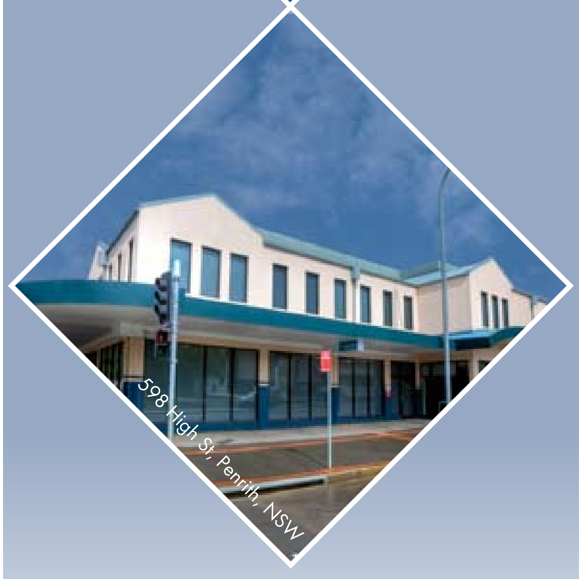

PENRITH PROPERTY SYNDICATE

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Australian Property Growth Fund

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

CONTENTS

DIRECTORS' DECLARATION

The directors of Austgrowth Property Syndicates Limited as the Responsible Entity of the Fund have determined that the fund is not a reporting entity and that this special purpose Financial Report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the responsible entity declare that:

1. The financial statements and notes, as set out on pages 6 to 15, are in accordance with the Corporations Act 2001:

   (a) comply with accounting policies described in Note 1 to the financial statements and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2009 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 Austgrowth Property Syndicates Limited made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors,

Adriano Cragnolini,
Director, Austgrowth Property Syndicates Limited
Brisbane, 24th September 2009

WHK Horwath

24 September 2009

The Board of Directors
Austgrowth Property Syndicates Limited
295 Elizabeth Street
Brisbane QLD 4000

Dear Board Members

AUSTGROWTH PROPERTY SYNDICATES LIMITED
AS THE RESPONSIBLE ENTITY FOR PENRITH PROPERTY SYNDICATE

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Austgrowth Property Syndicates Limited as the responsible entity for Penrith Property Syndicate.

As audit principal for the audit of the financial statements of Austgrowth Property Syndicates Limited as the responsible entity for Penrith Property Syndicate for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, that 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.

WHK Horwath Sydney

WHK HORWATH SYDNEY

R. Wong Pitt Cheng

ROGER WONG
Principal

Dated this 24th day of September 2009.

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WHK Horwath

INDEPENDENT AUDIT REPORT TO THE INVESTORS OF PENRITH PROPERTY SYNDICATE

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Penrith Property Syndicate (the Syndicate), for the year ended 30 June 2009.

The directors of Austgrowth Property Syndicates Limited are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with financial reporting requirement of the Syndicate's constitution and are appropriate to meet the needs of members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the director's financial reporting requirements under the Syndicate's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Syndicate. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies as described in Note 1, so as to present a view which is consistent with our understanding of the Syndicate's financial position, and of its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate for the needs of the members.

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INDEPENDENT AUDIT REPORT TO THE INVESTORS OF PENRITH PROPERTY SYNDICATE

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Penrith Property Syndicate as at 30 June 2009 and the results of its operations and its cash flows for the year then ended.

WHK Horwath Sydney

WHK HORWATH SYDNEY

R. Wong Pitt Chay

ROGER WONG
Principal

Dated this 24th day of September 2009.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	30 June 2009 $	30 June 2008 $
Investment Income			
Net rental income		693,373	777,343
Interest income		2,848	4,146
Other income		1,548	-
Total Investment Income		697,769	781,490
Expenses			
Auditors' remuneration		3,315	2,925
Bank Fees		352	754
Borrowing costs		250,489	296,827
Finance costs (*excluding finance costs attributable to unitholders*)		13,214	10,076
Professional Fees		497	14,022
Impairment Loss		1,679,893	-
Marketing and Advertising		1,500	5,500
Management fees paid to Responsible Entity		15,942	16,628
Property Management fees		9,188	5,087
Other		101	2,521
Total Expenses		1,974,491	354,340
Profit/Loss Attributable to Unitholders		(1,276,722)	427,150
Finance Costs Attributable to Unitholders			
Distributions to unitholders	9	(365,886)	(365,971)
Change in Net Assets Attributable to Unitholders		(1,642,608)	61,180

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.

The income statement should be read in conjunction with accompanying notes.

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	30 June 2009 $	30 June 2008 $
Current assets			
Cash and cash equivalents	2	103,630	54,473
Trade and other receivables	3	18,348	60,399
		121,978	114,872
Total current assets			
Non-current assets			
Investment property	4	6,000,000	7,679,893
		6,000,000	7,679,893
Total non-current assets			
		6,121,978	7,794,765
Total Assets			
Current liabilities			
Trade and other payables	5	19,017	49,196
Other current liabilities	6	89	90
Interest bearing liabilities	7	3,725,000	0
Total current liabilities		3,744,106	49,286
Non-Current liabilities			
Interest bearing liabilities	7	-	3,725,000
Total non-current liabilities		-	3,725,000
Total liabilities		3,744,106	3,774,286
Net assets		2,377,872	4,020,479
Liabilities attributable to unitholders	8	(2,377,872)	(4,020,479)
Net Assets		-	-

The balance sheet should be read in conjunction with accompanying notes.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	30 June 2009 $	30 June 2008 $
Cash flows from operating activities			
Gross Rent income		927,075	819,772
Interest received		2,848	4,146
Payments to suppliers (including property outgoings)		(274,509)	(233,205)
Interest and other costs of finance paid		(240,372)	(338,937)
Net Cash Provided by/ Used in Operating Activities	10(b)	415,042	251,776
Cash flows from investing activities			
Payment for property improvements		-	(2,259)
Net Cash Provided by Investing Activities		-	(2,259)
Cash flows from financing activities			
Distributions made to unitholders		(365,886)	(365,971)
Net Cash Used in Financing Activities		(365,886)	(365,971)
Net increase/(decrease) in cash and cash equivalents		49,157	(116,453)
Cash and cash equivalents at beginning of the financial year		54,473	170,926
Cash and cash equivalents at end of the financial year	10(a)	103,630	54,473

The cash flow statement should be read in conjunction with accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. Summary of significant accounting policies

Penrith Property Syndicate ("the Fund") is non-registered managed investment scheme. The financial report is a special purpose financial report which has been prepared for use by directors and investors of the Fund. The Directors have determined that the Fund is not a reporting entity because there are no users dependant on general purpose financial reports.

(a) Basis of preparation

The financial report has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards and significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of investors:

AASB 101: Presentation of financial statements
AASB 107: Cash Flow Statements
AASB 108: Accounting policies, changes in accounting estimates and errors
AASB 110: Events after the balance sheet date
AASB 1031: Materiality
AASB 1048: Interpretation and application of standards

Further, in accordance with ASIC Class Order CO 05/639, where practical the Fund applies the recognition and measurement criteria of all the Accounting Standards as if it were an eligible reporting entity. This ensures that the information presented in this report reflects a true and fair representation of the financial performance and position of the Fund.

The financial report has been prepared on the basis of fair value, except for investment properties which have been presented at cost. Cost is based on the fair values of the consideration given in exchange for assets.

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.

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 following is a summary of the material accounting policies adopted by the Syndicate in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented in these financial statements.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

1. Summary of significant accounting policies (continued)

(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 Syndicate 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.

(d) Financial instruments

(i) Classification
The Fund's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the responsible entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/derecognition
The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.
Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement
Financial assets and liabilities held at fair value through profit or loss
Financial assets and liabilities held at fair value through profit or loss are measured initially and subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise.

Loans and receivables
Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.
If evidence of impairment exists, an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

1. Summary of significant accounting policies (continued)

(e) Investment property

Investment property is 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. The fair value of investment property is 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 property is 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.

(f) 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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

1. Summary of significant accounting policies (continued)

(h) 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).

(i) 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.

(j) Investment Income

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 income
Income 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) Rental income
Rental income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

1. Summary of significant accounting policies (continued)

(k) 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.

2. Cash and Cash Equivalents

	30-Jun-2009	30-Jun-2008
	$	$
Cash at bank	103,630	54,473
	103,630	54,473

3. Other current assets

Prepaid interest	18,348	50,282
Prepaid other	-	10,117
	18,348	60,399

4. Investment property

Investment Property at cost (i)	7,677,634	7,677,634
Acquisition costs	2,259	2,259
Carrying Value	7,679,893	7,679,893
Fair Value of Investment Property (ii)		
598 High Street, Penrith	6,000,000	9,000,000
	6,000,000	9,000,000

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

4. Investment property (continued)

In assessing the value of the investment properties, the independent valuers have considered two basis of valuation being:

1. discounted cash flow; and
2. capitalisation approach.

The latest valuation was conducted by Landmark White on 6th July 2009.

5. Current trade and other payables

	30-Jun-2009	30-Jun-2008
	$	$
Trade and other payables	15,802	46,341
Accruals	3,215	2,855
	19,017	49,196

6. Other current liabilities

Income in advance	89	90
	89	90

7. Interest bearing liabilities

St. George Facility	3,725,000	3,725,000
Fully drawn Facility – St George	-	-
Total Secured Loans	3,725,000	3,725,000

8. Unitholders' Balances

Movement in unitholders' balances during the financial year were as follows:

Balance at the beginning of period	4,020,479	3,959,301
Profit / (loss) attributable to unitholders for the year	(1,276,722)	427,149
Distributions paid	(365,886)	(365,971)
Balance at the end of period	2,377,872	4,020,479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)

9. Finance Costs/Distributions to Unitholders

	30-Jun-2009 $	30-Jun-2008 $
Finance costs/distributions to unitholders were paid as follows:		
Total finance costs/distributions to unitholders	365,886	365,971

10. Notes to the Cash Flow Statement

(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:

	30-Jun-2009	30-Jun-2008
Cash and cash equivalents	103,630	54,473

(b) Reconciliation of profit for the period to net cash flows provided by operating activities

	30-Jun-2009	30-Jun-2008
Profit / (loss) attributable to unitholders	403,171	427,150
Changes in net assets and liabilities:		
(Increase)/decrease in assets		
Current receivables	-	-
Other current assets	42,050	(40,004)
Increase/(decrease) in liabilities		
Current payables and accruals	(30,179)	(67,764)
Other current liabilities	-	(67,606)
Net cash from operating activities	415,042	251,776

11. Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2009 and 30 June 2008.

12. Additional Information

Contact Information:

Austgrowth Property Syndicates Limited
A.C.N. 080 456 542

Austgrowth Property Syndicates Limited , an unlisted public company incorporated and operating in Australia is the Responsible Entity of the Fund. Austgrowth Property Syndicates Limited is a wholly owned member of the Australian Property Growth Fund Group.

Funds Branch Office:

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