

This is Annexure A, of 25 pages referred to in Form 388 "Annual Reports"



Ilan Zimmerman
Director/Company Secretary

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Directors' Report

The directors submit their report together with the financial statements for the Residential-Plus Growth Company Limited (the "Company"), for the year ended 30 June 2011 and the independent auditor's report thereon.

Directors

The names and details of directors in office since the start of the financial year and until the date of this report are as follows:

Directors	Qualifications	Experience
John McMurdo Executive Director Appointed 19 November 2010 Resigned 8 July 2011	MBA	Former Managing Director of AMP's Hillross Financial Services Limited. He was previously head of AMP's life insurance business and marketing in New Zealand, and before that held senior positions in strategy, marketing and commercial banking with Bank of New Zealand and National Australia Bank coupled with several senior management roles in Bank of New Zealand and National Australia Bank
Joel Thickers Non-Executive Director Appointed 30 June 2009 Resigned 22 November 2010	MBA, B Comm (Hons)	Associate Director of CHAMP and former Vice President of Dyno Nobel Limited
Geoff Scott Finance Director/Executive Director Appointed 30 June 2009 Resigned 8 July 2011	MBA, B Comm	40 years of experience across a broad range of roles in financial services, investment and resources. He has had senior financial, investment and strategy roles in leading organisations
Philip Kelly Executive Chairman/Non-Executive Director Appointed 16 September 2009 Resigned 8 July 2011	AICD, B.A (Hons) (Econ),	Over 35 years experience in the Australian financial services industry, primarily in private equity and institutional investment management, retirement fund administration and retail distribution of financial services
Mr. Ilan Zimmerman Executive Director Appointed 8 July 2011	MBA, BA/LLB Diploma (Corporate Governance)	In-house lawyer of Centric Wealth Limited for the past five years
Mr. Gregory Dunger Executive Director Appointed 8 July 2011	Graduate Diploma, AICD General Managers Program (AGSM) Diploma of Management	Mr Dunger brings with him over 30 years of experience in the financial services industry in Australia and has also held positions in Asia and the UK. From 2006-2009, Mr Dunger was the Managing Director of RetireInvest. Previous to this, he was the Managing Director of AON Financial Planning & AON Wealth Management. More recently, Mr Dunger worked as a consultant at AMP, establishing the blueprint for its newly created Financial Centre.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Directors' Report (continued)

Directors (continued)

Directors	Qualifications	Experience
Mr. Barry Zuckerman Non-Executive Director Appointed 8 July 2011	B Comm Chartered Accountant	He has extensive experience with acquisitions, due diligence, structuring, listed reporting and accounting for mortgage, property, equity trusts (both retail and wholesale), taxation and compliance. His funds management industry experience was initially with the Howard Group, and subsequently with Challenger International Limited ("Challenger"), both listed ASX companies. He was the CFO and a member of the Executive Committee of Challenger and played a significant role in the emergence of Challenger from a niche investment bank into a top 100 listed business. Prior to that, Mr Zuckerman gained professional experience with Ernst & Young and PricewaterhouseCoopers in audit and in information systems. Mr Zuckerman received an AVCAL Outstanding Service award for disclosure guidelines in 2004 and won the AVCAL award for Excellence in Investor Reporting in 2009, 2010 and 2011.

No fees were paid to directors during the year.

Principal Activities

The principal activity of Residential-Plus Growth Company Limited during the year was to manage and monitor its investments in the Epping Rail Link (ERL) Residential Property Trust and Perth Rail Link (PRL) Property Trust.

The Company did not have any employees during the year.

There were no significant changes in the nature of the Company's principal activity during the financial year.

Operating Results and Review of Operations

The operating profit of the Company for the year after providing for income tax was \$783,944 (2010: \$335,850 loss restated). The result reflects expenses for the year and reimbursement of expenses previously incurred by the Manager, Specialised Private Capital Limited ("SPC"), on behalf of the Company and interest capitalised on the loan.

An error in the prior year was identified and a correction was made. The error relates to trade creditors with offsetting amounts to accumulated losses. This error arises from expenses incurred by SPC, but not recognised by the Company in prior periods (refer to Note 19 of the financial statements for further information).

As at 30 June 2011, \$0.955 cents had been called from shareholders on 16,163,100 \$1.00 ordinary shares.

ERL Residential Property Trust as at 30 June 2011 had called all amounts from 11,550,000 \$1.00 ordinary units issued and unit holders of ERL Residential Property Trust have drawn down the debt facility by \$7,654,773 as at 30 June 2011. The Company's portion of this debt facility is \$2,582,970. The debt facility has a limit of \$9,000,000 and is secured over the properties held by ERL Residential Property Trust.

PRL Property Trust as at 30 June 2011 had called \$0.8167 from 4,200,000 \$1.00 ordinary units issued to the Company.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Directors' Report (continued)

Events Subsequent to Reporting Date

The Company paid an interim distribution of \$0.0668 per unit for the 2011-2012 financial year in September 2011.

Other than as disclosed above and at Note 8 no other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Significant Changes in State of Affairs

On 27 July 2011, the trustee of the ERL Residential Property Trust entered into a debt restructuring agreement on the debt facility with all the unitholders in the ERL Residential Property Trust. The important terms of the debt restructuring agreement include:

- The debt facility is reduced from \$35,000,000 to \$9,000,000;
- There is no interest capitalisation and no redraws; and
- The facility is to be extended to 30 June 2012.

No other significant changes occurred in the Company's state of affairs during the financial year.

Dividends Paid

No dividends were paid or declared for payment by the Company for the year ended 30 June 2011 (2010: Nil).

Likely Developments

Information on likely developments and expected results of the Company's operations have not been included as, in the opinion of directors, the provision of such information may prejudice the interests of the Company.

Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Meetings of Directors

During the financial year, meetings of directors were held. Attendances were:

	Directors Meetings	
	Number eligible to attend	Number Attended
Joel Thickins	1	0
Philip Kelly	3	3
Geoff Scott	3	3
John McMurdo	2	2

Indemnities and Insurance Premiums for Officers and Auditors

The Company has executed deeds of indemnity for each of the directors which indemnify them to the extent permitted by sections 199A, 199B and 199C of the *Corporations Act 2001*.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred while acting in the capacity of director other than conduct involving a wilful breach of duty in relation to the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not indemnified the auditor of the Company.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Directors' Report (continued)

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the year and there were no options outstanding at the date of this report.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance

The executive directors are Ilan Zimmerman and Gregory Dunger, while Barry Zuckerman is the non-executive director.

No fees are currently paid to directors from the Company.

The non-executive directors have the right to seek independent professional advice in the furtherance of their duties as directors of the Company at the Company's expense subsequent to the Chairman's approval.

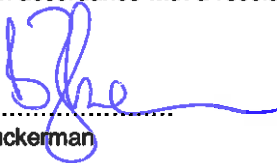
The Company's policy regarding directors trading in its securities is set by the Investment Committee. The policy restricts directors and employees from acting on material information.

The Board of Residential-Plus Growth Company Limited approved the formation of a Compliance Committee to ensure compliance with the Company's systems and procedures as outlined in its Compliance Plan. The Compliance Committee comprises three members, two of whom are external to the Company. The Committee is committed to meet at least four times a year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.



.....
Barry Zuckerman
Director

Dated in Sydney, this 1st day of December 2011

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Sydney NSW 2000

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**Auditor's Independence Declaration
to the Directors of Residential-Plus Growth Company Limited**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Residential-Plus Growth Company Limited for the year ended 30 June 2011, 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.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 1st day of December 2011

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	30 June 2011 \$	30 June 2010 \$ (Restated)
Revenue	2	1,166,199	-
Borrowing costs		-	(286,128)
Administrative and general expenses	3	<u>(227,956)</u>	<u>(193,658)</u>
Profit/(loss) from ordinary activities before income tax benefit		<u>938,243</u>	<u>(479,786)</u>
Income tax (expense)/benefit relating to ordinary activities	4(a)	<u>(154,299)</u>	<u>143,936</u>
Net profit/(loss) after income tax		<u>783,944</u>	<u>(335,850)</u>
Other comprehensive (loss)/income for the year (Devaluation)/revaluation of available for sale investments		<u>(157,686)</u>	<u>45,876</u>
Total comprehensive income/(loss) for the year		<u>626,258</u>	<u>(289,974)</u>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30 June 2011 \$	30 June 2010 \$ (Restated)	1 July 2009 \$ (Restated)
Assets				
Cash and cash equivalents	10(a)	619,555	162,060	160,551
Trade and other receivables	5	85,429	40,248	41,948
Deferred tax assets	4(b)	1,974,218	2,060,938	1,936,661
Financial assets	6	11,899,158	13,576,255	16,351,725
Total assets		14,578,360	15,839,501	18,490,885
Liabilities				
Trade and other payables	7	602,419	1,037,987	844,521
Financial liabilities	8	2,582,970	4,034,801	6,589,677
Total liabilities		3,185,389	5,072,788	7,434,198
Net assets		11,392,971	10,766,713	11,056,687
Equity				
Issued capital	9	15,567,418	15,567,418	15,567,418
Reserves		(1,749,250)	(1,591,564)	(1,637,440)
Accumulated losses		(2,425,197)	(3,209,141)	(2,873,291)
		11,392,971	10,766,713	11,056,687

The Statement of Financial Position should be read in conjunction with the accompanying notes.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Issued Capital	Accumulated	Asset	Total
	\$	Losses	Revaluation	\$
		\$	Reserve	
			\$	
Balance at 1 July 2009 (as previously stated)	15,567,418	(2,622,614)	(1,637,440)	11,307,364
Correction of prior period error (Note 19)	-	(250,677)	-	(250,677)
Balance at 1 July 2009 (as restated)	15,567,418	(2,873,291)	(1,637,440)	11,056,687
Loss after income tax for the year (restated)	-	(335,850)	-	(335,850)
Revaluation of financial assets	-	-	45,876	45,876
Sub-total	-	(335,850)	45,876	(289,974)
Balance at 30 June 2010 (as restated)	15,567,418	(3,209,141)	(1,591,564)	10,766,713
Profit after income tax for the year	-	783,944	-	783,944
Devaluation of financial assets	-	-	(157,686)	(157,686)
Sub-total	-	783,944	(157,686)	626,258
Balance at 30 June 2011	15,567,418	(2,425,197)	(1,749,250)	11,392,971

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Payment to suppliers		(708,704)	(191)
Trust distribution received		1,155,000	-
Interest received		11,199	-
Net cash provided by/(used in) operating activities	10(b)	457,495	(191)
Cash flows from Investing activities			
Purchases of investments		(321,600)	-
Proceeds from sale of investments		1,773,431	-
Net cash provided by investing activities		1,451,831	-
Cash flows from financing activities			
Proceeds from call units		-	1,700
Repayment of debt facility		(1,451,831)	-
Net cash (used In)/provided by financing activities		(1,451,831)	1,700
Net Increase In cash and cash equivalents		457,495	1,509
Cash at beginning of the year		162,060	160,551
Cash at end of the year	10(a)	619,555	162,060

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Residential-Plus Growth Company Limited ("the Company") as an individual entity. The Company is an unlisted public company incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Australian Accounting Interpretations and the *Corporations Act 2001* in Australia.

The financial statements have been approved for release by the Board of Directors on 1st December 2011.

The financial statements are prepared on an accruals basis and are based on historical costs, modified where applicable by the fair value of financial assets and financial liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

Financial Instruments

The Company has elected to early adopt "AASB 9 - Financial instruments", which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets. These requirements improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of AASB 139.

Investments which were previously classified as available-for-sale financial assets and held to maturity financial assets are now classified as financial assets at fair value through other comprehensive income.

Investments continue to be valued at fair value with changes in value being recognised in the asset revaluation reserve. Consequently adoption of AASB 9 has no effect on the valuation of the Company's net assets.

Under AASB 9 there is no recycling of the realised gains and losses to the Statement of Comprehensive Income as was previously required by AASB 139. There is also no requirement to test the Company's investments for impairment and so there is no transfer of unrealised impairment losses from the asset revaluation reserve to the Statement of Comprehensive Income.

The transition provisions within AASB 9 require the standard to be applied retrospectively but it shall not be applied to investments that were disposed of prior to the initial application date. The Company has adopted AASB 9 with effect from 1 July 2010. The Company had not recognised impairment losses on any of its investments as at 30 June 2010 and as such the comparatives do not have to be restated to conform to the provisions of AASB 9.

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

(a) Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Income Tax (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(b) Financial Instruments

Recognition and measurement

Financial assets consist of units in unlisted unit trusts comprising the ERL Residential Property Trust and the PRL Property Trust. Investments are initially brought to account at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, the investments are measured as set out below:

The directors have determined that the investments in ERL Residential Property Trust and PRL Property Trust be classified as financial assets through other comprehensive income. Unrealised gains and losses arising from changes in fair value are taken directly to the asset revaluation reserve.

As at 30 June 2011, the directors have valued this investment in accordance with the audited net assets of the ERL Residential Property Trust and PRL Property Trust as at 30 June 2011. Given the nature of the Company and its investment, the directors consider this a fair and reasonable basis of valuation.

The carrying amount of investments is reviewed regularly by the directors to ensure that they are not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the underlying net assets in the particular entities. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amount.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Other Comprehensive Income.

(c) Trade and Other Receivables

Trade and other receivables may include amounts for dividends, interest, trust distributions and securities sold where settlement has not yet occurred. Amounts are generally received within 30 days of being recorded as trade and other receivables.

(d) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Unit trust distribution revenue is recognised when the right to receive a distribution has been established.

All revenue is stated net of the amount of goods and services tax.

(e) Goods and Services Tax ("GST")

The Company qualifies for Reduced Income Tax Credits at a rate of 75% hence management fees, custodian fees and other expenses have been included in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Tax Office ("ATO").

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. 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.

The net amount of GST recoverable from or payable to the ATO is included as an asset or liability in the Statement of Financial Position. 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdraft.

(g) Trade and Other Payables

Trade and other payables include liabilities and accrued expenses owing by the Company which are unpaid as at the end of the reporting period.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Going Concern

Notwithstanding the Company's commitments (refer to Note 13 of this report) the financial statements have been prepared on a going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from the management Company, Specialised Private Capital Limited, to allow the Company to meet its liabilities. Subject to further approval from the directors of Specialised Private Capital Limited, such financial support will continue to be made available.

(l) Comparatives

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items or reclassified items, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

(j) Critical Accounting Estimates and Judgements

The directors of the Company evaluate estimates and judgments based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

There are no critical estimates and judgements.

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

(i) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Company's financial statements.

(ii) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Company's disclosures. The Company intends to apply the amendment from 1 July 2011.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) New accounting standards and interpretations (continued)

- (iii) *Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 January 2011)*

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Company does not expect that any adjustments will be necessary as the result of applying the revised rules.

- (iv) *International Financial Reporting Standards (IFRS) 13 Fair value measurement (effective 1 January 2013)*

IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The Company has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Company does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

- (v) *AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective for annual reporting periods beginning on or after 1 July 2013)*

The Company does not expect that any adjustments will be necessary as the result of applying the revised rules.

2011	2010
\$	\$
	Restated

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

Interest revenue	11,199	-
Trust distribution	1,155,000	-
	1,166,199	-

NOTE 3: EXPENSES FROM ORDINARY ACTIVITIES

Management fees	83,152	107,161
Expense recoveries	98,500	65,807
Audit fees	46,180	20,500
Other expenses	124	190
	227,956	193,658

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$ Restated
NOTE 4: INCOME TAX (EXPENSE)/BENEFIT		
(a) Income Tax (Expense)/Benefit		
The prima facie income tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows		
Prima facie tax (expense)/benefit on profit/(loss) from ordinary activities before income tax at 30% (2010: 30%)	(154,299)	143,936
	(154,299)	143,936
The components of tax (expense)/benefit comprise:		
Deferred tax	(154,299)	143,936
	(154,299)	143,936
(b) Deferred tax assets		
Losses carried forward	1,906,639	2,080,598
Fair value change of available for sale investments	67,579	(19,660)
	1,974,218	2,060,938
Movements in deferred tax assets		
Balance at the beginning of the year	2,060,938	1,936,662
Charges to Equity	67,579	(19,660)
Charges to the Statement of Comprehensive Income	(154,299)	143,936
At reporting date	1,974,218	2,060,938

NOTE 5: TRADE AND OTHER RECEIVABLES

Applications receivable	40,245	40,245
Other debtors	45,184	3
	85,429	40,248

Trade and other receivables are unsecured and non-interest bearing.

NOTE 6: FINANCIAL ASSETS

Available-for-sale:		
Unlisted investments at fair value	11,899,158	13,576,255

Unlisted investments consist of units in the ERL Residential Property Trust and the PRL Property Trust.

The directors have determined that the ERL Residential Property Trust and the PRL Property Trust are not subsidiaries or associates of the Company, as they do not have control or significant influence over the financial and operating policies of these Trusts. As such, the investments in both Trusts are not consolidated or equity accounted.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 6: FINANCIAL ASSETS (CONTINUED)

The Company does not participate in the trusts' management. The Company does not hold board or investment committee representation on either the ERL Residential Property Trust or the PRL Property Trust and does not intend to in the future. The relationship with each is as financial investor only.

No impairment loss (2010: Nil) has been recognised for the Company's investment in PRL Property Trust as at 30 June 2011.

No impairment loss (2010: nil) has been recognised for the Company's investment in ERL Residential Property Trust as at 30 June 2011.

	2011	2010
	\$	\$
		Restated

NOTE 7: TRADE AND OTHER PAYABLES

Management fees payable	20,801	526,457
Expense recoveries payable	581,618	511,530
	602,419	1,037,987

Sundry creditors and accruals are unsecured and non-interest bearing.

NOTE 8: FINANCIAL LIABILITIES

Loan - secured	2,582,970	4,034,801
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The trustee of the ERL Residential Property Trust has entered into a \$9,000,000 debt facility with all the unit holders in the ERL Residential Property Trust. As at 30 June 2011, \$7,654,773 had been drawn down by the Trust (inclusive of capitalised interest), of which \$2,582,970 is attributable to the Company, representing 32.85% of the loan, being the ownership interest by the Company in the Trust.

On 27 July 2011, the trustee of the ERL Residential Property Trust entered into a debt restructuring agreement on the debt facility with all the unitholders in the ERL Residential Property Trust. The important terms of the debt restructuring agreement include:

- The debt facility is reduced from \$35,000,000 to \$9,000,000;
- There is no interest capitalisation and no redraws; and
- The facility is to be extended to 30 June 2012.

Security for the facility is a registered first mortgage over each of the property assets of the ERL Residential Property Trust.

The Company is not exposed to any loss beyond the potential loss of its investment in the ERL Residential Property Trusts, including uncalled capital of \$0.1833 per unit for the PRL Property Trust, totalling \$770,000.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: ISSUED CAPITAL

Movements in issued capital during the year were as follows:

	2011 No.	2011 \$	2010 No.	2010 \$
Ordinary Shares	16,163,000	15,566,418	16,163,000	15,566,418
B Class Shares	100	<u>1,000</u>	100	<u>1,000</u>
Total Contributed Equity		<u>15,567,418</u>		<u>15,567,418</u>

For the year ended 30 June 2011, no further call was made on shareholders.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Refer to Note 12(f) for further information in relation to B Class shares.

NOTE 10: CASH FLOW INFORMATION

	2011 \$	2010 \$ Restated
(a) Cash and cash equivalents		
Cash at bank	<u>619,555</u>	<u>162,060</u>
The weighted average interest rate of the cash at bank as at 30 June 2011 is 3.61% (2010: 0%).		
(b) Reconciliation of Cash Flow from Operations with Net Profit/(Loss) after Income Tax		
Operating profit/(loss) after income tax	783,944	(335,850)
Non-cash flows in loss for the year:		
Interest capitalised on debt facility	-	286,128
Income tax benefit	154,299	(124,194)
Changes in assets and liabilities:		
Increase in receivables	(45,181)	-
(Decrease)/increase in payables	<u>(435,567)</u>	<u>173,725</u>
Net cash flows provided by/(used in) operating activities	<u>457,495</u>	<u>(191)</u>

NOTE 11: FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives, Policies and Procedures

The Company's accounting policies are included in Note 1, while the terms and conditions, including the effective weighted average rates, of each class of financial assets, each financial liability and equity instrument, both recognised and unrecognised at the end of the reporting period where applicable, are included under the appropriate note for that instrument.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The Company's credit risk exposures arise from its cash at bank and trade and other receivables.

The credit risk on financial assets, excluding investments and deferred tax assets, which have been recognised in the Statement of Financial Position is the carrying amount of these assets. The Company is not exposed to any individual credit risk.

All trade and other receivables are neither impaired nor overdue.

Credit risk related to balances with banks is managed by the Board in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash at bank based on Standard and Poor's counterparty credit ratings:

	2011 \$	2010 \$
Cash at bank:		
- AA rated	619,555	162,060

(c) Liquidity and Cash Flow Risks

Liquidity risk is the risk that the Company will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flow derived from holding financial instruments will fluctuate. The risk is managed by the Company by monitoring forecast cash flows and ensuring that adequate calls on fund are obtained and support from the Manager is maintained.

Financial liabilities of the Company comprise trade and other payables, distributions payable and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

(i) Currency Risk

The Company is exposed to currency risk on financial instruments, receivables and liabilities that are denominated in a currency other than the respective functional currency (Australian Dollars) of the Company.

The Company had no significant exposure to currency risk during the year ended 30 June 2011.

(ii) Interest Rate Risk

The majority of the Company's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Company are maintained in interest bearing bank accounts or invested in short-term deposits with the term to maturity of up to three or six months.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market Risk (continued)

(ii) Interest Rate Risk (continued)

The following table demonstrates the sensitivity of the Company's Statement of Comprehensive Income to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the Statement of Comprehensive Income is the effect of the assumed changes in interest rates on the interest expense for one year, based on the floating rate financial liabilities held at 30 June 2011.

Interest rate	Change in variable %	Operating loss before finance costs/Total equity \$
2011		
Interest rate risk	1%/-1%	25,830/(25,830)
2010		
Interest rate risk	1%/-1%	(40,348)/40,348

(iii) Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

Equity price risk exposure arises from the Company's investment portfolio. The Company has only two investments being ERL Residential Property Trust and PRL Property Trust.

This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

There is no effect on the net operating result as unrealised gains and losses arising from changes in fair value are taken directly to the Asset Revaluation Reserve. The net effect on total equity as a result of changes in the equity price with all other variables remaining constant would be as follows:

	Index	Change in %	Total equity \$
2011			
Equity price risk	ASX 300	10%/-10%	1,189,916/(1,189,916)
2010			
Equity price risk	ASX 300	10%/-10%	1,357,626/(1,357,626)

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair Value of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The table below presents the Company's assets measured and recognised at fair value at 30 June 2011 by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 30 June 2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets through other comprehensive income</i>				
Unlisted investments	-	11,899,158	-	11,899,158
	-	11,899,158	-	11,899,158
At 30 June 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets through other comprehensive income</i>				
Unlisted investments	-	13,576,255	-	13,576,255
	-	13,576,255	-	13,576,255

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These financial instruments are included in Level 2. The Company's available for sale investments are measured under this category.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(f) Maturity Table

The maturity of the loan disclosed under Note 8 is 30 June 2012.

NOTE 12: RELATED PARTY TRANSACTIONS

(a) Manager of the Company

The Manager of the Residential-Plus Growth Company Limited is Specialised Private Capital Limited. Specialised Private Capital Limited is 100% owned by Centric Wealth Enterprises Limited.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Directors and Other Director-Related Entities

The names of each person holding position of director during the financial year were:

<i>Name</i>	<i>Position</i>	<i>Period of Directorship</i>
Mr. John McMurdo	Executive Director	Appointed 19 November 2010 Resigned 8 July 2011
Mr. Joel Thickins	Non-Executive Director	Appointed 30 June 2009 Resigned 22 November 2010
Mr. Geoff Scott	Finance Director/Executive Director	Appointed 30 June 2009 Resigned 8 July 2011
Mr. Philip Kelly	Executive Chairman/Non-Executive Director	Appointed 16 September 2009 Resigned 8 July 2011
Mr. Ilan Zimmerman	Executive Director	Appointed 8 July 2011
Mr. Gregory Dunger	Executive Director	Appointed 8 July 2011
Mr. Barry Zuckerman	Non-Executive Director	Appointed 8 July 2011

(c) Other Key Management Personnel

There are no other key management personnel of the Company.

(d) Management Fees and Other Transactions

The directors of the Company are also directors of the Manager. A Management Agreement was signed between the companies on 28 March 2002 whereby the Manager was appointed to provide operational management services to the Company. These agreements are based upon normal terms and conditions. The following fees (after taking into account Reduced Input Tax Credits) have been incurred by the Company during the period:

	2011 \$	2010 \$ Restated
Management fees	83,152	107,161
Expense recoveries	98,500	65,807
	<u>181,652</u>	<u>172,968</u>

The amounts due and payable at 30 June 2011 to the Manager in accordance with the Company Constitution were:

	2011 \$	2010 \$ Restated
Management fees	20,801	526,457
Expense recoveries	581,618	511,530
	<u>602,419</u>	<u>1,037,987</u>

Specialised Private Capital Limited (SPC) is entitled to interest on unpaid fees and expenses at the rate of 5% per annum calculated at the end of each month on any unpaid balance. SPC did not charge interest in 2011 (2010: nil).

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Remuneration of Key Management Personnel

The directors of the Company did not receive any remuneration, superannuation or retirement benefits from the Company since the beginning or the end of the financial year.

During the year ended 30 June 2011, no director, both executive and non-executive, received any remuneration either directly or indirectly from Specialised Private Capital Limited and its related parties.

(f) Interests in the Shares of the Company

Ordinary Shares

The directors and their director-related entities have no direct, indirect or beneficial holdings in the shares of the Company as at 30 June 2011, other than the Manager, Specialised Private Capital Limited, which holds 100 ordinary shares paid to \$1.00.

The 100 ordinary shares owned by the Manager represent the initial issue of shares by the Company upon registration.

B Class Shares

The Manager holds 10 B class shares fully paid to \$10.00. 76 B Class shares are held by Centric Wealth Enterprises Limited.

As disclosed in the Company's Constitution, the B Class shares entitles the owners to 20% of the internal rate of return in excess of the performance benchmark if the gross return of the Company's investments exceeds the greater of:

- 1 The S&P / ASX 300 Listed Property Trust Accumulation Index; or
- 2 10%; or
- 3 The average of the 90 Day Bank Bill Rate.

(g) Other Transactions of Directors and Director-Related Entities

Apart from those detailed in this Note, no directors have entered into a contract for services with the Company and there were no contracts involving directors subsisting at year end.

All transactions with related parties are conducted on normal commercial terms and conditions.

The Company has no investment in Specialised Private Capital Limited or its related parties.

There have been no transactions with other Funds that Specialised Private Capital Limited acts as Responsible Entity for.

(h) Loans

The Company has not made, guaranteed or secured, directly or indirectly, any loans to the directors or their personally related entities at any time during the reporting period.

NOTE 13: COMMITMENTS

The Company has committed to acquire 4,200,000 units in the PRL Property Trust to a maximum of \$4,200,000. At 30 June 2011, total paid up capital was \$0.8167 per unit totalling \$3,430,000. The Company had a commitment to meet calls from PRL Property Trust of a further \$0.1833 per unit totalling \$770,000.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 14: CONTINGENT LIABILITIES

The Company has no contingent liability as at 30 June 2011.

NOTE 15: ECONOMIC DEPENDENCY

Residential-Plus Growth Company Limited has only two investments, being the ERL Residential Property Trust and the PRL Property Trust. Accordingly, the economic viability of the Company is dependent on the performance of these investments.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

The Company paid an interim distribution of \$0.0668 per unit for the 2011-2012 financial year in September 2011.

Other than as disclosed above and at Note 8 no other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 17: CAPITAL MANAGEMENT

The directors control the capital of the Company in order to maintain a good debt-to-equity ratio and to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes financial liabilities, supported by financial assets.

The directors effectively manage the Company's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by the Manager to control the capital of the Company since the prior year. The Company has borrowings as disclosed in Note 8 of the financial statements.

NOTE 18: COMPANY INFORMATION

The principal place of business and registered office of the Company is:

Residential-Plus Growth Company Limited
c/- Specialised Private Capital Ltd
Level 2, 7 Macquarie Place,
Sydney NSW 2000

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19: CORRECTION OF PRIOR PERIOD ERROR

A correction in the prior year was identified. The error relates to trade creditors with offsetting amounts to accumulated losses. This error arises from expenses incurred by SPC on behalf of the Company, but not recognised by the Company in prior periods. The error had the following effects on the Statement of Comprehensive Income for the years ended 30 June 2010 and 30 June 2009 and the statement of financial position as at 30 June 2010 and 1 July 2009:

Effect on Statement of Comprehensive Income:

	Previously reported	After restatement	Previously reported	After restatement
	30 June 2010	30 June 2010	30 June 2009	30 June 2009
Administrative and general expenses	(127,851)	(193,658)	(127,359)	(485,469)
Income tax benefit	124,194	143,936	426,511	533,944

Effect on Statement of Financial Position:

	Previously reported	After restatement	Previously reported	After restatement
	30 June 2010	30 June 2010	1 July 2009	1 July 2009
Deferred tax assets	1,933,762	2,060,938	1,829,228	1,936,662
Trade and other payables	614,071	1,037,987	486,411	844,521
Total liabilities	4,648,872	5,072,788	7,076,088	7,434,198
Net assets	11,063,453	10,766,713	11,307,364	11,056,687
Accumulated losses	(2,912,401)	(3,209,141)	(2,622,614)	(2,873,291)

The restatements above does not impact the statement of cashflows for 30 June 2010 and 2009.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011

The directors of Residential-Plus Growth Company Limited declare that:

- (a) the financial statements and notes, set out on pages 7 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance, for
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Barry Zuckerman
Director

Dated in Sydney this 1st day of December 2011

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Sydney NSW 2000

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RESIDENTIAL-PLUS GROWTH COMPANY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Residential-Plus Growth Company Limited ("the Company"), which comprises the statement of financial position as at 30 June 2011, the statement of 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 Company 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 of the Company determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 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 Company, 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*.

Opinion

In our opinion the financial report of Residential-Plus Growth Company Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 1st day of December 2011