

LISMORE MANAGEMENT CORPORATION LIMITED

ABN 30 010 695 566

AS RESPONSIBLE ENTITY FOR

EAST COAST MORTGAGE TRUST

ARSN 090 631 637

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2011

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Information for Unitholders:

The financial statements and specific disclosures in the concise financial report have been derived from the 2011 financial report of East Coast Mortgage Trust.

The concise financial report is an extract from the full financial statements and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report. A copy of the full financial report and Auditors' report will be sent to any member, free of charge, upon request.

DIRECTORS' REPORT (CONTINUED)

In accordance with the Corporations Act 2001, the Directors of Lismore Management Corporation Ltd (the "Responsible Entity"), of the East Coast Mortgage Trust (the "Scheme"), report as follows for the year ended 30 June 2011.

The Custodian

Perpetual Trustee Company Limited has acted in the capacity of Custodian for the Scheme for the year ended 30 June 2011.

The Responsible Entity

Lismore Management Corporation Limited has acted in the capacity of Responsible Entity for the Scheme for the year ended 30 June 2011.

Responsible Entity Directors

The names of Directors of the responsible entity who held office at any time during or since the end of the financial period are:

Christopher G R Lomax
Paul J Starkey
James G Poulos
Malcolm H Marshall
Anthony J Farrell

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

Principal Activities

The principal activities of the scheme during the period were to accumulate funds from investors to collectively, within the trust, invest in authorised investments and loans secured primarily by mortgages over real estate.

The Scheme continues to operate as a Non Liquid Fund under the 2 November 2009 Product Disclosure Statement that allows for Premium and Advantage Unitholders. During the year 2011 Financial year five redemption offers have been made to eligible Unitholder's all five offers were under subscribed. A total of \$17,512,822 was paid out in redemptions to Unitholders during the year. On 1 June 2011 the Board wrote to Unitholders to inform them of a temporary postponement in the planned period redemption offers and a change to distributions.

Operating Results

The net profit attributable to Unitholders of the scheme for the financial year was \$11,229,742 (\$10,661,386 - 30 June 2010) which was fully distributed to Unitholders.

Distributions to Unitholders

During the year ended 30 June 2011 the scheme distributed \$11,229,742 (\$10,661,386 - 30 June 2010) to Unitholders, a result that represents an average return of 6.79% (5.96% - 2010), however for those investors who re-invested their distributions the compounded annualised rate for the period was 7.02% (6.13% - 2010).

<u>Review of Operations</u>	JUN 2011 \$	JUN 2010 \$
Revenue		
Interest Received & Distributions Received	<u>14,051,535</u>	<u>13,594,614</u>
Total Revenue	<u>14,051,535</u>	<u>13,594,614</u>
Expenses		
Audit Fees	43,945	41,580
Responsible Entity Fees	1,294,943	1,750,842
Other Expenses	<u>1,482,905</u>	<u>1,140,806</u>
Total Expenses	<u>2,821,793</u>	<u>2,933,228</u>
Profit from Ordinary Activities attributable to Unitholders	<u>11,229,742</u>	<u>10,661,386</u>

DIRECTORS' REPORT (CONTINUED)Events Subsequent to Balance Date

The directors have the power to amend the financial report after issue. Under Section 322(2) of the Corporations Act 2001, the Responsible Entity is required to notify members if an amendment is material.

Since 30 June 2011 a number of events local, national and globally have occurred which could have a significant effect on the operation of the scheme. Taking these events into account the Board held a meeting of Unitholders on 18 August 2011 to inform Unitholders of the possible effects of these events and the steps they intend to take in dealing with them.

Unitholders were informed that the distribution rate would be reduced for all Unitholders to 2.5%p.a. for a period of six months (starting from 1 September 2011) with the aim of providing sufficient funds to deal with the issues facing the Scheme. In order to help reduce the impact this decision would have on Unitholders the Board also announced that all Unitholders would take part in a compulsory redemption of units to the value of 4% of their investment to be paid during September 2011.

Since 30 June 2011 and subsequent to the Unitholder meeting on 18 August 2011 the following additional information of issues facing the Scheme has been received by the Board these advances are included in Note 18 of the financial statements, also included in "Industry Benchmark" information on the East Coast Mortgage Trust website (www.ecmt.com.au/investment), the additional information has the following effects;

- An advance (totalling \$1,879,202) in the Loan to Valuation Ratio (LVR) bracket at approval of 60% - 70%. However a valuation obtained post 30th June 2011 indicates that if the security property was sold in its current form in today's market there is a risk of a loss to investors. Due diligence enquiries are underway to consider options for effective sale of this property and provisioning is being undertaken for any potential loss that may eventuate.
- An advance (totalling \$12,206,701) is included in LVR above 90% at 30th June 2011 as a new valuation was obtained prior to that date. That borrower has subsequently provided additional security which when finalised will see the LVR reduce to 60%-70% bracket.
- As a result of events post 30 June 2011 for two advances (totalling \$8,786,604) included in the LVR above 80% at 30 June 2011. There is a possibility if these securities were sold the Scheme would have a potential loss of \$600,000. Not all avenues of recoupment have been explored which could effect the amount of the loss.
- The Board continues its due diligences on two further advances (totalling \$7,466,284) indications are that if the security property was sold in its current form in today's market there is a risk of a loss to investors. The Board is of the opinion that they have insufficient information at this point to determine the correct position in relation to these advances.

Unitholders will be informed of any future developments and should the need arise a Unitholders meeting will be called.

Environmental Issues

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

Information on Directors and Secretary of the Responsible Entity

Christopher George Rhodes Lomax

Chairman of Directors – Director – Non-Executive/Compliance Officer

Mr Lomax is a qualified solicitor and was until 30 June 2006 a senior partner of the Ballina office of Somerville Laundry Lomax. He began in practice in 1971 and was involved in general practice including commercial law, security and probate work. In recent times he has become involved in the compliance aspect of managed investment schemes and has interests in local property development. He has been a director of Lismore Management Corporation since 1989 and Chairman since 2000.

Paul James Starkey

Director – Non-Executive

Mr Starkey is a qualified solicitor and was until July 2005 a senior partner in the legal firm Somerville Laundry Lomax. He remains as a consultant to the firm. He began in practice in 1974 and specialised in commercial law, local government law and security work. More recently he has been involved in commercial interests outside of law including property development and running a wholesaling and distribution business. He has been a director of Lismore Management Corporation since 1987.

James George Poulos

Director – Non-Executive

Mr Poulos was admitted to practice law in 1969, as a solicitor. He ceased practicing law in December 1983. Since that date he has been involved in many commercial and residential property developments and businesses. He was a director of Lismore Management Corporation from 1987 to 1990, and reappointed in April 1995.

DIRECTORS' REPORT (CONTINUED)*Anthony James Farrell**Director – Non-Executive*

Mr Farrell is a qualified and licensed real estate agent and the Managing Director of LJ Hooker Byron Bay. He has had extensive experience in the real estate industry sector and has considerable experience in commercial and residential property developments. He has been a director of Lismore Management Corporation since September 1999.

*Malcolm Hugh Marshall**Director – Non-Executive*

Mr Marshall is a Certified Practising Accountant and Registered Tax Agent. He holds the qualifications of Bachelor of Arts majoring in accounting as well as a Master of Business Administration. He has held the position of Executive Director (Corporate Services) at the Southern Cross University since 1993. He has been a director of Lismore Management Corporation since March 2000.

*Trevor James Prior**Company Secretary*

Mr Prior was until 30 June 2007 the senior partner of the accounting firm Blackburn & Prior. He was a Fellow of the Institute of Chartered Accountants in Australia and Registered Tax Agent. He has held the position of company secretary of Lismore Management Corporation Limited since 31 July 1991.

Directors' and Executive Officers' Emoluments

Disclosures relating to directors' and executive officers' emoluments has been included in Note 16 of the financial report.

Meetings of Directors

During the financial year, 45 meetings of directors were held. Attendances by each director during the period were:

Directors' Meetings	Directors' Meetings	
	Number eligible to attend	Number Attended
Chris G R Lomax	45	38
Paul J Starkey	45	33
James G Poulos	45	41
Anthony J Farrell	45	36
Malcolm H Marshall	45	35

Indemnifying Officers or Auditor

During or since the end of the financial period no insurance premiums have been paid for the Responsible Entity out of the assets of the Scheme in regards to insurance cover provided to either the Responsible Entity, the Custodian, or Auditor of the Trust.

The Responsible Entity pays premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Responsible Entity, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium paid was \$110,665 (2009: \$103,441) for directors and officers insurance.

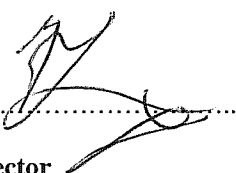
Auditor's Independence Declaration

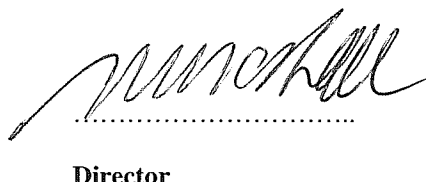
Our auditor, Wappett & Partners Chartered Accountants has provided to us a copy of its declaration of independence, a copy of which is following this report.

Proceedings on Behalf of Responsible Entity/Scheme

At the time of writing this report, no person has applied for leave of the Court to bring proceedings on behalf of the Responsible Entity/Scheme or intervene in any proceedings to which the Responsible Entity is a party.

This concise financial report is authorised for issue at the date of signing. Signed in accordance with a resolution of the Directors of the Responsible Entity.


.....
Director


.....
Director

Dated at Lismore: 22 September 2011

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of East Coast Mortgage Trust for the period ended 30 June 2011 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit; and
- No contraventions of any applicable Code of Professional Conduct in relation to this audit.

Yours faithfully,

WAPPETT & PARTNERS



Trevor W Graham
Partner

Dated at Lismore: 22 September 2011



COVER OF
EXCELLENCE

Liability limited by a scheme approved under Professional Standards Legislation

Lismore Telephone (02) 6621 2581
158 Molesworth Street (PO Box 198) Lismore NSW 2480

Ballina Telephone (02) 6686 5655
1/183 River Street (PO Box 396) Ballina NSW 2478

Email admin@wappetts.com.au **Internet** www.wappetts.com.au **Facsimile** (02) 6621 9740

PARTNERS

G.J. Smith B.Bus., LLB., C.A.
T.W. Graham B.Bus., C.A., FFin.
A.M. Jones B.Bus., Affiliate I.C.A.A., C.P.A.
S.I. Trustum B.Bus., C.A.
A. Bazzana B.Bus., C.A.

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
EAST COAST MORTGAGE TRUST ARSN 090 631 637

DISCUSSIONS AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on East Coast Mortgage Trust Concise Financial Report

The discussion and analysis is provided to assist unitholders in understanding the concise financial report. The discussion and analysis is based on East Coast Mortgage Trust's financial report and the information contained in the concise financial report has been derived from the full 2011 financial report of East Coast Mortgage Trust.

Income Statement

During the year ending 30 June 2011 the scheme distributed \$11,229,742 (\$10,661,386 – 30 June 2010) to Unitholders, a result that represents an average return of 6.79% (5.96% - 2010). However for those investors who re-invested their distributions the compounded annualised rate for the year was 7.02% (6.13% - 2010). Expenses for the financial year in the profit and loss include \$1,145,313 (\$598,442 - 2010) being an impairment to advances. The Responsible Entity took a reduction in fees equal to the realised impairment which has meant there has been no impact on the distribution to Unitholders or to the capital value of the units. A summary of the scheme's operations is provided below:

<u>Review of Operations</u>	JUN 2011 \$	JUN 2010 \$
Revenue		
Interest & Distributions Received	<u>14,051,535</u>	<u>13,594,614</u>
Total Revenue	<u>14,051,535</u>	<u>13,594,614</u>
Expenses		
Audit Fees	43,945	41,580
Responsible Entity Fees	1,294,943	1,750,842
Other Expenses	<u>1,482,904</u>	<u>1,140,806</u>
Total Expenses	<u>2,821,792</u>	<u>2,933,228</u>
Profit from Ordinary Activities attributable to Unitholders before Income Tax	<u>11,229,743</u>	<u>10,661,386</u>

Balance Sheet

The fund's net assets decreased by 3% or \$4,901,088 to \$157,853,909 by the end of the year. Significant items included:

- A decrease in advances of \$7,806,818 or 6.6% from \$118,667,672 to \$110,860,854 at 30 June 2011. At 30 June 2011 there were 6 borrowers (6 advances) past due with interest arrears totalling \$146,618. Also 7 borrowers (11 advances) were in arrears with interest arrears totalling \$2,350,799. Three advances, for which provision has been made, were considered non-performing with interest accrual suspended. There were no fixed interest loans.
- Cash and Interest Bearing Deposits levels increased by \$3,296,013 to \$31,245,699 at 30 June 2011.
- Current receivables at 30 June 2011 made up 89.9% (94.5% - 2010) of the total loan book.

Statement of Cash Flows

Cash flows from operating activities were \$5,413,197 (\$5,448,619 - 2010) and Unitholder redemptions exceeded investments by \$10,316,113 (\$27,468,148 - 2010). During the year \$8,198,929 (\$8,029,680 - 2010) of new loans were granted.

Statement of Changes in Equity

In accordance with current Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS), a Statement of Changes in Equity is included. Users of these financial statements will note that Unitholder funds are disclosed as equity in accordance with AASB 132. Unitholder distributions are disclosed as a finance cost.

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
EAST COAST MORTGAGE TRUST ARSN 090 631 637

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2011

	NOTE	JUN 2011 \$	JUN 2010 \$
Revenues from ordinary activities	3	14,051,535	13,594,614
Management Fees		(1,294,943)	(1,750,842)
Administration Expenses from ordinary activities		<u>(1,526,850)</u>	<u>(1,182,386)</u>
Profit from Ordinary Activities before Income Tax Expense	3	11,229,742	10,661,386
Income tax expense relating to ordinary activities	4	<u>0</u>	<u>0</u>
Net Profit from ordinary activities Attributable to Unitholders of the Trust (after Income Tax Expense)		11,229,742	10,661,386
Finance Costs:			
Distribution to Unitholders		11,229,742	10,661,386
Total changes in Equity		<u>0</u>	<u>0</u>

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
EAST COAST MORTGAGE TRUST ARSN 090 631 637

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE, 2011

	JUN 2011 \$	JUN 2010 \$
CURRENT ASSETS		
Cash and cash equivalents	31,245,699	27,949,686
Trade & other receivables	3,308,478	626,274
Loans & receivables	99,666,338	112,197,231
Other assets	<u>37,905</u>	<u>40,799</u>
TOTAL CURRENT ASSETS	<u>134,258,420</u>	<u>140,813,990</u>
NON-CURRENT ASSETS		
Loans & receivables	11,194,516	6,470,741
Trade & other receivables	0	2,800,000
Available for sale financial assets	<u>13,626,623</u>	<u>13,626,623</u>
TOTAL NON-CURRENT ASSETS	<u>24,821,139</u>	<u>22,897,367</u>
TOTAL ASSETS	<u>159,007,559</u>	<u>163,711,354</u>
CURRENT LIABILITIES		
Payables excluding Net Assets attributable to Unitholders	<u>1,153,650</u>	<u>956,357</u>
TOTAL CURRENT LIABILITIES	<u>1,153,650</u>	<u>956,357</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>157,853,909</u>	<u>162,754,997</u>
REPRESENTED BY:		
TOTAL UNITHOLDER FUNDS	<u>157,853,909</u>	<u>162,754,997</u>

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
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**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE, 2011**

	JUN 2011 \$	JUN 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received		
- Borrowers' Advances	11,466,244	11,179,033
- Interest Bearing Deposits	1,686,475	1,692,072
Distribution Received	500,000	510,000
Advantage Saver Benefit	209,852	186,102
Distribution Paid to Unitholders	(5,907,076)	(5,486,943)
Operating Expenses Paid	(1,430,702)	(1,194,675)
Fees Paid – Auditor	(43,945)	(41,580)
Management Fees Paid	(1,067,651)	(1,993,832)
Net cash provided by (used in) operating activities	5,413,197	4,850,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Borrowers' Loan Repayments	16,300,201	22,198,079
Borrowers' Loans Granted	(8,101,272)	(8,029,680)
Redemption of Investment	0	0
Net cash provided by (used in) investing activities	8,198,929	14,168,399
CASH FLOWS FROM FINANCING ACTIVITIES		
Unitholders' Investments	7,196,769	8,024,495
Unitholders' Redemptions	(17,512,882)	(35,492,643)
Net cash provided by (used in) financing activities	(10,316,113)	(27,468,148)
Net increase/(decrease) in cash held	3,296,013	(8,449,572)
Cash at the beginning of the period	27,949,686	36,399,257
Cash at the end of the period	31,245,699	27,949,686

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
EAST COAST MORTGAGE TRUST ARSN 090 631 637

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2011**

The Scheme's net assets attributable to Unitholders are classified as a liability under AASB 132 "Financial Instruments – Disclosure & Presentation". As such the Scheme has no equity, and no items of changes in equity have been presented for the current or comparative year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2010****Note 1: Statement of Accounting Policies***Basis of Preparation*

The concise financial report is an extract of the full financial report for the year ended 30 June 2011. The concise report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise form are derived from and are consistent with the full financial report. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance and financial position as the full financial report. A copy of the full financial report and auditor's report will be provided to any unitholder, free of charge, upon request.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRSs ensures that the financial report of East Coast Mortgage Trust, comprising the financial statements and notes, complies with IFRSs. These financial statements comply with Australian equivalents to IFRS.

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.

Note 2: Significant Changes and Events Subsequent to Balance Date

Since 30 June 2011 a number of events local, national and globally have occurred which could have a significant effect on the operation of the scheme. Taking these events into account the Board held a meeting of Unitholders on 18 August 2011 to inform Unitholders of the possible effects of these events and the steps they intend to take in dealing with them.

Unitholders were informed that the distribution rate would be reduced for all Unitholders to 2.5%p.a. for a period of six months (starting from 1 September 2011) with the aim of providing sufficient funds to deal with the issues facing the Scheme. In order to help reduce the impact this decision would have on Unitholders the Board also announced that all Unitholders would take part in a compulsory redemption of units to the value of 4% of their investment to be paid during September 2011.

Since 30 June 2011 and subsequent to the Unitholder meeting on 18 August 2011 the following addition information of issues facing the Scheme has been received by the Board these advances are included in Note 18 of the financial statements, the addition information has the following effects;

- An advance (totalling \$1,879,202) in the Loan to Valuation Ratio (LVR) bracket at approval of 60% - 70%. However a valuation obtained post 30th June 2011 indicates that if the security property was sold in its current form in today's market there is a risk of a loss to investors. Due diligence enquiries are underway to consider options for effective sale of this property and provisioning is being undertaken for any potential loss that may eventuate.
- An advance (totalling \$12,206,701) is included in LVR above 90% at 30th June 2011 as a new valuation was obtained prior to that date. That borrower has subsequently provided additional security which when finalised will see the LVR reduce to 60%-70% bracket.
- As a result of events post 30 June 2011 for two advances (totalling \$8,786,604) included in the LVR above 80% at 30 June 2011. There is a possibility if these securities were sold the Scheme would have a potential loss of \$600,000. Not all avenues of recoupment have been explored which could effect the amount of the loss.
- The Board continues its due diligences on two further advances (totalling \$7,466,284) indications are that if the security property was sold in its current form in today's market there is a risk of a loss to investors. The Board is of the opinion that they have insufficient information at this point to determine the correct position in relation to these advances.

Unitholders will be informed of any future developments and should the need arise a Unitholders meeting will be called.

LISMORE MANAGEMENT CORPORATION LIMITED ABN 30 010 695 566 AS RESPONSIBLE ENTITY FOR
EAST COAST MORTGAGE TRUST ARSN 090 631 637

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2010

	JUN 2011 \$	JUN 2010 \$
Note 3: Profit from Ordinary Activities attributable to Unitholders		
Revenue		
Interest Received	13,367,708	12,898,512
Distributions Received	573,975	510,000
Advantage Saver Benefit	<u>209,852</u>	<u>186,102</u>
Total Revenue	<u>14,051,535</u>	<u>13,594,614</u>
Expenses		
Audit Fees	43,945	41,580
Responsible Entity Fees	1,294,943	1,750,842
Other Expenses	<u>1,482,904</u>	<u>1,140,806</u>
	<u>2,821,792</u>	<u>2,933,228</u>
Profit from Ordinary Activities attributable to Unitholders	<u>11,229,743</u>	<u>10,661,386</u>
Finance Costs	<u>11,229,743</u>	<u>10,661,386</u>

Note 4: Income Tax Expense

The prima facie tax on profit attributable to Unitholders from ordinary activities before income tax is reconciled to the income tax expense as follows:

Profit from Ordinary Activities attributable to Unitholders	11,229,743	10,661,386
Prima facie tax payable on profit from ordinary activities attributable to Unitholders at 46.5%	5,221,830	4,957,544
Less: Tax effect of Distribution to Unitholders	<u>(5,221,830)</u>	<u>(4,957,544)</u>
Income Tax Expense	<u>0</u>	<u>0</u>
Franking Account Balance:	<u>0</u>	<u>0</u>

Note 5: Segment Reporting

The Scheme operates predominately in one sector being, Finance, and one geographical region being, North Eastern New South Wales to South Eastern Queensland.

Note 6: Currency

This financial report is prepared in Australian Dollars (AUD).

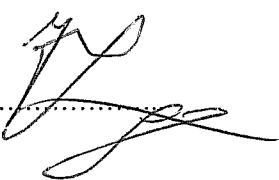
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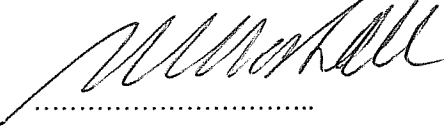
DIRECTORS' DECLARATION

The directors of the Responsible Entity declare that:

1. The concise financial report of East Coast Mortgage Trust for the year ended 30 June 2011:
 - (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
 - (b) has been derived from and is consistent with the full financial report of East Coast Mortgage Trust and Controlled Entities.
2. In the directors' opinion there are reasonable grounds to believe that the Registered Scheme 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.

.....

Director

.....

Director

Dated at Lismore: 22 September 2011

**INDEPENDENT AUDITORS' REPORT ON THE CONCISE FINANCIAL REPORT
TO THE UNIT HOLDERS OF EAST COAST MORTGAGE TRUST**

Report on the Concise Financial Report

The accompanying concise financial report of East Coast Mortgage Trust comprises the Statement of Financial Position at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and related notes, derived from the audited financial report of East Coast Mortgage Trust for the year ended 30 June 2011, a discussion and analysis of financial statements and the directors' declaration.

Directors' responsibility for the Concise Financial Report

The directors of the Responsible Entity are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of East Coast Mortgage Trust for the year ended 30 June 2011. Our audit report on the financial report for the year was signed on 22 September 2011 and was not subject to any modification. The Australian 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.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.



Liability limited by a scheme approved under Professional Standards Legislation

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PARTNERS

G.J. Smith B.Bus., LLB., C.A.
T.W. Graham B.Bus., C.A., FFin.
A.M. Jones B.Bus., Affiliate I.C.A.A., C.P.A.
S.I. Trustum B.Bus., C.A.
A. Bazzana B.Bus., C.A.

**INDEPENDENT AUDITORS' REPORT ON THE CONCISE FINANCIAL REPORT
TO THE UNIT HOLDERS OF EAST COAST MORTGAGE TRUST**

We believe that the audit evidence 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.

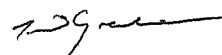
Auditor's Opinion

In our opinion the concise financial report, including the discussion and analysis, of East Coast Mortgage Trust for the year ended 30 June 2011 complies with Accounting Standard AASB 1039 Concise Financial Reports.

DATED AT LISMORE
DATE: 22 SEPTEMBER 2011

WAPPETT & PARTNERS

Chartered Accountants



TREVOR W GRAHAM - Partner
Registered Company Auditor



COVER OF
EXCELLENCE

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