

Taragon Property Fund

CASH FLOW STATEMENT

For the Half Year Ended 31 December 2005

	31 Dec 2005	31 Dec 2004
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(185,916)	(156,188)
Interest and other costs of finance paid	-	(755)
Interest received	3,559	3,168
Net cash used in operating activities	(182,357)	(153,775)
Cash flows from investing activities		
Development costs paid	(155,097)	-
Proceeds from sale of property, plant and equipment	-	126,000
Payment for investments	(214,599)	-
Net cash provided by/(used in) by investing activities	(369,696)	126,000
Cash flows from financing activities		
Proceeds from borrowings	350,000	-
Loan to other entities	-	(1,441)
Repayment of borrowings	-	(900)
Net cash provided by/(used in) financing activities	350,000	(2,341)
Net decrease in cash and cash equivalents	(202,054)	(30,116)
Cash and cash equivalents at the beginning of the half-year	225,434	128,745
Cash and cash equivalents at the end of the half year	23,380	98,629

Taragon Property Fund

STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the Half Year Ended 31 December 2005

	31 Dec 2005	31 Dec 2004
	\$	\$
Loss for the period	-	-
Total recognised expense for the period	-	-

TARAGON
PROPERTY FUND

Taragon Management Limited

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TARAGON
PROPERTY FUND



HALF YEARLY REPORT

For the Half Year Ended 31 December 2005

Dear Unitholder

On behalf of the Board of Taragon Management Limited, I present this summary of the interim report for Taragon Property Fund for the six months to December 2005.

As you may be aware, Taragon Management Limited, the Responsible Entity for Taragon Property Fund, was acquired by CVC Limited in December 2005. CVC Limited is an ASX listed investment company (code: cvc) that boasts a market capitalisation of in excess of \$175 million. The Company has a diverse range of assets including direct property holdings and shareholdings in significant listed property developers.

The acquisition of Taragon Management Limited (recently changed to CVC Property Managers Ltd) and 19.5% of units in the Taragon Property Fund will provide a platform for growth in funds under management over the coming years.

It is disappointing however to report that the fund has recorded a loss for the period of \$1,450,098. The loss can be primarily attributed to the write down of the sole asset in the fund, the development site at High Wycombe in Perth. A decision was taken to dispose of the site for \$3m resulting in a write down in the book value.

It is proposed to inform unitholders of our strategy to improve the future financial performance with a General Meeting for unitholders in the coming months.

Geoffrey Leaver
Director

Taragon Property Fund

BALANCE SHEET

As at 31 December 2005

	31 Dec 2005	30 Jun 2005
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	23,380	225,434
Trade and other receivables	21,834	-
Non-current assets classified as held for sale	2,903,603	-
Total current assets	2,948,817	225,434
NON-CURRENT ASSETS		
Investment property	-	1,765,000
Property plant & equipment	-	2,217,183
Total non-current assets	-	3,982,183
Total assets	-	4,207,617
CURRENT LIABILITIES		
Trade and other payables	174,269	332,971
Borrowings	350,000	-
Total current liabilities	524,269	332,971
Total liabilities excluding net assets attributable to unitholders	524,269	332,971
Net assets attributable to unitholders (liability)	2,424,548	3,874,646
Net assets	-	-

Taragon Property Fund

INCOME STATEMENT

For the Half Year Ended 31 December 2005

	31 Dec 2005	31 Dec 2004
	\$	\$
Revenue	2,418	-
Other income	1,140	3,168
Administration expenses	(127,559)	(181,589)
Finance costs	-	(755)
Other expenses	(17,739)	(32,323)
Change in fair value of investment property	(1,308,358)	-
Loss before income tax expense	(1,450,098)	(211,499)
Income tax expense	-	-
Net decrease in net assets attributable to unitholders	(1,450,098)	(211,499)
Net Profit	-	-