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2005]

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[WESTRALIA]



[MANAGER'S



REPORT

Westralia Property Management Limited (ABN 16 072 899 060), the Manager of Westralia Property Trust submits its report.



The Board of Westralia Property Management Limited, the Responsible Entity of the Trust, was restructured in April 2005 following changes to its ownership. The incoming Board initiated a review of the assets and operations. This review included an assessment of the environment within which each of the properties operates.

As a result the Directors believe that it is prudent to adjust the carrying values of the properties which has given rise to the overall loss for the year.

RESULTS

The reported loss includes a total charge of \$9,177,000 (\$6,466,000 after outside equity interests) attributable to non-recurring items comprising \$8,608,000 of net property and investment downward adjustments and a further \$569,000 of one off costs.

Prior to these items the underlying result was a profit of \$768,000, a significant increase on the 2004 underlying result to unit holders of \$134,000.

Details underlying the reported result together with the impact before and after outside equity interests are set out in **figure 1.1**.

This net property adjustment comprises an accretion in the value of the retail / commercial property at 166 Murray Street Mall, Perth CBD of \$3.2 million offset by an \$11 million reduction in the carrying values of tourism assets located in regional Western Australia giving a net impact after OEI of \$5.2 million. In addition, there has been a reduction in the carrying value of investments in tourism assets of \$0.7 million.

The Murray Street property acquired in June 2004 has increased in value to \$63.8 million. This increase in value is reflective of the low vacancy levels being experienced in Perth and an active property management approach. Over the year the property has become fully tenanted and the tenancy profile enhanced with the addition of a national tenant and the expansion of a Government tenancy.

Whilst the reductions to the carrying value of the tourism assets is disappointing, the Directors believe it to be the most prudent course of action given the current performance levels of the properties, the land zoning of the properties and the complexities of the respective property ownership structures. The impacts of some of these factors are largely beyond the control of the Trust.

figure 1.1

S'000	2005		2004	
	Before OEI	After OEI	Before OEI	After OEI
Underlying result	749	768	53	134
Net property & investment adjs	(8,608)	(5,973)	-	-
Write down deferred costs	(413)	(413)	(280)	(280)
Profit / (loss) on sale of land	(156)	(80)	1,970	996
Total of non-recurring items	(9,177)	(6,466)	1,690	716
Net profit / (loss)	(8,428)	(5,698)	1,743	850

OEI = outside equity interests



FINANCIAL COMMENTARY

The underlying result was earned from total income for the year of \$9.1 million, up by 16.5% on 2004. Rental income for the period was \$8.7 million, up 231% from last year, given receipt of the first full year's rental income from 166 Murray Street Mall, Perth. Borrowing costs and interest rose by \$2.4 million primarily in relation to the bank funding raised for the purchase of 166 Murray Street Mall.

At 30 June 2005, the Trust had total assets of \$110.6 million, with unitholders' funds of \$46.6 million and total liabilities of \$64.0 million. The gearing ratio (interest bearing liabilities divided by total tangible assets) at 30 June 2005 was 57%, up from 51% at the previous year end as a result of adjustments arising from the asset and operational review. The NTA per unit reduced from \$0.73 to \$0.60.

The operating cash outflow for the year was \$181,000. This negative position was primarily caused by the increase in trade debtors which is anticipated to reverse after year end.

DISTRIBUTIONS

Distributions paid for the year amounted to \$2.94 million or 4.5 cents per unit, 100% tax deferred. The distributions paid were in respect to the September 2004, December 2004 and March 2005 quarters. It was not considered prudent to make a distribution for the June 2005 quarter.

After considering the capital management requirements of the Trust, the Directors believe that the current level of profit and cash flow is not adequate to support a distribution for the September 2005 quarter. While the decision to suspend this quarter's distribution is regrettable, the Directors believe that the focus of the Trust should be to reduce debt levels and stabilise the earnings. Once this has been achieved the Trust will be in a position to consider future distributions.

Directors and Management are taking action to address matters arising from the review with a view to restoring unit holder value and providing appropriate longer-term levels of return for the Trust.

PROPERTY IN WHICH THE TRUST HAS AN INTEREST

166 Murray Street Mall, Perth

The City Central property at 166 Murray Street Mall, Perth is a retail/office complex situated in the heart of the Perth CBD.

The property, which was acquired in June 2004, has increased in value to \$63.8 million from an original purchase price of \$56.2 million. This increase in value is reflective of the low vacancy levels being experienced in Perth and an active property management approach.

Over the last year the property has become fully tenanted and the tenancy profile enhanced with the addition of a new national tenant and the expansion of a Government tenancy.

Dunsborough Hotel Property Syndicate

The Trust owns 51.15% (2004: 50.6%) of the Dunsborough Hotel Property Syndicate which owns 100% of the 88 room Broadwater Resort and Spa. The Resort is located on Caves Road, Dunsborough, Western Australia.

The Resort is leased to, and operated by, Broadwater Hospitality Management Pty Ltd.

The carrying value of the Resort has reduced from \$18.6 million to \$13.2 million in light of a valuation prepared by a qualified valuer, Miles Rowe of Savills (WA) Pty Ltd. The change in value can be attributed to:

- the challenges of seasonality to the performance of the Resort
- increased competition from informal accommodation such as the letting of residences
- increase in supply of 170 rooms by direct competitors in the region

The potential of the underlying land value of the site does not necessarily manifest itself in the operation of a hotel and as such, the current use and zoning restrictions of the property do not directly reflect the general increase in property values experienced in the region to be recorded.

The 3,700 sqm of land on the eastern boundary which was sold for \$4 million last year has now been cleared and prepared for the construction of 12 luxury homes by the new owner.

Proceeds of \$2 million received to date from the sale have been applied to the construction of a new spa and to the reduction of debt within the Syndicate.

The balance of the sale price will be received in this financial year and will be applied to enhance the earnings of the Syndicate.

Kalgoorlie Apartment Hotel Syndicate

The Trust owns 100% of the Kalgoorlie Apartment Hotel Syndicate which, in turn, owns the Broadwater Resort Hotel, Kalgoorlie.

The Hotel is leased to, and operated by, Broadwater Hospitality Management Pty Ltd.

The Hotel opened in August 2003 and has established itself as the premier short stay accommodation in the region. The Hotel comprises 92 deluxe studios and fully contained one and two bedroom apartments, complemented by resort style facilities and an award winning restaurant and bar.

The Hotel has experienced strong growth in the last year in both the corporate and leisure markets and it is anticipated that this growth will continue in order to achieve the full potential of the Hotel.

Whilst the Directors believe that this potential can be reached in the near term subject to conducive economic conditions, the Directors also believe that the current operating results and short term outlook can not support the carrying value and consider it prudent that the carrying value of the property be reduced to reflect current market conditions.

Pagoda Hotel Property Syndicate

The Trust owns 84.6% (2004: 80.4%) of the Pagoda Hotel Property Syndicate which, in turn, owns 65.8% (2004: 65.5%) of the Pagoda Fixed Term Property Syndicate.

The Pagoda Hotel Property Syndicate owns 34 suites (2004: 28 suites) in the Broadwater Pagoda Hotel and Apartments.

The Pagoda Fixed Term Property Syndicate owns the facilities lot in the Hotel which incorporates the bar, restaurant, kitchen and conference facilities of the Hotel.

The Hotel is operated by Broadwater Hospitality Pty Ltd.

The Hotel has performed strongly in the previous financial year with increases in room rate and occupancy translating to increased revenues and profits. The Hotel has commenced trading in the new financial year at or above expected levels.

Broadwater Busselton Property Syndicate

The Trust owns 14.4% (2004: 14.9%) of the Broadwater Busselton Property Syndicate.

The Broadwater Busselton Property Syndicate owns 10 Villas in the Broadwater Beach Resort, 57 units and the Café at the Broadwater Bungalows Resort, 4 shops in the Broadwater Shopping Village and a Beach Kiosk.

The properties within the Broadwater Busselton Property Syndicate are under similar competitive pressures to those influencing the performance of the Broadwater Resort and Spa in Dunsborough and these have led to a reduction in the value of the Trust's investment following a recent property valuation.

WPT Finance Pty Ltd

WPT Finance Pty Ltd is wholly owned by the Trust, with loans to borrowers at balance date amounting to \$896,000 (2004: \$712,000). During the year, interest amounting to \$168,000 (2004: \$320,000) was earned from the loan book.



from left Broadwater Bungalows Resort :
Kalgoorlie Apartment Hotel : Dunsborough Hotel :



DIVERSIFICATION AND FUTURE INVESTMENTS

The Trust's portfolio of tourism assets has provided mixed results. The Manager's strategy of providing greater diversification of the Trust's total portfolio will reduce exposure to the tourism sector by diluting the share of portfolio accounted for by tourism assets.

The acquisition of the City Central property in June 2004 was the first step towards this objective, significantly diversifying the Trust's asset portfolio and income base. Investments in non-tourism properties currently represent 61% (2004: 55%) of the value of the assets in the property portfolio.

The current criteria for future acquisitions are:

- The majority of direct property assets be located in Western Australia.
- Property securities such as investments in other managed investment schemes, or listed property trusts and property investment companies, may be acquired.
- In the longer term, the acquisitions should enhance the distribution yield and the net asset backing of the units for existing Investors.

THE DIRECTORS

The Board of Westralia Property Management Limited are:

David Hinton BBus CA AICS

Mr Hinton is a Chartered Accountant and an Associate of the Institute of Chartered Secretaries. He is the Chief Operating Officer, Company Secretary and Compliance Officer of Westralia. He was appointed as a Director of Westralia in July 2003.

Mr Hinton has been with Futuris Corporation Limited since joining as the Group Financial Controller in 1995.

Les Wozniczka MBA BSc(Hon)

Mr Wozniczka is the Managing Director and Chief Executive of Futuris Corporation Limited. He also holds directorships in Australian Agricultural Company Limited, Forest Enterprises Australia Limited and Integrated Tree Cropping Limited. He was appointed as a Director of Westralia on 14 April 2005.

Tony Davies BA FCA

Mr Davies is a Chartered Accountant and Director of Amcom Telecommunications Limited, Chemeq Limited and Integrated Tree Cropping Limited. He was appointed as a Director of Westralia on 14 April 2005.

Peter Hall

Mr Hall has extensive property experience and is the Managing Director of Caversham Property Pty Ltd. He was appointed as a Director of Westralia on 14 April 2005.

OBJECTIVES AND STRATEGIES

The Manager has established the following objectives and strategies for the Trust.

Objectives

- Significantly increase the asset base of the Trust.
- Aim for consistent earnings growth.
- Expand and diversify the Trust's portfolio.

Strategies

- Ensuring that properties are well located and geographically diversified
- Acquisition of properties that provide a positive incremental impact on distributions.
- Ensure quality of earnings through exposure to multiple, credit worthy tenants.

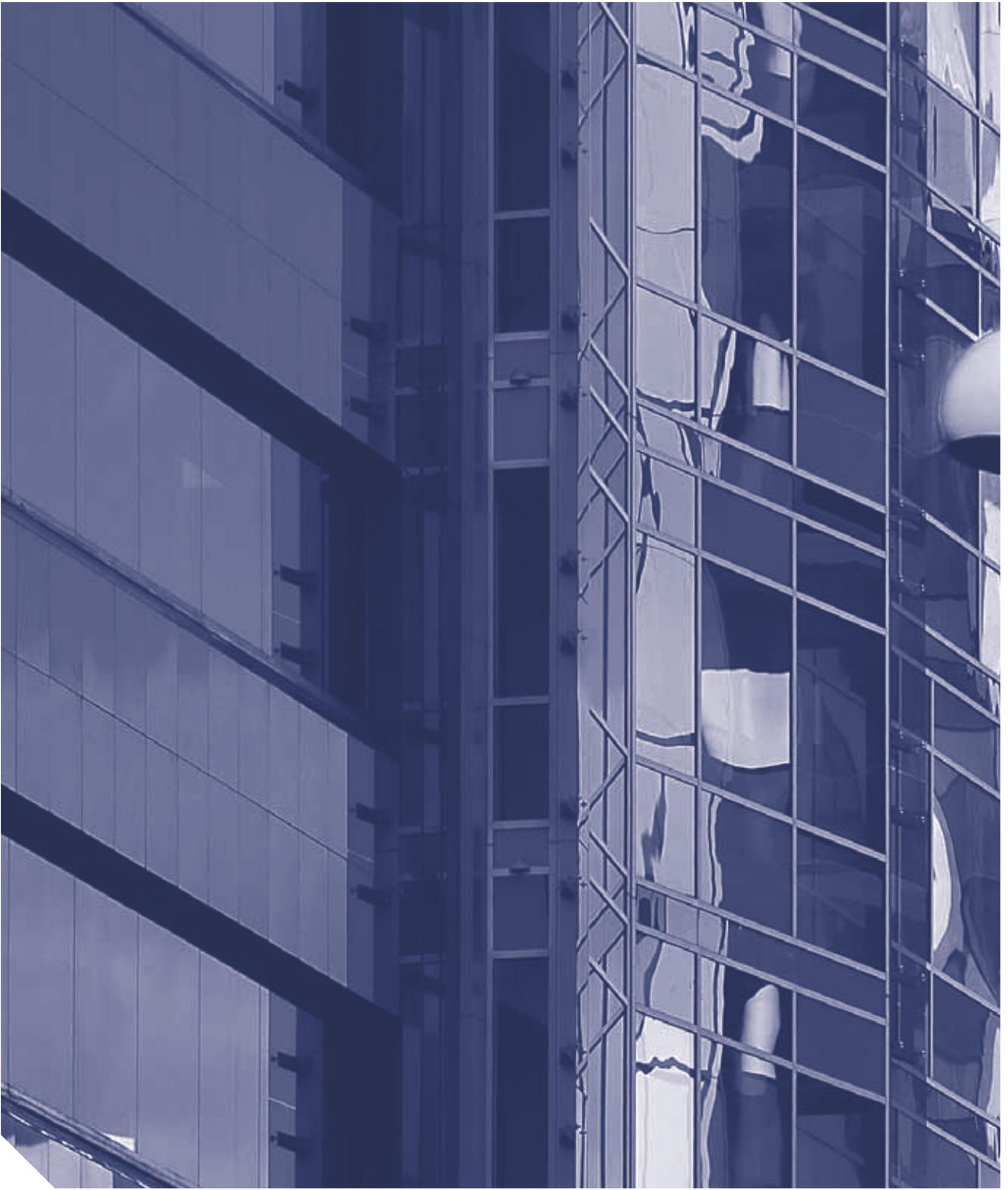


David Hinton

Director

Westralia Property Management Limited

27 September 2005



[CORPORATE



[GOVERNANCE

The Westralia Property Trust (“Trust”) is a registered managed investment scheme under the Corporations Act 2001 (“Corporations Act”). Westralia Property Management Limited (“Responsible Entity”) is the responsible entity for the Trust and establishes the corporate governance policies of the Trust. The Responsible Entity holds an Australian Financial Services Licence authorising it to operate the Trust and as responsible entity has a duty to act in the best interests of unitholders of the Trust.

The ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles"), in conjunction with the ASX Listing Rules, require the Trust to disclose in its annual report the extent to which its corporate governance practices follow the ASX Principles and to give reasons why any recommendations have not been followed.

The Responsible Entity complies with a majority of the ASX Principles. Where it does not, it is largely in respect of matters where the nature of the regulation of the Trust or of the Trust's business is such that the Board of the Responsible Entity considers that there is no detriment to unitholders of the Trust from non-compliance.

The Responsible Entity's key corporate governance principles and practices adopted by the Board.

Further information on corporate governance policies can be found on the Trust's website at www.westraliapropertytrust.com.au

**Principle 1
Lay solid foundations for management and oversight**

Recommendation 1.1 - Formalise and disclose the functions reserved to the Board of the Responsible Entity and those delegated to management.

The respective roles of the Board and Management of the Responsible Entity are set out in the Compliance Plan which is available to unitholders. The Trust's Compliance Plan sets out the key processes, systems and measures the Responsible Entity will apply to ensure compliance with the Corporations Act and the Constitution of the Trust.

In addition, the Board of the Responsible Entity has adopted a Board Charter designed to emphasise the responsibilities of the Board in managing the Trust in a manner which protects and builds wealth for the unitholders, taking into account other stakeholders such as employees, customers, suppliers, lenders and the wider community.

**Principle 2
Structure the Board of the Responsible Entity to add value**

Recommendation 2.1 - A majority of the Board of the Responsible Entity should be Independent Directors.

The Board of the Responsible Entity comprises Directors or Executives of its ultimate parent company, Futuris Corporation Limited, and one former Executive. The Directors are therefore not independent, but are nominated on the basis of expertise in the Trusts core business. Details of the directors are set out on page 10 of this Report.

In accordance with the Corporations Act, the Board has established a Compliance Committee. The role of the Compliance Committee is to monitor the extent of the Responsible Entity's compliance with the Trust's Constitution, Compliance Plan and the Corporations Act, to ensure that the Responsible Entity acts in the best interests of the unitholders.

The Compliance Committee comprises three members, two of which are independent of the Responsible Entity and satisfy the independence test set out in the ASX Principles. The Compliance Committee meets on a regular basis and may report to the Board on any matters of compliance in relation to the Trust.

The Board therefore considers that the Compliance Committee provides sufficient independent oversight of the management of the Trust.

For the reasons noted above and due to the relative size and nature of the Trust's activities the Board does not consider it necessary to adopt the remaining recommendations under Principle 2.

Principle 3**Promote ethical and responsible decision making**

Recommendation 3.1 - Establish a code of conduct to guide the Directors of the Responsible Entity, the Chief Executive Officer, the Chief Financial Officer and any other key executives as to:

3.1.1 The practices necessary to maintain confidence in the Trust's integrity

3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Trust's Compliance Plan sets out the arrangements the Responsible Entity has to ensure that breaches of the Corporations Act, Constitution, Australian Financial Services Licence conditions, industry or internal standards are identified, reported and rectified if necessary.

The external auditor of the Trust's Compliance Plan is in the process of completing the annual audit for the year ended 30 June 2005. No material breaches of the plan have arisen.

The Board of the Responsible Entity has adopted a Director's Code of Conduct, which can be found on the Trust's website.

Recommendation 3.2 - Disclose the policy concerning trading in Units in the Trust by directors, officers and employees.

The Director's Code of Conduct sets out that Directors of the Responsible Entity and other parties associated with the Trust who possess inside information must not trade in the Trust's units.

Principle 4**Safeguard integrity in financial reporting**

Recommendation 4.1 - Require the Managing Director of the Responsible Entity and the Chief Financial Officer to state in writing to the Board of the Responsible Entity that the Trust's financial reports present a true and fair view, in all material respects, of the Trust's financial condition and operational results and are in accordance with relevant accounting standards.

The Trust's financial report preparation and approval process involves the executives performing the CFO and CEO functions of the Responsible Entity providing a written statement to the Board that, to the best of their knowledge and belief, the Trust's financial report presents a true and fair view in all material respects of the Trust's financial condition and operating results, and, is in accordance with applicable accounting standards.

Recommendation 4.2 - The Board of the Responsible Entity should establish an Audit Committee.

Prior to the completion of the financial statements the full Board meets with the Auditor who presents his report. A non-executive Director chairs this meeting.

The ASX Listing Rules do not require the Trust to establish an audit committee. The relative small size of the Board allows the full Board to carry out the audit committee function and therefore the Board does not consider it necessary to establish a separate committee.

The Board monitors the independence of the external auditor who is required to confirm such independence on a semi-annual basis. The Board monitors the performance and terms of the audit engagement on an annual basis. The auditor and the audit firm are prohibited from providing any non-audit services that may impinge on their independence.

Recommendations 4.3 and 4.4 dealing with the structure and charter of the Audit Committee are not applicable.

Principle 5
Make timely and balanced disclosure

Recommendation 5.1 - Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

The Responsible Entity is aware of its continuous disclosure obligations and has systems in place to ensure timely disclosure of price sensitive information to the market. All announcements made to the market, including information provided to analysts, are posted to the Trust's website.

The Responsible Entity has established a continuous disclosure policy designed to ensure timely and full disclosure to unitholders and the market in general, and to ensure that all stakeholders have an equal opportunity to receive and obtain information issued by the Trust.

The continuous disclosure policy can be found on the Trust's website.

Principle 6
Respect the rights of unitholders

Recommendation 6.1 - Design and disclose a communications strategy to promote effective communication with unitholders and encourage effective participation at general meetings.

The Trust is not required to hold an Annual General Meeting but does from time to time hold unit holder meetings as required by the Constitution or Corporations Act. Notices of meeting and the results of those meetings are posted on the Trust's website.

To enhance communication with unitholders, important information including, details of the Trust's properties, financial performance and the Trust's complaints handling procedure can be found on the website. The website is periodically reviewed to ensure the accuracy and relevance of the information it contains.

The auditor and the compliance plan auditor are entitled to attend any meeting of unitholders of the Trust and be heard on any item of business that concerns the auditor.

Principle 7
Recognise and manage risk

Recommendation 7.1 - The Board of the Responsible Entity or appropriate Board committee should establish policies on risk oversight and management.

As discussed under Principle 2 the Responsible Entity has established a Compliance Committee whose duties include monitoring compliance with the Compliance Plan.

Operation of the Trust in accordance with the Compliance Plan ensures that the rights and interests of unitholders are protected and that business risks are identified and properly managed. The Compliance Plan establishes and contains policies relating to risk management including:

- Monitoring compliance with the Responsible Entity's Australian Financial Services Licence conditions and ASX Listing Rules
- Proper acquisition and disposals of Trust property
- Regular valuation of Trust property
- Maintenance of financial and scheme records
- Management of investment risks
- Management of conflicts of interest
- Maintenance of adequate insurance cover for Trust assets
- Borrowings within limits and conditions
- Handling of complaints

The Compliance Officer regularly reports to the Compliance Committee on compliance with the Compliance Plan.

Recommendation 7.2 of the ASX Principles requires, in summary, that the chief executive officer (or equivalent) and chief financial officer (or equivalent) should make statements to the Board in writing that the statement given in accordance with Recommendation 4.1 is founded on sound systems of risk management and internal control and that those systems are operating efficiently and effectively.

These statements are incorporated in the declaration required under Recommendation 4.1 and were received by the Board for the year ended 30 June 2005.

Principle 8
Fairly review and actively encourage enhanced board and management effectiveness

Recommendation 8.1 - Disclose the process for performance evaluation of the board, its committees and individual directors and key executives.

Performance of the Directors and key executives of the Responsible Entity is regularly reviewed in accordance with Futuris Corporation Limited's Group policy and includes a review by its Nomination & Prudential Committee. In relation to the Boards of subsidiaries, including the Responsible Entity, the Nomination & Prudential Committee will review duties and responsibilities of those Boards and the recommendations of the Chief Executive Officer on appointees to those Boards. The Committee's charter can be found on the Corporate Governance section of the Futuris website at www.futuris.com.au.

The Board does not consider it necessary to conduct formal performance evaluations on each Director of the Responsible Entity as this would duplicate the performance assessments conducted by Futuris as part of its executive performance evaluation policy. The Board will assess on an ongoing basis the performance of any Director not an employee of Futuris.

Principle 9
Remunerate fairly and responsibly

Recommendation 9.1 – Provide disclosure in relation to remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to Directors and key Executives of the Responsible Entity and corporate performance.

Remuneration expenses of the Responsible Entity are not borne by the Trust. As Directors and Officers are not remunerated by the Trust, unitholders have no direct exposure to those remuneration expenses.

In accordance with the Corporations Act, the right of the Responsible Entity to be remunerated and indemnified by the Trust is set out in the Constitution of the Trust. Any change to the Responsible Entity's fee would require the approval of unitholders. The Constitution is available from ASIC and is available to unitholders on request.

There are no equity incentive schemes in relation to the Trust.

The nature of the regulation of the Trust and the Trust's business is such that the Board of the Responsible Entity considers that there is no detriment to unitholders of the Trust from non-compliance with the recommendations under ASX Principle 9.

Principle 10 Recognise the legitimate interests of stakeholders

Recommendation 10.1 – Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Board of the Responsible Entity considers that unitholders are adequately protected and the principle is complied with by virtue of the obligations imposed on the Responsible Entity by the Corporations Act, the Trust's Constitution and Compliance Plan and the Compliance Committee.

STATEMENT OF FINANCIAL PERFORMANCE AND DISTRIBUTION

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WESTRALIA PROPERTY TRUST
[ANNUAL REPORT 2005]

YEAR ENDED 30 JUNE 2005

		Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES					
Rental income		8,719	2,635	-	-
Rental expenses		(2,959)	(356)	-	-
Net property income		5,760	2,279	-	-
Other trust revenue					
Net profit of associates accounted for using the equity method		-	53	-	-
Interest revenue					
- related parties		200	209	-	203
- other persons		54	111	1	22
Distributions from related parties	16	107	80	1,621	1,091
Proceeds from disposal or property	2	-	4,000	-	-
Other income from ordinary activities		49	40	27	35
Borrowing costs	2	(4,520)	(2,118)	(58)	(238)
Responsible entity fees		(396)	(267)	(130)	(100)
Amortisation of intangibles		(49)	(46)	(5)	(5)
Prospectus and scheme formation costs written off	2	(413)	(280)	(263)	-
Diminution in the value of investment	2	(756)	-	(9,057)	-
Net decrement in value of investment properties	2	(7,852)	-	-	-
Carrying amount of property sold	2	(156)	(2,030)	-	-
Other expenses		(456)	(288)	(245)	(199)
NET OPERATING PROFIT / (LOSS) FROM ORDINARY ACTIVITIES		(8,428)	1,743	(8,109)	809
NET (PROFIT)/LOSS ATTRIBUTABLE TO OUTSIDE EQUITY INTERESTS		2,730	(893)	-	-
NET PROFIT / (LOSS) ATTRIBUTABLE TO UNITHOLDERS OF WESTRALIA PROPERTY TRUST		(5,698)	850	(8,109)	809
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH UNITHOLDERS AS UNITHOLDERS		(5,698)	850	(8,109)	809
RECONCILIATION OF PROFIT / (LOSS)					
Distribution paid and payable		2,944	1,301	2,944	1,301
Transfer (from)/to unitholder funds		(8,642)	219	(11,053)	(492)
Transfer from asset revaluation reserve		-	(670)	-	-
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF THE TRUST		(5,698)	850	(8,109)	809
Distributions per unit (cents)		4.50	6.44	4.50	6.44
Basic and diluted earnings / (loss) per unit (cents)	14	(8.66)	3.70	-	-

THE ACCOMPANYING NOTES FORM PART OF THE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

		Consolidated	Consolidated	Westralia Property Trust	Westralia Property Trust
		2005	2004	2005	2004
	Notes	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash assets	12	460	1,253	15	12
Receivables	3	3,752	5,197	818	785
Other assets	4	446	363	-	7
Total Current Assets		4,658	6,813	833	804
Non Current Assets					
Investments					
- Properties	5(a)	104,365	109,813	-	-
- Managed investment schemes	5(c)	1,076	1,832	14,988	22,678
- Other	5(d)	-	-	28,000	28,000
Other assets	4	542	819	30	40
Total Non Current Assets		105,983	112,464	43,018	50,718
TOTAL ASSETS		110,641	119,277	43,851	51,522
Current Liabilities					
Payables	8	972	2,113	5,864	2,140
Interest bearing liabilities	9	24,625	10,590	-	2,177
Total Current Liabilities		25,597	12,703	5,864	4,317
Non Current Liabilities					
Interest bearing liabilities	9	38,450	50,313	-	130
Total Non Current Liabilities		38,450	50,313	-	130
TOTAL LIABILITIES		64,047	63,016	5,864	4,447
NET ASSETS		46,594	56,261	37,987	47,075
Unitholders' Funds					
Contributed equity	10(b)	50,166	48,201	50,166	48,201
Reserves	10(c)	-	-	-	-
Accumulated losses	10(d)	(9,461)	(819)	(12,179)	(1,126)
Total parent entity interest in equity		40,705	47,382	37,987	47,075
Outside equity interests	11	5,889	8,879	-	-
TOTAL UNITHOLDERS' FUNDS		46,594	56,261	37,987	47,075

THE ACCOMPANYING NOTES FORM PART OF THE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

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WESTRALIA PROPERTY TRUST
[ANNUAL REPORT 2005]

YEAR ENDED 30 JUNE 2005

	Notes	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Rent received		8,426	2,435	-	-
Interest received		26	668	1	84
Distributions received		-	44	1,621	293
Other receipts		156	113	32	55
Responsible Entity fees paid		(453)	(236)	(124)	(100)
Interest & borrowing costs paid		(4,525)	(2,389)	(46)	(221)
Payments for property expense		(2,959)	(322)	-	-
GST received		1,509	971	312	637
GST paid		(1,279)	(867)	(67)	(867)
Other expenses paid		(1,082)	(304)	(476)	(165)
NET OPERATING CASHFLOW	12(a)	(181)	113	1,253	(284)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property		(1,973)	(56,795)	-	-
Proceeds from sale of investments		1,956	357	-	309
Purchase of investments		-	-	(883)	(17,577)
Advances from related parties		120	1,500	6,517	-
Repayment of advance from related parties		(491)	(1,494)	(2,842)	-
Advances to related parties		-	(2,941)	(2,866)	(4,180)
Repayment of advances to related parties		-	2,678	2,593	3,924
NET INVESTING CASHFLOW		(388)	(56,695)	2,519	(17,524)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts from issue of units		-	17,567	-	17,567
Unit issue costs		(486)	(390)	(443)	(390)
Distributions paid		(2,016)	(591)	(1,826)	(395)
Proceeds from borrowings		11,665	38,133	-	1,500
Repayment of borrowings		(9,425)	(334)	(1,500)	(605)
NET FINANCING CASHFLOW		(262)	54,385	(3,769)	17,677
NET INCREASE/(DECREASE) IN CASH HELD		(831)	(2,197)	3	(131)
Add opening cash brought forward		1,253	3,450	12	143
CLOSING CASH CARRIED FORWARD	12(b)	422	1,253	15	12

NOTES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the Trust's Constitution and the requirements of the Corporations Act 2001, which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The financial report has been prepared in accordance with the historical cost convention, except for the valuation of certain property investments, which are recorded at fair value.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Westralia Property Trust (the parent entity) and all entities which Westralia Property Trust controlled from time to time during the year and at balance date.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity had control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-entity balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(c) Investment properties

Investment properties comprise freehold and leasehold land and buildings (including integral plant and equipment owned or leased) held for the purpose of accretion of wealth by way of letting to produce rental income and capital appreciation.

Land and buildings are considered to have the function of an investment and are therefore regarded as a composite asset. Accounting Standard AASB 1021 "Depreciation" does not require investment properties to be depreciated. Accordingly, the buildings and components thereof (including plant and equipment) are not depreciated. Taxation allowances for building, plant and equipment depreciation are declared as tax advantaged components of distributions.

Investment properties

Investment properties are carried at fair value in accordance with revised AASB 1041 "Revaluation of Non-Current Assets". In addition, the Trust's Constitution requires independent valuations to be performed at intervals of not more than three years. These valuations are considered by the Directors of the Responsible Entity when determining fair value.

In determining fair values, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate applicable to the respective asset.

Revaluation increments are credited directly to the asset revaluation reserve, unless it reverses a previous revaluation decrement charged as an expense in determining operating profit in respect of that same class of asset, in which case the increment is credited to operating profit.

When an asset has been revalued, the potential effect of capital gains tax ("CGT") on disposal has not been taken into account in the determination of the revalued carrying amount because the Trust does not expect to ultimately be liable for CGT in respect of the assets.

NOTES (continued)

(c) Investment properties (continued)

Other Investments

Other investments are carried at the lower of cost and net recoverable amount.

Disposal of Revalued Assets

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the assets at the time of disposal and the proceeds on disposal and is included in the Statement of Financial Performance in the year of disposal.

(d) Investment in associates

The consolidated entity has adopted the equity method of accounting for investments in accordance with AASB1016 "Accounting for Investments in Associates".

Interests held by Westralia Property Trust in associated syndicates or companies are carried by the parent entity at the lower of cost and recoverable amount.

(e) Valuation of investments other than property

Investment asset classes are valued on the following basis:

Managed investment schemes

Non-current investments in managed investment schemes held by the Trust are valued at cost. The carrying amount of these investments is reviewed by the directors to ensure it is not in excess of their recoverable amount. The recoverable amount is determined by the directors with reference to the market value of an interest in the scheme.

Interest bearing securities

The net market value of bank accepted bills, promissory notes, negotiable certificates of deposit, corporate bonds, indexed bonds and government bonds is determined by reference to the last available market sales price of the securities on the recognised exchange platform through which they are ordinarily traded.

Interest bearing securities that are not traded frequently are valued at a Directors' valuation, which is based on the quoted market price of securities with similar terms and maturity. Where appropriate, price adjustments will be made to reflect the relative risk premium attached to specific issues of interest bearing securities.

Other

Other non-current investments are valued at cost. The carrying amount of these investments is reviewed by the directors to ensure it is not in excess of their recoverable amount. The recoverable amount is determined by the directors with reference to net tangible asset backing of the investment.

(f) Other non current assets

Scheme formation and product disclosure statement costs, and deferred borrowing costs are expensed as incurred, except where future benefits are expected, beyond any doubt, to exceed those costs. Where costs are deferred such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each reporting date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

NOTES (continued)

(g) Investment revenue

Revenue from interest and distributions are recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Contingent rentals are recognised as revenue in the period in which they are earned.

Incidental revenues (and related costs) derived from an investment property undergoing construction or development but not directly related to bringing the asset to the location and working condition of an investment property are recognised in the operating profit for the period and included in their respective classifications of revenue and expense in the Statement of Financial Performance.

The minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as revenue on a straight line basis, which is considered to best represent the pattern of service rendered through the provision of the leased asset.

(h) Cash assets

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes deposits held at call with a bank or financial institution.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(i) Receivables

Receivables include amounts where settlement has not yet occurred less any provision for non-recovery.

(j) Payables

Payables are recognised for amounts to be paid in the future for goods received and services rendered, and including outstanding settlements on the purchase of investments and distributions payable together with any accrued interest.

(k) Interest bearing liabilities

Interest bearing liabilities are carried at the principal or face value amount. Interest is charged as an expense as it accrues.

(l) Taxation

Under current Australian income tax legislation, the Trust is not liable for income tax provided that its taxable income (including any taxable capital gains) is fully distributed to unitholders each year.

(m) Distributions

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unitholders. Distributable income includes capital gains arising from the disposal of investments.

(n) Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- Receive income distributions.
- Attend and vote at meetings of unitholders.
- Participate in the termination and winding up of the Trust.

The rights, obligations and restrictions attached to each unitholder are identical in all respects.

(o) Goods and services tax (GST)

Revenues, expenses and assets (with the exception of receivables) are recognised net of the amount of GST to the extent that GST is recoverable from the Australian Taxation Office ("ATO"). Where GST is not recoverable, it is recognised as part of the cost of acquisition or an expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included in the Statement of Financial Position as a receivable or payable.

Cash flows are included in the Statement of Cash Flow on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

NOTES (continued)

(p) Deferred borrowing expenses

Deferred borrowing expenses consist of bank fees and other costs incurred to obtain facilities. Deferred borrowing facilities are carried at cost and amortised over the period of the finance facility.

(q) Contributed equity

Contributed equity of the Westralia Property Trust is recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of units in the Trust are recognised directly in unitholder's funds as a reduction in contributed equity.

(r) Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in the presentation in the current year.

(s) Change in accounting policies

The previous accounting policy for the valuation of investment properties classified investment properties into two classes, being tourism and commercial. The tourism investment properties were recorded at fair value while the commercial investment properties were recorded at cost inclusive of purchase costs. Investment properties were split into two classes due to a strategy being developed to restructure the tourism assets into an alternative investment vehicle. This strategy has not been implemented at balance date and as such, it was considered appropriate to measure investment properties as a single class of asset and be recorded at fair value.

	2005	
	\$'000	
Effect of change of accounting policy on current year loss:		
Loss from ordinary activities before change in accounting policy	(8,817)	
Effect of change in accounting policy for investment properties	3,119	
Loss after change in accounting policy	(5,698)	
	2005	2004
	\$'000	\$'000
Effect on accumulated losses had change in accounting policy always applied:		
Profit / (Loss) from ordinary activities before change in accounting policy	(5,698)	850
Effect of change in accounting policy for investment properties	4,451	(4,451)
Net loss from ordinary activities after change in accounting policy	(1,247)	(3,601)
Previously reported accumulated losses at the end of the previous financial year	(819)	(1,038)
Change in accounting policy for investment properties	(4,451)	-
Restated accumulated losses at the beginning of the financial year	(5,270)	(1,038)
Net loss from ordinary activities after change in accounting policy	(1,247)	(3,601)
Distribution paid or payable	(2,944)	(1,301)
Transfer from reserve	-	670
Restated accumulated losses at the end of the financial year	(9,461)	(5,270)

NOTES (continued)

	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
2. REVENUE AND EXPENSES				
Borrowing costs expensed				
Amortisation of deferred borrowing expenses	61	271	5	6
Interest expense				
- Other	4,459	1,998	53	232
Capitalised to properties	-	(151)	-	-
Total borrowing costs expensed	4,520	2,118	58	238
Specific Items				
Net operating profit includes the following specific revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity.				
Proceeds from disposal of property	-	4,000	-	-
Carrying amount of property sold	(156)	(2,030)	-	-
Net gain on disposal of property	(156)	1,970	-	-
Diminution in the value of investments	756	-	9,057	-
Net decrement in value of investment properties	7,852	-	-	-
Prospectus and scheme formation costs written off	413	280	263	-
3. RECEIVABLES				
Trade debtors (i)	781	339	-	-
Sundry debtors (ii)	73	194	16	267
Other debtor (iii)	2,002	3,952	-	-
	2,856	4,485	16	267
Secured loans (iv)	896	712	-	-
Amounts other than trade debtors receivable from related parties:				
Controlled entities	-	-	802	518
	3,752	5,197	818	785

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are interest bearing and generally on 30 day terms
- (ii) Sundry debtors are non interest bearing and have a repayment date between 30 and 90 days.
- (iii) Other debtor is secured by a caveat over the title of the land sold.
- (iv) Secured loans are secured by a fixed and floating charge over the debtor.

NOTES (continued)

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4. OTHER ASSETS

Current

	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
Prepayments	446	363	-	7

Non Current

Deferred borrowing expenses	299	344	-	11
Accumulated amortisation	(65)	(32)	-	(6)
	234	312	-	5
Prospectus and Scheme Formation costs	485	635	50	50
Accumulated amortisation	(177)	(128)	(20)	(15)
	308	507	30	35
	542	819	30	40

5. INVESTMENTS

(a) Property investments

Investment properties at fair value:

Dunsborough Beach Resort	13,200	17,650	-	-
Broadwater Resort Hotel Kalgoorlie	13,925	19,500	-	-
Pagoda Hotel Broadwater	13,440	12,012	-	-
166 Murray Street Mall (i)	63,800	60,651	-	-
	104,365	109,813	-	-

(i) The accounting policy for this asset has changed as per Note 1(s).

(b) Movements in property investments

	Balance at beginning of year \$'000	Additions \$'000	Disposals \$'000	Increment / (decrement) in fair value \$'000	Balance at end of year \$'000
Investment Properties					
Dunsborough Beach Resort	17,650	950	(6)	(5,394)	13,200
Broadwater Resort Hotel Kalgoorlie	19,500	2	-	(5,577)	13,925
Pagoda Hotel Broadwater	12,012	1,428	-	-	13,440
166 Murray Street Mall	60,651	30	-	3,119	63,800
	109,813	2,410	(6)	(7,852)	104,365

NOTES (continued)

Notes	Consolidated	Consolidated	Westralia	Westralia
	2005	2004	Property	Property
	\$'000	\$'000	Trust	Trust
			2005	2004
			\$'000	\$'000
5. INVESTMENTS (continued)				
(c) Managed investment schemes				
Dunsborough Hotel Property Syndicate	-	-	7,453	7,273
Kalgoorlie Apartment Hotel Syndicate	-	-	9,650	8,650
Pagoda Hotel Property Syndicate	-	-	5,072	4,885
Broadwater Busselton Property Syndicate	1,832	1,832	1,870	1,870
Provision for diminution	(756)	-	(9,057)	-
6.7	1,076	1,832	14,988	22,678
(d) Other				
Murray Street Mall Property Trust	-	-	28,000	28,000
	-	-	28,000	28,000

6. INTEREST IN CONTROLLED ENTITIES

- at cost

Name	Equity interest held by consolidated entity		Westralia Property Trust	
	2005	2004	2005	2004
	%	%	\$'000	\$'000
Dunsborough Hotel Property Syndicate	51.15	50.55	7,453	7,273
Kalgoorlie Apartment Hotel Syndicate	100.00	100.00	9,650	8,650
Pagoda Hotel Property Syndicate	84.61	80.35	5,072	4,885
WPT Finance Pty Ltd (i)	100.00	100.00	-	-
Murray Street Mall Property Trust	100.00	100.00	28,000	28,000
			50,175	48,808

(i) Carrying amount of investment is \$2.

7. INVESTMENTS IN ASSOCIATES

Carrying amount of investments in associates:

	Consolidated	Consolidated
	2005	2004
	\$'000	\$'000
Balance at beginning of year	-	2,657
- share of associates net profit	-	53
- share of distributions received	-	(44)
- investment in associate now treated as controlled entity	-	(834)
- investment in associate no longer equity accounted	-	(1,832)
Carrying amount of investments in associates at the end of the financial year	-	-

NOTES (continued)

	Consolidated 2005 S'000	Consolidated 2004 S'000	Westralia Property Trust 2005 S'000	Westralia Property Trust 2004 S'000
8. PAYABLES				
Trade creditors (i)	864	857	102	71
Distributions payable	-	367	-	367
Due to controlled entities	-	-	5,756	1,228
Due to Responsible Entity	108	624	6	439
Due to director related entity (ii)	-	265	-	35
	972	2,113	5,864	2,140

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non interest bearing and generally on 30 day terms
- (ii) Details of the terms and conditions of related party payables are set out in note 16

9. INTEREST BEARING LIABILITIES

Current

Bank overdraft	38	-	-	-
Debentures secured (i)	-	2,148	-	626
Convertible note (ii), (iii)	1,000	-	-	-
Notes unsecured (ii)	1,873	-	-	-
Other loans secured (iv)	255	-	-	-
Other loans unsecured (v)	257	248	-	-
Due to director related entities	-	114	-	51
Bank loans unsecured	-	1,500	-	1,500
Bank loans secured (vi)	21,202	6,580	-	-
	24,625	10,590	-	2,177

Terms and conditions relating to the above financial instruments:

- (i) Debentures are secured by a charge over the assets of the entity.
- (ii) Convertible and unsecured notes have been guaranteed by the Westralia Property Trust.
- (iii) Convertible notes are convertible to units in the Trust at the investors option at a 10% discount to market.
- (iv) Other loans secured are due 29 June 2006 and are secured by a first mortgage over Lot 49 on Strata Plan No 31338 with an interest rate of 14.5%.
- (v) Other loans unsecured have no fixed repayment date with 7% to 8% interest paid monthly in arrears.
- (vi) Bank Loans are secured by a first registered mortgage over the property and first registered mortgage debenture over the respective entity.

The Directors believe that interest bearing liabilities falling due in the next 12 months can be extended or refinanced on similar terms.

Non Current

Bank loans secured (i)	38,450	49,928	-	-
Debentures secured	-	130	-	130
Other loans secured	-	255	-	-
	38,450	50,313	-	130

- (i) Bank Loans are secured by a first registered mortgage over the property and first registered mortgage debenture over the respective entity as follows:

Dunsborough Hotel Property Syndicate (Facility expires February 2008)	4,450	4,150	-	-
Murray St Mall Property Trust (i) (Facility expires June 2009)	34,000	33,778	-	-
Kalgoorlie Apartment Hotel Syndicate	-	10,000	-	-
Pagoda Fixed Term Property Syndicate	-	2,000	-	-
	38,450	49,928	-	-

- (i) Westralia Property Trust have provided a \$19,000,000 guarantee over this facility

NOTES (continued)

	Consolidated 2005	Consolidated 2004	Westralia Property Trust 2005	Westralia Property Trust 2004
10. UNITHOLDERS' FUNDS				
	Number '000	Number '000	Number '000	Number '000
(a) Units on issue				
Units on issue at beginning of the year	64,454	18,823	64,454	18,823
Units issued during the year				
- distribution reinvestment plan (i)	2,254	1,026	2,254	1,026
- public equity raising	712	44,605	712	44,605
Units on issue as at the reporting date	67,420	64,454	67,420	64,454
	\$'000	\$'000	\$'000	\$'000
(b) Contributed equity				
Balance beginning of year	48,201	17,520	48,201	17,520
Units issued during the year				
- distribution reinvestment plan (i)	1,485	842	1,485	842
- public equity raising	484	32,058	484	32,058
Equity raising costs	(4)	(2,219)	(4)	(2,219)
Closing balance	50,166	48,201	50,166	48,201
(i) The distribution reinvestment plan ("DRP") allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the Directors at their absolute discretion. The value of distributions reinvested relating to the year to 30 June 2005 was \$1,485,196 (2004: \$843,121) which resulted in the issue of 2,253,731 units (2004: 1,025,986).				
The latest date for receipt of an election notice for participation in the DRP is the record date for each distribution which is the last day of each quarter.				
(c) Asset revaluation reserve				
Balance at beginning of the year	-	670	-	-
Transfer (to) accumulated losses	-	(670)	-	-
Closing balance	-	-	-	-
(d) Accumulated losses				
Balance beginning of year	(819)	(1,038)	(1,126)	(634)
Net loss	(5,698)	850	(8,109)	809
Transfer from reserve	-	670	-	-
Distribution to unitholders	(2,944)	(1,301)	(2,944)	(1,301)
Closing balance	(9,461)	(819)	(12,179)	(1,126)

NOTES (continued)

	Consolidated 2005 \$'000	Consolidated 2004 \$'000		
11. OUTSIDE EQUITY INTEREST (OEI)				
Opening balance	8,879	7,353		
Add: OEI acquired	-	815		
Add: units issued to OEI	-	14		
Less: share of operating loss	(2,730)	893		
Less: distributions	(190)	(196)		
Less: shares acquired from OEI	(70)	-		
Closing balance	5,889	8,879		
			Westralia Property Trust	Westralia Property Trust
	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Trust 2005 \$'000	Trust 2004 \$'000
12. STATEMENT OF CASH FLOWS				
(a) Reconciliation of net operating profit to net cash flow from operations:				
Net operating profit / (loss)	(8,428)	1,743	(8,109)	809
Distribution revenue	-	-	-	(670)
Equity accounted revenue	-	(53)	-	-
Distribution revenue from associates	-	44	-	-
Amortisation	49	46	5	5
Prospectus and scheme formation costs written off	413	280	-	-
Prospectus and scheme formation costs	(263)	-	-	-
Profit on sale of land	-	(1,970)	-	-
Diminution in the value of investment	756	-	9,057	-
Net decrement in value of investment properties	7,852	-	-	-
(Increase)/decrease in receivables	(505)	184	251	(325)
(Increase)/decrease in prepayments	(5)	(186)	12	17
Increase/(decrease) in creditors	(50)	25	37	(120)
Net operating cash flow	(181)	113	1,253	(284)
(b) Reconciliation of cash				
Cash at bank (i)	460	1,253	15	21
Bank overdraft	(38)	-	-	-
	422	1,253	15	21
(i) Includes cash of \$160,000 (2004: \$160,000) as security for bank facilities not accessible by the Trust.				
(c) Financing facilities				
Total facilities used - Bank loans	59,653	58,008	-	1,500
Total facilities unused - Bank loans	2,207	222	-	-
Total facilities available - Bank loans	61,860	58,230	-	1,500

Each facility is only available to the entity concerned.

NOTES (continued)

	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
12. STATEMENT OF CASH FLOWS (continued)				
(d) Acquisition of controlled entities				
On 31 May 2004 the Trust's indirect holding in Pagoda Fixed Term Property Syndicate increased from 30.22% to 52.83%				
Receivables	-	64	-	-
Properties	-	4,390	-	-
Total Assets	-	4,454	-	-
Payables	-	(109)	-	-
Interest bearing liabilities	-	(2,000)	-	-
Fair value of assets acquired	-	2,345	-	-
Attributable to outside equity interest	-	(815)	-	-
	-	1,530	-	-
Consideration	-	1,530	-	-
Units issued	-	(593)	-	-
Investment owned at beginning of year	-	(937)	-	-
Cash paid for controlled entity net of cash acquired	-	-	-	-

(e) Non cash financing activities

- (i) The value of distributions reinvested in the year to 30 June 2005 was \$1,485,196 (2004: \$843,121) which resulted in the issuance of 2,253,731 units (2004: 1,025,986 units).
- (ii) The Trust issued 609,191 units at 68 cents as consideration for investment properties.
- (iii) The Trust issued 102,647 units at 68 cents as consideration for investment in controlled entity.

NOTES (continued)

	Consolidated 2005 \$	Consolidated 2004 \$	Westralia Property Trust 2005 \$	Westralia Property Trust 2004 \$
13. AUDITOR'S REMUNERATION				
Amounts received or due and receivable by RSM Bird Cameron Partners for:				
- audit or review of financial report	80,050	73,500	43,000	45,000
- other services	1,650	10,500	-	2,000
	81,700	84,000	43,000	47,000

14. EARNINGS PER UNIT

Basic earnings per unit (cents)	(8.66)	3.70	N/a	N/a
Diluted earnings per unit (cents)	(8.66)	3.70	N/a	N/a

Earnings per unit is calculated by dividing the net profit attributable to members of Westralia Property Trust by the weighted number of ordinary units on issue during the year. The weighted number of units in the calculation of earnings per unit is 65,834,283 (2004: 22,997,860).

15. NET ASSET BACKING PER UNIT

Basic net asset backing per unit (\$)	0.60	0.73	N/a	N/a
---------------------------------------	-------------	------	------------	-----

Basic net asset backing per unit is calculated by dividing the equity attributable to members of Westralia Property Trust by the number of units on issue at year end.

16. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES

(a) Responsible Entity

The Responsible Entity of Westralia Property Trust is Westralia Property Management Limited, whose immediate parent entity is Prestige Property Holdings Pty Ltd and ultimate parent entity is Futuris Corporation Limited. Westralia Property Management Limited was acquired on 14 April 2005 from Kareelya Limited.

(b) Details of Directors

The following persons were Directors of the Responsible Entity, Westralia Property Management Limited, during the financial year:

D.A. Hinton

L.P. Wozniczka appointed 14 April 2005

A.C.G. Davies appointed 14 April 2005

P.A.R. Hall appointed 14 April 2005

B.L. Jackson (resigned 14 April 2005)

G.M. Goff (resigned 14 April 2005)

R.L. Andersen resigned (15 October 2004)

NOTES (continued)

16. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES (continued)

(c) Remuneration policy

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the Constitution of the Trust. The Constitution is available from ASIC and is available to unitholders on request.

Remuneration expenses of the Responsible Entity are not borne by the Trust. Directors and executives are remunerated by Futuris Corporation Limited and their management services provided to the Trust without recharge.

(d) Related party transactions

All related party transactions are conducted on normal commercial terms and conditions. Related party receivables and payables, unless otherwise stated, are unsecured, receivable or payable within 30 days and do not bear interest.

(e) Wholly-owned group transactions

Loans made by Westralia Property Trust to wholly owned entities are interest free, unsecured and repayable on demand.

(f) Fees

Transactions between the consolidated entity and Westralia Property Management Limited result from normal dealings with that company as the Scheme's Responsible Entity.

	Consolidated 2005 \$'000	Consolidated 2004 \$'000	Westralia Property Trust 2005 \$'000	Westralia Property Trust 2004 \$'000
The following fees were paid or payable to the Responsible Entity during the year:				
Management fee	396	267	130	100
Acquisition fee for preparation of Product Disclosure Statement for Westralia Property Trust (*)	-	2,835	-	2,835
Administrative fee for the establishment of the Kalgoorlie Apartment Hotel Syndicate including preparation of Product Disclosure Statement and acquisition fee for purchase of the property	-	50	-	-
Administrative fees for due diligence of investment properties and investment vehicles.	219	-	219	-
Administrative fees in respect of the acquisition of investment properties	40	-	-	-
Total paid or payable to the Responsible Entity	655	3,152	349	2,935

The following fees were paid to wholly owned entities of Kareelya Limited (to 14 April 2005) other than the Responsible Entity

Project management for works at Dunsborough Beach Resort	100	-	-	-
Project management fees for the construction of Broadwater Resort Hotel Kalgoorlie	80	459	-	-
	180	459	-	-

(*) This fee in 2004 included the Responsible Entity services for the acquisition and due diligence on 166 Murray Street Mall together with the associated debt and equity raising. The Responsible Entity absorbed the costs associated with providing these services including underwriting fees, legal costs, expert reports and selling costs.

NOTES (continued)**16. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES (continued)**

(g) Other related party transactions

Advances

A wholly owned entity of Westralia Property Trust has provided mezzanine finance to Bunbury Silos Pty Ltd, a wholly owned entity of Kareelya Limited. This loan is secured, repayable on demand and accrues interest at 15% per annum. At 30 June 2005 principal and interest of \$896,034 is owing (2004: \$728,000).

Westralia Property Trust received \$120,000 from Broadwater Holiday Ownership, a managed investment scheme Westralia Property Management Limited is Responsible Entity for. This loan was repaid in full during the period. The loan was unsecured and interest free.

Broadwater Bungalows Pty Ltd, a director related entity of Mr B. Jackson advanced \$35,233 (2004: \$35,000) during the year to Westralia Property Trust. \$104,312 was repaid (2004: \$20,270). Balance at 30 June 2005 was \$Nil (2004: \$69,079). The loan was unsecured, repayable on demand and interest free.

Batavia Coast Marina Pty Ltd, an associated entity of Kareelya Limited and a director related entity of Mr B. Jackson, were repaid \$51,588 (2004: \$325,130) during the year by Westralia Property Trust. Balance at 30 June 2005 is \$Nil (2004: \$51,522). Interest expense for year was \$66 (2004: \$17,900). The loan was unsecured, repayable on demand and accrued at 10% per annum.

Futuris Administration Pty Ltd were repaid \$6,645 (2004: \$1,493,355) by a wholly owned entity of Westralia Property Trust. The balance at 30 June 2005 is \$Nil (2004: \$6,645)

Interest revenue

During the year interest and finance charges of Nil (2004: \$189,797) were charged to wholly owned entities of the former ultimate parent entity. Interest and finance charges of \$199,999 (2004: \$18,798) were charged to related entities former directors.

Rental income

During the year controlled entities of Westralia Property Trust were entitled to rental income and reimbursement of outgoings of \$1,299,742 (2004: \$1,776,357) which was received or receivable from Broadwater Hospitality Management Pty Ltd, the hospitality manager of the tourism properties, an entity wholly owned by Kareelya Limited. On the 30 June 2005, Prestige Property Holdings Pty Ltd (a wholly owned entity of Futuris Corporation Limited) exercised an option to purchase the hospitality manager of the tourism properties. This rental is receivable under a lease agreement between the parties.

Distributions received or receivable

The following distributions were received or receivable by Westralia Property Trust:

	2005	2004
	\$	\$
Kalgoorlie Apartment Hotel Syndicate	-	670,000
Dunsborough Hotel Property Syndicate	181,714	213,324
Broadwater Busselton Property Syndicate	107,136	79,935
Pagoda Hotel Property Syndicate	-	(180,038)
Murray Street Mall Property Trust	1,332,271	307,307
	1,621,121	1,090,528

NOTES (continued)**16. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES
(continued)**

(g) Other related party transactions (continued)

Guarantees

Westralia Property Trust has guaranteed the bank facilities of Murray Street Mall Property Trust for \$19,000,000. Westralia Property Trust has provided a guarantee over a wholly owned subsidiary's convertible notes and unsecured notes with a total value of \$2,873,000.

Sale of property

In 2004 a controlled entity of the Trust sold property to Kareelya Limited and an unrelated party for \$4,000,000. The price was based on an independent valuation and was approved by the unitholders of the controlled entity. Of this amount \$2,000,000 remains outstanding at 30 June 2005 and is included in receivables. This amount is secured by a caveat over the title of the land sold.

(h) Equity instruments of Directors

Interests in the Trust's units held by the director, director related entities or associates:

	Units	Units
	2005	2004
D.A. Hinton	-	-
L.P. Wozniczka	-	n/a
A.C.G. Davies	-	n/a
P.A.R Hall	-	n/a
B.L. Jackson – former holding company and controlled entities	n/a	10,780,674
B.L. Jackson – other	n/a	71,025
R.L. Andersen	n/a	2,982
G.M. Goff	n/a	5,964

NOTES (continued)

17. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The consolidated entity's exposure to interest rate risk and the effective interest rate of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

	Weighted average effective interest rate	Variable interest rate \$'000	Fixed Interest Rate			Non interest bearing \$'000	Total \$'000
			Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
2005							
Financial assets							
Cash	1.0%	460	-	-	-	-	460
Trade debtors	15.0%	-	472	-	-	309	781
Sundry debtors	-	-	-	-	-	2,199	2,199
Secured loan	15.0%	-	772	-	-	-	772
Total financial assets		460	1,244	-	-	2,508	4,212
Financial liabilities							
Trade creditors	-	-	-	-	-	864	864
Related parties	-	-	-	-	-	108	108
Interest bearing liabilities - current:							
Bank overdraft	9.0%	38	-	-	-	-	38
Notes unsecured	10.0%	-	1,873	-	-	-	1,873
Convertible note	10.0%	-	1,000	-	-	-	1,000
Bank loans	5.9%	9,803	11,400	-	-	-	21,203
Other loans	9.0%	-	511	-	-	-	511
Interest bearing liabilities - non current:							
Bank loans	6.1%	11,450	-	27,000	-	-	38,450
Total financial liabilities		21,291	14,784	27,000	-	972	64,047

2004

Financial assets							
Cash	1.0%	1,253	-	-	-	-	1,253
Trade debtors	-	-	-	-	-	339	339
Sundry debtors	-	-	-	-	-	4,146	4,146
Related party receivable	15.0%	-	712	-	-	-	712
Total financial assets		1,253	712	-	-	4,485	6,450
Financial liabilities							
Trade creditors	-	-	-	-	-	857	857
Distribution payable	-	-	-	-	-	367	367
Related parties	-	-	-	-	-	889	889
Interest bearing liabilities - current:							
Debentures	9.7%	-	2,396	-	-	-	2,396
Related parties	8.9%	-	114	-	-	-	114
Bank loans	5.7%	6,680	1,400	-	-	-	8,080
Interest bearing liabilities - non current:							
Bank loans	6.0%	12,928	-	37,000	-	-	49,928
Debentures	10.0%	-	-	130	-	-	130
Other loans	10.0%	-	-	255	-	-	255
Total financial liabilities		19,608	3,910	37,385	-	2,113	63,016

NOTES (continued)

17. FINANCIAL INSTRUMENTS (continued)

(b) Fair values

The carrying values of the entity's financial assets and financial liabilities included in the Statement of Financial Position approximate their fair values.

Refer to note 1 for methods and assumptions adopted in determining fair values of investments.

(c) Credit risk exposure

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of financial asset and financial liability is the carrying amount of those instruments as indicated in the Statement of Financial Performance.

The consolidated entity minimises exposure to credit risk in relation to receivables by obtaining security over property or syndicate interests as well as dealing with a number of counter parties. The majority of these counter parties are located in Western Australia.

		Westralia Property Trust	Westralia Property Trust
	Consolidated 2005 \$'000	Consolidated 2004 \$'000	2005 2004 \$'000

18. LEASES

Future minimum rental revenues under non-cancellable operating leases are as follows:

- not later than one year	6,583	6,358	-	-
- later than one year and not later than five years	19,624	21,780	-	-
- later than five years	9,250	11,761	-	-
Total	35,457	39,899	-	-

19. CAPITAL COMMITMENTS

Estimated capital expenditure contracted for at 30 June but not provided for, payable

- not later than one year	-	238	-	-
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NOTES (continued)

20. PRINCIPAL ACTIVITY

The principal activity of the Trust is investment in income producing properties located in Australia.

21. SEGMENT REPORTING

The Trust operates wholly within Australia and derives rental income from property and related investments.

22. ECONOMIC DEPENDENCY

31% of rental income was received from Broadwater Hospitality Management Pty Ltd, a controlled entity of Kareelya Limited. On 30 June 2005, Prestige Property Holdings Pty Ltd (a wholly owned entity of Futuris Corporation Limited) exercised an option to purchase the hospitality manager of the tourism properties.

23. SUBSEQUENT EVENTS

There have been no matters or circumstances that have arisen since the end of the year that have affected or may affect the Trust's operations in the future financial year, the result of those operations or state of affairs in future financial years.

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Former Directors have entered into contracts to purchase \$643,000 of property that has not been settled. Vendors of these properties have issued default notices. Current Directors believe that the contracts have not been entered into with appropriate approval and therefore have not been recorded as a liability. Should the amounts in fact be determined to be a liability then a corresponding asset would arise.

25. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The Westralia Property Trust is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (GAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ending 30 June 2006. The Trust has prepared an opening balance sheet in accordance with AIFRS as at 1 July 2004 which will form the basis of accounting for AIFRS in the future, and is required when the Trust prepares its first fully compliant financial report for the year ending 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and the best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are the Trust's best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to (a) ongoing work being undertaken; (b) potential amendments to AIFRS and interpretations thereof being issued by the standard-setters and International Financial Reporting Interpretations Committee (IFRIC); and (c) emerging accepted practice in the interpretation and application of AIFRS and Urgent Issues Group (UIG) Interpretations.

NOTES (continued)

25. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (continued)

	Consolidated 2005 \$000	
Reconciliation of net profit as presented under AGAAP to that under AIFRS		
Net loss under AGAAP after outside equity interest (OEI)	(5,698)	
Revaluation of investment properties after OEI (i)	4,451	
Deferred expenditure recognised after OEI (ii)	177	
Total net (loss) under AIFRS after OEI	(1,070)	

	Consolidated 2005* \$000	Consolidated 2004** \$000
Reconciliation of equity as presented under AGAAP to that under AIFRS		
Total equity under AGAAP after outside equity interest (OEI)	46,594	56,261
Investment properties (i)	-	(4,451)
Deferred expenditure recognised (ii)	(183)	(360)
Total equity under AIFRS after OEI	46,411	51,450

* Cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005.

** Adjustments as at the date of transition to AIFRS at 1 July 2004.

- (i) Under AIFRS (AASB 140 Investment Properties) properties are recorded at cost plus transaction costs such as stamp duty. At balance the property is to be carried at fair value reflecting current market conditions with changes in carrying value recognised in the Statement of Financial Performance. The adjustment represents the expensing of transaction costs subsequent to acquisition for reporting purposes. The Directors consider this to be a narrow or literal interpretation of AASB 140 producing unintended financial consequence upon the application of AASB 140.
- (ii) Under AIFRS (AASB 138 Intangible Assets) scheme formation costs are to be expensed immediately. This change in accounting policy will result in scheme formation costs being recognised when incurred in the Statement of Financial Performance.

Other impacts

The Trust was constituted under a Trust Deed dated 7 May 2001. Under the Constitution, the term of the Trust ends on the 80th anniversary of the date of registration less one day.

Under AIFRS (AASB 132 Financial Instruments: Presentation and Disclosure effective 1 July 2005) units on issue would be recognised as a financial liability rather than equity, because the Trust has a finite life.

The Responsible Entity intends to apply UIG Interpretation 2 "Members Shares in Co-Operative Entities and Similar Instruments" in the subsequent reporting period to treat equity not as a financial liability as there is no right of redemption.

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of the Responsible Entity, Westralia Property Management Limited, I state that:

- (1) In the opinion of the Directors:
 - (a) The financial statements and notes of the Trust and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2005 and of their performance as represented by the results of their operations and their cash flows for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2005.

On behalf of the Board
Westralia Property Management Limited
ABN: 16 072 899 060



David Hinton

Director

Westralia Property Management Limited

27 September 2005

DIRECTOR'S REPORT

The Directors of Westralia Property Management Limited (ABN 16 072 899 060), the Responsible Entity of the Westralia Property Trust ("the Trust"), submit their report, for Westralia Property Trust and its controlled entities for the year ended 30 June 2005.

DIRECTORS

The names of the Directors of the Responsible Entity in office during the financial year and until the date of this report are:

D.A. Hinton	
L.P. Wozniczka	(appointed 14 April 2005)
A.C.G. Davies	(appointed 14 April 2005)
P.A.R. Hall	(appointed 14 April 2005)
B.L. Jackson	(resigned 14 April 2005)
G.M. Goff	(resigned 14 April 2005)
R.L. Andersen	(resigned 15 October 2004)

The Directors were in office from the beginning of the year until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Trust during the year were to invest funds in income producing properties in Australia.

There has been no significant change in the nature of this activity during the period.

TRUST INFORMATION

The Trust was registered as a Managed Investment Scheme on 7 May 2001.

Westralia Property Management Limited, the Responsible Entity, was incorporated and is domiciled in Australia. At balance date the Trust had no employees.

The registered office of the Responsible Entity is
Ground Floor
66 Kings Park Road
West Perth, Western Australia 6005.

REVIEW OF RESULTS AND OPERATIONS

Results

The consolidated net operating loss is presented in the Statement of Financial Performance. Consolidated net loss attributable to members of the Trust was \$5,698,000 (2004: profit \$850,000).

Distributions

A distribution of \$2,944,000 was paid or is payable by the Trust for the financial year ended 30 June 2005 (2004: \$1,301,000). The distributions were 100% tax advantaged.

UNITS ON ISSUE

At 30 June 2005 67,419,618 units of the Trust were on issue (2004: 64,454,049 units). During the year 2,965,569 units (2004: 45,631,069) were issued.

TRUST ASSETS

At 30 June 2005, the Trust held assets with a total value of \$110,641,000 (2004: \$119,277,000). The basis for valuation of the assets is disclosed in Note 1 to the financial report.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

Details of fees paid or payable to the Responsible Entity and its associates out of scheme property are included in Note 16 of the financial report.

DIRECTOR'S REPORT (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the year to the date of this report were:

The ownership of the Responsible Entity, Westralia Property Management Limited, changed on 14 April 2005 when it was acquired by Prestige Property Holdings Pty Ltd, a wholly owned entity of Futuris Corporation Limited, from Kareelya Limited.

There were 2,253,731 units issued during the year as part of the Trust's dividend reinvestment plan.

There were 609,191 units issued during the year for the purchase of investment properties and 102,647 units issued during the year for the purchase of controlled entity interests.

SIGNIFICANT EVENTS AFTER BALANCE DATE

There have been no matters or circumstances that have arisen since the end of the year that have significantly affected, or may affect the Trust's or the consolidated entity's operations in future financial years, the results of those operations or state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Responsible Entity continues to monitor the investment strategy and will direct investment funds in those areas that it considers offers the best medium term growth opportunities. Future results will depend on the performance of the market in relation to the Trusts investment strategy. The investment strategy of the Trust will be maintained in accordance with its Constitution and investment objectives.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the consolidated entity are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

INSURANCE OF DIRECTORS AND OFFICERS

During, or since the end of the financial year, the Responsible Entity has paid, or agreed to pay, a premium in respect of a contract insuring all the directors and officers against a liability incurred in their role as directors and officers of the entity, except where the liability arises from fraudulent or dishonest conduct.

The total amount of insurance contract premiums paid has not been disclosed due to a confidentiality clause in the insurance contract.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Trust under ASIC Class Order 98/0100.

AUDITOR'S INDEPENDENCE DECLARATION

Our auditor, RSM Bird Cameron Partners, has provided the Board of Directors of the Responsible Entity with an independence declaration in accordance with section 307C of the Corporations Act 2001. The independence declaration is included within the financial statements.

Signed in accordance with a resolution of the Directors of the Responsible Entity.



David Hinton

Director

Westralia Property Management Limited

27 September 2005

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF WESTRALIA PROPERTY TRUST

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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www.rsmi.com.au

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF WESTRALIA PROPERTY TRUST

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for Westralia Property Trust (the Trust) and Westralia Property Trust and controlled entities (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises the Trust and the entities it controlled during that year.

The directors of Westralia Property Management Limited, the Responsible Entity of the Trust, are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Trust's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and

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Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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independent member firm of RSM
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INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF WESTRALIA PROPERTY TRUST (continued)

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WESTRALIA PROPERTY TRUST
[ANNUAL REPORT 2005]

- ◆ assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors of the Responsible Entity.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

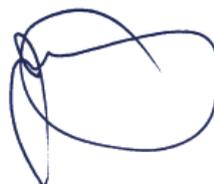
Audit Opinion

In our opinion, the financial report of Westralia Property Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



J A KOMNINOS
Partner

Perth, WA
Dated: 27 September 2005

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WESTRALIA PROPERTY TRUST

RSM Bird Cameron Partners

Chartered Accountants

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
WESTRALIA PROPERTY TRUST**

In relation to our audit of the financial statements of the Westralia Property Trust for the year ended 30 June 2005, to the best of our knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



J A KOMNINOS
Partner

Perth, WA
Dated: 27 September 2005

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ABN 36 965 185 036

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accounting and consulting firms.

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 August 2005.

(a) Substantial Unitholders

The names of substantial unitholders who have notified the Trust in accordance with section 671B of the Corporations Act 2001 are:

	Units		%
Futuris Administration Pty Ltd	23,398,975)	
Westralia Property Management Limited	5,977,609)	49.27
Prestige Property Holdings Pty Ltd	3,169,267)	
Oakcure Pty Ltd	16,250,000		25.21

(b) Distribution of Unitholders

The number of unitholders by size of holding are:

Range of Holdings	 Holders	 Units	%
1 - 1,000	18	4,703	0.01%
1,001 - 5,000	189	562,401	0.83%
5,001 - 10,000	173	1,260,843	1.87%
10,001 - 100,000	262	7,349,507	10.90%
100,001 - over	48	58,242,165	86.39%
Total	690	67,419,619	100.00%
Unitholders holding less than a marketable parcel	15	1,909	

(c) Voting Rights

Each fully paid unit carries voting rights of one vote per unit. All units issued are fully paid.

(d) Twenty Largest Shareholders

The names of the 20 largest unitholders of quoted units are:

Name	Units	%
Futuris Administration Pty Ltd	23,965,079	35.55
Oakcure Pty Ltd < Oakcure Unit A/c#1 >	13,888,889	20.60
Westralia Property Management Limited	6,083,842	9.02
Prestige Property Holdings Pty Ltd	3,169,267	4.70
Oakcure Pty Ltd < Oakcure Unit A/c#2 >	1,388,889	2.06
ANZ Nominees Limited < Cash Income A/c >	700,000	1.04
H & J Pourzand < Pourzand Family S/Fund A/c >	647,318	0.96
Jojaman Pty Ltd < Super Fund A/c >	531,550	0.79
S. Arunanthan	522,497	0.77
W. Santoso	372,824	0.55
C.E. & M.M. Dawson	351,202	0.52
B.O.T. Steggall	328,570	0.49
Oakcure Pty Ltd < Oakcure Unit A/c#3 >	309,833	0.46
K.W. Sheppard < Sheppard Family A/c >	305,556	0.45
J.H. Kuyper	287,208	0.43
P.V. & E Hughes	270,000	0.40
E.R. Bana	257,028	0.38
Kedgwick Pty Ltd < Michael English Super A/c >	250,000	0.37
K.W. Sheppard < Sheppard Family A/c >	250,000	0.37
K & M Dilley	240,000	0.36
Total	54,119,552	80.27

CORPORATE DIRECTORY

RESPONSIBLE ENTITY

Westralia Property Management Ltd
(formerly known as Kareelya Investments Limited)
ACN 072 899 060

Ground Floor
66 Kings Park Road
West Perth WA 6151

Telephone: (08) 9486 0870
Facsimile: (08) 9322 8488
Web: www.westraliapropertytrust.com.au

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West Perth WA 6872

REGISTERED ADDRESS

Ground Floor
66 Kings Park Road
West Perth WA 6005

Australian Financial Services Licence Number: 225064

DIRECTORS

David Ayers Hinton
Leslie Peter Wozniczka
Anthony Charles Gwynne Davies
Peter Arthur Ray Hall

COMPLIANCE COMMITTEE

David Ayers Hinton
Robert Peter Jenkins
Ross Terence Kestel

REGISTRY

Computershare Investor Services Pty Ltd
45 St George's Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

AUDITOR

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

ASX CODE

WST

CUSTODIAN

Sandhurst Trustees Limited
120 Harbour Esplanade
Docklands VIC 3008

Westralia Property Management Limited

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