

# **Invesco Wholesale Protected Growth PST**

SFN 267 623 945

**Annual financial statements for the reporting  
period ended 30 June 2011**

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These financial statements cover Invesco Wholesale Protected Growth PST as an individual entity.

The Trustee company of Invesco Wholesale Protected Growth PST is Invesco Australia Ltd (ABN 48 001 693 232).  
The Trustee company's registered office is Level 26, 333 Collins Street, Melbourne, VIC 3000.

**Statement of comprehensive income**

		For the reporting period ended	
		30 June 2011	30 June 2010
	Notes	\$	\$
<b>Investment income</b>			
Interest income	3	83	18
Dividend/Distribution income	4	232,525	137,116
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	9,866	167,372
Other income	6	<u>53,870</u>	<u>61,722</u>
<b>Total investment income</b>		<u>296,344</u>	<u>366,228</u>
<b>Expenses</b>			
Trustee's fees	17	<u>55,029</u>	<u>63,206</u>
<b>Total expenses</b>		<u>55,029</u>	<u>63,206</u>
<b>Profit/(loss) before tax expense/(income)</b>		<u>241,315</u>	<u>303,022</u>
Tax expense/(income)	8	<u>34,719</u>	<u>21,689</u>
<b>Profit/(loss) for the reporting period after tax expense attributable to unitholders</b>		<u>206,596</u>	<u>281,333</u>
Other comprehensive income for the reporting period attributable to unitholders		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the reporting period attributable to unitholders</b>		<u>206,596</u>	<u>281,333</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**Statement of financial position**

		As at	
	Notes	30 June 2011 \$	30 June 2010 \$
<b>Assets</b>			
Cash and cash equivalents	10	33,490	45,797
Receivables	11	160,322	139,109
Financial assets held at fair value through profit or loss	12	<u>4,498,670</u>	<u>5,097,319</u>
<b>Total assets</b>		<u><b>4,692,482</b></u>	<u><b>5,282,225</b></u>
<b>Liabilities</b>			
Payables	13	8,572	9,143
Current tax liabilities	14	<u>11,742</u>	<u>1,353</u>
<b>Total liabilities</b>		<u><b>20,314</b></u>	<u><b>10,496</b></u>
<b>Net Assets</b>		<u><b>4,672,168</b></u>	<u><b>5,271,729</b></u>
<b>Equity</b>			
Unitholders' funds	9	<u><b>4,672,168</b></u>	<u><b>5,271,729</b></u>

The above statement of financial position should be read in conjunction with the accompanying notes.

**Statement of changes in equity**

	Notes	For the reporting period ended	
		30 June 2011	30 June 2010
		\$	\$
<b>Total equity at the beginning of the reporting period</b>		5,271,729	5,850,546
Profit/(loss) for the reporting period after tax expense/(income) attributable to unitholders		206,596	281,333
Other comprehensive income for the reporting period attributable to unitholders		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the reporting period</b>		<u>206,596</u>	<u>281,333</u>
<b>Transactions with owners in their capacity as owners:</b>			
Applications	9	155,860	88,126
Redemptions	9	<u>(962,017)</u>	<u>(948,276)</u>
<b>Total equity at the end of the reporting period</b>		<u>4,672,168</u>	<u>5,271,729</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Statement of cash flows**

	Notes	For the reporting period ended	
		30 June 2011 \$	30 June 2010 \$
<b><i>Cash flows from operating activities</i></b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		931,200	685,935
Purchase of financial instruments held at fair value through profit or loss		(114,300)	(5,622,869)
Trust distributions received		2,101	16,099
Interest received		83	18
RITC received		98	1,373
Other income received		54,383	57,294
Payment of other expenses		(15,429)	(17,910)
Management fees paid		(40,220)	(46,716)
Income tax (paid)/received		(24,330)	65,737
<b>Net cash inflow/(outflow) from operating activities</b>	18(a)	<b>793,586</b>	<b>(4,861,039)</b>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from applications by unitholders		156,124	93,040
Payments for redemptions by unitholders		(962,017)	(948,535)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(805,893)</b>	<b>(855,495)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(12,307)</b>	<b>(5,716,534)</b>
Cash and cash equivalents at the beginning of the reporting period		<b>45,797</b>	<b>5,762,331</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	10, 18(b)	<b>33,490</b>	<b>45,797</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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## 1 General information

This financial report covers Invesco Wholesale Protected Growth PST ("the Trust") as an individual entity. The Trust was constituted on 7 August 1985.

The Trustee of Invesco Wholesale Protected Growth PST is Invesco Australia Ltd ("the Trustee"). The Trustee's registered office is Level 26, 333 Collins Street, Melbourne, VIC 3000.

The Trustee is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the period from 1 July 2010 to 30 June 2011 ("the reporting period").

The financial statements were authorised for issue by the directors of the Trustee on 14 September 2011. The directors of the Trustee have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Interpretations adopted by the Australian Accounting Standards Board and the *Superannuation Industry (Supervision) Act 1993 and Regulations (SIS)* in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets where the amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards*

The financial statements of the Trust comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### (b) Financial instruments

#### (i) *Classification*

- *Financial assets and liabilities held at fair value through profit or loss*

The Trust's investments are categorised as held at fair value through profit or loss. They comprise:

- *Financial instruments held for trading*

These may include derivative financial instruments including futures, forward contracts, options and interest rate swaps. The Trust does not designate any derivatives as hedges in a hedging relationship.

- *Financial instruments designated at fair value through profit or loss upon initial recognition*

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These may include investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

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

The information on the fair value basis is provided internally to the Trust's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

The Trust makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

### (ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the reporting period the asset is derecognised as realised gains or losses on financial instruments.

### (iii) Measurement

- *Financial assets and liabilities held at fair value through profit or loss*

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- *Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

- *Fair value in an inactive or unquoted market*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is the market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period.

There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Trust recognises the difference in the statement of comprehensive income to reflect a change in factors, including time, that market participants would consider in setting a price.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Trust would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the most appropriate option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

### (d) Investment income

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an accrual basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Dividend income is recognised on the ex-dividend date.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

## 2 Summary of significant accounting policies (continued)

### (e) Expenses

All expenses, including Trustee's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

### (f) Tax status of the Trust and of the unitholders with respect to unitholdings

The Trust is taxed as a pooled superannuation trust in accordance with Part IX of the Income Tax Assessment Act 1997, as amended. The Trust meets all of its liability for tax on investment income directly and therefore its unitholders are exempt from income tax on any gains arising from the disposals of their units in the Trust.

### (g) Tax Expense

The tax expense/(income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates applicable to the Trust. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The income tax rate used is 15% as it is the expectation of the trustee that the Trust will be treated as a complying fund under the APRA rules. If the trust is subsequently deemed to be a non complying trust for the current year, the income tax rate used for the current year will be adjusted to 45% (2010: 45%).

The Trust currently incurs withholding tax on investment income imposed by certain countries. Such income is recorded net of withholding tax in the statement of comprehensive income.

Current and deferred tax is recognised in the statement of comprehensive income.

## 2 Summary of significant accounting policies (continued)

### (h) Redeemable units

The Trust issues redeemable units, which are redeemable at the holder's option and are classified as equity in accordance with the AASB 132 *Financial Instruments: Presentation* as amended by AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the redeemable units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Redeemable units can be put back to the Trust at any time for cash equal to a proportionate share of the Trust's net asset value.

Where the Trust re-purchases its redeemable units, the consideration paid, including any directly attributable incremental costs are deducted from equity attributable to the Trust's unitholders until the units are cancelled, reissued or disposed of. Where such units are subsequently sold or re-issued, any consideration received, net of any incremental transaction costs directly attributable are included in equity attributable to the Trust's unitholders.

The consideration received or paid for units is based on the value of the Trust's net assets value per redeemable unit at the date of the transaction. In accordance with the provisions of the Trust's Deed, investment positions are valued based on the last traded market price, net of transaction costs, for the purpose of determining the Trust's net asset value for unit pricing purposes. The Trust's net asset value per unit is calculated by dividing the Trust's net assets by the total number of outstanding units.

### (i) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments held at fair value through profit or loss.

### (j) Receivables

Receivables may include amounts for dividends, trust distributions, interest and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(d) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

## 2 Summary of significant accounting policies (continued)

### (k) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at the end of each reporting period are included in payables.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Trust's Deed.

### (l) Applications, redemptions and unit pricing

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Trust divided by the number of units on issue.

The unit price is based on unit price accounting outlined in the Trust deed.

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

The GST incurred on the costs of various services provided to the Trust by third parties such as custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 75%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (n) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next reporting period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and accounts payable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

## 2 Summary of significant accounting policies (continued)

### (o) New accounting standards and interpretations

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

(i) *AASB 9 Financial Instruments* and *AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9* and *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

*AASB 9 Financial Instruments* addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. The Standard is not applicable until 1 January 2013. AASB 9 only permits the recognition of fair value gains/(losses) in other comprehensive income if they relate to equity investments that are not traded. Fair value gains/(losses) on debt investments are recognised directly in profit or loss. The Trust does not expect any significant impact on the Trust's financial statements arising from an adoption of the Standard.

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

In December 2009, the AASB issued a revised *AASB 124 Related Party Disclosures*. It is effective from 1 January 2011. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amendment will not have any effect on the Trust's financial statements.

(iii) *AASB 2010-4 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective from 1 January 2011)

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

(iv) *AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]* (effective from 1 January 2011)

In October 2010, the AASB issued the above Standard. The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. These amendments have no major impact on the requirements of the amended pronouncements. The Trust does not expect that any adjustments will be necessary as the result of applying the amendments.

(v) *AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* (effective from 1 July 2011)

In November 2010, the AASB issued the above Standard amending the disclosure requirements in *AASB 7 Financial Instruments: Disclosures*. The Standard introduces additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The Trust will apply the amendment from 1 July 2011 with no comparative information being required for the reporting period ending on 30 June 2012. It does not expect any significant impact as the result of applying the amendments.

(vi) *IFRS 13 Fair Value Measurement* (effective 1 January 2013)

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

## 2 Summary of significant accounting policies (continued)

### (o) New accounting standards and interpretations (continued)

(vii) AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* (effective 1 July 2011)

The AASB and NZ FRSB have issued accounting standards that eliminate most of the existing differences between their local standards and IFRS. Where additional disclosures were considered necessary, they were moved to the new standard AASB 1054. Adoption of the new rules will not affect any of the amounts recognised in the financial statements, but may simplify some of the Trust's current disclosures. The Trust intends to adopt the standards from 1 July 2011.

(viii) Revised IAS 1 *Presentation of Financial Statements* (effective 1 July 2012)

In June 2011, the IASB made an amendment to IAS 1 *Presentation of Financial Statements*. The AASB is expected to make the equivalent changes to AASB 101 shortly. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to the statement of comprehensive income in the future. It will not affect the measurement of any of the items recognised in the statement of financial position or the statement of comprehensive income. The Trust intends to adopt the new standard from 1 July 2012.

### (p) Deposit held with broker for margin

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

## 3 Interest income

	For the reporting period ended	
	30 June 2011	30 June 2010
	\$	\$
Cash and deposits	<u>83</u>	<u>18</u>

## 4 Dividend/Distribution income

	For the reporting period ended	
	30 June 2011	30 June 2010
	\$	\$
Related managed investment schemes	<u>232,525</u>	<u>137,116</u>

## 5 Net gains/(losses) on financial instruments held at fair value through profit or loss

	For the reporting period ended	
	30 June 2011	30 June 2010
	\$	\$
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	<u>3,705</u>	<u>137,229</u>
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	<u>6,161</u>	<u>30,143</u>
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b><u>9,866</u></b>	<b><u>167,372</u></b>

## 6 Other income

	For the reporting period ended	
	30 June 2011	30 June 2010
	\$	\$
Administration fee rebate	15,264	17,574
Management fee rebate	<u>38,606</u>	<u>44,148</u>
	<b><u>53,870</u></b>	<b><u>61,722</u></b>

## 7 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor of the Trust.

	For the reporting period ended	
	30 June 2011	30 June 2010
	\$	\$
<b>(a) Assurance services</b>		
Audit services		
<i>Auditors of the Trust - KPMG</i>		
Audit and review of financial reports and other audit work under the Corporations Act 2001	7,004	6,800
Other regulatory audit services	<u>19,427</u>	<u>18,599</u>
Total remuneration for audit services	<b><u>26,431</u></b>	<b><u>25,399</u></b>
<b>(b) Other services</b>		
<i>Auditors of the Trust - KPMG</i>		
Taxation services	<u>2,728</u>	<u>2,396</u>
Total remuneration for other services	<b><u>2,728</u></b>	<b><u>2,396</u></b>

The fees are paid by the Trustee and form part of the administration fee charged to the Trust by the Trustee.

## 8 Tax expense/(income)

	For the reporting period ended	
	30 June 2011 \$	30 June 2010 \$
<b>(a) Tax expense</b>		
Current tax expense	34,718	20,348
Adjustments for current tax of prior periods	<u>1</u>	<u>1,341</u>
	<u>34,719</u>	<u>21,689</u>
Deferred income tax (revenue)/expense included in tax expense/(income) comprises:		
Decrease/(increase) in deferred tax assets	200,903	201,911
Movement in temporary differences not brought to account	<u>(200,903)</u>	<u>(201,911)</u>
	<u>-</u>	<u>-</u>
<b>(b) Numerical reconciliation of income tax expense to prima facie accounting profit</b>		
Profit/(loss) before tax expense/(income)	<u>241,315</u>	<u>303,022</u>
Tax at the applicable Australian tax rate of 15% (2010 - 15%)	36,197	45,453
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Movements in temporary differences not brought to account	200,903	201,911
Movements in non-assessable investment gains (in relation to unrealised parcels)	(203,377)	(228,033)
Tax effect of tax loss recognised at 10% instead of 15%	995	1,017
Adjustments for prior periods	1	1,341
Deferred tax asset	200,903	(201,911)
Deferred tax asset not brought to account	<u>(200,903)</u>	<u>201,911</u>
<b>Tax expense/(income)</b>	<u>34,719</u>	<u>21,689</u>
<b>(c) Tax losses</b>		
Unused capital tax losses for which no deferred tax asset has been recognised	<u>2,009,029</u>	<u>2,019,112</u>
Potential tax benefit @ 10%	<u>200,903</u>	<u>201,911</u>
Total unused tax losses	<u>200,903</u>	<u>201,911</u>

All unused tax losses were incurred by Australian entities.

## 9 Unitholders' funds

As stipulated within the Trust's Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust. The Trust is not obliged to make distributions.

## 9 Unitholders' funds (continued)

Movements in number of units and unitholders' funds during the reporting period were as follows:

	For the reporting period ended			
	30 June 2011 No.	30 June 2010 No.	30 June 2011 \$	30 June 2010 \$
Opening balance	1,380,585	1,607,359	5,271,729	5,850,546
Applications	40,021	23,335	155,860	88,126
Redemptions	(246,609)	(250,109)	(962,017)	(948,276)
Unitholders' funds	-	-	206,596	281,333
<b>Closing balance</b>	<b><u>1,173,997</u></b>	<b><u>1,380,585</u></b>	<b><u>4,672,168</u></b>	<b><u>5,271,729</u></b>

## 10 Cash and cash equivalents

	As at	
	30 June 2011 \$	30 June 2010 \$
Cash management trust	<u>33,490</u>	<u>45,797</u>

## 11 Receivables

	As at	
	30 June 2011 \$	30 June 2010 \$
Accrued income	159,931	138,441
Applications receivable	364	629
GST claimable	27	39
	<u>160,322</u>	<u>139,109</u>

## 12 Financial assets held at fair value through profit or loss

	As at	
	30 June 2011 \$	30 June 2010 \$
<b>Designated at fair value through profit or loss</b>		
Unlisted units in managed investment schemes	<u>4,498,670</u>	<u>5,097,319</u>
<b>Total financial assets held at fair value through profit or loss</b>	<b><u>4,498,670</u></b>	<b><u>5,097,319</u></b>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 16.

### 13 Payables

	As at	
	30 June 2011	30 June 2010
	\$	\$
Accrued expenses	4,624	5,195
Redemptions payable	<u>3,948</u>	<u>3,948</u>
	<u>8,572</u>	<u>9,143</u>

### 14 Current tax liabilities

	30 June 2011	30 June 2010
	\$	\$
Current tax liabilities	<u>11,742</u>	<u>1,353</u>

### 15 Derivative financial instruments

In the normal course of business the Trust enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust may hold the following derivative instruments:

#### (a) Futures

Futures are contractual obligations to buy or sell financial instruments' on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

#### (b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Trust is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

## 15 Derivative financial instruments (continued)

### (c) Forward currency contracts

Forward currency contracts are primarily used by the Trust to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Trust agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Trust recognises a gain or loss equal to the change in fair value at the end of each reporting period.

### (d) Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. The Trust recognises a gain or loss equal to the change in fair value at the end of each reporting period.

### (e) Swaps

An interest rate swap is an agreement between two parties to exchange their interest obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

The fair value of interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties.

The Trust held no derivative financial instruments at 30 June 2011 and 30 June 2010.

## 16 Financial risk management

### (a) Objectives, strategies, policies and processes

The Trust's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management program focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Trustee ("the Board").

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Trust may use derivatives and other investments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Trust's direct investments and not on a look-through basis for investments held in the Trust.

## 16 Financial risk management (continued)

The sensitivity of the Trust's total equity (and profit/(loss)) for the reporting period attributable to unitholders) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Trust's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2011, the overall market exposures were as follows:

	As at 30 June 2011 \$	As at 30 June 2010 \$
Securities designated at fair value through profit or loss	<u>4,498,670</u>	<u>5,097,319</u>

### (i) Price risk

Price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Trust's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Trust's overall market positions are monitored on a regular basis by the Trust's Investment Manager. This information and the compliance with the Trust's Product Disclosure Statement are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

Short sales made by the Trust involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

At 30 June 2011, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the total equity (and profit/(loss)) for the reporting period attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2011		As at 30 June 2010	
	Increased by 15% \$	Decreased by 15% \$	Increased by 10% \$	Decreased by 10% \$
Increase/(decrease) in total equity (and profit/(loss)) for the reporting period attributable to unitholders	674,800	(674,800)	509,731	(509,731)

The analysis is performed on the same basis for 2011 and 2010.

## 16 Financial risk management (continued)

### (ii) Foreign exchange risk

There was no significant direct foreign exchange risk in this Trust as at 30 June 2011 (2010: Nil).

### (iii) Interest rate risk

There was no significant direct interest rate risk in this Trust as at 30 June 2011 (2010: Nil).

### (c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Trust, other than derivatives, the Trust's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the reporting period.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase of the securities has been received by the broker. The trade will fail if either party fails to meet its obligations.

The Trust holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

Counterparty credit limits and the list of authorised brokers are reviewed bi-annually or on an as needed basis by the Credit Committee of the Trustee.

In accordance with the Trust's policy, the Investment Manager monitors the Trust's credit position on a regular basis. This information and the compliance with the Trust's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board. All contracts are with counterparties included in the Board's Approved Counterparties list.

### (d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives.

There were no significant concentrations of risk in the Trust as at 30 June 2011 (2010: Nil).

### (e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Trust's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Trust maintains sufficient cash and cash equivalents to meet normal operating requirements.

## 16 Financial risk management (continued)

The Trust may be exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Trust's investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Trust may invest in investments in unlisted unit trusts that expose the Trust to the risk that the Trust or Investment Manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Trust.

The Trust may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Trust may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such investments were held at the end of the reporting period.

The Trust's policy is to hold a significant proportion of its investments in liquid assets.

Under the terms of its Trust Deed, the Trust has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

In accordance with the Trust's policy, the Investment Manager monitors the Trust's liquidity position on a regular basis. This information and the compliance with the Trust's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

### ***Maturity analysis for financial liabilities***

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$	1-3 months \$	3-12 months \$	More than 12 months \$
<b>At 30 June 2011</b>				
Payables	8,572	-	-	-
Income tax payable	<u>11,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>20,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 month \$	1-3 months \$	3-12 months \$	More than 12 months \$
<b>At 30 June 2010</b>				
Payables	9,143	-	-	-
Income tax payable	<u>1,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>10,496</u>	<u>-</u>	<u>-</u>	<u>-</u>

As disclosed above, the Trust manages its liquidity risk by investing predominantly in liquid assets that it expects to be able to liquidate within 7 days or less. Liquid assets include cash and cash equivalents and listed equities. As at 30 June 2011, these assets amounted to \$33,490 (2010: \$45,797).

### **(f) Fair values of financial assets and financial liabilities**

The carrying amounts of all the Trust's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

## 16 Financial risk management (continued)

The Trust values its investments in accordance with the accounting policies set out in note 2. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

As a result of events in global markets in the past reporting period and the comparative period, liquidity in some investment markets decreased significantly. As a result, the volume of trading in some of the investments held by the Trust decreased significantly, and accordingly the valuation of those investments is subject to a greater uncertainty and requires greater judgement than would be the case in normal investment market conditions.

### (g) Fair value hierarchy

The Trust is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Trust. The Trust considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

As at 30 June 2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
Unlisted managed investment schemes	-	4,498,670	-	4,498,670
<b>Total</b>	<b>-</b>	<b>4,498,670</b>	<b>-</b>	<b>4,498,670</b>
As at 30 June 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
Unlisted managed investment schemes	-	5,097,319	-	5,097,319
<b>Total</b>	<b>-</b>	<b>5,097,319</b>	<b>-</b>	<b>5,097,319</b>

The pricing for the majority of the Trust's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

## 16 Financial risk management (continued)

### (g) Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. The level 2 instruments include investment-grade corporate bonds, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Trust did not have transfers between levels as at 30 June 2011 and 30 June 2010.

## 17 Related party transactions

### Trustee

The Investment Manager and Trustee of the Trust is Invesco Australia Ltd ('the Manager'). The immediate and ultimate holding companies are Invesco Pacific Group Ltd and Invesco Ltd respectively.

### Key management personnel

#### (a) Trustee

Key management personnel includes persons who were trustees of Invesco Australia Ltd at any time during the reporting period and since the end of the reporting period as follows:

Michael O'Brien (Chairman) (Appointed 27 August 2004)  
Jeremy Simpson (Appointed 29 August 2000)  
Andrew Lo (Appointed 10 July 1998)  
Mark Yesberg (Appointed 28 November 2007)  
Robert M Adés (Appointed 22 July 2008)  
Richard Douglas (Appointed 16 August 2010)

#### (b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly during the reporting period.

### Trustee's/manager's fees and other transactions

Under the terms of the Trust's Deed, the Trustee is entitled to receive management fees, calculated by reference to the average daily net assets (excluding unitholders' funds) of the Trust as follows:

	For the year ended	
	30 June 2011	30 June 2010
	\$	\$
Management fees for the reporting period paid by the Trust to the Trustee	<u>39,750</u>	<u>45,657</u>
Reimbursement of management fee	<u>(38,606)</u>	<u>(44,148)</u>
Reimbursement of administration fee	<u>(15,264)</u>	<u>(17,574)</u>
Administration fees for the reporting period paid by the Trust to the Trustee	<u>15,279</u>	<u>17,549</u>
Aggregate amounts payable to the Trustee at the end of the reporting period	<u>101</u>	<u>123</u>

Where the Trust invests in other Schemes operated by the Trustee, the Trustee may rebate its fees to the Trust to ensure that there is no duplication of fees recovered from other Schemes.

### Related party trust's unitholdings

Parties related to the Trust (including Invesco Australia Ltd, its related parties and other Trusts managed by Invesco Australia Ltd), hold no units in the Trust (2010: Nil).

## 17 Related party transactions (continued)

### Key management personnel unitholdings

At 30 June 2011 no key management personnel held units in the Trust (2010: Nil).

### Key management personnel compensation

Key management personnel are paid by Invesco Australia Ltd. Payments made from the Trust to Invesco Australia Ltd do not include any amounts directly attributable to the compensation of key management personnel.

### Key management personnel loan disclosures

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

### Investments

The Trust held investments in the following schemes which are also managed by Invesco Australia Ltd or its related parties:

	Fair value of investment		Interest held		Distributions received/receivable	
	2011 \$	2010 \$	2011 %	2010 %	2011 \$	2010 \$
Invesco Wholesale Cash Management Fund	33,490	45,797	0.03	0.04	1,884	4,350
Invesco Wholesale Protected Growth	4,498,670	5,097,319	26.25	25.75	230,641	132,758

Distributions received/receivable includes amounts in respect of the following Schemes which remain unpaid at the reporting date:

Invesco Wholesale Cash Management Fund: \$394 (2010: \$612)

Invesco Wholesale Protected Growth: \$155,013 (2010: \$132,758)

### Other transactions within the Trust

From time to time directors of Invesco Wholesale Protected Growth PST, or their director related entities, may invest in or withdraw from the Trust. These investments or withdrawals are on the same terms and conditions as those entered into by other Trust investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the reporting period and there were no material contracts involving key management personnel's interests existing at reporting period end.

## 18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	For the reporting period ended	
	30 June 2011 \$	30 June 2010 \$
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the reporting period after tax expense/(income) attributable to unitholders	206,596	281,333
Net (gains)/losses on financial instrument held at fair value through profit or loss	(9,866)	(167,372)
Distributions reinvested	(208,384)	(173,052)
Decrease/(increase) in accounts receivable and accrued income	(21,478)	48,547
(Decrease)/increase in accounts payable and other liabilities	(571)	(987)
Net change in tax benefits/tax liabilities	10,389	87,426
Purchase of financial instruments held at fair value through profit or loss	(114,300)	(5,622,869)
Proceeds from sale of financial instruments held at fair value through profit or loss	<u>931,200</u>	<u>685,935</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>793,586</u></b>	<b><u>(4,861,039)</u></b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash management trusts	<u>33,490</u>	<u>45,797</u>
<b>(c) Non-cash financing activities</b>		
During the year, the following distributions received by the Trust were reinvested	<u>208,384</u>	<u>173,052</u>

## 19 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Trust for the reporting period ended on that date.

## 20 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities as at 30 June 2011 and 30 June 2010.

## Trustee's statement

In the opinion of the trustee:

- (a) the financial statements and notes set out on pages 2 to 26 are drawn up so as to present fairly the financial position of Invesco Wholesale Protected Growth PST as at 30 June 2011, the results of its operations, changes in equity and its cash flows for the financial year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements,
- (b) the financial statements are prepared in accordance with the requirements of the Trust Deed dated 7 August 1985, as amended, and the *Superannuation Industry (Supervision) Act 1993 and Regulations*, and
- (c) the Trust has complied with the requirement of the Trust Deed, and with the applicable provisions of the *Superannuation Industry (Supervision) Act 1993 and Regulations*, during the year ended 30 June 2011.
- (d) the financial statements also comply with *International Financial Reporting Standards* as disclosed in note 2(a)

This statement is made in accordance with a resolution of the directors of the trustee company, Invesco Australia Ltd.



Robert M Adés  
Director

Melbourne  
14 September 2011



## **Invesco Wholesale Protected Growth Pooled Superannuation Trust**

**ABN 60 810 507 711**

### **Report by the independent Approved Auditor to the trustee(s) and members**

#### **Financial statements**

I have audited the financial statements Invesco Wholesale Protected Growth Pooled Superannuation Trust for the year ended 30 June 2011, comprising the statement of financial position, operating statement, statement of cash flows and accompanying notes 1 to 20.

#### *Trustee's responsibility for the financial statements*

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the SIS Act and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee and members of Invesco Wholesale Protected Growth Pooled Superannuation Trust.

My audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



*Auditor's Opinion*

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards, the financial position of Invesco Wholesale Protected Growth Pooled Superannuation Trust as at 30 June 2011 and the results of its operations and its cash flows for the year ended 30 June 2011.

KPMG

KPMG

A handwritten signature in black ink, appearing to be 'Chris Wooden', written over the printed name.

Chris Wooden

*Partner*

Melbourne

14 September 2011