities attributable to unitholders)		<u>342,497</u>	<u>409,087</u>
Non-Current liabilities (excluding liabilities attributable to unitholders)			
Interest bearing liabilities	11	10,800,000	10,800,000
Total non-current liabilities (excluding liabilities attributable to unitholders)		<u>10,800,000</u>	<u>10,800,000</u>
Total liabilities (excluding liabilities attributable to unitholders)		<u>11,142,497</u>	<u>11,209,087</u>
Net assets attributable to unitholders		8,397,370	8,885,713
Liabilities attributable to unitholders	12	(8,397,370)	(8,885,713)
Net Assets		<u>-</u>	<u>-</u>

Notes to the financial statements are included on pages 13 to 26.

Austgrowth Property Syndicate No.24

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	30 June 2008 \$	30 June 2007 \$
<i>Cash flows from operating activities</i>			
Gross Rent income		2,624,083	1,480,008
Interest received and other income		28,059	220,738
Payments to suppliers (including property outgoings)		(1,314,963)	(216,960)
Interest and other costs of finance paid		(558,796)	(668,603)
Net Cash Provided by Operating Activities	17	778,383	815,183
<i>Cash flows from investing activities</i>			
Payment for property improvements		(35,995)	(12,060)
Net Cash Used in Investing Activities		(35,995)	(12,060)
<i>Cash flows from financing activities</i>			
Distributions made to unitholders		(823,991)	(821,732)
Net Cash Used in Financing Activities		(823,991)	(821,732)
Net increase/(decrease) in cash and cash equivalents		(81,603)	(18,609)
Cash and cash equivalents at beginning of the financial year	6	680,888	699,498
Cash and cash equivalents at end of the financial year	6	599,285	680,888

Notes to the financial statements are included on pages 13 to 26.

Austgrowth Property Fund No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. Statement of compliance and basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia.

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

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Fund, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

The financial statements were authorised for issue by the directors on 22nd September 2008.

In the application of A-IFRS 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 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.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and the estimates with a significant risk of material adjustments in the year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008 and the comparative information presented in these financial statements.

2. Financial reporting developments

Certain revised standards and amendments to existing standards have been published that are mandatory for the Fund for accounting periods beginning on or after 1 July 2008 or later periods but which the Fund has not yet adopted. The Fund's assessment of the impact of these new standards and interpretations is set out below.

(i) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Fund, as the Fund already capitalises borrowing costs relating to qualifying assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

2. Financial reporting developments (continued)

(ii) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Fund intends to apply the revised standard from 1 July 2009.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the year end financial report:

(a) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating business segments. Management has assessed the reportable business segments under AASB 114 Segment Reporting and have determined that on adoption of AASB 8 Segment Reporting (applicable from 1 January 2009), additional operating segments will most likely not be reported. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet consist of cash at hand, cash at bank and short-term deposits that are readily convertible into cash. The Fund considers a short-term deposit to have a maturity of three months or less and be subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand and at bank, short-term deposits (as outlined above) net of any bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities.

(c) Trade and other receivables

Trade receivables, which generally have a 14-28 day term, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Fund will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

3. Summary of significant accounting policies (continued)

(d) Financial assets and liabilities

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date ie the date that the Fund commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(e) Property, plant and equipment

Investment properties under development/construction are classified as property, plant and equipment until practical completion. Properties under development are measured at the accumulated historical cost of construction plus other directly attributable costs but do not include start-up costs, initial operating losses or abnormal amounts of wasted material or labour on construction

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

3. Summary of significant accounting policies (continued)

Land and buildings, except for investment property, are measured at fair value, based on periodic but at least triennial valuations by external independent valuers who apply the International Valuations Standards Committee International Valuation Standards, less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

(f) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost, which is based on the original cost of the asset less accumulated depreciation on the building. The fair value of investment properties are disclosed separately in the notes with evaluations of fair value being conducted periodically but at least triennially by external independent valuers who apply the International Valuations Standards Committee International Valuation Standards.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

(g) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) *Fund as lessor*

Leases in which the Fund retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Income from operating leases is recognised on a straight line basis over the term of the lease, unless another more systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

(ii) *Lease incentives*

Incentives such as cash, rent free periods or contributions towards lessee or lessor owned fit outs, may be provided to lessees to enter into an operating lease. These incentives are capitalised and amortised over the term of the lease as a reduction in rental income.

(h) Trade and other payables

Trade and other payables are carried at amortised cost, due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

3. Summary of significant accounting policies (continued)

(i) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised as an expense when incurred, except to the extent that they are incurred in the acquisition or construction of qualifying assets. Borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(j) Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Fund expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(k) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Dividends/Distributions

Revenue is recognised when the Fund's right to receive the payment is established.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

3. Summary of significant accounting policies (continued)

(iii) Rental revenue

Rental revenue from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

(l) Income tax and other taxes

(i) Income Taxes

Under current income tax legislation the Fund is not liable to pay income tax provided that the taxable income and taxable realised gains are fully distributed to unitholders each year.

(ii) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the Cash Flow Statement on a gross basis and 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 part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

4. Financial risk management

The Fund's principal financial instruments comprise receivables, payables, bank loans, cash and derivatives. It holds these at the discretion of the Responsible Entity in accordance with the Product Disclosure Statement (PDS).

The Fund's investing activities expose it to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The board of directors for the responsible entity has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The board has established a risk management committee, which is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Responsible Entity's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

4. Financial risk management (continued)

In addition to the policies adopted by the risk management committee, the Responsible Entity has in place a compliance plan which is overseen by the compliance committee and regularly audited by the Compliance Plan Auditors. This plan outlines the processes that will ensure that both the Fund and the Responsible Entity comply with the requirements of the Australian Securities and Investment Commission (ASIC).

A. Credit Risk

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

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

Regarding trade receivables, each tenant, at the commencement of a lease, is required to provide security via means of a cash deposit or bank guarantee. This security is maintained in the Fund's control for the duration of the tenancy and reverts to the Fund in the event of default. To date the Fund has not incurred any losses due to the non-recoverability of its receivables.

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

B. Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund'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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, including derivative financial assets and liabilities as of 30 June 2008. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2008.

The remaining contractual maturities of the Fund's financial liabilities (excluding liabilities attributable to unitholders) are:

	30-Jun-2008	30-Jun-2007
	\$	\$
6 months or less	342,497	409,088
6-12 months	-	-
1-5 years	10,800,000	10,800,000
Over 5 years	-	-
	<u>11,142,497</u>	<u>11,209,088</u>

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

4. Financial risk management (continued)

C. Market Risk

Market risk is the risk that changes in the market prices, such as interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

As part of its ordinary course of business, the Fund enters into financial liabilities, including derivatives, in order to manage market risks.

Interest Rate Risk

The Fund's exposure to market interest rates relates primarily to the Fund's long-term debt obligations. The level of debt is disclosed in note 11.

The Fund's policy is to manage its finance costs using fixed rate debt. The Fund's has entered into a fixed rate facility so that 100% of its obligation is fixed at 6.57% p.a.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

At 30 June 2008, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit or loss and net liabilities to unitholders would have been affected as follows:

Judgements of reasonably possible movements:	30-Jun-2008	30-Jun-2007
	\$	\$
Profit attributable to unitholders		
+ 1% (100 basis points)	6,757	6,590
- 1% (100 basis points)	(6,752)	(6,585)
Liabilities Attributable to Unitholders		
+ 1% (100 basis points)	6,757	6,590
- 1% (100 basis points)	(6,752)	(6,585)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances and the movement in fair value of derivative assets/liabilities as a consequence of interest rate movements.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

5. Financial instruments

The following table details the categories of financial assets and liabilities held by the Fund at the reporting date:

	30-Jun-2008	30-Jun-2007
Assets	\$	\$
Loans and receivables		
Cash and cash equivalents	599,285	680,888
Trade and other receivables	551,580	603,453
Total loans and receivables	<u>1,150,865</u>	<u>1,284,341</u>
Total Assets	<u>1,150,865</u>	<u>1,284,341</u>
Liabilities		
Loans and receivables		
Payables and Accruals	342,497	409,088
Interest bearing liabilities	10,800,000	10,800,000
Total loans and receivables	<u>11,142,497</u>	<u>11,209,088</u>
Total Liabilities	<u>11,142,497</u>	<u>11,209,088</u>

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

5. Financial instruments (continued)

The following table details the Fund's exposure to interest rate risk as at 30 June 2008:

30 June 2008	Weighted Average interest rate %	Variable interest rate \$	Fixed Interest rate maturity			Non interest bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Cash and cash equivalents	4.18	599,285					599,285
Loans and receivables						551,580	551,580
		599,285	-	-	-	551,580	1,150,865
Financial Liabilities							
Payables and Accruals						(342,497)	(342,497)
Interest bearing Liabilities	6.98	(10,800,000)					(10,800,000)
		(10,800,000)	-	-	-	(342,497)	(11,142,497)
Off-balance sheet							
Notional Amounts							
Interest rate swaps	7.26	10,800,000					10,800,000
Interest rate swaps	5.82			(10,800,000)			(10,800,000)

The following table details the Fund's exposure to interest rate risk as at 30 June 2007:

30 June 2007	Weighted Average Interest Rate %	Variable interest rate \$	Fixed Interest rate maturity			Non interest bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Cash and cash equivalents	4.00	680,888					680,888
Loans and receivables						603,453	603,453
		680,888	-	-	-	603,453	1,284,341
Financial Liabilities							
Payables and Accruals						(409,088)	(409,088)
Interest bearing Liabilities	6.57	(10,800,000)					(10,800,000)
		(10,800,000)	-	-	-	(409,088)	(11,209,088)
Off-balance sheet							
Notional Amounts							
Interest rate swaps	6.57	10,800,000					10,800,000
Interest rate swaps	5.82			(10,800,000)			(10,800,000)

6. Cash and Cash Equivalents

	30-Jun-2008	30-Jun-2007
	\$	\$
Cash at bank	599,285	680,888
	599,285	680,888

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

7.	Other current assets	30-Jun-2008	30-Jun-2007
		\$	\$
	Prepayments	9,095	-
	Lease Incentives & Straight-lining rental assets	76,795	258,242
	Derivative Assets	465,690	345,211
		551,580	603,453
8.	Investment property		
	Investment Property at cost ⁽ⁱ⁾	19,628,144	19,628,144
	Capital additions	48,056	12,060
	Accumulated depreciation	(1,287,198)	(829,745)
	Carrying Value	18,389,002	18,810,459
	Fair Value of Investment Property ⁽ⁱⁱ⁾		
	533 Little Lonsdale St, Melbourne VIC	24,250,000	18,000,000
		24,250,000	18,000,000
	<p>(i) Book value is recorded at cost, being original cost plus capital expenditure less accumulated depreciation. The directors have assessed the recoverable amount of the investment property in accordance with accounting policies set out in note 1.</p> <p>(ii) The valuation of investment properties at fair value is based on the amount which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.</p> <p>In assessing the value of the investment properties, the independent valuers have considered two basis of valuation being:</p> <ol style="list-style-type: none"> 1. discounted cash flow; and 2. capitalisation approach. <p>The latest evaluation was conducted by Landmark White on 1st April 2008.</p>		
9.	Current trade and other payables		
	Trade and other payables	32,735	80,332
	Accruals	236,771	259,280
	Distributions payable	70,416	67,722
		339,922	407,334
10.	Other current liabilities		
	Income in advance	2,575	1,753
		2,575	1,753
11.	Interest bearing liabilities		
	Fully drawn Facility	10,800,000	10,800,000
	Borrowing costs	-	-
	Total Secured Loans	10,800,000	10,800,000

A fully drawn facility of \$10,800,000 has been provided for the purchase of commercial property recorded as investment property under non-current assets. The provider of the facility holds a first registered mortgage over the following property:

- 533 Little Lonsdale St, Melbourne

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

	30-Jun-2008	30-Jun-2007
12. Unitholders' Balances	\$	\$
Movement in unitholders' balances during the financial year were as follows:		
Total number of units at the beginning and end of the period (units)	10,300,000	10,300,000
Balance at the beginning of period	8,885,712	9,306,321
Change in net assets attributable to unitholders/profit for the year	335,649	401,124
Distributions paid	(823,991)	(821,733)
Balance at the end of period	<u>8,397,370</u>	<u>8,885,712</u>

Each unit represents a right to an individual share in the Fund per the Constitution. There are no separate classes of units and each unit has the same rights attached to it as all other units in the Fund.

	30-Jun-2008	30-Jun-2007
13. Finance Costs/Distributions to Unitholders	\$	\$
<i>Finance costs/distributions to unitholders were paid as follows:</i>		
Total finance costs/distributions to unitholders	<u>823,991</u>	<u>821,733</u>
Distribution (annualised) cents per unit	7.28	7.98

	30-Jun-2008	30-Jun-2007
14. Remuneration of Auditors		
Auditing or reviewing the Financial Report	12,020	11,490
Auditing the compliance plan	3,100	2,950
	<u>15,120</u>	<u>14,440</u>

15. Segment Information

All income of the Fund is derived from investments in real property and short-term deposits held for and incidental to the management of the Fund's property and operating responsibilities. All investments are located within Australia.

16. Leases

The Fund derives income from the leasing of investment property. As the Fund retains substantially all the risks and rewards from the ownership of the properties the leases are defined as operating leases in accordance with the accounting policies adopted by the Fund. Where possible, the income from operating leases is recognised on a straight line basis over the life of the lease. Lease incentives, either in the form of rent-free periods or cash contributions, are also recognised on a straight line basis over the life of the lease as a reduction in rental income. The remaining minimum lease payments receivable under the existing lease contracts are as follows:

	30-Jun-2008	30-Jun-2007
	\$	\$
12 months or less	1,369,287	1,602,142
1-5 years	1,553,403	2,922,690
Over 5 years	-	-
Total minimum lease payments	<u>2,922,690</u>	<u>4,524,832</u>

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

17. Notes to the Cash Flow Statement	30-Jun-2008	30-Jun-2007
(a) Reconciliation of cash and cash equivalents	\$	\$
For the purposes of the cash flow statement, cash and cash equivalents includes cash in banks.		
Cash and cash equivalents at the end of 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	599,285	680,888
<hr/>		
(b) Reconciliation of profit for the period to net cash flows provided by operating activities		
Profit attributable to unitholders	335,649	401,124
Fair value gain on financial instruments	120,479	-
Depreciation expense	457,453	456,493
<i>Changes in net assets and liabilities:</i>		
<i>(Increase)/decrease in assets</i>		
Current receivables	-	(64,781)
Other current assets	(68,605)	-
<i>Increase/(decrease) in liabilities</i>		
Current payables and accruals	(56,346)	22,347
Other current liabilities	(10,247)	-
Net cash from operating activities	778,383	815,183

18. Related Party Disclosures

Responsible Entity and Manager

The responsible entity of Austgrowth Property Fund No.24 is APGF Management Limited (A.C.N. 090 257 480) (formerly Austgrowth Property Syndicates Limited). APGF Management Limited also acts as the manager of the Fund.

Transactions with related parties have taken place at arms length in the ordinary course of business.

APGF Management Limited, as Responsible Entity, received management fees from the Fund of \$15,762 (2007: \$0) during the financial year. The fees were for services on normal commercial terms and conditions.

Austgrowth Property Syndicates Limited, as the former Responsible Entity, received management fees from the Fund of \$65,238 (2007: \$108,000) during the financial year. The fees were for services on normal commercial terms and conditions.

Austgrowth Investment Management Limited, a related entity of the Responsible Entity, received property management fees from the Fund of \$7,224 (2007: \$29,303) during the financial year. The fees were for services on normal commercial terms and conditions.

Management fees are charge at the rate of 0.6% of the value of real property held by the syndicate, in accordance with the constitution. Previously, the manager has deferred fees in order to attain forecast distribution rates per the Product Disclosure Statement. The manager will seek to recover deferred fees in future periods when the performance of the Fund allows.

Austgrowth Property Syndicate No.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (Continued)

19. Subsequent Events

On the 1st of August 2008, APGF Management Limited was appointed Bank Custodian of the Fund. This has no operational impact on the Fund. Other than this appointment, there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial years.

20. Additional Information

Contact Information:

APGF Management Limited
A.C.N. 090 257 480

APGF Management Limited, an unlisted public company incorporated and operating in Australia is the Responsible Entity of the Fund.

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