

**HERSTON ROAD HOSPITAL CARPARK  
PROPERTY SYNDICATE  
ARSN 095 469 033**

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**Financial Report  
for the year ended  
30 June 2015**



**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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The directors of DDH Graham Limited the responsible entity of the Herston Road Hospital Carpark Property Syndicate ("the Syndicate") present the annual report of the Syndicate for the year ended 30 June 2015 and the auditor's report thereon.

The registered office and place of business of the responsible entity and the Syndicate is Level 9, 324 Queen Street, Brisbane.

**Information on Directors of the Responsible Entity**

The directors of DDH Graham Limited at any time during or since the end of the financial period are:

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<b>Name and qualifications</b>	<b>Age</b>	<b>Experience and special responsibilities</b>
<b>David D H Graham</b>		
Chairman Bachelor of Commerce Bachelor of Economics (Hons) Master of Business Administration Fellow of CPA Australia	73	Director since 1986. Extensive experience in financial advisory and trust management services.
<b>Peter B Lockhart</b>		
Joint Managing Director Bachelor of Economics Master of Business Administration	61	Director since 1988. Extensive experience in financial advisory and trust and superannuation management services. Member of Compliance Committee. Member of Audit Committee.
<b>Ugo C Di Girolamo</b>		
Joint Managing Director Associate Diploma in Business	53	Director since 2000. Over 27 years' experience in financial markets including 13 years in an executive money market role.

**Principal activities**

The Syndicate was established with the sole purpose of purchasing the leasehold property situated at Herston Road, Herston in the State of Queensland. This was completed with settlement on 23 June 1998.

The Syndicate did not have any employees during the year.

There has been no significant change in the activities of the Syndicate during the financial year.

**Significant Changes in the State of Affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the Syndicate that occurred during the year under review.

**Review of Results and Operations**

During the year the Syndicate continued to operate the hospital carpark located on Herston Road.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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The performance of the Syndicate, as represented by the results of its operations, was as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Net operating income before finance costs attributable to unitholders	1,062,216	1,250,569
Distributions paid and payable	1,294,000	1,461,000
Distributions (cents per unit)	12,940	14,610

**Subsequent Events**

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 Syndicate, the results of those operations, or the state of affairs of the Syndicate in the future financial years.

**Likely Developments and Expected Results of Operations**

The Syndicate will continue to investigate how best to optimize the use of its Investment Property. Members and other stakeholders will be informed as these matters are considered. At the date of this report it is business as normal.

Further information on likely developments in the operations of the Syndicate and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in unreasonable prejudice to the Syndicate.

**Environmental Regulation**

The Syndicate's operations were not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the directors believe that the Syndicate has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Syndicate.

**Distributions**

The cash distribution paid per participant interest for the year ended 30 June 2015 was \$12,940 (2014: \$14,610). Total cash distributions paid by the Syndicate during the year were \$1,294,000 (2014: \$1,461,000).

**Indemnification and Insurance of Officers and Auditors**

*Indemnification*

Under the Syndicate's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Syndicate's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Syndicate.

The Syndicate has not indemnified any auditor of the Syndicate.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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*Insurance Premiums*

During the year the Responsible Entity has paid premiums in respect of its officers for liability and legal expenses insurance contracts for the period ended 30 June 2015. The Responsible Entity has paid or agreed to pay in respect of the Syndicate, premiums in respect of such insurance contracts for the year ended 30 June 2016. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

**Fees Paid to and Interests Held in the Syndicate by the Responsible Entity or its Associates**

Fees paid to the Responsible Entity and its associates during the financial year are disclosed in Note 11 to the financial statements.

No fees were paid out of Syndicate property to the directors of the responsible entity during the period.

The number of interests held by the Responsible Entity or its associates are disclosed in Note 11 to the financial statements.

**Interests in the Syndicate**

The value of the Syndicate issued during the financial year, withdrawals from the syndicate during the financial year, and the number of interests in the Syndicate at the end of the financial year is disclosed in Note 9 to the financial statements.

**Assets**

The value of the Syndicate assets at 30 June 2015 is \$7,173,976 (2014: \$7,534,437). The basis of valuation of the investment assets is disclosed in Note 1 to the financial statements.


**Proceedings on Behalf of the Syndicate**

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity in relation to activities performed by the Syndicate. The Responsible Entity was not a party to any such proceedings on behalf of the Syndicate during the year.

**Auditor's Independence Declaration**

The Auditor's Independence Declaration under Section 307C of the Corporations Act is attached to this Financial Report on page 4.

Signed in accordance with a resolution of the directors of the DDH Graham Limited.



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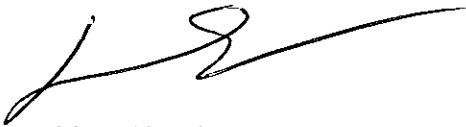
**P B Lockhart**  
Director  
DDH Graham Limited  
Responsible Entity  
Brisbane 17 September 2015

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF DDH GRAHAM LIMITED  
AS RESPONSIBLE ENTITY FOR  
HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, 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.

**PKF HACKETTS AUDIT**



**Liam Murphy**  
**Partner**

Brisbane, 17 October 2015

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
<b>Revenue</b>			
Gross Revenue		2,430,448	2,840,382
Interest Received		2,847	3,153
<b>Total Revenue</b>		<b>2,433,295</b>	<b>2,843,535</b>
<b>Expenses</b>			
Accounting Fees		2,500	1,900
Administration Expenses		14,717	14,900
Auditor's Remuneration	2	10,400	10,000
Auditor's Remuneration – Wilson Parking		1,642	1,319
Bank Charges		23,189	27,721
Borrowing Costs		-	19,229
Cleaning		12,532	12,000
Compliance Fees		6,500	6,500
Consultants		-	2,500
Finance Costs – Financial Institutions		364,881	465,835
Depreciation		284,654	291,911
Electricity		45,213	52,990
Filing Fees		1,184	1,150
Insurance		38,525	39,463
Labour & Associated Overheads		98,922	102,635
Legal Fees		(32)	29,120
Lift Expenses		19,232	20,883
Management Fee – DDH Graham Ltd		90,595	111,278
Management Fee – Wilson Parking		24,000	24,000
Marketing & Promotions		960	936
Printing & Stationery		5,349	5,756
Rates		29,186	28,623
Rent – Sub Lease from Queensland Health		201,000	201,000
Repairs & Maintenance		46,207	64,846
Security Expenses		13,369	16,298
Signs		1,016	44
Sundry Expenses		1,096	1,623
Supervision		18,456	18,000
Telephone Expenses		8,433	9,476
Tickets & Passcards		7,353	7,530
Valuation Expenses		-	3,500
<b>Total Expenses</b>		<b>1,371,079</b>	<b>1,592,966</b>
<b>NET PROFIT BEFORE PARTICIPANT DISTRIBUTIONS</b>		<b>1,062,216</b>	<b>1,250,569</b>
Finance Costs – Participants Distributions		1,294,000	1,461,000
<b>NET LOSS</b>		<b>(231,784)</b>	<b>(210,431)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Loss Attributable to Participants</b>		<b>(231,784)</b>	<b>(210,431)</b>

The accompanying notes form part of these financial statements.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
STATEMENT OF FINANCIAL POSITION  
AS AT THE YEAR ENDED 30 JUNE 2015**

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	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	134,668	140,825
Trade and other receivables	4	144,480	216,661
Prepayments	5	11,787	17,299
<b>TOTAL CURRENT ASSETS</b>		<b>290,935</b>	<b>374,785</b>
<b>NON-CURRENT ASSETS</b>			
Investment property	6	6,883,041	7,159,652
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,883,041</b>	<b>7,159,652</b>
<b>TOTAL ASSETS</b>		<b>7,173,976</b>	<b>7,534,437</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	106,900	109,577
Financial liabilities	8	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>106,900</b>	<b>109,577</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	8	7,530,000	7,656,000
Net assets attributable to participants		(462,924)	(231,140)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,067,076</b>	<b>7,424,860</b>
<b>TOTAL LIABILITIES</b>		<b>7,173,976</b>	<b>7,534,437</b>

The accompanying notes form part of these financial statements.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015**

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	Participants' Current Account	Participants' Capital Account	Total Net Assets Attributable to Participants'
<b>Balance at 30 June 2013</b>	<b>(4,845,746)</b>	<b>4,825,037</b>	<b>(20,709)</b>
Total comprehensive loss attributable to participants	(210,431)	-	(210,431)
<b>Balance at 30 June 2014</b>	<b>(5,056,177)</b>	<b>4,825,037</b>	<b>(231,140)</b>
Total comprehensive loss attributable to participants	(231,784)	-	(231,784)
<b>Balance at 30 June 2015</b>	<b>(5,287,961)</b>	<b>4,825,037</b>	<b>(462,924)</b>

The Syndicate's net assets attributable to participants are classified as a liability under *AASB 132 Financial Instruments: Presentation*.

The accompanying notes form part of these financial statements.



**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Interest received		2,847	3,153
Receipts from tenants		2,502,629	2,830,245
Payments of GST		(16,869)	(2,753)
Payments to suppliers/property creditors		(579,241)	(674,273)
Management fee		(118,732)	(134,703)
Interest & other net costs of finance		(368,748)	(455,921)
Cash distributions		(1,294,000)	(1,461,000)
<b>Net cash provided by operating activities</b>	12	<b>127,886</b>	<b>104,748</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for property plant & equipment		(8,043)	-
<b>Net cash used in investing activities</b>		<b>8,043</b>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(126,000)	-
<b>Net cash used in financing activities</b>		<b>126,000</b>	-
Net increase/(decrease) in cash held		(6,157)	104,748
Cash and cash equivalents at beginning of the year		140,825	36,077
<b>Cash and cash equivalents at end of the year</b>	3	<b>134,668</b>	<b>140,825</b>

The accompanying notes form part of these financial statements.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**Note 1 Basis of preparation and Significant Accounting Policies**

**Reporting Entity**

Herston Road Hospital Carpark Property Syndicate (Syndicate) is a registered managed investment scheme under the Corporations Act 2001, established and domiciled in Australia. This financial report of the Syndicate is for the year ended 30 June 2015.

The responsible entity of the Syndicate is DDH Graham Limited. The responsible entity's registered office and place of business is Level 9, 324 Queen Street Brisbane QLD 4000.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Responsible Entity on 17 September 2015.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Syndicate is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

All amounts are stated in Australian Currency.

**Statement of Compliance with IFRS**

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the Financial Statements comply with International Financial Reporting Standards ('IFRS').

**Changes in Accounting Policies**

The Syndicate has consistently applied the accounting policies set out below to all periods presented in these financial statements.

**Significant Accounting Policies**

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.

**(a) Income Tax**

The Syndicate operates as a partnership for income tax purposes and therefore there is no liability for taxation which needs to be reflected in the financial statements.

**(b) Investment Property**

Investment Properties which include land, buildings and integral plant and equipment have the function of an investment and are regarded as a composite asset. Under AASB 140: Investment Property, the cost method has been adopted for the purposes of accounting for the value of Syndicate property. As a result, regard must be had to the relevant provisions in AASB 116: Property, Plant & Equipment. Under AASB 116, each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of that item shall be depreciated separately.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**Note 1 Basis of preparation and Significant Accounting Policies (continued)**

**(b) Investment Property (continued)**

The depreciation charge for each period shall be recognised in the profit or loss over the item's useful life. Land has an unlimited useful life and is therefore not depreciated. However, buildings and integral plant and equipment have a limited useful life and are therefore depreciated.

In accordance with AASB 116: Property, Plant & Equipment expenses capitalised to properties include the cost of acquisition, additions, refurbishments, redevelopments and fees incurred.

The Syndicate Constitution requires that all property investments be valued at intervals of not more than three years. The latest valuation was undertaken as at 14 November 2013 and valued on a leased basis at \$22,750,000 exclusive of GST.

**(c) Depreciation**

The depreciable amount of investment property, including integral plant & equipment, is depreciated on a straight-line or diminishing value basis over the useful life of the property to the Syndicate commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.50% <i>Straight-Line</i>
Integral Plant & Equipment	10-40% <i>Diminishing Value</i>

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Impairment of Assets**

At each reporting date, the directors of the responsible entity review the carrying values of the Syndicates' assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell or value-in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to Statement of Profit or Loss and Other Comprehensive Income.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**Note 1 Basis of preparation and Significant Accounting Policies (continued)**

**(f) Revenue**

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest is recognised using the effective interest rate method.

**(g) Expenses**

All expenses, including management fees and responsible entity fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

**(h) Outgoing Recoveries**

Outgoings recovered represent the portion of property expenses that are recoverable from the tenants. Recoveries are recognised as revenue at the point in which the tenant becomes legally obliged to reimburse the Syndicate for the outgoings.

**(i) Distributions**

In accordance with the Constitution of the Syndicate and applicable taxation legislation, the Syndicate distributes its distributable income and any other amounts determined by the Responsible Entity, to participants by cash or reinvestment. The distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs attributable to participants.

Distributions paid are included in cash flows from financing activities in the Statement of Cash Flows.

**(j) Receivables**

Receivables include amounts for distributions, interest and other amounts owed to the Syndicate.

Distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of the last payment in accordance with the policy set out in note 1(e) above.

Amounts are generally received within 30 days of being recorded as receivables.

Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists an impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income as the difference between the assets carrying value and the present value of estimated future cash flows discounted at the original effective interest rate.

**(k) Payables**

Payables include liabilities and accrued expenses owing by the Syndicate which are unpaid as at balance date.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**Note 1 Basis of preparation and Significant Accounting Policies (continued)**

**(l) Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the financial instrument. A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires. A financial asset is derecognised with the contractual rights to the cash flows from the financial asset expire. All of the Syndicate's financial assets and financial liabilities meet the criteria to be measured at amortised cost using the effective interest rate method. The amortised cost of a financial asset or a financial liability is the amount initially recognized minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or non-collectability.

**(m) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(o) Equity**

The Syndicate does not have equity as defined in AASB 132 'Financial Instruments'. Participant's interests are classified as debt interest under this standard.

**(p) Use of Estimates and Judgement**

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. 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 and in future periods affected.

There were no key adjustments during the year arising from estimates and judgements.

**(q) New Accounting Standards and Interpretations not yet mandatory or early adopted**

The following standards and amendments to standards have been identified as those which may impact the Fund in the period of initial application. They are available for early adoption at 30 June 2015, but have not been applied in preparing these financial statements.

*AASB 9: Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. This standard is not applicable until 1 January 2017 but is available for early adoption.

The potential effects on adoption of the standard are yet to be determined.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1 Basis of preparation and Significant Accounting Policies (continued)**

**(q) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)**

AASB 15 Revenue from Contracts with Customers is effective from 1 January 2017 and will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The potential effects on adoption of the standard are yet to be determined.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2 Auditor's Remuneration</b>		
Remuneration of the auditor of the Syndicate for:		
Auditing or reviewing the financial report	6,900	6,600
Auditing of compliance plan	3,500	3,400
	<b>10,400</b>	<b>10,000</b>

**Note 3 Cash and Cash Equivalents**

Cash at bank	134,668	140,825
	<b>134,668</b>	<b>140,825</b>

Cash at the end of financial year as shown in cash flow statement is reconciled to items in the statement of financial position as follows

Cash and cash equivalents	134,668	140,825
	<b>134,668</b>	<b>140,825</b>

**Note 4 Trade and Other Receivables**

Rent Receivable	144,480	216,661
	<b>144,480</b>	<b>216,661</b>

Due to the short term nature of receivables, the carrying value is assumed to approximate the fair value.

Trade receivables are generally aged on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment.

As at 30 June 2015 and 30 June 2014 all trade receivables were within their 30 day payment terms.

During the year there was no impairment or movement in the provision for doubtful debts of trade receivables for the Syndicate (2014: Nil).

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5 Prepayments</b>		
Prepayments	11,787	17,299
	<b>11,787</b>	<b>17,299</b>

<b>Note 6 Investment Property</b>		
Investment property at cost	12,938,467	12,930,424
Less: accumulated depreciation	(6,055,426)	(5,770,772)
	<b>6,883,041</b>	<b>7,159,652</b>

The investment property is the Syndicate's interest in a sublease of land with the North Brisbane Hospitals Board expiring 29 June 2061 and improvements undertaken by the Syndicate. The land is leased to the North Brisbane Hospitals Board by way of a Special Lease from the Crown for the term of 75 years expiring 30 June 2061.

The investment property at Herston Road has a carrying value of \$6,883,041 (2014: \$7,159,652) under AIFRS, based on cost less accumulated depreciation calculated in accordance with AASB 116: Property, Plant & Equipment.

A valuation of the property was undertaken by Knight Frank Valuations Queensland on 14 November 2013 and assessed the value at \$22,750,000. This valuation was not brought to account as investment property is recorded at cost less accumulated depreciation and accumulated impairment losses as disclosed in Note 1(b). The directors estimate this represents fair value of the investment property.

Reconciliation of movements in investment property:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of year	7,159,652	7,451,563
Additions	8,043	-
Depreciation expense	(284,654)	(291,911)
Carrying amount at the end of year	<b>6,883,041</b>	<b>7,159,652</b>

**Note 7 Trade and Other Payables**

Trade payables	58,782	44,287
Accrued expenses	20,083	20,386
GST payable	28,035	44,904
	<b>106,900</b>	<b>109,577</b>

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 8 Financial Liabilities</b>		
<b>NON-CURRENT</b>		
Secured Loan – National Australia Bank Limited	7,530,000	7,656,000
	<b>7,530,000</b>	<b>7,656,000</b>

The total funding available under the facility is \$7,656,000 (30 June 2014: \$7,656,000). The value of the facility utilised at 30 June 2015 was \$7,530,000 (2014: \$7,656,000). The facility is secured by a registered first mortgage over the property situated at Herston Road, Herston and is due to expire on 28 February 2019.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 9 Participants Interests</b>		
<b>i) Participants' Capital Accounts</b>		
Participants Interests		
Represented by:		
Balance at beginning of year	4,825,037	4,825,037
Total participants interests at end of year	<b>4,825,037</b>	<b>4,825,037</b>
<b>ii) Participants' Current Accounts</b>		
Balance at beginning of year	(5,056,177)	(4,845,746)
Changes in net assets attributable to participants recognised in the statement of comprehensive income	(231,784)	(210,431)
Total participants interests at end of year	<b>(5,287,961)</b>	<b>(5,056,177)</b>
<b>iii) Total Participant Funds</b>		
Total participant funds at beginning of year	(231,140)	(20,709)
Changes in net assets attributable to participants recognised in the Statement of Profit or Loss and Other Comprehensive Income.	(231,784)	(210,431)
Total participant funds at end of year	<b>(462,924)</b>	<b>(231,140)</b>



**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
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**Note 9 Participants Interests (continued)**

The Syndicate's net assets attributable to participants' are classified as a liability under AASB 132.

Each participant holds voting rights corresponding to the respective portions of each Syndicate Member. Upon termination of the Syndicate, members shall receive a distribution of net proceeds.

**Capital Risk Management**

The Syndicate manages Participants Interests, which are treated as a liability under AIFRS, as capital. The Syndicate's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Syndicate may adjust the amount of distributions paid to participants, return capital to participants or issue new interests. During 2015, the Syndicate's capital management strategy was unchanged from 2014. The Syndicate is not subject to any external capital restrictions.

**Note 10 Contingent Assets and Liabilities and Commitments**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Operating lease commitments.		
Future minimum lease payments due on non-cancellable operating leases:		
Not later than one year	201,000	201,000
Later than one year but not later than five years	804,000	804,000
Later than 5 years	8,241,000	8,442,000
	<b>9,246,000</b>	<b>9,447,000</b>

The lease expires on 29 June 2061. There were no other contingent assets, liabilities or commitments at 30 June 2015.

**Note 11 Related Parties**

The Responsible Entity during the year was DDH Graham Ltd.

**Key Management Personnel**

Directors and Officers of DDH Graham Ltd are key management personnel of the company. The names of directors of DDH Graham Ltd during the year were Messrs DDH Graham, P Lockhart and U Di Girolamo.

Remuneration of the directors is paid directly by DDH Graham Limited. The directors are not provided with any remuneration by the Syndicate.

**Key Management Personnel Unitholding**

As at 30 June 2015, DDH Graham Limited or its directors or their personally-related entities held directly or indirectly nil interests in the Syndicate.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
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**Note 11 Related Parties (continued)**

**Responsible entity's fees and other transactions**

Under the terms of the Syndicate's Constitution, the Responsible Entity is entitled to receive a management fee and recover administrative and services costs incurred on behalf of the Syndicate. Details of these transactions are as follows inclusive of non-recoverable goods and services tax from the ATO on such expenditure.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Management fee	<b>90,595</b>	<b>111,278</b>

**Note 12 Cash Flow Information**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of Operating Loss to net cash from Operating Activities</b>		
Net loss	(231,784)	(210,431)
<b>Non-cash flows in profit</b>		
Depreciation	284,654	291,911
<b>Change in assets and liabilities during the year:</b>		
(Decrease)/increase in trade and other receivables	72,181	(10,137)
(Decrease)/increase in prepayments	5,512	(504)
(Increase)/decrease in trade and other payables	(2,677)	33,909
<b>Net cash provided by operating activities</b>	<b>127,886</b>	<b>104,748</b>

**Note 13 Financial Instruments**

The Syndicate's principal financial instruments comprise receivables, payables, bank borrowings, and cash and cash equivalents.

The Syndicate manages its exposure to key financial risks, including interest rate risk in accordance with the Syndicate's financial risk management policy. The objective of the policy is to support the delivery of the Syndicate's financial targets whilst protecting future financial security.

The main risks arising from the Syndicate's financial instruments are interest rate risk, credit risk and liquidity risk. The Syndicate uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices.

Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

During the year responsibility for identification and control of financial risks rests with the directors of DDH Graham Limited as the Responsible Entity.

**Credit Risk**

Credit risk arises from cash and cash equivalents, and amounts owing classified as receivables. The maximum exposure to credit risk at balance date is the carrying value of such financial assets. None of these assets are impaired nor past due.

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
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**Note 13 Financial Instruments (continued)**

**Credit Risk (continued)**

The Syndicate does not have any significant risk exposure to a single counterparty or any group of related counterparties. The nature of the Syndicate's activities causes such credit risk exposure to be limited and is therefore considered immaterial.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will affect the Syndicate's income or the value of its obligations and arises on floating debt rate. The Syndicate's exposure to market interest rates relates primarily to the Syndicate's debt obligations. The level of debt is disclosed in Note 8.

At balance date, the Syndicate had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets:</b>		
Cash and cash equivalents	134,668	140,825
<b>Financial Liabilities</b>		
Loan Facility – variable rate	7,530,000	7,656,000
	<b>7,530,000</b>	<b>7,656,000</b>

At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post profit and equity would have been affected as follows:

	<b>Post Tax Profit</b>		<b>Equity</b>	
	<b>Higher/(Lower)</b>		<b>Higher/(Lower)</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
+1.00% (100 basis points)	(73,892)	(75,152)	(73,892)	(75,152)
-1.00% (100 basis points)	73,892	75,152	73,892	75,152

**Liquidity Risk**

The table below reflects the contractual maturity of financial liabilities where the respective undiscounted cash flows for the respective upcoming fiscal years are presented:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
6 months or less	286,689	352,509
6 months – 12 months	180,394	187,895
1 – 2 years	368,717	375,791
2 – 5 years	8,267,434	8,351,581
	<b>9,103,234</b>	<b>9,267,776</b>

**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 14 Segment Reporting**

The Syndicate operates in the property investment industry and all assets are located in Australia. Operating segments have been determined on the basis of reports reviewed by the Directors of the Responsible Entity (who are identified as the chief operating decision makers). The financial results from this reportable segment are equivalent to the financial statements of the Syndicate as a whole.

**Note 15 Compliance Committee Remuneration**

At balance date Mr A Fraser and Mr P Short were external members of the Compliance Committee and have received remuneration as prescribed by the Syndicate Constitution as an annual fee as set out in the statement of comprehensive income. The fee is paid by the Syndicate.

**Note 16 Additional Information**

The Syndicate was due to terminate 12 years from the date the contract to purchase the property was executed. Participants, in accordance with the Constitution agreed to extend the termination date of the Syndicate to 23 June 2022.

Information in respect of Participant's interests in the Syndicate is as follows:

Nature of Interest	Per Participant's Interest	
	2015	2014
	\$	\$
Share of Net Assets	(4,630)	(2,311)
Gross Receipts	24,304	28,435
Distributions Paid to Participants	12,940	14,610

A participant Interest is a reference to 1/100 share in the Syndicate (or a \$50,000 investment).

**Registered Office**

At the date of this report, the Syndicate's Registered Office is Level 9, 324 Queen Street, Brisbane QLD 4000.

**Principal Place of Business**

At the date of this report, the Syndicate's Principal Place of Business is Level 9, 324 Queen Street, Brisbane QLD 4000.

**Note 17 Subsequent Events**

There has not arisen in the interval between the end of the financial year and the date of this Report not otherwise disclosed elsewhere in the financial statements, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Responsible Entity, to affect significantly the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future years.

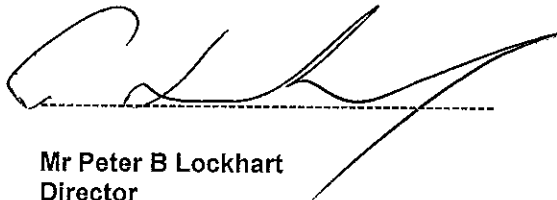
**HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
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FOR THE YEAR ENDED 30 JUNE 2015**

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In the opinion of the directors of DDH Graham Limited, the responsible entity of the Herston Road Hospital Carpark Property Syndicate:

1. The financial statements and notes of the Syndicate, set out on pages 5 to 19, are in accordance with the Corporations Act 2001, including:
  - (a) give a true and fair view of the Syndicate's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
  - (b) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
3. There are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.
4. The financial statements and notes of the Syndicate, set out on pages 5 to 19, are in accordance with the provisions of the Constitution of the Syndicate.

This declaration is made in accordance with a resolution of the directors.



**Mr Peter B Lockhart  
Director  
DDH Graham Limited  
Responsible Entity  
17 September 2015**

**INDEPENDENT AUDITOR'S REPORT TO  
DDH GRAHAM LIMITED AS RESPONSIBLE ENTITY FOR  
HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE**

**Report on the Financial Report**

We have audited the accompanying financial report of Herston Road Hospital Carpark Property Syndicate ("the Syndicate"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

*Directors' Responsibility for the Financial Report*

The Directors of the responsible entity of the Syndicate are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 syndicate's preparation of the financial report that gives a true and fair view 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 syndicate's 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.

*Independence*

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

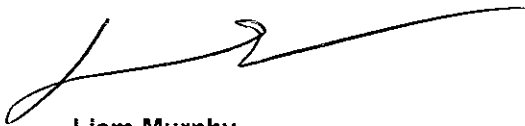
**INDEPENDENT AUDITOR'S REPORT TO  
DDH GRAHAM LIMITED AS RESPONSIBLE ENTITY FOR  
HERSTON ROAD HOSPITAL CARPARK PROPERTY SYNDICATE  
(continued)**

*Opinion*

In our opinion:

- a) the financial report of Herston Road Hospital Carpark Property Syndicate is in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the syndicate's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**PKF HACKETTS AUDIT**



**Liam Murphy**  
**Partner**

Brisbane, 17 September 2015