

Navra Structured Property Fund
ARSN 141 274 446
Financial report
For the year ended 30 June 2011

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Contents	Page
Directors' report	2
Auditor's independence declaration	4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	28
Independent auditor's report to the unitholders of Navra Structured Property Fund	29

These financial statements cover the Navra Structured Property Fund as an individual entity.

The Responsible Entity of the Navra Structured Property Fund is NavraInvest Limited (ABN 46 101 355 239) (AFSL 226358).

The Responsible Entity's registered office is:
Suite 203, Level 2
21 Berry Street
North Sydney NSW 2060

Directors' report

The directors of NavraInvest Limited, the Responsible Entity of Navra Structured Property Fund (the "Fund"), present their report together with the financial statements of the Fund, for the year ended 30 June 2011.

Principal activities

The Fund aims to provide retail and wholesale investors with the opportunity to have exposure to a geared portfolio of residential property combined with an exposure to Australian listed shares and cash, in line with the Fund's constitution.

The Fund did not have any employees during the year.

Service	Provider
Responsible Entity	NavraInvest Limited
Custodian	Australian Executor Trustees Limited
Administrator	Mackenzie Coultas Funds Administration Pty Ltd
Statutory Auditor	HLB Mann Judd (NSW Partnership)

Directors

The following persons held office as directors of NavraInvest Limited during the year or since the end of the year and up to the date of this report:

Stephen L Navra
Louis Yu
Bleddyn J Gambold
William J Tootill
Edgar R Penter

Review and results of operations

During the year, the Fund invested in accordance with its target asset allocation as set out in the current Product Disclosure Statement and in accordance with the provisions of the Fund Constitution.

Results

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

	Year ended 30 June 2011	Period ended 19 February to
	\$	\$
Net profit/(loss) before finance costs attributable to unit holders	<u>(434,908)</u>	<u>(869,526)</u>

No distributions were paid or declared to unitholders during the year.

Significant changes in state of affairs

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

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future years, or
- (ii) the results of those operations in future years, or
- (iii) the state of affairs of the Fund in future years.

Directors' report (continued)

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

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

Indemnification and insurance of officers

No insurance premiums are paid out of the assets of the Fund in regards to insurance cover provided to the officers of NavraInvest Limited. So long as the officers of NavraInvest Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid and interests held in the Fund by the Responsible Entity or its related entities

Fees paid to the Investment Manager and its related entities out of Fund property during the year are disclosed in Note 15 of the financial statements.

No fees were paid out of the Fund property to the directors of the Investment Manager during the year.

The number of interests in the Fund held by the Investment Manager or its related entities as at the end of the year are disclosed in Note 15 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 9 of the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

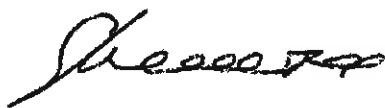
Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of NavraInvest Limited.



Stephen Navra
Director

Sydney
29 September 2011

**NAVRA STRUCTURED PROPERTY FUND
ARSN 141 274 446**

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of NavraInvest Limited as Responsible Entity for Navra Structured Property Fund:

As lead auditor for the audit of Navra Structured Property Fund for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

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



**Mark D Muller
Partner**

**Sydney
29 September 2011**

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Navra Structured Property Fund
Statement of comprehensive income
For the year ended 30 June 2011

		Year ended 30 June 2011	Period ended 19 February to
	Notes	\$	\$
Investment income			
Interest income		185,161	57,109
Rent received		143,790	-
Dividend and distribution income		333,003	52,756
Net gains/(losses) on financial instruments	6	(15,660)	(853,785)
Net gains/(losses) on fair value adjustment of investment properties	7	(145,401)	-
Management fee rebate		74,401	20,616
Total net investment income/(loss)		575,294	(723,304)
Expenses			
Management fees	15	523,853	96,041
Bank fees		170	36
Interest paid		203,167	41,582
Property expenses	8	269,915	6,162
Other expenses		13,097	2,401
Total expenses		1,010,202	146,222
Net profit/(loss) before finance costs		(434,908)	(869,526)
Finance costs attributable to unitholders			
Change in net assets attributable to unitholders	9	(434,908)	(869,526)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

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

Navra Structured Property Fund
Statement of financial position
As at 30 June 2011

		As at	
	Notes	30 June 2011	30 June 2010
		\$	\$
Assets			
Cash and cash equivalents	11	1,718,499	7,073,494
Receivables		267,811	9,612
Financial assets at fair value through profit or loss	12	5,329,344	5,317,469
Investment properties	5	<u>8,667,000</u>	<u>1,787,135</u>
Total assets		<u>15,982,654</u>	<u>14,187,710</u>
Liabilities			
Financial liabilities held at fair value through profit or loss	13	2,243,598	2,086,840
Interest bearing liabilities	14	1,478,685	-
Payables		136,085	19,464
Accrued Management fees payable	15	<u>43,315</u>	<u>34,463</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>3,901,683</u>	<u>2,140,767</u>
Net assets attributable to unit holders	9	<u>12,080,971</u>	<u>12,046,943</u>

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

**Navra Structured Property Fund
Statement of changes in equity
For the year ended 30 June 2011**

	Year ended 30 June 2011	Period ended 19 February to
	\$	\$
Total equity at the beginning of the year	-	-
Profit/(loss) for the year	-	-
Total comprehensive income for the year	-	-
Total recognised income and expense for the financial year	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, 'Net assets attributable to unit holders' is classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

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

Navra Structured Property Fund
Statement of cash flows
For the year ended 30 June 2011

		Year ended 30 June 2011	Period ended 19 February to
	Notes	\$	\$
Cash flows from operating activities			
Interest received		185,161	57,109
Rent received		143,790	-
Dividend and trust distributions received		333,003	36,930
Management fee rebate		74,401	20,616
Other revenue		-	19,465
Management and investment expenses		(718,168)	(69,282)
Property expenses		(268,954)	(10,472)
Other expenses paid		(155,806)	(36)
Net cash inflow/(outflow) from operating activities	16(a)	<u>(406,573)</u>	<u>54,330</u>
Cash flows from investing activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		312,816	-
Purchase of financial instruments held at fair value through profit or loss		(183,593)	-
Purchase of investment property		(7,025,266)	(5,897,304)
Net cash inflow/(outflow) from investing activities		<u>(6,896,043)</u>	<u>(5,897,304)</u>
Cash flows from financing activities			
Commercial bill proceeds		1,478,685	-
Proceeds from applications by unit holders	9	1,128,828	12,917,338
Payments for redemptions by unit holders	9	(659,892)	(870)
Net cash inflow/(outflow) from financing activities		<u>1,947,621</u>	<u>12,916,468</u>
Net increase/(decrease) in cash and cash equivalents		<u>(5,354,995)</u>	<u>7,073,494</u>
Cash and cash equivalents at the beginning of the year		<u>7,073,494</u>	<u>-</u>
Cash and cash equivalents at the end of the year	11	<u>1,718,499</u>	<u>7,073,494</u>
Non-cash financing activities	16(b)	<u>-</u>	<u>-</u>

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

Contents of the notes to the financial statements

	Page	
1	General information	10
2	Summary of significant accounting policies	10
3	Financial risk management	14
4	Remuneration of auditors	20
5	Investment properties	21
6	Net gains/(losses) on financial instruments held at fair value through profit or loss	22
7	Net gains/(losses) on fair value adjustment of investment properties	22
8	Property expenses	22
9	Net assets attributable to unit holders	23
10	Distributions to unit holders	23
11	Cash and cash equivalents	24
12	Financial assets held at fair value through profit or loss	24
13	Financial liabilities held at fair value through profit or loss	24
14	Interest bearing liabilities	24
15	Related party transactions	25
16	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	26
17	Events occurring after the reporting period	27
18	Contingent assets and liabilities or commitments	27

1 General information

These financial statements cover Navra Structured Property Fund (the "Fund") as an individual entity. The Fund was constituted on 21 December 2009 and commenced operation on 19 February 2010. The Fund will terminate 21 December 2089 unless terminated earlier in accordance with the provisions of the Fund's constitution.

The Responsible Entity of the Fund is NavraInvest Limited (ABN 46 101 355 239) (AFSL 226358) (the "Responsible Entity"). The Responsible Entity's registered office is Suite 203, Level 2, 21 Berry Street, North Sydney, NSW 2060.

The Fund mainly invests in Australian property, listed securities and cash and cash equivalents in accordance with the provision of the Fund's constitution.

The financial statements were authorised for issue by the directors on 29 September 2011. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years 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, the Fund's constitution and the *Corporations Act 2001* 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 expected to be recovered or settled within twelve months, except for investments in financial assets, net assets attributable to unitholders and investment property. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

Statement of Compliance

The financial statements of the Fund have been prepared in accordance with the Australian Accounting Standards as issued by Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Financial instruments

(i) Classification

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

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

These include financial assets and liabilities that are not held for trading purposes and which may be sold.

Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance calculated on a fair value basis in accordance with the Funds documented investment strategy. The Fund's policy is for the Responsible Entity to calculate the information about these financial instruments (equity securities and unit trusts) on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund 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.

Investments are derecognised when the right to receive cashflows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

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

At initial recognition, the fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Fund is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of derivatives that are not exchange-traded is estimated at the amount the Trust would receive or pay to terminate the contract at the balance sheet date 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 at the valuation date.

Further details on how the fair values of financial instruments are determined are disclosed in note 3.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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) Investment properties

Initially, investment properties are measured at cost including all transaction costs. Subsequent to initial recognition the investment property is stated at fair value. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation, in accordance with Australian Valuation Standards. Gains or losses arising from changes in the fair value of the investment property are included in the statement of comprehensive income in the year in which it arises.

Independent valuations of investment properties are obtained at least once every year from suitably qualified valuers, unless the directors determine that a valuation is to be obtained in the intervening period. Such valuations are reflected in the financial statements of the Navra Structured Property Fund. The valuations have been completed in accordance with AASB 140 Investment Property and the fair value definitions. The directors of the Responsible Entity make reference to these independent valuations when assessing the fair value of investment properties at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differ from fair value, the asset is adjusted to its fair value with gains or losses arising from changes in the fair values of investment properties recognised in profit or loss in the year in which they arise.

Where assets have been re-valued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the re-valued carrying amount because the Fund does not expect to be ultimately liable for capital gains tax in respect of the assets.

Expenditure capitalised to properties includes the cost of acquisition, capital and refurbishment additions, and during development includes financing charges, related professional fees incurred and directly attributable transaction costs.

Investment properties are de-recognised when they have either been disposed of or when the investment is permanently withdrawn from use and no future benefit is expected at its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the period of de-recognition.

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders option and are classified as financial liabilities as the Fund is required to distribute its taxable income. The units can be put back to the Fund at any time for cash based on the redemption price. The value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if the unit holders exercised their right to redeem units in the Fund.

(e) 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, high liquid investments with original maturities of three months or less 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 are shown within borrowings in current liabilities on the statement of financial position.

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

(f) Investment income

Interest income is recognised in the statement of comprehensive income using the effective interest method. Other changes in fair value are recorded in accordance with the policies described in Note 3(e).

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense

(g) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(h) Income tax

Under current legislation, the Fund is not subject to income tax as unit holders are presently entitled to the income of the Fund.

The benefits of any imputation credits and foreign tax paid are passed on to the unit holders.

(i) Distributions

In accordance with the Fund's Constitution, the Fund distributes income adjusted for amounts determined by the Responsible Entity, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(j) Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as financing costs.

(k) Foreign currency translation

Items included in the Fund'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 Fund competes for capital and is regulated. The Australian dollar is also the Fund's presentation currency.

2 Summary of significant accounting policies (continued)

(l) Receivables

Receivables may include amounts for dividends and interest. Dividends are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

Amounts due from unsettled trades represent receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within three business days. A provision for impairment of amounts due from unsettled trades is established when there is objective evidence that the Fund will not be able to collect all amounts due from unsettled trades. Indicators that the amount due from unsettled trades is impaired include significant financial difficulties of the relevant broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(m) Payables

Payables includes liabilities and accrued expenses owing by the Fund which are unpaid as at reporting date.

The distribution amount payable to unit holders as at the reporting date is recognised separately on the statement of financial position when unit holders are presently entitled to the distributable income under the Fund's Constitution.

(n) Applications and redemptions

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

Unit prices are determined by reference to the net assets per the Fund Constitution divided by the number of units on issue at or immediately prior to the close of business the last day of each month. Issues and redemptions of units are processed simultaneously.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 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.

(p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next 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.

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) 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 Amendment to Australia Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Fund has not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

2 Summary of significant accounting policies (continued)

(q) New accounting standards and interpretations (continued)

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

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

- (iii) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 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 Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

3 Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Constitution, the offer document and the investment guidelines of the Fund and seeks to maximise the returns derived for the level of risk to which the Fund is exposed.

The Fund uses various methods to measure the risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ratings analysis for credit risk.

(a) Market risk

(i) Overview

The allocation of assets between the various types of financial instruments is determined by the Scheme's asset manager who manages the Scheme's assets to achieve the Scheme's investment objectives.

Divergence from target asset allocations and the composition of the assets is monitored by the Scheme's asset manager on at least a regular basis.

NavraInvest Limited, as Responsible Entity of the Scheme, is aware of the risks associated with the business of investment management. A financial risk management framework has been established within NavraInvest Limited which incorporates a regular assessment process to ensure that procedures and controls adequately manage the risks arising from current business activities. Central controls include (but are not limited to):

- integrated computer systems and processes with checks and balance;
- clear policies and procedures;
- post-trade investment compliance monitoring by outsourced arrangement;
- segregation of the dealing and investment management function from the administration and settlement function;
- an independent service for the valuation of securities;
- a compliance function within NavraInvest Limited with a separate reporting line from the Asset Management team; and
- a half-year self-assessment process.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Overview (continued)

The Scheme's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Board of Directors of NavraInvest Limited has overall responsibility for the establishment and oversight of the scheme's financial risk management framework.

A risk management framework is in operation in NavraInvest Limited. As part of this framework, NavraInvest Limited is subject to regular reporting and committee meetings regarding risk and compliance issues. The purpose is to facilitate a flow of information between the business and the NavraInvest Limited Board and Committees. Any material matters identified are promptly investigated and reported as outlined in the procedures.

The Board of Directors oversees how management monitors compliance with the Scheme's financial risk management policies and procedures. The Board of Directors ensures the continued adequacy of the financial risk management framework.

There are no changes in the strategies used to manage the financial risks from the previous period.

(ii) Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Equity securities 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. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager moderates this risk through a careful selection of securities within specified limits. The Fund's equity securities are susceptible to market risk arising from uncertainties about future prices. The Fund actively maintains a high level of diversification in its holdings, thus potentially reducing the amount of risk in the Fund. The Manager's investment process seeks to exploit the inefficient pricing of securities of similar companies. Its investment process aims to construct a portfolio intended to have the maximum potential to outperform while minimising risk.

The table under (b) below summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests moved by +/-10%.

3 Financial risk management (continued)

(iii) Interest rate risk

The Fund's interest bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The table below summarises the Fund's exposure to interest rate risks.

30 June 2011	Floating interest rate \$	Fixed interest rate \$	Non interest bearing \$	Total \$
Assets				
Cash and cash equivalents	1,718,499	-	-	1,718,499
Receivables	-	-	267,811	267,811
Financial assets held at fair value through profit or loss	-	-	5,329,344	5,329,344
Total assets	1,718,499	-	5,597,155	7,315,654
Liabilities				
Payables	-	-	179,400	179,400
Commercial bills	-	1,478,685	-	1,478,685
Financial liabilities held at fair value through profit or loss	-	-	2,243,598	2,243,598
Total liabilities (excluding net assets attributable to unit holders)	-	1,478,685	2,422,998	3,901,683
Net exposure	1,718,499	1,478,685	8,020,153	11,217,337
30 June 2010				
	Floating interest rate \$	Fixed interest rate \$	Non interest bearing \$	Total \$
Assets				
Cash and cash equivalents	7,073,494	-	-	7,073,494
Receivables	-	-	9,612	9,612
Financial assets held at fair value through profit or loss	-	-	5,317,469	5,317,469
Total assets	7,073,494	-	5,327,081	12,400,575
Liabilities				
Payables	-	-	68,926	68,926
Commercial bills	-	-	-	-
Financial liabilities held at fair value through profit or loss	-	-	2,086,840	2,086,840
Total liabilities (excluding net assets attributable to unit holders)	-	-	2,155,766	2,155,766
Net exposure	7,073,494	-	3,171,315	10,244,809

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to interest rate risk and other price risk. The reasonably possible movements in the risk variables have been 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 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 fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk		Interest rate risk	
	Impact on operating profit/Net assets attributable to unit holders			
	-10%	+10%	-100bps	+100bps
	\$	\$	\$	\$
30 June 2011				
Cash at bank			(17,185)	17,185
Financial assets at fair value through profit or loss	(532,934)	532,934		
Financial liabilities held at fair value through profit or loss	224,360	(224,360)		
Commercial bill facility			14,787	(14,787)
	Price risk		Interest rate risk	
	Impact on operating profit/Net assets attributable to unit holders			
	-10%	+10%	-100bps	+100bps
	\$	\$	\$	\$
30 June 2010				
Cash at bank			(70,735)	70,735
Financial assets at fair value through profit or loss	(531,747)	531,747		
Financial liabilities held at fair value through profit or loss	208,684	(208,684)		
Commercial bill facility			-	-

(c) Credit risk

Credit (or counterparty) risk is the risk that a counterparty will fail to perform contractual obligations to a financial instrument and cause the Fund to incur a financial loss.

Credit risk arises from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the custodian. All transactions in listed securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Fund's custodian bank has received payment. Payment is made on a purchase when the securities have been received by the Fund's custodian bank. The trade will fail if either party fails to meet their obligation.

3 Financial risk management (continued)

(c) Credit risk (continued)

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. An analysis of exposures by rating is set out in the table following:

Australian cash deposits held with National Australia Bank

	30 June 2011	30 June 2010
	\$	\$
Rating AA	<u>1,718,499</u>	<u>7,073,494</u>
Total	<u>1,718,499</u>	<u>7,073,494</u>

(d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly or at a price the seller deems to be close to its fair value. Exposure to liquidity risk for the Fund may arise from the requirement to meet unit holder redemption requests.

The Fund is exposed to monthly cash redemptions of redeemable units. It therefore invests a proportion of its assets in investments that are traded in an active market and can be readily disposed of; in order to be able to meet these redemption requests.

The table below analyses the Fund's financial liabilities excluding gross settled derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the end of the reporting period. The amounts in the table are contractual undiscounted cash flows.

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	No stated maturity \$
At 30 June 2011					
Payables	179,400	-	-	-	-
Financial liabilities held at fair value through profit or loss	-	-	-	-	2,243,598
Commercial bills	-	-	-	1,478,685	-
Net assets attributable to unit holders	<u>12,080,971</u>	-	-	-	-
	<u>12,260,371</u>	-	-	1,478,685	2,243,598
	Less than 1 \$	1-6 \$	6-12 \$	Over 12 \$	No stated \$
At 30 June 2010					
Payables	53,927	-	-	-	-
Financial liabilities held at fair value through profit or loss	-	-	-	-	2,086,840
Commercial bills	-	-	-	-	-
Net assets attributable to unit holders	<u>12,046,943</u>	-	-	-	-
	<u>12,100,870</u>	-	-	-	2,086,840

3 Financial risk management (continued)

(e) Fair value estimation of financial assets and financial liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting date approximate their fair values.

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 statement of comprehensive income.

(i) 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.

For the majority of its investments the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund 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 cash flows, discounted at appropriate market rates as at the valuation date.

(f) Fair value hierarchy

Classification of financial assets and financial liabilities

The Fund classifies 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 responsible entity. The responsible entity 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.

3 Financial risk management (continued)

(f) Fair value hierarchy (continued)

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2011.

Year ended 30 June 2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Designated at fair value through profit or loss:				
Equities	240,680	-	-	240,680
Unlisted unit trusts	-	5,088,664	-	5,088,664
Total financial assets	240,680	5,088,664	-	5,329,344
Liabilities				
Commercial Bills	-	1,478,685	-	1,478,685
Instalment Warrant Loan	-	2,243,598	-	2,243,598
Total financial liabilities	-	3,722,283	-	3,722,283
Year ended 30 June 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Designated at fair value through profit or loss:				
Equities	206,965	-	-	206,965
Unlisted unit trusts	-	5,110,504	-	5,110,504
Total financial assets	206,965	5,110,504	-	5,317,469
Liabilities				
Commercial Bills	-	-	-	-
Instalment Warrant Loan	-	2,086,840	-	2,086,840
Total financial liabilities	-	2,086,840	-	2,086,840

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities.

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. These include investments in unlisted unit trusts. 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.

4 Remuneration of auditors

No audit fees were incurred by the Fund during the year. The auditor of the Fund is HLB Mann Judd. The audit fees for the Fund were paid/payable by the Responsible Entity.

5 Investment properties

(a) Valuation basis

The basis of the valuation/estimation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The 2010 valuations were based on consideration paid due to the proximity of purchase close to reporting date. The valuation was performed by M.D. Ellis and the estimations were performed by APM Australian Property Monitors.

(b) Details of investment properties

2011

Property	Original purchase date	Original purchase price	Last independent valuation date	Valuation or estimation	Independent valuation	Book value 30 June 2011
						\$
Paddington, NSW	8 June 2010	1,167,110	24 Jun 2011	Estimation	1,124,000	1,124,000
Hendra, Qld	30 June 2010	620,025	8 Jul 2011	Estimation	625,000	625,000
Wakerley, Qld	21 Oct 2010	701,016	24 Jun 2011	Estimation	638,000	638,000
Woolloomooloo, NSW #1	19 Nov 2010	1,383,405	24 Jun 2011	Estimation	1,305,000	1,305,000
Woolloomooloo, NSW #2	21 Jan 2011	1,568,010	24 Jun 2011	Estimation	1,475,000	1,475,000
Narrabeen, NSW	03 Feb 2011	3,325,851	20 Jul 2011	Valuation	3,500,000	3,500,000
Total		<u>8,765,417</u>			<u>8,667,000</u>	<u>8,667,000</u>

2010

Property	Original purchase date	Original purchase price	Book value 30 June 2010
			\$
Paddington, NSW	8 June 2010	1,167,110	1,167,110
Hendra, Qld	30 June 2010	620,025	620,025
Total		<u>1,787,135</u>	<u>1,787,135</u>

Reconciliations

The reconciliation of the carrying amounts of the investment property at the beginning and the end of the current year is set out below:

	30 June 2011	30 June 2010
	\$	\$
Balance 1 July	1,787,135	-
Investment properties purchased	6,992,682	1,787,135
Capital improvements	32,584	-
Net loss on fair value adjustment recognised in statement of comprehensive income	(145,401)	-
Balance 30 June	<u>8,667,000</u>	<u>1,787,135</u>

5 Investment properties (continued)

(c) Lease arrangements

All leases are for 12 months with all expiry dates ending within the next financial year.

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

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Year ended 30 June 2011	Period ended 19 February to
Financial assets	\$	\$
Net unrealised gain/(loss) on financial assets designated as at fair value through profit or loss	11,875	(853,785)
Net realised gain/(loss) on financial assets designated as at fair value through profit or loss	<u>(27,535)</u>	-
Net gains/(losses) on financial assets held at fair value through profit or loss	<u>(15,660)</u>	<u>(853,785)</u>
Total net gains/(losses) on financial instruments held at fair value through profit or loss	<u>(15,660)</u>	<u>(853,785)</u>

7 Net gains/(losses) on fair value adjustments of investment properties

Net gains/(losses) recognised in relation to investment properties held at fair value through profit or loss:

	Year ended 30 June 2011	Period ended 19 February
Financial assets	\$	\$
Net unrealised gain/(loss) on adjustment of investment properties designated as at fair value through profit or loss	<u>(145,401)</u>	-
Total net gains/(losses) on financial instruments held at fair value through profit or loss	<u>(145,401)</u>	-

8 Property expenses

	Year ended 30 June 2011	Period ended 19 February
	\$	\$
Property management	255,494	6,162
Insurance	11,123	-
Maintenance	<u>3,298</u>	-
	<u>269,915</u>	<u>6,162</u>

9 Net assets attributable to unit holders

Movements in number of units and net assets attributable to unit holders during the year were as follows:

	Year ended 30 June 2011	Period ended 19 February to No.	Year ended 30 June 2011	Period ended 19 February to No.
	No.	No.	\$	\$
Opening balance	12,681,809	-	12,046,943	-
Applications	1,161,635	12,682,809	1,128,828	12,917,338
Redemptions	(746,515)	(1,000)	(659,892)	(869)
Change in net assets attributable to unitholders			<u>(434,908)</u>	<u>(869,526)</u>
Closing balance	<u>13,096,929</u>	<u>12,681,809</u>	<u>12,080,971</u>	<u>12,046,943</u>

As stipulated within the Fund Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unit holders.

Applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets by the Investment Manager. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders. Liquid assets include cash and cash equivalents.

	As at	
	30 June 2011	30 June 2010
	\$	\$
Liquid assets of the fund	1,718,499	7,073,494
Net assets attributable to unitholders	<u>12,080,971</u>	<u>12,046,943</u>
Ratio of liquid assets to net assets attributable to unitholders	<u>14.2%</u>	<u>58.7%</u>

10 Distributions to unit holders

No distributions were paid or payable during the year (2010: \$Nil)

11 Cash and cash equivalents

	As at	
	30 June 2011	30 June 2010
	\$	\$
Cash at bank	1,718,499	7,073,494
	1,718,499	7,073,494

(a) Cash at bank and on hand

These accounts are bearing floating interest rates between of 4.50% and 4.75% (2010: 4.00% and 4.25%).

12 Financial assets held at fair value through profit or loss

	As at	
	30 June 2011	30 June 2010
	\$	\$
Designated at fair value through profit or loss		
Equity securities	240,680	206,965
Unlisted unit trusts	5,088,664	5,110,504
	5,329,344	5,317,469

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in Note 3.

13 Financial liabilities held at fair value through profit or loss

	As at	
	30 June 2011	30 June 2010
	\$	\$
Designated at fair value through profit or loss		
Instalment Warrant Loan	2,243,598	2,086,840
	2,243,598	2,086,840

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in Note 3.

14 Interest bearing liabilities

	As at	
	30 June 2011	30 June 2010
	\$	\$
Commercial bills	1,478,685	-

The Fund has a \$1,500,000 commercial bill facility rolling every 3 months. Security for the facility is a registered first mortgage over the investment properties at Narabeen, NSW and unit 237 at Woolloomooloo NSW. Interest of 7.63% p.a. is payable on this facility.

15 Related party transactions

Responsible Entity

The Responsible Entity of Navra Structured Property Fund is NavraInvest Limited (ABN 46 101 355 239) (AFSL 226358). Accordingly, transactions with entities related to NavraInvest Limited are disclosed below.

Key management personnel

(a) Directors

Key management personnel includes person who were directors of NavraInvest Limited during the financial year or since the end of the year and up to the date of this report:

Stephen L Navra

Louis Yu

Bleddyn J Gambold

William J Tootill

Edgar R Penter

Key management personnel unit holdings

At 30 June 2011 and 30 June 2010 no key management personnel held units in the Fund.

Key management personnel compensation

Key management personnel are paid by NavraInvest. Payments made from the Fund to NavraInvest do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund 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.

Other transactions within the Fund

Unit 237 Wharf, Woolloomooloo, NSW is leased to Steve L Navra, a director of NavraInvest Limited. The compliance committee and compliance auditors consider this lease arrangement to be at arm's length. Total rent received for this property from Steve L Navra for the 2011 year was \$21,667 (2010: \$nil).

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

15 Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms to the Fund's Constitution and the current Product Disclosure Statement for the Fund, the Responsible Entity is entitled to receive fees monthly. The investment management fees and performance fees are recovered from investors by the Investment Manager and are not reflected in the net assets of the Fund.

Transactions with related parties have taken place in the ordinary course of business. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	30 June 2011	30 June 2010
	\$	\$
Management fees for the year	523,853	96,041
Aggregate amounts payable to the Investment Manager at the reporting	43,315	34,464

No amounts were paid by the Fund directly to the key management personnel of NavraInvest Limited.

Related party schemes' unit holdings

Parties related to the Fund, hold no units in the Fund at the end of the reporting year.

Investments

The Fund held 2,643,405 units in Navra Blue Chip Australian Share Retail Fund, an unlisted investment scheme managed by the Responsible Entity. The Fund also held indirect investments of 5,156,510 units in RBS Navra Blue Chip Australian Share Retail Fund via instalment warrants.

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

	Year ended 30 June 2011	Period ended 19 February to
	\$	\$
(a) Reconciliation of net profit/(loss) attributable to unitholders to net cash flows from operating activities		
Net profit/(loss) attributable to unitholders	(434,908)	(869,526)
Net (gains)/losses on financial instruments held at fair value through profit	15,660	853,785
Net gains (losses) on fair value adjustments of investment properties	145,401	-
Net change in receivables	(258,199)	(16,070)
Net change in payables	125,473	86,141
Net cash inflow/(outflow) from operating activities	(406,573)	54,330

(b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

-	-
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16 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

(c) Reconciliation to cash at the end of the year

The figures below are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	As at	
	30 June 2011	30 June 2010
	\$	\$
Cash at bank	1,718,499	7,073,494

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount each period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (ie taxable).

17 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 Fund disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Fund for the period ended on that date.

18 Contingent assets and liabilities and commitments

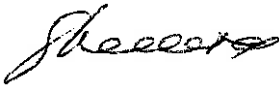
There are no outstanding contingent assets and liabilities or commitments as at 30 June 2011 (2010: \$nil).

Directors' declaration

In the opinion of the directors of NavraInvest Limited, the Responsible Entity of the Navra Structured Property Fund:

- (a) the financial statements and notes set out on pages 5 to 27 and are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2011 and of its performance for the period ended on that date;
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) the notes to the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a).

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



Stephen L Navra
Director

Sydney
29 September 2011

**NAVRA STRUCTURED PROPERTY FUND
ARSN 141 274 446**

INDEPENDENT AUDITOR'S REPORT

To the unitholders of Navra Structured Property Fund

We have audited the accompanying financial report of Navra Structured Property Fund ("the Scheme"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Navra Structured Property Fund.

Directors' Responsibility for the Financial Report

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

In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report of Navra Structured Property Fund complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**NAVRA STRUCTURED PROPERTY FUND
ARSN 141 274 446**

INDEPENDENT AUDITOR'S REPORT (continued)

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Navra Structured Property Fund for the financial year ended 30 June 2011 included on NavraInvest Limited's website. The company's directors are responsible for the integrity of the NavraInvest Limited website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Responsible Entity, NavraInvest Limited on 29 September 2011, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of Navra Structured Property Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Scheme's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).



**HLB MANN JUDD
Chartered Accountants**



**Mark D Muller
Partner**

**Sydney
30 September 2011**