GLOBAL PROPERTIES LIMITED

ACN 094 384 273

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SYDNEY NSW 2000 AUSTRALIA
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This Preliminary Final Report (Appendix 4E) is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A - Audited Results for Announcement to the Market for the Financial Year Ended 30 June 2006

		Percentage Change		**Amount**
		%		**$**
Revenue from ordinary activities	up	102.2	to	291,276
Profit from ordinary activities after tax attributable to members	up	N/A	to	56,780
Net profit attributable to members	up	N/A	to	56,780
		Amount per security		**Franked amount per security**
Final dividend		Nil		Nil
Interim dividend		Nil		Nil

Net Tangible assets	$3,235,219
Number of ordinary shares outstanding at year end	16,000,125
NTA per ordinary share at 30 June 2006	20.2 cents
NTA per ordinary share at 30 June 2005	19.8 cents

The previous corresponding period relates to the financial year ended 30 June 2005.

A review of operations is included in page 3 of the attached signed Financial Report for the financial year ended 30 June 2006.

These results have been audited by Deloitte Touche Tohmatsu and their signed audit report is included on pages 8 and 9 of the attached audited financial statements for the financial year ended 30 June 2006.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2006

GLOBAL PROPERTIES LIMITED

ACN 094 384 273

CORPORATE DIRECTORY

Directors

Fred Bart (Chairman)
Ian Dennis
Cheryl Bart

Company Secretary

Ian Dennis

Registered Office

Suite 2, Level 12
75 Elizabeth Street
SYDNEY NSW 2000
Australia

Telephone:- 612 9233 3915
Facsimile:- 612 9232 3411
E-Mail:- gloprop@bigpond.net.au

Web site

www.gloprop.com.au

Auditor

Deloitte Touche Tohmatsu
Chartered Accountants
8 Brindabella Circuit
Brindabella Business Park
Canberra Airport ACT 2609
Australia

Share Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

GPO Box 7045
Sydney NSW 1115
Australia

Telephone	1300 855 080 or +613 9415 5000 outside Australia
Facsimile	1300 137 341

DIRECTORS' REPORT

The Directors of Global Properties Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Particulars
Fred Bart	Chairman and Chief Executive Officer. A director since 5 September 2000. He has been Chairman and Managing Director of numerous private companies since 1980, specialising in manufacturing, property and marketable securities. He is a member of the Australian Institute of Company Directors.
Ian Dennis	Non executive director and Company Secretary is a chartered accountant with experience as secretary and director in various public listed, mining companies and trusts. He has been involved in the investment banking industry and stockbroking industry for the past twenty years. Prior to that, Ian was with KPMG, Chartered Accountants in Sydney. Appointed to the Board on 5 September 2000. He is a member of the Australian Institute of Company Directors.
Cheryl Bart	Non executive director. Appointed to the Board on 26 November 2001. Cheryl Bart is a lawyer and company director. She is Chairman of the South Australian Film Corporation and Adelaide Film Festival. She is a non-executive director of ETSA Utilities, the Alcohol Education and Rehabilitation Foundation, Defence Industry Advisory Board and Economic Development Board of South Australia. She is a fellow of the Australian Institute of Company Directors.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Fred Bart	Genetic Technologies Limited	Since May 1996
	Electro Optic Systems Holdings Limited	Since May 2000
Ian Dennis	Genetic Technologies Limited	1994 -2004
	Electro Optic Systems Holdings Limited	Since May 2000
Cheryl Bart	Electro Optic Systems Holdings Limited	Since September 2001
	Spark Infrastructure Group Limited	Since November 2005
	ANZ Executors and Trustee Co Limited	Since June 2006

DIRECTORS' REPORT (CONTINUED)

Principal activities

The principal activities of the Company are property and other investment activities.

Results

The net profit for the financial year ended to 30 June 2006 was $56,780 (2005 – $19,586 loss).

Dividends

The directors recommend that no dividend be paid and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this report.

Review of operations

The Company continues to lease its investment property known as Lots 3, 4, 25 and 45 at 360 Pacific Highway, Crows Nest.

The Company continues to seek good quality property investments and other investments to maximise value for all shareholders.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

Significant events after balance date

There has not been any matter or circumstance that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial statements, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Future developments

The company will continue to assess new investment opportunities.

Environmental regulations

In the opinion of the directors the company is in compliance with all applicable environmental legislation and regulations.

DIRECTORS' REPORT (CONTINUED)

Indemnification of officers and auditors

During or since the financial year, the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Directors' interests and benefits

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with Section 205G(1) of the Corporations Act as at the date of this report are:

Name	Ordinary Shares
Fred Bart	5,000,075
Ian Dennis	500,050
Cheryl Bart	500,000

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in the financial statements) because of a contract made by the company or related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest. There are no employment contracts for any of the directors.

Remuneration report

This report outlines the remuneration arrangements in place for Directors of the Company. The Company has no executives.

The Directors are responsible for remuneration policies and packages applicable to the Board members of the Company. The Company does not have a separate Nomination and Remuneration Committee. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities.

There are currently no performance based incentive to directors based on the performance of the Company. There are no employment contracts in place with any Director of the Company.

Remuneration report (cont)

The key management personnel of Global Properties limited during the year were:

Fred Bart – Chairman
Cheryl Bart – Non executive director
Ian Dennis – Non executive director and company secretary

The board has continued to provide only nominal compensation to key management personnel until the activities of the company are increased.

The aggregate compensation of the key management personnel of the company is set out below:

	30 June 2006 **$**	**30 June 2005** **$**
Short-term employee benefits	30,000	22,500
Post employment benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
	30,000	22,500

	Short Term		**Post Employment**	**Share Based Payments**	**Total**
2006	**Directors fees**	**Non-monetary**	**Superannuation**	**Options**	
	$	**$**	**$**	**$**	**$**
Fred Bart	10,000	-	-	-	10,000
Cheryl Bart	10,000	-	-	-	10,000
Ian Dennis	10,000	-	-	-	10,000
	30,000	-	-	-	30,000
2005					
Fred Bart	7,500	-	-	-	7,500
Cheryl Bart	7,500	-	-	-	7,500
Ian Dennis	7,500	-	-	-	7,500
	22,500	-	-	-	22,500

Audit Committee

Due to the limitations imposed by size, the Company does not have a formally constituted audit committee.

Directors' meetings

During the year the company held two meetings of directors. The attendances of the directors at meetings of the Board were:

	Attended	Maximum possible attended
Fred Bart	2	2
Ian Dennis	2	2
Cheryl Bart	2	2

Non-audit services

There were no non- audit services provided by the auditors.

Auditor's independence declaration

The auditor's independence declaration is included on page 7.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

I A Dennis
Director

Dated at Sydney this 21 day of July 2006

Deloitte

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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8 Brindabella Circuit
Brindabella Business Park ACT 2609
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Canberra ACT 2601 Australia

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The Board of Directors
Global Properties Limited
Suite 2, Level 12
75 Elizabeth Street
Sydney NSW 2000

21 July 2006

Dear Board Members

Global Properties Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Global Properties Limited.

As lead audit partner for the audit of the financial statements of Global Properties Limited for the financial year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. Black.

David Black
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent audit report to the members of Global Properties Limited

Scope

The financial report, compensation disclosures and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of recognised income and expense, a summary of significant accounting policies and other explanatory notes and the directors' declaration for Global Properties Limited, for the financial year ended 30 June 2006 as set out on pages 10 to 33.

The company has disclosed information about the compensation of key management personnel ("compensation disclosures") as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 *Related Party Disclosures* ("AASB 124") under the heading "remuneration report" on pages 4 and 5 of the directors' report, and not in the financial report, as permitted by the *Corporations Regulations 2001*.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the compensation disclosures contained in the directors' report.

Audit approach

We have conducted an independent audit of the financial report and compensation disclosures in order to express an opinion on them to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement and the compensation disclosures comply with AASB 124. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations, its changes in equity and its cash flows and whether the compensation disclosures comply with AASB 124.

Deloitte.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

(1) the financial report of Global Properties Limited is in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

 (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(2) the compensation disclosures that are contained under the heading "remuneration report" on pages 4 and 5 of the directors' report comply with paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 *Related Party Disclosures*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. Black

D. Black
Partner
Chartered Accountants
Canberra , 21 July 2006

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

DIRECTORS' DECLARATION

The directors declare that:

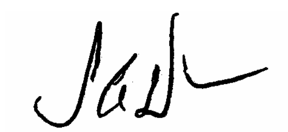
(a) in the directors' opinion, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the company; and

(c) the directors have been given the declarations required by s.259A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



I A Dennis
Director

Dated at Sydney this 21 day of July 2006.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	**2006** $	**2005** $
Revenue	2	291,276	144,065
Administrative expenses		76,339	79,821
Directors fees		30,000	22,500
Finance costs		65,647	44,235
Property expenses		36,884	21,820
Other expenses		2,690	3,669
Profit /(loss) before income tax	2	79,716	(27,980)
Income tax (expense)/ benefit	3	(22,936)	8,394
Profit /(loss) for the year		56,780	(19,586)
Earnings per share			
Basic and diluted (cents per share)	16	0.004	(0.002)

Notes to the financial statements ere included on pages 15 to 33.

GLOBAL PROPERTIS LIMITED
ACN 094 384 273

BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006	2005
		$	$
CURRENT ASSETS			
Cash and cash equivalents	6	2,086,793	2,067,875
Trade and other receivables	7	67,099	17,061
Other financial assets	8	1,940	2,000
TOTAL CURRENT ASSETS		2,155,832	2,086,936
NON CURRENT ASSETS			
Investment property	9	2,000,000	1,996,737
Deferred tax asset	3	-	8,394
TOTAL NON CURRENT ASSETS		2,000,000	2,005,131
TOTAL ASSETS		4,155,832	4,092,067
CURRENT LIABILITIES			
Trade and other payables	10	6,100	13,628
Current tax payables	3	2,255	-
Borrowings	11	900,000	900,000
TOTAL CURRENT LIABILITIES		908,355	913,628
NON CURRENT LIABILITIES			
Deferred tax liabilities	3	12,258	-
TOTAL NON CURRENT LIABILITIES		12,258	-
TOTAL LIABILITIES		920,613	913,628
NET ASSETS		3,235,219	3,178,439
EQUITY			
Issued capital	12	3,200,025	3,200,025
Retained earnings/(Accumulated losses)	13	35,194	(21,586)
TOTAL EQUITY		3,235,219	3,178,439

Notes to the financial statements ere included on pages 15 to 33

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	**2006** $	**2005** $
Net income recognised directly in equity		-	-
Profit (loss) for the year		56,780	(19,586)
Total recognised income and expense for the year		56,780	(19,586)

Notes to the financial statements ere included on pages 15 to 33.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 $	2005 $
Cash flows from operating activities			
Receipts from customers		193,969	80,419
Payments to suppliers and employees		(161,544)	(130,979)
Interest and bill discounts received		119,142	63,382
Interest and other costs of finance paid		(132,709)	(44,235)
Net cash provide by/ (used in) operating activities	14	18,858	(31,413)
Cash flows from investing activities			
Payment for investment property		-	(1,996,737)
Proceeds on sale of investment securities		60	-
Payment for investment securities		-	(2,000)
Net cash outflows from investing activities		60	(1,998,737)
Cash flows from financing activities			
Proceeds from issue of equity securities		-	3,200,000
Proceeds from borrowings		-	1,033,000
Repayment of borrowings		-	(135,000)
Net cash provided by financing activities		-	4,098,000
Net increase in cash held		18,918	2,067,850
Cash at the beginning of the financial year		2,067,875	25
Cash at the end of the financial year	6	2,086,793	2,067,875

Notes to the financial statements ere included on pages 15 to 33.

1. **Summary of Significant Accounting Policies**

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (“A-IFRS”). Compliance with A-IFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (“IFRS”).

The financial statements were authorised for issue by the Directors on 21 July 2006.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.
Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.
The entity changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 ‘First-time Adoption of Australian Equivalents to International Financial Reporting Standards’, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the company’s financial position, financial performance and cash flows is discussed in note 18.

(a) **Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) **Financial assets**

Other financial assets are classified into the following specified categories: held to maturity investments, available for sale and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition.

Held to maturity investments

Bills of exchange are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

(c) **Financial assets (cont)**

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Available-for-sale financial assets

Certain shares held by the entity are classified as being available-for-sale and are stated at fair values less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

(d) **Financial instruments issued by the company**

Debt and equity instruments

Debts and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest

Interest is classified as an expense consistent with the balance sheet classification of the related debt.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(f) Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately.

(g) **Income Tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settles its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

(g) **Income Tax (cont)**

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) **Investment property**

Investment property, which is properly held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of the investment property are included in the profit and loss in the period in which they arise.

(i) **Payables**

Trade payable and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(j) **Provisions**

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) **Revenue Recognition**

Rental revenue comprises revenue earned from the rental of the premises at 360 Pacific Highway, Crows Nest, New South Wales. Rental revenue is recognised when the rent in respect of the premises is receivable.

Interest income is recognised as it accrues.

(l) **Comparative information – financial instruments**

The entity has not restated comparative information for financial instruments as permitted under the first-time adoption transitional provisions. The following accounting policy was applied to accounting for Investments in the comparative financial year:

Investments - Other Companies

Shares in unlisted companies are carried at the lower of cost, and recoverable amount, being a Directors' valuation based on market values at the time of valuation. Dividends are brought to account as they are received.

Shares in listed companies are carried at the lower of cost and market value. Cost is allocated on an average basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006 (Continued)

	2006 $	2005 $

2. Profit/(Loss) from operations

(a) Revenue

	2006 $	2005 $
Interest received – other entities	119,142	63,382
Fair value adjustment to investment property	3,263	-
Dividend received	110	-
Rental income	168,761	80,683
Total revenue	291,276	144,065

(b) Expenses

	2006 $	2005 $
Directors fees	30,000	22,500
Finance costs – interest paid	65,647	44,235

3. Income taxes

(a) Income tax recognised in profit or loss

Tax expense/(income) comprises:

	2006 $	2005 $
Current tax expense/(income)	2,284	-
Deferred tax expense/(income)	20,652	(8,394)
Total tax expense/(income)	22,936	(8,394)

The prima facie income tax expense on pre-tax accounting profit /(loss) reconciles to the income tax expense in the financial statements as follows:

	2006 $	2005 $
Profit /(loss) from operations	79,716	(27,980)
Income tax expense calculated at 30%	23,915	(8,394)
Non-assessable income	(979)	-
Income tax expense	22,936	(8,394)

	2006 $	2005 $

3. **Income tax (Cont)**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Current tax payables

	2006 $	2005 $
Current year tax payable	2,284	-
Other tax paid	(29)	-
	2,255	-

(c) Deferred tax balances

	2006 $	2005 $
Deferred tax assets comprise:		
Tax losses - revenue	-	8,394
Temporary differences	-	-
	-	8,394
Deferred tax liabilities comprise:		
Temporary differences	12,258	-

Taxable and deductible temporary differences arise from the following:

2006

Gross deferred tax liabilities:	**Opening balance**	**Charged to income**	**Charged to equity**	**Closing balance**
Other	-	12,258	-	12,258

2005

Gross deferred tax liabilities:	**Opening balance**	**Charged to income**	**Charged to equity**	**Closing balance**
Other	-	-	-	-

	2006 $	2005 $

4. Key management personnel remuneration

The aggregate compensation of the key management personnel of the company is set out below:

	2006 $	2005 $
Short-term employee benefits	30,000	22,500
Post employment benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
	30,000	22,500

The company has no executives, the remuneration above relates solely to directors fees paid to Fred Bart, Cheryl Bart and Ian Dennis.

5. Remuneration of auditors

	2006 $	2005 $
Audit or review of the financial report – Lowy Wilcock & Company	500	4,000
Audit or review of the financial report – Deloitte Touche Tohmatsu	10,000	-
	10,500	4,000

The auditor of Global Properties Limited is Deloitte Touche Tohmatsu

6. Cash and cash equivalents

	2006 $	2005 $
Cash on hand and at bank	2,086,793	2,067,875

7. Trade and other receivables

	2006 $	2005 $
GST receivable	37	-
Prepayments	67,062	8,729
Trade receivables	-	8,332
	67,099	17,061

There is no average credit period on rental receivables as rental is due monthly in advance.

	2006 $	2005 $
8. Other financial assets		
Current		
Shares in listed entities – at fair value	1,940	2,000
9. Investment Property		
Strata Title commercial property		
Balance at 30 June 2005	1,996,737	-
Additions	-	1,996,737
Increase for fair value adjustment	3,263	-
Balance at 30 June 2006	2,000,000	1,996,737
Current value of Strata Title Commercial Property	2,000,000	2,000,000

Fair value of the strata title commercial property determined in accordance with a valuation carried out on 28 June 2006 by Landmark White (NSW) Pty Limited, independent valuers not related to the company. The valuation which conforms to Australian Valuation Standards was arrived at by reference to market evidence of transaction prices for similar properties and capitalisation of the net rental income at a rate of 6.85%.

	2006 $	2005 $
10. Trade and other payables		
Current		
Trade payables and accruals	6,100	13,628

The payables are non interest bearing and have an average credit period of 30 days.

	2006 $	2005 $

11. Current borrowings

	2006 $	2005 $
At amortised cost (2005 – cost)		
Commercial bill - secured	900,000	900,000
Financing arrangements		
Total facilities available	900,000	900,000
Facilities utilised at balance date	900,000	900,000
Facilities not used at balance date	-	-

The commercial bills are denominated in Australian dollars. The commercial bill facility of $900,000 is a committed facility secured by a registered first mortgage against the strata title property. The $900,000 commercial bill facility expires on 21 December 2007. The average weighted interest rate on the interest bearing liabilities was 7.29% (2005 – 7.26%)

12. Issued capital

Issued and paid up capital

	2006 $	2005 $
Balance at the beginning of the financial year		
Fully paid Ordinary shares	3,200,025	25
Add		
Prospectus issue at 20 cents each for cash	-	3,200,000
Balance at the end of the financial year	3,200,025	3,200,025

Fully paid Ordinary Shares	**Number**	**Number**
Balance at the beginning of the financial year	16,000,125	125
Prospectus issue at 20 cents each for cash	-	16,000,000
Balance at the end of the financial year	16,000,125	16,000,125

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

13. Retained earnings/(Accumulated losses)

	$	$
Balance at the beginning of the financial year	(21,586)	(2,000)
Net profit/(loss) for the year	56,780	(19,586)
Balance at the end of the financial year	35,194	(21,586)

	2006 $	2005 $

14. Notes to the cash flow statement

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than 2 months. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2006 $	2005 $
Cash	2,086,793	2,067,875

(b) Reconciliation of profit/ (loss) for the year to net cash flows from operating activities

	2006 $	2005 $
Profit/(loss) after related income tax	56,780	(19,586)
Fair value adjustment to investment property	(3,263)	-
Changes in assets and liabilities		
(Increase)/ decrease in assets		
Current receivables	(50,038)	(17,061)
Deferred tax asset	8,394	(8,394)
Increase /(decrease) in liabilities		
Tax payable	2,255	-
Deferred tax liability	12,258	-
Current trade payables	(7,528)	13,628
Net cash from (used in) operating activities	18,858	(31,413)

15. Related Party Transactions

(a) Directors

The Directors of Global Properties Limited in office during the year were Fred Bart, Ian Dennis and Cheryl Bart

(b) Directors' Shareholdings

	Number	Number
Fred Bart	5,000,075	5,000,075
Ian Dennis	500,050	500,050
Cheryl Bart	500,000	500,000

	2006 $	2005 $

15. **Related Party Transactions (Cont)**

(c) Transactions with related entities

4F Investments Pty Limited is a company associated with Mr Fred Bart, a director, and provided a loan of $2,000 to pay for the incorporation of the Company and $133,000 for the deposit on the Crows Nest property in the prior financial year as disclosed in the Prospectus. The loans were repaid on 20 December 2004 following the close of the capital raising. The loans were interest free and the maximum amount outstanding during the previous financial year was $135,000.

The company has paid $14,261 (2005: $3,023) in respect of rental of the Sydney offices premises to 4F Investments Pty Limited. These rentals are based on a share of actual costs incurred and do not include a profit mark up.

16. **Earnings per Share**

	2006 $	2005 $
Basic earnings (loss) per share	0.004	(0.002)
Dilutes earnings (loss) per share	0.004	(0.002)
	Number	**Number**
Weighted average number of ordinary shares	16,000,125	8,416,563

(a) Earnings used in the calculation of basic earnings per share are the same as the net profit (loss) in the income statement.

Diluted earnings (loss) per share

There are no options or other securities currently issued which would result in the dilution of the share capital. Accordingly the basic earnings per share is the same as diluted earnings per share.

17. Segment Information

The company operates within the one geographic segment being Australia and has all its assets in the investment sector.

18. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

The entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards (A-IFRS). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition, except for financial instruments, including derivatives, where the date of transition is 1 July 2005.

Notes to the reconciliation of income and equity

The balance sheet at the date of transition to A-IFRS included an intangible asset of $2,000 being capitilised formation expenses. The asset was subsequently written off during the half year ended 30 June 2005. A-IFRS does not allow such expenses to be capitilised and therefore an adjustment has been made on translation to A-IFRS.

Under superseded policies, the Company did not recognise the benefit of deferred tax assets arising from timing differences and tax losses as there was no certainty of the recovery of these tax losses. Under A-IFRS, the deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax basis, and deferred tax assets are recognised when it is probable, rather than virtually certain, that the benefit of these timing differences and tax losses can be recovered.

18. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards (cont)

These adjustments have the following effects on equity and income:

	As previously reported under A-GAAP	Effect of transition to A-IFRS	As restated under A-IFRS
	$		$
Shareholders' Equity/(Deficit)			
At 1 July 2004	25	(2,000)	(1,975)
At 31 December 2004	3,136,085	17,182	3,153,267
At 30 June 2005	3,170,045	8,394	3,178,439
Profit/(Loss) after tax			
Half-year ended 31 December 2004	(63,940)	19,182	(44,758)
Full-year ended 30 June 2005	(29,980)	10,394	(19,586)

These adjustments have no effect on cash-flows.

Global Properties Limited has a property qualifying as an investment property which is shown as a non current asset. Under A-IFRS the directors have elected to measure the investment property at fair value with any changes in fair value recognized in the income statement.

Other than as noted above there have been no adjustments on transition to A-IFRS.

19. Financial Instruments

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial asset and financial liabilities, is as follows:

Cash assets totalling $2,086,793 (2005 - $2,067,875) have a weighted floating interest rate of 5.71% (2005 – 5.7l%). Bank loans totalling $900,000 (2005 - $900,000) have a weighted average floating interest rate of 7.29% (2005 – 7.26%)

Other receivables, investments, accounts payable, provisions and other financial items are non-interest bearing.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure of counterparties to the contract to meet their obligations. The company measures credit risk on a fair value basis.

The company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The company has no foreign exchange risks and does not enter into any financial derivative contracts.

(c) Net Fair Values

The net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed equity investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the income statement or in the notes to the financial statements.

19. Financial Instruments (Cont)

	2006 Carrying amount	2006 Net fair value	2005 Carrying amount	2005 Net fair value
Financial assets				
Cash	2,086,793	2,086,793	2,067,875	2,067,875
Receivables	67,099	67,099	17,061	17,061
Financial liabilities				
Accounts payable	6,100	6,100	13,628	13,628
Interest bearing liabilities	900,000	900,000	900,000	900,000

20. Leases

Operating leases – leasing arrangements

Operating leases relate to the investment property owned by the company with a remaining lease term of three and a half years, with options for two further terms of five years. The operating leases contain rental review clauses and the tenants are responsible for all outgoings. The lessee does not have an option to buy the property at the expiry of the lease period.

	2006	**2005**
Non-cancellable operating lease receivables		
Not longer than 1 year	141,228	135,912
Longer than 1 year and not longer than 5 years	347,504	488,732
Longer than 5 years	-	-
	488,732	624,644

21. Additional company information

Global Properties Limited is a listed public company, incorporated and operating in Australia.

Registered Office and Principal place of business

Suite 2, Level 12
75 Elizabeth Street
Sydney NSW 2000
Australia
Tel: (02) 9233 3915
Fax: (02) 9232 3411
www.gloprop.com.au

The company has no employees.

GLOBAL PROPERTIES LIMITED
ACN 094 384 273

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

HOME EXCHANGE

The Company's ordinary shares are quoted on the Australian Stock Exchange Limited under the trading symbol "GPB". The Home Exchange is Sydney.

SUBSTANTIAL SHAREHOLDERS

At 6 July 2006 the following substantial shareholders were registered:

	Ordinary Shares	Percentage of total Ordinary shares
Fred Bart Group	5,000,075	31.25%

VOTING RIGHTS

At 6 July 2006 there were 577 holders of fully paid ordinary shares.

Rule 74 of the Company's Constitution stipulates the voting rights of members as follows:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares and to this Constitution:

(a) on a show of hands every person present in the capacity of a Member or a proxy, attorney or representative (or in more than one of these capacities) has one vote; and

(b) On a poll every person present who is a Member or proxy, attorney or Representative has member present has:

(i) For each fully paid share that the person holds or represents – one vote; and

(ii) For each share other than a fully paid share that the person holds or represents – that proportion of one vote that the amount paid (not credited) on the shares bears to the total amount paid and payable on the share (excluding amounts credited)."

OTHER INFORMATION

In accordance with Listing Rule 4.10.19, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

DISTRIBUTION OF SHAREHOLDINGS

At 6 July 2006 the distribution of share and option holdings were:

Range	Ordinary Shareholders	Number of Shares
1-1,000	18	9,127
1,001 – 5,000	51	186,378
5,001 – 10,000	389	3,823,829
10,001 – 100,000	101	3,438,430
100,001 and over	18	8,542,361
	577	16,000,125

There were 18 ordinary shareholders with less than a marketable parcel.

There is no current on-market buy-back.

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TWENTY LARGEST ORDINARY SHAREHOLDERS - QUOTED

At 6 July 2006 the 20 largest ordinary shareholders held 55.22 % of the total issued fully paid quoted ordinary shares of 16,000,125.

Shareholder	Fully Paid Ordinary Shares	Percentage of Total
1. AWC Nominees Pty Limited	3,615,000	22.59%
2. Fred Bart	1,250,000	7.81%
3. Cheryl Bart	500,000	3.12%
4. Matthew James Sachr	360,000	2.25%
5. Casalati Holdings Limited	323,747	2.02%
6. Brent McCarty, Yvonne McCarty and Zeljan Unkovich	300,000	1.87%
7. Fodiro Pty Limited	272,250	1.70%
8. Dennis Corporate Services Pty Limited	265,000	1.66%
9. James Bart	250,000	1.56%
10. Nicole Bart	250,000	1.56%
11. Dr Joshua Ehrlich	237,250	1.48%
12. Ian Dennis and Caroline Dennis	235,000	1.47%
13. Kale Capital Corporation Limited	150,000	0.94%
14. Zolly Palmay	150,000	0.94%
15. JP Morgan Nominees Australia Limited	138,114	0.86%
16. 4F Investments Pty Limited	135,000	0.84%
17. Mr David Mane	111,000	0.69%
18. ANZ Nominees Limited	100,000	0.62%
19. The Plastics Centre Pty Limited	100,000	0.62%
20. Rewlin Pty Limited	93,500	0.62%
	8,835,861	55.22%

GLOBAL PROPERTIES LIMITED
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CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Board of Directors of Global Properties Limited is responsible for the corporate governance of the entity. The Board guides and monitors the business and affairs of Global Properties Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Directors are committed to protecting stakeholders' interests and keeping investors fully informed about the performance of the Company, while meeting stakeholders' expectations of sound corporate governance practices. To ensure the best representation of Shareholder interests, the Board will regularly review its corporate governance practices.

The Corporate Governance Statement follows the Australian Stock Exchange Corporate Governance Council's (the "Council's") "Principles of Good Corporate Governance and Best Practice Recommendations". In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. Global Properties Limited's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the Board to add value
Principle 3.	Promote ethical and responsible decision making
Principle 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Encourage enhanced performance
Principle 9.	Remunerate fairly and responsibly
Principle 10.	Recognise the legitimate interests of stakeholders

Global Properties Limited's corporate governance practices were in place throughout the year ended 30 June 2006 and embrace the Council's best practice recommendations which are being put in place as appropriate.

Due to the limitations imposed by size, the Company does not meet Recommendation 4.2 of the Guidelines as the Company does not have a formally constituted audit committee. All Directors of the Company act as the audit committee.

During the current year the Directors will establish a formal risk assessment plan in order to comply with Principle 7.

Additional information regarding the Company's corporate governance policies, its Directors and other relevant information can be found on the Company's website:

www.gloprop.com.au

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each Director in office at the date of this Annual Report is included in the Directors' Report on page 2. Directors of Global Properties Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5 percent of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10 percent of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Global Properties Limited are considered to be independent:

Name	Position
Mr. Ian Dennis	Non-executive Director

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Position	Term in Office
Mr Fred Bart	Non-Executive Chairman	5 years
Mr. Ian Dennis	Non-Executive Director	5 years
Ms Cheryl Bart	Non-Executive Director	4 years

For additional details regarding board appointments, please refer to the Company's website.

Nomination Committee

The Board does not currently have a formal Nomination Committee. However, the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director and, where appropriate, seeking the services of an independent consultant who is not a director of the Company to provide assistance in the recruitment of potential Directors.

Performance

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. During the reporting period, an assessment of the performance of each Board member and key executive against specific and measurable qualitative and quantitative performance criteria was undertaken. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Global Properties Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

Remuneration

One of the Company's key objectives is to provide maximum stakeholder benefits from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. Whilst the Company does not currently have a formal Remuneration Committee, the nature and amount of Executive Directors' and Officers' emoluments are linked to the Company's financial and operational performance. Further, it is envisaged that a Nomination and Remuneration Committee will be established during the coming financial year. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of quality management to the Company; and
- Performance incentives which allow executives to share the rewards of the success of Global Properties Limited.

For details regarding the amount of remuneration and all monetary and non-monetary components for each of the key management personnel during the year, refer to the Remuneration Report in the Directors report. In relation to the payment of bonuses, options an other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Global Properties Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves.