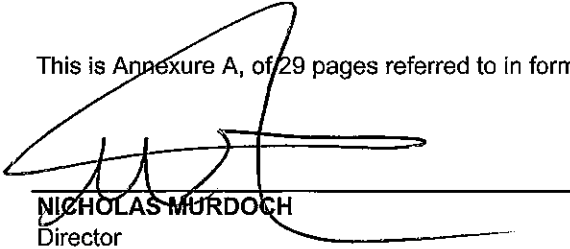


This is Annexure A, of 29 pages referred to in form 388 "Copy of Financial Statements Report".



NICHOLAS MURDOCH
Director

Dated in Sydney, 16th day of March 2009

**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
DIRECTORS OF THE RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2008

The Directors of TEYS Property Funds Limited, the Responsible Entity of the TEYS Strata Lifestyle Property Trust ("the Syndicate or Scheme"), submit their report together with the financial report for the year ended 30 June 2008 and the independent audit report thereon.

Directors

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

Directors	Position	Appointment
Michael Teys	Director	19-June-2003
Theo Ruygrok	Director	19-June 2003 to 11 Nov 2008
Ian Hutchinson	Director	17-Mar-2006 to 19-Oct-2007
Raymond Brennan	Director	23-Oct 2007 to 11-Nov 2008
Nicholas Murdoch	Non-Executive Director	03-December-2008
Richard Hart	Non-Executive Director	03-December-2008

No fees were paid to Directors from the TEYS Strata Lifestyle Property Trust during the year.

Principal activities

The principal activity of the Syndicate is ownership of properties within the Broadwater Bungalows Resort, Broadwater Beach Resort and holiday letting properties located in Western Australia and New South Wales.

There were no significant changes in the nature of this activity during the financial year.

Scheme Information

TEYS Strata Lifestyle Property Trust is a Managed Investment Scheme, registered in Australia. The Syndicate was established on 7 May 2001 and was registered by the Australian Securities and Investments Commission. TEYS Property Funds Limited, the Responsible Entity of the Syndicate, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at Suite 71, Lower Deck Jones Bay Wharf, 26-32 Pirrama Road, Pyrmont, NSW 2009.

Review of Operations

The net operating profit of the Syndicate is presented in the Income Statement. The net operating loss for the year ended 30 June 2008 was \$450,071 (June 2007: profit \$140,856)

The Syndicate owned 10 Villas in the Broadwater Beach Resort, Beach Kiosk and 2 Drift Apartments.

The value of the Syndicate's properties as at the balance date is \$3,845,000 (see note 5). The following table sets out the properties held by the Syndicate:

Property	Value (see note 5)
10 apartments in Broadwater Beach Resort, Busselton	\$1,900,000
1 beach side kiosk at Busselton	\$400,000
2 x apartments in the Drift Apartments, Kingscliff	\$1,545,000
Total	\$3,845,000

The Syndicate has a roll over bill facility from the National Australia Bank for \$1,070,000. This bill facility rolls over quarterly. All interest payments on this loan facility have been made during the reporting period.

The Syndicate incurred a net operating loss of \$450,071 during the report period (June 2007: profit of \$140,856). No properties were sold during the year unlike 2007 and therefore there was no profit.

The Syndicate's properties were leased out and generated income during the year ended 30 June 2008. During the reporting period the Syndicate earned \$458,581 (June 2007: \$371,828). The Syndicate's expenses were \$918,943 (June 2007: \$1,064,377).

Essentially the Syndicate relies on the sale of the properties to maintain profitability. The sale of the properties of the Syndicate has not been possible during the year due to caveats placed on these properties by Westralia Property Management Limited. These caveats relate to a claim by WPM that it is entitled to further fees from the Syndicate (set out below).

**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
DIRECTORS OF THE RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Review of Operations(Continued)

The initial claim from WPM was for \$552,670.98, but has subsequently been amended to the amount of \$468,510.85. This claim is made up of a number of components including a claim for management fees and expenses owing to WPM from when they were the Responsible Entity and a claim for a termination fee.

WPM filed an application for summary judgment for part of the claim, with the application subsequently being dismissed by the Court. WPM amended their claim in November 2007, reducing the claim to the amount of \$468,510.85. In March 2008, the Syndicate filed a defence and counterclaim against WPM.

Our defence and counterclaim is as follows:

- The fees and expenses claimed were not properly incurred and are not payable by TEYS as the new Responsible Entity of the Syndicate.
- TEYS has a counterclaim against WPM for damages arising from alleged breaches of duty whilst WPM was the Responsible Entity of

The Responsible Entity will continue to pursue these matters vigorously on behalf of the Syndicate, and investigate additional claims as

Syndicate Members' Fund

The following table shows the movement in the Syndicate lots during the financial year ended 30 June 2008

	2008 Number	2007 Number
Scheme lots held at the beginning of the financial year	12,993,000	12,993,000
Scheme lots held at the end of the financial year	12,993,000	12,993,000

Scheme Assets

At 30 June 2008, the Syndicate held assets valued at \$3,978,750 (June 2007: \$4,163,341). The basis of valuation of the assets are disclosed in Note 1.

Fees Paid to the Responsible Entity and Associates

The following amounts were paid to Teys Property Funds Limited, the Responsible Entity for the year ended 30 June 2008 out of the

	2008 \$	2007 \$
Management fee for the financial year	10,105	12,014

Events Subsequent to Balance Date

In May 2008 proceedings were adjourned pending discussions for the removal of Lavan Legal (Solicitors for WPM) as we believe there is a conflict of interest (Lavan Legal were the previous custodian for the Syndicates assets). In December 2008, an application to join Lavan Legal as a third party to the proceedings was filed. As at 9 March 2009, the court has not determined whether Lavan Legal should be joined as a third party.

We are still dealing with WPM about transferring title to the properties into our name (as the current RE) and removing the caveats.

Significant Changes in State of Affairs

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

Likely Developments

The investment strategy of the Scheme will be maintained in accordance with the Constitution for the Scheme and investment objectives.

Environmental Issues

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

**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
DIRECTORS OF THE RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Indemnities and Insurance Premiums for Officers and Auditors

Under the Scheme's Constitution, the Responsible Entity, including its officers and employees, are indemnified out of the Scheme's assets for any loss, damage, expense or any other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Trust.

The Scheme has not indemnified the auditor of the Trust.

Proceedings on Behalf of the Trust

The previous Responsible Entity of the Syndicate, has commenced legal proceeding against TEYS Property Funds Limited. As the Responsible Entity of the Syndicate TEYS Property Funds is defending the claim on behalf of the unitholders and the claim has been reduced from \$635,999 to \$418,922.85. This amount has been accrued as a Contingent Liability in the accounts at 30 June 2008.

TEYS Property Funds Limited has appointed Mallesons Stephen Jacques to counter claim for damages for the way the previous responsible entity ran the Syndicate and to defend these proceedings.

Apart from the above no person has applied for leave of court to bring proceedings on behalf of the Trust and/or Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Trust and/or Responsible Entity for all or any part of those proceedings.

Options Granted

No options were:

- (i) Granted over unissued units in the Scheme during or since the end of the financial year; or
- (ii) Granted to the Responsible Entity.

No unissued units in the Scheme were under option as at the date on which this report is made.

No units were issued in the Scheme during or since the end of the half-year as a result of the exercise of an option over unissued units in the Scheme.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 8.

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


.....
NICHOLAS MURBACH
Director

Dated in Sydney, this 16th day of March 2009

TEYS Strata Lifestyle Property Trust
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN: 096 588 108
Lead Auditor's Independence Declaration
Under Section 307C of The Corporations Act 2001

To the Directors of TEYS Property Funds Limited As Responsible Entity for TEYS Strata Lifestyle Property Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2008 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to this audit.

Weekes & Clements Pty Ltd
Chartered Accountants
211 George Street, Bathurst



DJ Weekes MBus FCA
Director

Dated this 16th day of March 2009

Liability is Limited by a scheme approved under Professional Standards Legislation.

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008 \$	30 June 2007 \$
Revenue		
Interest Revenue	1,526	1,410
Increment in value of investment properties	-	105,954
Rent revenue	<u>458,581</u>	<u>371,828</u>
	<u>460,107</u>	<u>479,192</u>
Expenses		
Auditors' remuneration	33,296	31,459
Borrowing cost	108,730	171,866
Decrement in value of investment properties	-	162,142
Bad debts written off and provided for	-	-
Other expenses	406,431	321,173
Property expenses	360,382	365,723
Responsible entity fees	<u>10,105</u>	<u>12,014</u>
	<u>918,943</u>	<u>1,064,377</u>
Net operating loss from ordinary activities	<u>(458,836)</u>	<u>(585,185)</u>
Other Income and/or Expenses		
Recoveries	7,545	-
Other Income	1,220	-
Gain/Loss on sale of Assets	<u>-</u>	<u>726,041</u>
Total Other Income and/or Expenses	<u>8,766</u>	<u>726,041</u>
Total changes in equity other than those resulting from transactions with owners as owners	<u>(450,071)</u>	<u>140,856</u>
Statement of distribution		
Net operating profit/(loss) from ordinary activities	(450,071)	140,856
Net transfer to/from members' funds	<u>450,071</u>	<u>(140,856)</u>
Distribution paid and payable	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	30 June 2008	30 June 2007
CURRENT ASSETS		\$	\$
Cash and cash equivalents	2	98,169	226,807
Trade and other receivables	3	4,056	67,022
Other	4	<u>31,525</u>	<u>24,512</u>
TOTAL CURRENT ASSETS		<u>133,750</u>	<u>318,341</u>
NON-CURRENT ASSETS			
Investment properties	5	<u>3,845,000</u>	<u>3,845,000</u>
TOTAL NON-CURRENT ASSETS		<u>3,845,000</u>	<u>3,845,000</u>
TOTAL ASSETS		<u><u>3,978,750</u></u>	<u><u>4,163,341</u></u>
CURRENT LIABILITIES			
Trade and other payables	6	<u>402,284</u>	<u>136,804</u>
		<u>402,284</u>	<u>136,804</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	7	1,070,000	1,070,000
Contingent Liability	7	<u>418,923</u>	<u>418,923</u>
		<u>1,488,923</u>	<u>1,488,923</u>
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,891,207</u>	<u>1,625,727</u>
Net assets attributable to unitholders	8	<u>2,087,543</u>	<u>2,537,614</u>
LIABILITIES ATTRIBUTABLE TO UNITHOLDERS		<u>2,087,543</u>	<u>2,537,614</u>
NET ASSETS		<u><u>-</u></u>	<u><u>-</u></u>

STATEMENT OF CHANGES IN EQUITY

In accordance with AASB 132, unitholders' funds are classified as a liability and accordingly the Trust has no equity

The accompanying notes form part of these financial statements.

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from rent	152,485	96,923
Receipts from other sources	17,265	-
Interest received	1,424	1,410
Net GST paid	67,595	-
Interest and borrowing costs	(108,740)	(152,976)
Other expenses paid	(258,667)	(102,380)
Transfer of Funds to/from Term Deposits	51,410	(50,000)
Net cash provided by operating activities	<u>(77,228)</u>	<u>(207,023)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds on sale of Property, Plant and Equipment	-	11,137,663
Payment for Property, Plant and Equipment	-	(1,769,200)
Rebate Received on Purchase of Property, Plant and Equipment	-	246,750
Funds to/from Term Deposits	(51,410)	50,000
Net cash used in investing activities	<u>(51,410)</u>	<u>9,665,213</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans from related parties (Bad Debt Recovered)	-	360,072
Proceed from borrowings	-	1,070,000
Repayment of loans from External Parties	-	(10,314,645)
Net cash (used in) / provided by financing activities	<u>-</u>	<u>(8,884,573)</u>
Net (decrease) in cash held	(128,638)	573,617
Cash and cash equivalents at beginning of financial year	<u>226,807</u>	<u>(346,810)</u>
Cash and cash equivalents at end of financial year	<u>98,169</u>	<u>226,807</u>

The accompanying notes form part of these financial statements.

**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations Act 2001.

The financial report covers TEYS Strata Lifestyle Property Trust ("the Syndicate") which is a registered managed investment scheme pursuant to the Corporations Act 2001. The Syndicate was established on 7 May 2001 and is domiciled in Australia. The life term of the Scheme is 10 years after that date.

Compliance with International Financial Reporting Standards (IFRS)

The financial report of the Scheme complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in its entirety. Compliance with AIFRS ensures that the financial report of the Scheme, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

a) Income Tax

Under the Income Tax Assessment Act 1997, the Scheme is not subject to income tax, provided the net income including assessable capital gains tax is fully distributed to unitholders. No liability has been raised for income tax as it is unlikely that any taxable income will be retained by the Scheme for the financial year ended 30 June 2008.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Scheme, these gains would be included in the taxable income that is assessable in the hands of unitholders.

Financial assets held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed to unitholders.

b) Distribution

In accordance with the Scheme's Constitution, the Scheme fully distributes its distributable (taxable) income to Scheme members. Such distributions are determined by reference to the taxable income of the Scheme. Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses on investments, which are recognised as income, are transferred to unitholders' funds and are not assessable and distributable until realised.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from or payable to the ATO is included as an asset or liability in the balance sheet. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO, are classified as operating cash flows.

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Balance Sheet.

e) Payables

Trade and other payables are recognised when the Scheme become obliged to make future payments resulting from the purchase of goods and services.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet as unitholders are presently entitled to the distributable income as at 30 June 2008.

f) Receivables

Receivables are stated at their amortised cost less impairment losses.

g) Investment Property

Investment properties comprise freehold and leasehold land and buildings held for the purpose of accretion of wealth by way of letting to produce rental income and capital appreciation. Investment properties are carried at fair value in accordance with the revised AASB 140 Investment Property. The Scheme's Compliance Plan requires independent valuations to be performed at intervals of not more than three years. Changes to fair value are recorded in the income statement as other income or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

h) Acquisition of Property, Plant and Equipment

Property, plant and equipment acquired during the reporting period are recorded at cost. Cost is determined as the fair value of the assets given up at the date of acquisition plus incremental costs. Where a property is undergoing redevelopment, it is carried at the independent valuation with the subsequent additions at cost.

i) Depreciation

Property, plant and equipment are considered to have a function as part of an investment property and are therefore regarded as a composite asset. No depreciation is charged against investment properties carried at fair value. Investment properties means interests in land and buildings for the accretion of wealth by way of revenue, such as rent and capital appreciation, that are not occupied substantially for use by, or in the operations of, the investing entity.

j) Revenue

Revenue from rental properties is recognised on a straight-line basis for leases with fixed rental increase. For all other leases, revenue is recognised when the Scheme has a right to receive the rent in accordance with the lease agreement. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other revenues are recognised when the right to receive them have been established. All revenue is stated net of the amount of goods and services tax (GST).

k) Comparatives

Where required by accounting standards comparatives figures have been adjusted to conform with changes in presentation for the current financial period.

l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Financial Instruments (Continued)

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

m) Increase/(decrease) in net assets attributable to unitholders

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value

Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

n) Provisions

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

o) Critical Accounting Estimates and Judgements

The Responsible Entity evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust.

Key estimates — Impairment

The Scheme assesses impairment at each reporting date by evaluating conditions specific to the Scheme that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates — Receivables

The Directors of the Responsible Entity believe that receivables at year end are recoverable and no additional doubtful debt provision is necessary at 30 June 2008.

Key estimates — Provisions

The Directors of the Responsible Entity believe that the provision for termination of contract referred to in note 8 is sufficient to cover any costs which may eventuate following the resolution of the dispute with Westralia Property Funds Limited.

p) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

q) Terms and Conditions on units

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

- receive a share of income
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Scheme

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

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
NOTE 2: CASH AND CASH EQUIVALENTS		
	\$	\$
Cash in bank - NAB	98,169	167,265
Term Deposits	-	51,410
Trust account	-	8,132
	<u>98,169</u>	<u>226,807</u>
NOTE 3: TRADE AND OTHER RECEIVABLES		
Trade debtors	<u>4,056</u>	<u>67,022</u>
	<u>4,056</u>	<u>67,022</u>
NOTE 4: CURRENT ASSETS - OTHER		
Prepaid interest and borrowing costs and expenses	<u>31,525</u>	<u>24,512</u>
	<u>31,525</u>	<u>24,512</u>
NOTE 5: INVESTMENT PROPERTIES		
Investment properties (Valuation Date: 10th April 2008)	3,845,000	3,845,000
Total investment properties	<u>3,845,000</u>	<u>3,845,000</u>
Carrying value of Investment Properties		
Investment Properties other - non current	<u>3,845,000</u>	<u>3,845,000</u>
	<u>3,845,000</u>	<u>3,845,000</u>
NOTE 6: TRADE AND OTHER PAYABLES		
Trade creditors	326,271	131,139
GST payable	(6,880)	(12,335)
Other Payables	-	-
Accrued expenses	<u>82,893</u>	<u>18,000</u>
	<u>402,284</u>	<u>136,804</u>
NOTE 7: INTEREST BEARING LIABILITIES		
Non Current		
Secured bank loan	1,070,000	1,070,000
Contingent Liability	<u>418,923</u>	<u>418,923</u>
	<u>1,488,923</u>	<u>1,488,923</u>
Contingent Liability amounting to \$418,922.85 being provision for termination of contract as Responsible Entity of the scheme. The		
NOTE 8: UNITHOLDERS' FUNDS		
a) Unitholders' funds on issue	Number	Number
Unitholders' funds on issue as at the beginning of reporting period	<u>12,993,000</u>	<u>12,993,000</u>
Unitholders' funds on issue as at the reporting date	<u>12,993,000</u>	<u>12,993,000</u>

TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	30 June 2008	30 June 2007
NOTE 8: UNITHOLDERS' FUNDS (CONTINUED)		
b) Movement in unitholders' funds	\$	\$
Unitholders' funds at the beginning of reporting period	2,537,614	2,396,758
Net operating profit/(loss) from ordinary activities	(450,071)	140,856
Closing balance of unitholders' funds	<u>2,087,543</u>	<u>2,537,614</u>

NOTE 9: SEGMENT REPORTING

The financial report is for the entity TEYS Strata Lifestyle Property Trust as an individual entity. The Syndicate operates in one business segment, being rental of property located at the Broadwater precinct in WA and 2 holiday apartments at Casuarina in Northern NSW.

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE

In May 2008 proceedings were adjourned pending discussions for the removal of Lavan Legal (Solicitors for WPM) as we believe there is a conflict of interest (Lavan Legal were the previous custodian for the Syndicate's assets). In December 2008, an application to join Lavan Legal as a third party to the proceedings was filed. As at 9 March 2009, the court has not determined whether Lavan Legal should be joined as a third party.

We are still dealing with WPM about transferring title to the properties into our name (as the current RE) and removing the caveats.

NOTE 11: FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

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

(c) Net Fair Values

The carrying amounts of financial instruments in the Balance Sheet approximate their fair value.

(d) Interest Rate Risk

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

TEYS STRATA LIFESTYLE PROPERTY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 11: FINANCIAL INSTRUMENTS (CONTINUED)

2008	Weighted Average effective interest rate %	Floating interest rate \$	Fixed Interest rate		Non interest bearing \$	Total \$
			1 yr or less \$	1 - 5 yrs \$		
Financial Assets						
Cash and cash equivalents	7.00%	96,169	-	-	-	96,169
Receivables	-	-	-	-	4,056	4,056
Total					4,056	102,225
Financial Liabilities						
Trade and other payables	-	-	-	-	821,207	821,207
Bank overdraft	-	-	-	-	-	-
Bank loans	11.16%	-	-	1,070,000	-	1,070,000
Lease liability	-	-	-	-	-	-
Total				1,070,000	821,207	1,891,207

2007	Weighted Average effective interest rate %	Variable interest rate \$	Fixed Interest rate		Non interest bearing \$	Total \$
			1 yr \$	1 - 5 yrs \$		
Financial Assets						
Cash and cash equivalents	6.00%	175,397	-	-	-	175,397
Term Deposits	5.00%	51,410	-	-	-	51,410
Receivables	-	-	-	-	67,022	67,022
Total		226,807	-	-	67,022	293,829
Financial Liabilities						
Trade and other payables	-	-	-	-	555,727	555,727
Bank overdraft	-	-	-	-	-	-
Bank loans	11.16%	-	-	1,070,000	-	1,070,000
Lease liability	-	-	-	-	-	-
Total				1,070,000	555,727	1,625,727

NOTE 12: RELATED PARTY DISCLOSURES

a) Net Assets Attributable to unitholders

The Responsible Entity of TEYS Strata Lifestyle Property Trust for the year ended 30 June 2008 is TEYS Property Funds Limited.

Westralia Property Trust owns 15% of the issued units of Tey's Strata Lifestyle Property Trust.

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FOR THE YEAR ENDED 30 JUNE 2008

NOTE 12: RELATED PARTY DISCLOSURES (CONTINUED)

b) Directors and Other Directors' Related Entities

The names of each person holding the position of Director of Teys Property Funds Limited, the Responsible Entity, during the financial year were:

Directors	Position	Appointment/Resignation
Michael Teys	Director	19-June-2003
Theo Ruygrok	Director	19-June-2003 to 11-Nov-2008
Ian Hutchinson	Director	17-Mar-2006 to 19-Oct-2007
Raymond Brennan	Director	23-Oct-2007 to 11-Nov-2008
Nicholas Murdoch	Non-Executive Director	03-December-2008
Richard Hart	Non-Executive Director	03-December-2008

Westralia Property Management Limited ceased to be the Responsible Entity of the Scheme on 23 August 2006.

c) Key Management Personnel

There are no other key management personnel of the Scheme.

d) Fees

The rate of remuneration paid to the Responsible Entity for its services is provided for in the Scheme Constitution as per clause 11 and the amounts paid during the year are detailed below.

	30 June 2008 \$	30 June 2007 \$
Management fees	<u>10,105</u>	<u>12,014</u>

e) Investments

Details of investments in the Scheme by the Responsible Entity, or other Schemes also managed by the Responsible Entity are set out below:

2008	Number of units held at balance date	% interest held	Number of units acquired during the year	Number of units disposed during the year	Distribution paid or payable by the Scheme
Westralia Property Trust	1,870,000	14.39%	-	-	-
Broadwater Holiday Ownership	175,000	1.35%	-	-	-

2007	Number of units held at balance date	% interest held	Number of units acquired during the year	Number of units disposed during the year	Distribution paid or payable by the Scheme
Westralia Property Trust	1,870,000	14.39%	-	-	-
Broadwater Holiday Ownership	175,000	1.35%	-	-	-

f) Others

Teys Strata Lifestyle Property Trust paid professional fees to TEYS Property Funds Limited for services rendered totalling \$30,350.00 for the year ended 30 June 2008.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 13: CASH FLOW INFORMATION

a) Reconciliation of net operating income/(loss) from ordinary activities to the net cash flows from operations

	30 June 2008	30 June 2007
	\$	\$
Net operating income / (loss) from ordinary activities	(450,071)	302,998
Maturity of Term Deposit	51,410	-
Decrement in value of investment properties	-	(162,142)
Gain/loss on sale of Asset	-	(233,355)
(Increase)/decrease in receivables	62,966	(54,065)
Increase / (decrease) in payables	285,480	(35,947)
(Increase) / decrease in prepayments	<u>(7,013)</u>	<u>(24,512)</u>
Net cash flow (used by) operating activities	<u>(77,228)</u>	<u>(207,023)</u>

b) Reconciliation of cash and cash equivalents

Cash and cash equivalents comprises:

- Cash at bank- Trust Account	-	8,132
- Term Deposits	-	51,410
- Cash at bank	98,169	167,265
- Bank Overdraft	-	-
Closing cash and cash equivalents	<u>98,169</u>	<u>226,807</u>

c) Financing facilities

Total facilities used - bank loans and overdraft	1,070,000	1,070,000
Total facilities unused - bank loans and overdraft	-	-
Total facilities available - bank loans and overdraft	<u>1,070,000</u>	<u>1,070,000</u>

NOTE 14: AUDITORS' REMUNERATION

Remuneration of the auditor for auditing or reviewing the financial report

Stantons International (2006 audit)	18,296	13,459
Weekes and Clements Pty Ltd	<u>15,000</u>	<u>18,000</u>
	<u>33,296</u>	<u>31,459</u>

NOTE 15: PRIOR PERIOD ADJUSTMENTS/ERRORS

During the audit of the 2008 Financial Report it has come to the auditors attention that a transaction from the 2007 Financial year was recorded as an interest expense instead of a transfer of funds into a term deposit with the National Australia Bank. The comparative figures for the 2007 year have been restated in this financial report to disclose the interest income of \$1,410 earned on the term deposits to June 2007, a decrease in the interest expense by \$50,000 to \$171,866 and to raise the asset under Cash and Cash Equivalents on the Balance Sheet for \$51,410.00 inclusive of the interest reinvested for the year.

NOTE 16: TRUST AND RESPONSIBLE ENTITY DETAILS

The principal place of business of the Trust and TEYS Property Funds Limited (the Responsible Entity) is:

Suite 71, Lower Deck Jones Bay Wharf
26-32 Pirrama Road
Pyrmont NSW 2009

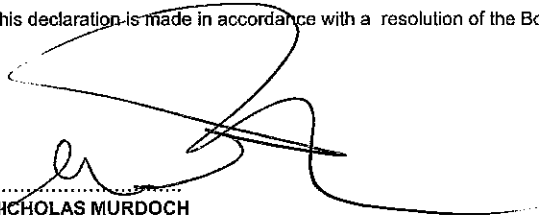
**TEYS STRATA LIFESTYLE PROPERTY TRUST
(FORMERLY BROADWATER BUSSELTON PROPERTY SYNDICATE)
ARSN 096 588 108**

DIRECTORS' OF THE RESPONSIBLE ENTITY'S DECLARATION

The Directors of TEYS Property Funds Limited, the Responsible Entity of TEYS Strata Lifestyle Property Trust (formerly Broadwater Busselton Property Syndicate) declare that:

- 1 The financial statements and notes of the TEYS Strata Lifestyle Property Trust ("the Syndicate"), as set out on pages 7 to 17 are in accordance with Corporations Act 2001:
 - a. Comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the financial position of the Trust as at 30 June 2008 and of the performance as represented by the results of its operations and cashflows for the year ended on that date;
- 2 In the Director's opinion there are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the Responsible Entity:



.....
NICHOLAS MURDOCH
Director

Dated in Sydney, this 16th day of March 2009

Weekes & Clements

Pty Limited ABN: 67 107 735 731 CHARTERED ACCOUNTANTS

BUSINESS & TAXATION SPECIALISTS

Liability limited by a scheme approved under

Professional Standards Legislation

211 George Street

BATHURST NSW 2795

PO Box 1303

BATHURST NSW 2795

Telephone: (02) 6332 3110

Facsimile: (02) 6332 3132

e-mail: admin@wcbx.com.au

TEYS Strata Lifestyle Property Trust (Formerly Broadwater Busselton Property Syndicate)

ARSN 096 588 108

Independent Audit Report to the Trust Members

Report on the Financial Report

We have audited the accompanying financial report of TEYS Strata Lifestyle Property Trust (formerly Broadwater Busselton Property Syndicate) "the trust", which comprises the balance sheet as at 30 June 2008 and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of TEYS Property Funds Limited, the Responsible Entity of the Trust, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101: Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These Auditing 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 judgment, 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 Trust'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 of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

TEYS Strata Lifestyle Property Trust
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Independent Audit Report
to the Trust Members

We performed the procedures to assess whether in all material respects the financial report presents, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Trust's financial position, and of its performance.

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

Independence

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

Basis for Qualified Auditor's Opinion

1. We refer to note 10 where the Directors have advised that the former Responsible Entity has commenced summary judgment proceedings against TEYS Property Funds Limited as Responsible Entity for the Trust for termination of contract to act as Responsible Entity under the contract. In response, TEYS have had writs issued against the valuers, the former Responsible Entity and its Directors and Compliance Committee Members. These financial statements include a provision for fees and other legal costs amounting to \$418,923.

At the date of signing this report, we have received confirmation from the Trust's legal advisors that the claim amount is \$448,959.48. They have been unable to comment on the accuracy of the information in the Financial Report due to client privilege and were also unable to give their assessment of the potential outcomes of the pending legal issues. The ultimate outcome of this matter cannot presently be determined, and a provision of \$418,923 has been raised. Other than the provision referred to above, no provision for any potential claims and legal costs that may result has been made in the financial report. We are therefore unable to form an opinion regarding the possible outcome of the claims or litigation against the Trust.

We make no comment on whether the facts contained in the events subsequent to balance date in the Director's Report or the facts contained in Note 10 of the Notes to the Financial Statements are accurate as we have not been able to obtain any clarification of the facts from the Trust's legal advisers.

2. Further to advice sought by TEYS Property Funds Limited regarding the Income Tax position of the Trust at 30 June 2008 it has been noted that the Income Tax Returns for previous years have been lodged as partnership returns rather than trust returns. The potential impact on the investors of the Trust is still being investigated by the Trust's independent taxation consultants.
3. We have not been able to obtain adequate supporting documentation for the cash movements reported in the Cash flow Statement due to the changes made to the comparative figures.

Emphasis of Matter

1. Whilst completing the audit for the year ended 30 June 2008 it came to our attention that a transaction carried out in the 2007 Financial Year was treated as an interest expense instead of a transfer to a term deposit held by the Trust. The comparative figures for the 2007 year have been restated in the 2008 Financial Report. The effect of these transactions is detailed below:

TEYS Strata Lifestyle Property Trust
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Independent Audit Report
to the Trust Members

Emphasis of Matter (Continued.)

	2007
	\$
Previously Presented Profit	89,446
Retrospective Restatement of Interest Expense Error	50,000
Retrospective Restatement of Interest Income Error	1,410
Restated Profit	<u><u>140,856</u></u>
Previously Presented Current Assets	266,931
Retrospective Adjustment of Term Deposit Asset Error	51,410
Restated Current Assets	<u><u>318,341</u></u>
Previously Presented Net Assets Attributable to Unitholders	2,486,204
Retrospective Adjustment to Term Deposit Asset Error	51,410
Restated Net Assets Attributable to Unitholders	<u><u>2,537,614</u></u>

2. The Financial Report has been prepared on a Going Concern Basis. However the Trust has incurred a loss of \$450,071 this year, a profit of \$140,856 in 2007 and a loss of \$5,060,225 in 2006. These trading results have depleted cash reserves resulting in a negative working capital position of \$268,534. While the Trust has an overall positive net asset position the reduction in current or liquid assets and in the increase in current liabilities remains a concern.

3. In my audit report for the year ended 30 June 2007 I stated that I was unable to obtain all the information and explanations requested from the previous responsible entity. Contrary to that statement I advise that these requests were not made directly to the previous responsible entity but through the current responsible entity. We have since requested this information directly from the previous responsible entity.

4. The date of the report used for the valuation of the properties held by the trust was 10th April 2008. No further verification of property values has been undertaken since that date.

TEYS Strata Lifestyle Property Trust
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Independent Audit Report
to the Trust Members

Qualified Auditor's Opinion

In our opinion, except for the effects of the above adjustments, if any, that might be determined to be necessary the financial report of the TEYS Strata Lifestyle Property Trust (formerly Broadwater Busselton Property Syndicate) is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Trust's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WEEKES & CLEMENTS PTY LTD
Chartered Accountants



DJ Weekes MBus FCA
Director

Bathurst, New South Wales.

Dated this 16th day of March 2009