

This is the attachment, of 16 pages referred to in Form 7051 "Half Yearly Reports"



Ilan Zimmerman

Director/Company Secretary

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

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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

The Directors of Residential-Plus Growth Company Limited ("the Company"), submit their report together with the financial report for the half-year ended 31 December 2010 and the independent review report thereon.

Directors

The names and details of Directors in office during the financial period and until the date of this report are as follows:

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

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

No fees were paid to the Directors from the Company during the period.

Principal Activities

The principal activity of the Company during the period was to manage and monitor its investments in the Epping Rail Link ("ERL") Residential Property Trust and the Perth Rail Link ("PRL") Property Trust.

The Company did not have any employees during the period.

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

Review of Operations

The operating loss before tax of the Company for the financial period was \$207,562 [31 December 2009: loss \$280,803 (restated)].

As at 31 December 2010, \$0.955 (31 December 2009: \$0.955) has been called from the shareholders out of 16,163,100 \$1.00 ordinary shares.

ERL Residential Property Trust as at 31 December 2010 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 \$1,680,250 as at 31 December 2010. The Company's portion of this debt facility is \$551,959. The debt facility has a limit of \$35,000,000 and is secured over the properties held by ERL Residential Property Trust.

Perth Rail Link Property Trust as at 31 December 2010 had called \$0.8167 from 4,200,000 \$1.00 ordinary units issued to the Company. The uncalled capital is \$0.1833 per unit for Perth Rail Link Property Trust, totalling \$769,860.

The Company was charged \$42,525 for management fees and accounting fees during the half-year ended 31 December 2010 by its management company, Specialised Private Capital Limited (SPC).

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, but not recognised by the Company in prior periods (refer to Note 10 of the financial statements for further information).

The Company holds investments in unlisted property trusts. As at 31 December 2010, the Company holds investments valued at \$12,502,471 (30 June 2010: \$13,576,255).

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

Events Subsequent to Reporting Date

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.

The Company paid an interim distribution of \$0.0668 per unit for the 2011-12 financial year in September 2011.

No other matters or circumstances have arisen since 31 December 2010 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

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

Distribution Paid

The Company did not declare or pay a distribution during the half-year ended 31 December 2010.

Auditor's Independence Declaration

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 5.

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



Barry Zuckerman
Director

Dated in Sydney this ^{28th} day of October 2011

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RESIDENTIAL - PLUS GROWTH COMPANY LTD**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Residential - Plus Growth Company Ltd for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 28th day of October 2011

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$ (Restated)
Revenue from ordinary activities	2	2,071	-
Borrowing costs		(117,182)	(147,379)
Administrative and general expenses	10	(92,451)	(133,424)
Loss from ordinary activities before income tax benefit		<u>(207,562)</u>	<u>(280,803)</u>
Income tax benefit relating to ordinary activities		62,269	84,241
Net Loss attributable to shareholders of the Company		<u>(145,293)</u>	<u>(196,562)</u>
Other comprehensive income for the half-year			
Revaluation of financial assets		39,226	(28,777)
Total comprehensive loss for the period		<u>(106,067)</u>	<u>(225,339)</u>

The Condensed 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
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	31 December 2010 \$	30 June 2010 \$ (Restated)	1 July 2009 \$ (Restated)
Assets				
Cash and cash equivalents		164,070	162,060	160,551
Trade and other receivables		40,250	40,248	41,948
Deferred tax assets		2,106,397	2,060,938	1,936,661
Financial assets	3	12,502,471	13,576,255	16,351,725
Total assets		14,813,188	15,839,501	18,490,885
Liabilities				
Trade and other payables	10	1,130,380	1,037,987	844,521
Financial liabilities	4	3,022,162	4,034,801	6,589,677
Total liabilities		4,152,542	5,072,788	7,434,198
Net assets		10,660,646	10,766,713	11,056,687
Equity				
Issued capital		15,567,418	15,567,418	15,567,418
Reserves		(1,552,338)	(1,591,564)	(1,637,440)
Accumulated losses		(3,354,434)	(3,209,141)	(2,873,291)
		10,660,646	10,766,713	11,056,687

The Condensed 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
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Issued Capital	Accumulated Losses	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
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 10)	-	(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 period (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
Loss after income tax for the period	-	(145,293)	-	(145,293)
Revaluation of financial assets	-	-	39,226	39,226
Sub-total	-	(145,293)	39,226	(106,067)
Balance at 31 December 2010	15,567,418	(3,354,434)	(1,552,338)	10,660,646

The Condensed 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
CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	31 December 2010	31 December 2009
	\$	\$
Cash flows from operating activities		
Payment to suppliers	(61)	(131)
Interest received	2,071	-
	<hr/>	<hr/>
Net cash flows provided by/(used in) operating activities	2,010	(131)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from call units	-	1,700
	<hr/>	<hr/>
Net cash flows used in financing activities	-	1,700
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,010	1,569
Cash and cash equivalents at the beginning of the period	162,060	160,551
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	164,070	162,120
	<hr/>	<hr/>

The Condensed 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
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including *AASB 134: Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Residential-Plus Growth Company Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2010, together with any public announcements made during the half-year.

The accounting policies applied by the Company in the interim financial statements are the same as those applied by the Company for the year ended 30 June 2010, except for the accounting policies for investments.

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 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

Significant Accounting Policies

Investments

Investments are long term holdings of equity instruments which are recognised at fair value and the Company has elected to present subsequent changes in fair value in other comprehensive income through the asset revaluation reserve.

All investments are valued continuously at fair value. Fair value is determined based on market value for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted investments. The Company uses net asset value of Companies to determine the valuation of all unlisted securities.

When an investment is disposed, the cumulative gain or loss is transferred from the asset revaluation reserve to the accumulated gains/losses within the net assets attributable to unitholders.

Dividends and distributions are brought to account on the date that the investment trades "ex-dividend".

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION (continued)

Going Concern

The Company has commitments of \$769,860 (refer to Note 8 of this report) and net current asset deficiency of \$926,060

Notwithstanding the Company's deficiency in current assets over current liabilities and commitments, the financial report has been prepared on a going concern basis. This basis has been adopted as the Company has received a guarantee of continued financial support from the Directors of Specialised Private Capital Limited ("SPC"), the manager of the Company to allow it to meet its liabilities. It is the belief of the Directors of SPC that such financial support will continue to be made available.

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

	31 December 2010	31 December 2009
	\$	\$
Interest revenue	2,071	-

NOTE 3: FINANCIAL ASSETS

	31 December 2010	30 June 2010
	\$	\$
Unlisted investments at fair value	12,502,471	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.

The Company does not participate in the management, neither does it hold board or investment committee representation on either the ERL Residential Property Trust or the PRL Property Trust, nor does it intend to in the future. The relationship with each is as financial investor only.

NOTE 4: FINANCIAL LIABILITIES

	31 December 2010	30 June 2010
	\$	\$
Loan - secured	3,022,162	4,034,801

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 4: FINANCIAL LIABILITIES (continued)

The trustee of the ERL Residential Property Trust has entered into a \$35,000,000 debt facility with all the unit holders in the ERL Residential Property Trust. As at 31 December 2010, \$1,680,250 had been drawn down by the Trust, of which \$551,959 is attributable to the Company, representing 32.85% of the loan, being the ownership interest by the Company in the Trust. The remaining portion of the loan relates to the accrued interest.

The term of the facility is 12 months from initial drawdown with an interest rate of approximately 6.92% per annum (30 June 2010: 5.65%). The facility is due to expire on October 2011.

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 Trusts, including uncalled capital of \$0.1833 per unit for the PRL Property Trust, totalling \$769,860.

The debt facility has been renegotiated subsequent to year end (refer to Note 7 of this report).

NOTE 5: 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 Trusts.

NOTE 6: DISTRIBUTIONS

The Company during the half-year ended 31 December 2010, did not pay or declare any dividends.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

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.

The Company paid an interim distribution of \$0.0668 per unit for the 2011-12 financial year in September 2011.

No other matters or circumstances have arisen since 31 December 2010 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 8: COMMITMENTS

The Company has committed to acquire 4,200,000 units in the PRL Property Trust to a maximum of \$4,200,000. At 31 December 2010, total paid up capital was \$0.8167 per unit totalling \$3,430,140. The Company had a commitment to meet calls from the PRL Property Trust of a further \$0.1833 per unit totalling \$769,860.

NOTE 9: CONTINGENT LIABILITIES

There are no contingent liabilities of the Company as at reporting date.

RESIDENTIAL-PLUS GROWTH COMPANY LIMITED
A.B.N. 11 099 750 991
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 10: 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, but not recognised by the Company in prior periods. The error had the following effects on statement of comprehensive income for the year ended 31 December 2010 and 2009 and the statement of financial position as at 30 June 2010 and 1 July 2009:

Effect on Statement of Comprehensive Income:

	<u>Previously reported</u>	<u>After restatement</u>	<u>Previously reported</u>	<u>After restatement</u>
	30 June 2010	30 June 2010	31 December 2009	31 December 2009
Administrative and general expenses	(127,851)	(193,658)	(67,617)	(133,424)
Income tax benefit	124,194	143,936	64,499	84,241

Effect on Statement of Financial Position:

	<u>Previously reported</u>	<u>After restatement</u>	<u>Previously reported</u>	<u>After restatement</u>
	30 June 2010	30 June 2010	1 July 2009	1 July 2009
Deferred tax assets	1,933,762	2,060,938	1,829,228	1,936,661
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

The Directors of the Company declare that:

- a. The financial statements and notes of the Residential-Plus Growth Company Limited ("the Company"), as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - ii. giving a true and fair view of the financial position of the Company as at 31 December 2010 and of its performance for the half-year ended on that date.
- b. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Barry Zuckerman
Director

Dated at Sydney this 28th day of October 2011

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF RESIDENTIAL - PLUS GROWTH COMPANY LTD

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Residential - Plus Growth Company Ltd ("the Company"), which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standards on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and account matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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


Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's review report relates to the financial report of the Company for the half-year ended 31 December 2010 included on the Company's website. The directors of the Company are responsible for the integrity of Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's review report refers only to the subject matter described above. It does not conclude on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Residential - Plus Growth Company Ltd is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.



Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 28th day of October 2011