

**Macquarie Gilt Edge Access Account
Annual report - 30 June 2009**

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This financial report covers Macquarie Gilt Edge Access Account as an individual entity.

The Responsible Entity of Macquarie Gilt Edge Access Account is Macquarie Investment Services Limited (ABN 73 071 745 401). The Responsible Entity's registered office is Mezzanine Level, No.1 Martin Place, Sydney, NSW 2000.

Directors' report

The directors of Macquarie Investment Services Limited (a wholly owned subsidiary of Macquarie Group Limited), the Responsible Entity of Macquarie Gilt Edge Access Account, present their report together with the financial report of Macquarie Gilt Edge Access Account ("the Trust") for the year ended 30 June 2009.

Principal activities

The Trust invests in New Zealand money market securities and fixed interest securities in accordance with the provisions of the Trust Constitution.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

Directors

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

B N Terry
 D Craig (resigned 07/05/2009)
 P J Coleman (resigned 23/06/2009)
 E Becker
 K J Vincent (appointed 23/06/2009)
 M Lukin (appointed 23/06/2009)

Review and results of operations

During the year, the Trust continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

Results

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

| | Year ended | |
|--|-----------------|-----------------|
| | 30 June 2009 | 30 June 2008 |
| Operating profit/(loss) before finance costs attributable to unitholders (NZD'000) | <u>13,751</u> | <u>20,607</u> |
| <i>Distributions</i> | | |
| Distribution paid and payable (NZD'000) | <u>13,751</u> | <u>20,607</u> |
| Distribution (cents per unit) | <u>6.36</u> | <u>8.45</u> |

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

Directors' report (continued)

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

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

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Macquarie Investment Services Limited or the auditors of the Trust. So long as the officers of Macquarie Investment Services Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 9 on page 17 of the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 9 on page 17 of the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 6 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

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

Rounding of amounts

Amounts in the Director's report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Directors' report (continued)

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



B N Terry



K J Vincent
Director

Sydney
22 September 2009

Income statement

| | Notes | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|---|-------|----------------------------|----------------------------|
| Investment income | | | |
| Interest income from financial assets not held at fair value through profit or loss | | 1,256 | 3,429 |
| Net gains/(losses) on financial instruments held at fair value through profit or loss | 5 | <u>12,581</u> | <u>17,322</u> |
| Total net investment income/(loss) | | <u>13,837</u> | <u>20,751</u> |
| Expenses | | | |
| Interest expense | | <u>86</u> | <u>144</u> |
| Total operating expenses | | <u>86</u> | <u>144</u> |
| Operating profit/(loss) | | <u>13,751</u> | <u>20,607</u> |
| Finance costs attributable to unitholders | | | |
| Distributions to unitholders | | <u>(13,751)</u> | <u>(20,607)</u> |
| Profit/(loss) for the year | | <u>-</u> | <u>-</u> |

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

Balance sheet

| | Notes | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|---|-------|----------------------------|----------------------------|
| Assets | | | |
| Cash and cash equivalents | 7 | 19,370 | 29,217 |
| Application clearing account | | 2,707 | 5,799 |
| Receivables | | - | 10 |
| Interest receivable | | - | 179 |
| Financial assets held at fair value through profit or loss | 8 | 182,441 | 216,606 |
| Total assets | | 204,518 | 251,811 |
| Liabilities | | | |
| Distributions payable | | 8 | 46 |
| Redemption clearing account | | 397 | 2,193 |
| Other payables | | 8 | 22 |
| Responsible Entity fees payable | 9 | 664 | 795 |
| Total liabilities (excluding net assets attributable to unitholders) | | 1,077 | 3,056 |
| Net assets attributable to unitholders - liability | 6 | 203,441 | 248,755 |

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|--|-------------------------------------|-------------------------------------|
| Total equity at the beginning of the financial year | - | - |
| Profit/(loss) for the year | - | - |
| Net income/(expense) recognised directly in equity | - | - |
| Total recognised income and expense for the financial year | <u>-</u> | <u>-</u> |
| Transactions with equity holders in their capacity as equity holders | - | - |
| Total equity at the end of the financial year | <u>-</u> | <u>-</u> |

Under NZ IFRS, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

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

Cash flow statement

| | Notes | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|---|-------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Proceeds from sale of financial instruments held at fair value through profit or loss | | 631,616 | 760,060 |
| Purchase of financial instruments held at fair value through profit or loss | | (584,871) | (821,766) |
| Interest received | | 1,435 | 4,214 |
| Payment of other expenses | | (86) | (134) |
| Net cash inflow/(outflow) from operating activities | 10(a) | <u>48,094</u> | <u>(57,626)</u> |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | | 684,812 | 837,777 |
| Payments for redemptions by unitholders | | (739,498) | (844,524) |
| Distributions paid | | (128) | (165) |
| Expenses paid on behalf of unitholders | | (3,127) | (3,220) |
| Net cash inflow/(outflow) from financing activities | | <u>(57,941)</u> | <u>(10,132)</u> |
| Net increase/(decrease) in cash and cash equivalents | | (9,847) | (67,758) |
| Cash and cash equivalents at the beginning of the year | | <u>29,217</u> | <u>96,975</u> |
| Cash and cash equivalents at the end of the year | 7 | <u>19,370</u> | <u>29,217</u> |
| Non-cash financing activities | 10(b) | 10,800 | 17,137 |

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

1 General information

This financial report covers Macquarie Gilt Edge Access Account ("the Trust") as an individual entity. The Trust is an Australian registered managed investment scheme, and commenced operations on 17 May 1996.

The Responsible Entity of the Trust is Macquarie Investment Services Limited ("MISL") (the "Responsible Entity"). The Responsible Entity's registered office is Mezzanine Level, No.1 Martin Place, Sydney, NSW 2000. MISL is an issuer for the purpose of the Financial Reporting Act 1993. The financial report is presented in New Zealand Dollars.

During the year, the Trust continued to invest funds in accordance with target asset allocations as set out in the current offer document and in accordance with the provisions of the Trust Constitution.

The financial statements were authorised for issue by the directors on 22 September 2009. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), the Trust Constitution, the *Unit Trust Act 1960*, the Financial Reporting Act 1993 and sections 21 to 34 of the 3rd Schedule of Securities Regulation 1983, as appropriate for profit-orientated entities.

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

Compliance with International Financial Reporting Standards (IFRS)

New Zealand Accounting Standards include New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). These financial statements are in compliance with NZ IFRS.

(b) Financial instruments

(i) Classification

The Trust's investments are categorised as at fair value through profit or loss. They comprise financial instruments designated at fair value through profit or loss upon initial recognition.

These include financial assets that are not held for trading purposes and which may be sold, such as investments in debt instruments.

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

Loans and receivables/payables comprise amounts due to or from the Trust.

(ii) Recognition/derecognition

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

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

Financial liabilities are derecognised when the obligation to pay has extinguished.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

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

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

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

(b) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment for example when there has been a significant or prolonged decline in the fair value below carrying amount.

If any such indication of impairment exists, an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if unitholders exercised their right to put the units back to the Trust.

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and bank overdrafts. Bank overdrafts are shown separately on the balance sheet.

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

(e) Investment income

Interest income and expenses are recognised in the income statement for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

2 Summary of significant accounting policies (continued)

(e) Investment income (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(f) Expenses

Responsible Entity's fees are accounted for at unitholder level, all other expenses are recognised in the income statement on an accruals basis.

(g) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (ie unitholders are presently entitled to the income of the Trust).

(h) Distributions

In accordance with the Trust Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the income statement as finance costs attributable to unitholders.

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

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the income statement as finance costs.

(j) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the functional currency¹). This is the New Zealand dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The New Zealand dollar is also the Trust's presentation currency.

(k) Receivables

Receivables may include amounts for interest. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

(l) Payables

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

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet when unitholders are presently entitled to the distributable income under the Trust's Constitution.

2 Summary of significant accounting policies (continued)

(m) Applications and redemptions

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

(n) Use of estimates

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

(o) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(p) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3 Financial risk management

(a) Strategy in using financial instruments

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

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust uses derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the investment management department under policies approved by MISL's senior managers or the Board of Directors of the Responsible Entity (the Board).

(b) Market risk

(i) Price risk

It is the manager's view that price risk for discount securities is a function of interest rate risk, credit risk and liquidity risk.

(ii) Foreign exchange risk

The Trust is not exposed to foreign exchange risk as all assets are denominated in New Zealand dollars.

(iii) Interest rate risk

The majority of the Trust's financial assets and liabilities are interest bearing. As a result, the Trust is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

3 Financial risk management (continued)

(b) Market risk (continued)

In accordance with the Responsible Entity's policy, the risk management team monitors the Trust's overall interest sensitivity on a daily basis. This is done by:

- managing the weighted average maturity for both aggregate and individual holdings
- specifying permitted instruments to ensure appropriate exposures taken

The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Refer to the table in note 3(e) which shows the Trust's net exposure to interest rate risk.

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions. None of these assets are impaired nor past due but not impaired.

The Trust restricts its exposure to credit losses by:

- dealing with appropriately rated counterparties
- managing exposure to any single issuer to ensure diversification
- monitoring target durations
- seeking to ensure credit score compliance with Standard & Poor's requirements

In accordance with the Trust's policy, the risk management area of the Investment Manager monitors the Trust's credit position on a daily basis. The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Compliance with the Trust's policy is reported to the Board on a monthly basis.

The Trust's main credit risk concentration is spread across discount securities. Less than 37% of the fair value of financial assets are with a single issuer (2008: 41%).

| | 30 June 2009 % | 30 June 2008 % |
|---|----------------------|----------------------|
| New Zealand fixed interest securities | | |
| Rating | | |
| A1+ | <u>100.00</u> | <u>100.00</u> |
| Total | <u>100.00</u> | <u>100.00</u> |
| | | |
| Concentration of counterparty risk | | |
| Counterparties | | |
| Australia and New Zealand Banking Group Limited | 32.74 | 32.62 |
| Bank of New Zealand | 36.82 | 40.47 |
| Rabobank New Zealand | 20.75 | 12.00 |
| Westpac New Zealand | 5.14 | 4.00 |
| ASB Bank | 4.45 | 10.83 |
| Permanent Trustees | <u>0.10</u> | <u>0.08</u> |
| Total | <u>100.00</u> | <u>100.00</u> |

3 Financial risk management (continued)

(d) Liquidity risk

The Trust is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Trust may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Trust may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such investments were held at the balance sheet date (2008: Nil).

In accordance with the Trust's policy, the risk management area of the Investment Manager monitors the Trust's liquidity position on a daily basis. This is managed by:

- restricting exposure to illiquid assets
- seeking to ensure provisions are in place to manage liquidity provisions for all unitholders
- restricting exposure to debt obligations which may compromise solvency
- managing exposure to any single issuer and ensuring diversification

The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Redeemable units are redeemed on demand at the holder's option. All liabilities are payable within 30 days.

(e) Interest rate risk

The table below summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

| 30 June 2009 | Weighted average interest rate (% pa) | Floating interest rate NZD'000 | Fixed interest rate | | Non-interest bearing NZD'000 | Total NZD'000 |
|---|---------------------------------------|--------------------------------|--------------------------|------------------------|------------------------------|----------------|
| | | | 3 months or less NZD'000 | 4 to 12 months NZD'000 | | |
| Assets | | | | | | |
| Cash and cash equivalents | 5.23 | 19,170 | - | - | 200 | 19,370 |
| Application clearing account | - | - | - | - | 2,707 | 2,707 |
| Financial assets held at fair value through profit or loss | 5.30 | - | 122,021 | 60,420 | - | 182,441 |
| Total assets | | <u>19,170</u> | <u>122,021</u> | <u>60,420</u> | <u>2,907</u> | <u>204,518</u> |
| Liabilities | | | | | | |
| Distributions payable | - | - | - | - | 8 | 8 |
| Redemption clearing account | - | - | - | - | 397 | 397 |
| Other payables | - | - | - | - | 8 | 8 |
| Responsible Entity fees payable | - | - | - | - | 664 | 664 |
| Total liabilities (excluding net assets attributable to unitholders) | | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,077</u> | <u>1,077</u> |
| Net exposure | | <u>19,170</u> | <u>122,021</u> | <u>60,420</u> | <u>1,830</u> | <u>203,441</u> |

3 Financial risk management (continued)

(e) Interest rate risk (continued)

| 30 June 2008 | Weighted average interest rate (% pa) | Floating interest rate NZD'000 | Fixed interest rate | | Non- interest bearing NZD'000 | Total NZD'000 |
|---|---|---|--------------------------------|------------------------------|--|------------------|
| | | | 3 months or less NZD'000 | 4 to 12 months NZD'000 | | |
| Assets | | | | | | |
| Cash and cash equivalents | 8.23 | 29,016 | - | - | 201 | 29,217 |
| Application clearing account | - | - | - | - | 5,799 | 5,799 |
| Receivables | - | - | - | - | 10 | 10 |
| Interest receivable | - | 179 | - | - | - | 179 |
| Financial assets held at fair value through profit or loss | 8.74 | - | 147,847 | 68,759 | - | 216,606 |
| Total assets | | <u>29,195</u> | <u>147,847</u> | <u>68,759</u> | <u>6,010</u> | <u>251,811</u> |
| Liabilities | | | | | | |
| Distributions payable | - | - | - | - | 46 | 46 |
| Redemption clearing account | - | - | - | - | 2,193 | 2,193 |
| Other payables | - | - | - | - | 22 | 22 |
| Responsible Entity fees payable | - | - | - | - | 795 | 795 |
| Total liabilities (excluding net assets attributable to unitholders) | | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,056</u> | <u>3,056</u> |
| Net exposure | | <u>29,195</u> | <u>147,847</u> | <u>68,759</u> | <u>2,954</u> | <u>248,755</u> |

At 30 June 2009, should interest rates have lowered by 50 basis points with all other variables remaining constant, the increase in net assets attributable to unitholders for the year would amount to approximately \$167,337 arising from the increase in market values of debt securities (2008: 25 basis points; \$124,377). If interest rates had risen by 50 basis points, the decrease in net assets attributable to unitholders would amount to approximately \$167,337 (2008: 25 basis points; \$124,377).

4 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

| | 30 June 2009 NZD | 30 June 2008 NZD |
|--|------------------------|------------------------|
| Audit services | | |
| PricewaterhouseCoopers Australian firm | | |
| Audit and review of financial reports | 13,264 | 15,654 |
| Other audit work | 1,747 | 2,163 |
| Total remuneration for audit services | <u>15,011</u> | <u>17,817</u> |

Audit fees are paid out of the Responsible Entity's own resources.

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

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

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|--|----------------------------|----------------------------|
| Interest income on fixed interest securities | 12,208 | 17,351 |
| Net gains/(losses) on financial instruments designated as at fair value through profit or loss | <u>373</u> | <u>(29)</u> |
| Net gains/(losses) on financial assets held at fair value through profit or loss | <u>12,581</u> | <u>17,322</u> |

6 Net assets attributable to unitholders

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

| | 30 June 2009 No. '000 | 30 June 2008 No. '000 | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|---|-----------------------------|-----------------------------|----------------------------|----------------------------|
| Opening balance | 248,755 | 238,257 | 248,755 | 238,257 |
| Applications | 684,812 | 837,777 | 684,812 | 837,777 |
| Redemptions | (739,498) | (844,524) | (739,498) | (844,524) |
| Units issued upon reinvestment of distributions | 10,800 | 17,137 | 10,800 | 17,137 |
| Movement in units to be created | (3,092) | 858 | (3,092) | 858 |
| Movement in units to be redeemed | <u>1,664</u> | <u>(750)</u> | <u>1,664</u> | <u>(750)</u> |
| Closing balance | <u>203,441</u> | <u>248,755</u> | <u>203,441</u> | <u>248,755</u> |

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

Capital risk management

The Trust manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

The Trust monitors the level of daily applications and redemptions relative to the liquid assets in the Trust. During the period, the Trust's strategy, which was unchanged from the previous period, was to hold approximately 100% of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and units in underlying trusts. The ratio of liquid assets to net assets attributable to unitholders was as follows:

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|--|----------------------------|----------------------------|
| Average daily net applications/(redemptions) | (210) | (26) |
| Liquid assets of the fund | 204,518 | 251,811 |
| Net assets attributable to unitholders | 203,441 | 248,755 |
| Ratio of liquid assets to net assets attributable to unitholders | <u>101 %</u> | <u>101 %</u> |

7 Cash and cash equivalents

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|------------------|----------------------------|----------------------------|
| Cash at bank | 200 | 201 |
| Deposits at call | <u>19,170</u> | <u>29,016</u> |
| | <u>19,370</u> | <u>29,217</u> |

8 Financial assets held at fair value through profit or loss

| | 30 June 2009 Fair value NZD'000 | 30 June 2008 Fair value NZD'000 |
|---|--|--|
| Designated at fair value through profit or loss | | |
| Fixed interest securities | <u>182,441</u> | <u>216,606</u> |
| Total designated at fair value through profit or loss | <u>182,441</u> | <u>216,606</u> |
| Total financial assets held at fair value through profit or loss | <u>182,441</u> | <u>216,606</u> |
| | | |
| | 30 June 2009 Fair value NZD'000 | 30 June 2008 Fair value NZD'000 |
| Money market securities | | |
| Negotiable certificates of deposit held with other banks | <u>182,441</u> | <u>216,606</u> |
| Total money market securities | <u>182,441</u> | <u>216,606</u> |
| Total financial assets held at fair value through profit or loss | <u>182,441</u> | <u>216,606</u> |

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

9 Related party transactions

Responsible Entity

The Responsible Entity of Macquarie Gilt Edge Access Account is Macquarie Investment Services Limited (MISL), a wholly owned subsidiary of Macquarie Group Limited.

Key management personnel

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

B N Terry
D Craig (resigned 07/05/2009)
P J Coleman (resigned 23/06/2009)
E Becker
K J Vincent (appointed 23/06/2009)
M Lukin (appointed 23/06/2009)

9 Related party transactions (continued)

Key management personnel unitholdings

At 30 June 2009 no key management personnel held units in the Trust (2008: Nil).

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (2008: Nil).

Responsible Entity's fees and other transactions

For the year ended 30 June 2009, in accordance with the Constitution, the Responsible Entity received a total fee in accordance with the progressive scaled rates below:

Daily Account Balance

| | |
|--------------------|-----------------------|
| \$250,000 or under | 1.30%pa (2008: 1.30%) |
| Over \$250,000 | 0.95%pa (2008: 0.95%) |

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|--|----------------------------|----------------------------|
| Management fees (charged at unitholder level) for the year paid by the Trust to the Responsible Entity | <u>2,947</u> | <u>3,250</u> |
| Aggregate amounts payable to the Responsible Entity at the reporting date | <u>664</u> | <u>795</u> |

Related party schemes' unitholdings

Parties related to the Trust (including Macquarie Investment Services Limited, its related parties and other schemes managed by Macquarie Investment Services Limited), hold no units in the Trust (2008: Nil).

Investments

The Trust held no investments in any schemes which are also managed by Macquarie Investment Services Limited or its related parties (2008: Nil).

Other transactions within the Trust

Apart from those details disclosed in this note, no directors of the Responsible Entity have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving director's interests subsisting at year end (2008: Nil).

Bond Street Custodians Limited, a wholly owned subsidiary of Macquarie Group Limited, is the custodian of the Trust.

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

| | 30 June 2009 NZD'000 | 30 June 2008 NZD'000 |
|---|----------------------------|----------------------------|
| (a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities | | |
| Profit/loss for the year | - | - |
| Net (gains)/losses on financial instruments held at fair value through profit or loss | (12,581) | (17,322) |
| Proceeds from sale of financial instruments held at fair value through profit or loss | 631,616 | 760,060 |
| Purchase of financial instruments held at fair value through profit or loss | (584,871) | (821,766) |
| Distributions to unitholders | 13,751 | 20,607 |
| Discounts/premiums on negotiable instruments | - | 4 |
| Net change in receivables and other assets | 179 | 791 |
| Net cash inflow/(outflow) from operating activities | <u>48,094</u> | <u>(57,626)</u> |

(b) Non-cash financing and investing activities

| | | |
|--|---------------|---------------|
| During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan | <u>10,800</u> | <u>17,137</u> |
|--|---------------|---------------|

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

11 Segment information

The Trust is organised into one main segment which operates solely in the business of investment management within New Zealand. Consequently, no segment reporting is provided in the Trust's financial statements.

12 Events occurring after the balance sheet date

No significant events have occurred since balance date which would impact on the financial position of the Trust disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Trust for the year ended on that date.

13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2009 and 30 June 2008.

14 Funds management and other fiduciary activities

The Trust's operations are all related to managed funds. The Trustee and Fund Manager for the Trust are New Zealand Permanent Trustees Limited and Macquarie Investment Services Limited respectively, and are managed independently of the Trust.

15 Comparison of prospective financial information to actual results

The Trust issued a prospectus dated 19 December 2008. The prospectus contained the prospective financial information for the year to 30 June 2009. Comparison of the Trust's audited actual results with the prospective financial information is as follows:

(i) Financial performance

| | Prospective* 30 June 2009 NZD'000 | Actual 30 June 2009 NZD'000 | Variance 30 June 2009 NZD'000 |
|---|--|--------------------------------------|--|
| Interest income from financial assets not held at fair value through profit or loss | 1,322 | 1,256 | (66) |
| Net gains/(losses) on financial instruments held at fair value through profit or loss | 11,031 | 12,581 | 1,550 |
| Total net investment income | 12,353 | 13,837 | 1,484 |
| Expenses | 144 | 86 | (58) |
| Total operating expenses | 144 | 86 | (58) |
| Operating profit/(loss) | 12,209 | 13,751 | 1,542 |
| Undistributed income from previous year | - | - | - |
| Income available for distribution | 12,209 | 13,751 | 1,542 |
| Responsible Entity fees | (2,710) | (2,947) | (237) |
| Net income distributed during the year | (9,499) | (10,804) | (1,305) |
| Undistributed income | - | - | - |

(ii) Cash flow

| | | | |
|---|-----------------|-----------------|----------------|
| Cash flows from operating activities | | | |
| Interest received | 12,353 | 1,435 | (10,918) |
| Proceeds from the sale of financial instruments held at fair value through profit or loss | 852,886 | 631,616 | (221,270) |
| Purchase of financial instruments held at fair value through profit or loss | (811,465) | (584,871) | 226,594 |
| Payment of other expenses | (144) | (86) | 58 |
| Net cash inflow/(outflow) from operating activities | 53,630 | 48,094 | (5,536) |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | 760,781 | 684,812 | (75,969) |
| Payments for redemptions by unitholders | (822,777) | (739,498) | 83,279 |
| Distributions paid | (82) | (128) | (46) |
| Expenses paid on behalf of unitholders | (2,710) | (3,127) | (417) |
| Net cash inflow/(outflow) from financing activities | (64,788) | (57,941) | 6,847 |
| Net increase/(decrease) in cash and cash equivalents | (11,158) | (9,847) | 1,311 |
| Cash and cash equivalents at the beginning of the year | 29,217 | 29,217 | - |
| Cash and cash equivalents at the end of the year | 18,059 | 19,370 | 1,311 |

* The prospective figures have been reclassified so that they are consistently presented in line with the financial statements.

The variances between the actual financial performance and the prospective financial performance for the year ended 30 June 2009 arose as a result of the following:

(1) The prospective financial performance is based on an assumed average fund size of \$217.80 million. The actual average fund size during the year was \$216.69 million.

(2) The prospective interest income is based on an assumed interest rate (average) of 5.67% for the period. The actual (average) interest rate for the year was 5.23%.

15 Comparison of prospective financial information to actual results (continued)

(3) The Responsible Entity's remuneration is calculated daily and charged quarterly directly to each unit holders' account. For the purposes of the prospective financial information, this expense totalled \$2.710 million. The actual amount charged to the unitholders accounts was \$2.947 million.

(4) The prospective financial information is based on the assumption that the Trust would receive \$761 million in applications during the year and that 89% of all of the monies received are invested in securities that the portfolio turns over four times during they year. The Trust actually received \$685 million in applications during the year. 90% of all monies received were actually invested in securities and the portfolio turned over three times during the year.

(5) The prospective financial information is based on the assumption that for every dollar deposited, unitholders redeem 1.081 cents. The actual redemption was 1.080 cents on every dollar deposited.

Auditors' Report

To the unitholders of Macquarie Gilt Edge Access Account

We have audited the financial statements on pages 5 to 21. The financial statements provide information about the past financial performance and cash flows of Gilt Edge Access Account (the 'Trust') for the year ended 30 June 2009 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 9 to 12.

Directors' Responsibilities

The Directors of Macquarie Investment Services Limited (the 'Directors') are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Trust as at 30 June 2009 and its financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Trust, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Trust other than in our capacity as auditors.

Auditors' Report
Macquarie Gilt Edge Access Account

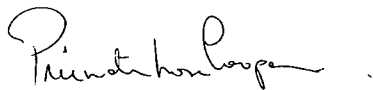
Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- (a) proper accounting records have been kept by the Trust as far as appears from our examination of those records; and
- (b) the financial statements on pages 5 to 21:
 - (i) comply with generally accepted accounting practice in New Zealand;
 - (ii) comply with International Financial Reporting Standards; and
 - (iii) give a true and fair view of the financial position of the Trust as at 30 June 2009 and its financial performance and cash flows for the year ended on that date.

Our audit was completed on 22 September 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants

Auckland