

PRELIMINARY FINAL REPORT

Trustees Australia Limited (Trustees Australia) ACN 010 653 862
 For the year ended 30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET - (ASX: TAU)

The reporting period to which this report relates is the year ended 30 June 2015 and the previous corresponding period is the year ended 30 June 2014. Throughout this report these periods are designated by the terms '2015' and '2014' respectively.

References to the 'Group' throughout this report relates to Trustees Australia Limited and its controlled entities.

Reference to dollar amounts are in Australian dollars.

	Movement	% Change	\$000 June 2015	\$000 June 2014
Revenues from ordinary activities	Up	4%	3,698	3,557
Profit / (loss) from ordinary activities after tax attributable to members	Up	161%	571	(939)
Net profit / (loss) for period attributable to members	Up	205%	999	(949)

Dividend Information	Amount per Share (cents)	Franked Amount per Share (cents)	Tax Rate for Franking
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not applicable

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COMMENTARY ON ANNUAL RESULTS

Managing Director's Report

This Managing Director's report is for the information of shareholders and the market generally as part of the Appendix 4E Preliminary Final Report of the Group for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES

The principal activities of the Group during the financial year ended 30 June 2015 were:

Financial services activities comprising:

- custodial and responsible entity services through Trustees Australia;
- fixed interest broking and advisory through Rim Securities Limited (RIMsec); and
- investments in Australian Dairy Farms Group (ADFG) comprising stapled securities, options and convertible notes. ADFG listed on ASX (Code AHF) during this financial year and owns dairy farms and dairy livestock in Victoria's South West district. Trustees Australia Limited is the Responsible Entity of Australian Dairy Farms Trust.

The investment in ADFG includes the previously held securities investment in APA Financial Services Limited and the property interest in a dairy farm and livestock held as assets of Australian Dairy Farms Trust within the Group in the previous corresponding period.

Tourism and hospitality activities comprising:

- the ownership and operation of Magnums Airlie Beach Backpackers in Queensland Resorts Pty Ltd.

Property activities comprising:

- development property ownership in Trustees Australia; and
- a 43% interest in the Whitsunday Village Retail Property Trust No 1 (WVRPT), a managed investment scheme holding retail shops at Airlie Beach. Trustees Australia Limited is the Responsible Entity of WVRPT.

Other than the change in the investment in ADFG, there has been no significant change in the scale or nature of the Group's activities during the year.

REVIEW OF OPERATIONS FOR THE YEAR

The Group continues to modify the structure of its operations and assets to concentrate on its financial services activities to be in a position to grow the company while maintaining the transparency of its strategies and business focus. The completion of the restructure of APA Financial Services Limited and listing of Australian Dairy Farms Group on ASX was an important step in this development process and has resulted in a material improvement to the results of the Group and its capital structure.

Australian Dairy Farms Group

On 28 October 2014 Australian Dairy Farms Group listed on ASX as Australia's first listed dairy farmer after successfully raising \$9,297,100 in new capital from a range of institutional and retail investors after the settlement of the purchases of dairy property and livestock in accordance with the prospectus and PDS issued by Australian Dairy Farms Group. This success was followed up with further placements of \$3,000,000 in December 2014 and \$ 15,689,223 in June 2015 to institutional and sophisticated investors to fund the acquisition of additional farms.

Australian Dairy Farms Group has entered the Australian dairy industry as a farm owner and operator to produce fresh milk for sale to milk processors and intends to progressively aggregate dairy farms in prime dairy producing regions of Victoria and over time to become a major and profitable supplier of milk.

Trustees Australia and interests associated with the Group's Chairman and Managing Director, Michael Hackett, (Hackett Interests) provided seed capital funds to Australian Dairy Farms Trust during the prior financial year to facilitate the acquisition of certain farm property and livestock to initiate the dairy project, and together, were instrumental to the process of successfully listing Australian Dairy Farms Group on ASX.

At the date of this report, the Group and the Hackett Interests together hold 3.76% of Australian Dairy Farms Group on a fully diluted basis assuming options on issue became fully paid securities.

Holders	Stapled Securities	Loyalty Options	Total	Percentage
Trustees Australia and Hackett Interests	4,549,065	2,274,533	6,823,598	3.76%
Securities on issue in Australian Dairy Farms Group	156,126,217	25,167,641	181,293,858	100%

COMMENTARY ON ANNUAL RESULTS (Con'td)

Managing Director's Report (Cont'd)

Australian Dairy Farms Group (cont'd)

The Group and the Hackett Interests together also hold 235 unlisted convertible notes in Australian Dairy Farms Group. The convertible notes have a face value of \$10,000 each and accrue interest at 2% above the CBA loan facility rate paid by AHF. At 30 June 2015 the fair value of the convertible notes plus accrued interest is \$1,517,031 being the amortised cost of the notes. (refer note 5(b)(ii)).

Whitsunday Village Property Trust

Whitsunday Village Retail Property Trust is a managed investment scheme in which Trustees Australia holds a 43% interest and is also its responsible entity. The assets comprise retail shops known as Airlie Central in the main street of Airlie Beach adjacent to a new Woolworths Supermarket, which opened in April 2014.

After experiencing some challenging rental periods in recent years because of difficult trading conditions at Airlie Beach, AirlieCentral has achieved strong gains in rental activity and interest in sales. More than 97% of retail tenancy space in Airlie Central is now fully leased with solid longer term leases in place with a range of mostly national tenants.

Directors have not yet engaged independent valuers to formally review book carrying values for the retail shops however directors are of the view the growth in asset value from previously heavily written down values currently in the financial accounts is to be expected based on the rental growth that has been experienced in new and renewed leases.

Subsequent to 30 June 2015, several of the retail shops held in the Whitsunday Village Retail Property Trust have been listed for sale by auction and private treaty with marketing to commence in September 2015.

Backpacker Operations

Trading at Magnums Airlie Beach has been experiencing a worthwhile change in trend turnover in the last 6 months, which has coincided with recent weakness in the A\$ exchange rate and management is hopeful that this change in trend will be sustained. However, the business is a 365 days per year operation and the impact of penalty rates for staff remuneration on weekends and holidays is significant. Improvements in computerised online booking systems and diversified products have been implemented and are expected to result in higher turnover and profitability.

Magnums Backpackers won the Backpacker segment of the Whitsunday Tourism Awards in September 2014 which is the third consecutive win for the property, which has now been recorded in Whitsunday Tourism's "Hall of Fame". Magnums was also awarded runner-up in the Queensland Tourism Awards for the backpacker category. This is a credit to operational staff and management who have continually presented the property well and who ensure that the operations maintain best practice management, safety and workplace conditions.

Custody, Responsible Entity and Trustee Services

The growth of existing funds for which Trustees Australia acts as Responsible Entity and commencement of formal responsibility services for ADFT in the financial period under review has instigated investigation into expanding the group's activity in these fields. This has combined with recognition by directors of significant investor interest in funds with exposure to the Australian agricultural sector as well as for fixed interest product funds. The board intends to explore opportunities for expansion of funds management activities in these segments.

Fixed Interest Specialists (RIMsec)

Rim Securities Limited provides fixed income brokerage services to a range of wholesale and retail customers. For some time there has been considerable resources directed to completing and enhancing systems design to support dealing staff and computer based systems which are essential for efficient operation of the business and its growth. Opportunities to implement new fixed interest product development are currently in progress and expected to be operational in the current financial year.

OPERATING RESULTS AND FINANCIAL POSITION

Operating Results

The consolidated net profit attributed to members of Trustees Australia, after providing for income tax and eliminating outside equity interests, was \$570,567 (2014: \$938,875 loss). This result was largely attributable to a profit from discontinued operations from the Australian Dairy Farms Trust of \$709,426 (2014: \$449,576 loss).

The result was achieved on revenue and other income of \$3,698,014 (2014: \$3,556,771) and total expenses of \$4,199,963 which decreased by \$6,950 from the 2014 comparative.

Other comprehensive income of \$428,563 is primarily the result of revaluation gains on ADFG stapled securities at a closing price of 20c per share on 30 June 2015, with total comprehensive income attributable to members of Trustees Australia \$999,130 (2014: \$948,884 loss).

COMMENTARY ON ANNUAL RESULTS (Con'td)

Managing Director's Report (Cont'd)

OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

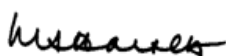
Net Financial Position

The net assets of the Group are \$9,575,276 at 30 June 2015, an increase of \$993,185 from 30 June 2014. This was predominantly as a result of the successful listing of Australian Dairy Farms Group and the deconsolidation from the consolidated Trustees Australia Group of Australian Dairy Farms Trust.

The Group has nominal borrowings of \$43,964 (2014: \$3,707,327).

Net tangible asset backing per issued share was 26.3 cents at 30 June 2015 compared with 23.7 cents at 30 June 2014.

The Group is progressively simplifying the structure of its operations and assets with a view to positioning itself to concentrate on its financial services activities and be in a position to grow the company while maintaining the transparency of its strategies and business focus.



MICHAEL HACKETT
Managing Director

31 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	\$	\$
Revenue	1(a)	3,698,014	3,511,316
Other income	1(b)	-	45,455
Business operating expenses		(849,869)	(754,981)
Employment expenses	1(c)(iii)	(2,183,401)	(2,300,453)
Finance costs	1(c)(i)	(29,852)	(21,224)
Property operating expenses		(727,172)	(678,923)
Other expenses		(409,669)	(451,332)
Share of net profit from associate		357,145	165,774
Loss before income tax	1	(144,804)	(484,368)
Income tax benefit / (expense)		-	-
Net loss from continuing operations		(144,804)	(484,368)
Discontinued operations			
Profit / (loss) from discontinued operations after tax	2	709,426	(449,576)
Net profit / (loss) for the year		564,622	(933,944)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:			
Net gain / (loss) on revaluation of financial assets		428,563	(10,009)
		428,563	(10,009)
Other comprehensive income / (loss) for the year		428,563	(10,009)
Total comprehensive income / (loss) for the year		993,185	(943,953)
Profit / (loss) attributable to:			
Members of the parent entity		570,567	(938,875)
Non-controlling interest		(5,945)	4,931
		564,622	(933,944)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		999,130	(948,884)
Non-controlling interest		(5,945)	4,931
		993,185	(943,953)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents		507,786	115,104
Trade and other receivables	3	637,575	1,121,405
Inventories	4	3,327	9,388
Investment property	2	-	4,325,593
Biological assets	2	-	702,200
Other current assets		238,587	282,423
Total Current Assets		1,387,275	6,556,113
Non-Current Assets			
Inventories	4	1,326,178	1,326,178
Other financial assets	5	2,359,940	19,010
Intangibles	6	870,815	732,728
Investments in associates	7	1,574,009	1,448,275
Property, plant & equipment	8	4,339,323	4,476,046
Total Non-Current Assets		10,470,265	8,002,237
Total Assets		11,857,540	14,558,350
Current Liabilities			
Trade and other payables		1,121,661	1,591,663
Borrowings	9	43,964	3,707,327
Provisions		137,336	104,315
Total Current Liabilities		1,302,961	5,403,305
Non-Current Liabilities			
Trade and other payables		404,857	-
Provisions		574,446	572,954
Total Non-Current Liabilities		979,303	572,954
Total Liabilities		2,282,264	5,976,259
Net Assets		9,575,276	8,582,091
Equity			
Issued capital		4,058,525	4,058,525
Reserves		445,323	16,760
Retained earnings		5,067,017	4,496,450
Parent entity interest		9,570,865	8,571,735
Non-controlling interest		4,411	10,356
Total Equity		9,575,276	8,582,091

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts from customers		3,053,617	3,700,868
Payments to suppliers and employees		(3,394,668)	(3,918,977)
Trust distributions		27,809	13,630
Interest received		10,922	10,678
Finance costs		(29,852)	(138,634)
Net operating cash flows	10	(332,172)	(332,435)
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(17,607)	(54,336)
Payment for development costs - development land		-	(6,178)
Payment for intangible assets - software	6	(200,780)	(224,993)
Payment for capital development - investment property		(2,909)	(396,968)
Proceeds from disposal of subsidiary	2	985,638	500,000
Payment for biological assets		(129,250)	(487,865)
Net investing cash flows		635,092	(670,340)
Cash Flows from Financing Activities			
Proceeds from related party	9(b)	136,505	250,000
Net proceeds of other borrowings		(46,743)	49,824
Net financing cash flows		89,762	299,824
Net increase / (decrease) in cash held		392,682	(702,951)
Cash at the beginning of the period		115,104	818,055
Cash at the end of the financial period		507,786	115,104

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Non- Controlling Interests	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	4,058,525	26,769	2,187	5,438,563	9,526,044
Comprehensive Income for the year					
Loss attributable to members of parent entity	-	-	-	(938,875)	(938,875)
Loss attributable to non-controlling interests	-	-	4,931	-	4,931
Other comprehensive income	-	(10,009)	-	-	(10,009)
Total comprehensive income / (loss) for the year	-	(10,009)	4,931	(938,875)	(943,953)
Transactions with owners and other transfers					
Recognition of non-controlling interest of Australian Dairy Farms Trust	-	-	3,238	(3,238)	-
Total transactions with owners and other transfers	-	-	3,238	(3,238)	-
Balance at 30 June 2014	4,058,525	16,760	10,356	4,496,450	8,582,091

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Non- Controlling Interests	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	4,058,525	16,760	10,356	4,496,450	8,582,091
Comprehensive Income for the year					
Profit attributable to members of parent entity	-	-	-	570,567	570,567
Profit attributable to non-controlling interests	-	-	(5,945)	-	(5,945)
Other comprehensive income	-	428,563	-	-	428,563
Total comprehensive income / (loss) for the year	-	428,563	(5,945)	570,567	993,185
Transactions with owners and other transfers	-	-	-	-	-
Balance at 30 June 2015	4,058,525	445,323	4,411	5,067,017	9,575,276

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 1: REVENUE AND EXPENSES

(a) Revenue	2015	2014
<i>Revenue</i>	\$	\$
Rendering of services	2,040,900	1,720,214
Financial services income	1,421,924	1,612,233
Sale of goods	72,051	60,707
	3,534,875	3,393,154
<i>Other revenue</i>		
Interest received - other persons	77,952	10,678
Rental revenue	-	423
Other revenue	85,187	107,061
	163,139	118,162
Total Revenue	3,698,014	3,511,316
(b) Other Income		
Finance discount earned on disposal of subsidiary	-	45,455
	-	45,455
(c) Expenses		
<i>(i) Finance costs</i>		
Bank loans and overdrafts	(14,349)	(7,175)
Finance charges payable under finance leases	(15,503)	(14,049)
	(29,852)	(21,224)
<i>(ii) Depreciation and amortisation of non-current assets</i>		
Intangibles	(546)	(548)
Software	(62,147)	(13,109)
Buildings	(81,348)	(81,347)
Leasehold improvements	(5,533)	(5,534)
Plant and equipment	(67,448)	(83,098)
	(217,022)	(183,636)
<i>(iii) Employee benefits expense</i>		
Wages and salaries costs	(1,974,000)	(2,100,867)
Superannuation	(179,978)	(185,910)
Employee benefits provisions	(29,423)	(13,676)
	(2,183,401)	(2,300,453)
<i>(iv) Other significant expenses</i>		
Rental expense on operating leases	(293,457)	(344,221)
Cost of sales	(41,940)	1,654

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 2: DISCONTINUED OPERATIONS AND RESULT FOR THE PERIOD

On 22 October 2014 the Group disposed of the Australian Dairy Farms Trust (a wholly owned subsidiary) as part of the dairy aggregation project in the Australian Dairy Farms Group (ASX code: AHF).

As announced by the company the transaction involved a reduction of its direct interest in AHF, the transfer of its fully owned subsidiary Australian Dairy Farms Trust (ADFT) to AHF to form a stapled security entity, recovery of loans to ADFT, repayment of group borrowings and investment in convertible notes issued by AHF.

(a) The financial performance of the discontinued operation for the year ended 30 June 2015, which is included in profit/(loss) from discontinued operations per the statement of profit or loss and other comprehensive income, is as follows:

	June 2015	June 2014
	\$	\$
Investment property income	6,733	26,925
Livestock fair value adjustment	129,763	214,335
Finance costs	(73,716)	(234,030)
Impairment expenses	-	(411,129)
Property operating expenses	(206,614)	(45,677)
Loss before income tax	(143,834)	(449,576)
Profit on disposal of subsidiary	853,260	-
Income tax expense	-	-
Total profit / (loss) after tax attributable to discontinued operations	709,426	(449,576)

(b) Disposal of entity:

	June 2015
	\$
Disposal price	-
Assets and liabilities held at disposal:	
Cash and cash equivalents	2,731
Trade and other receivables	229,707
Other assets	19,116
Biological assets	961,213
Investment property	4,328,502
Trade and other payables	(203,034)
Borrowings	(6,191,495)
Net assets disposed	(853,260)
Gain on disposal of net tangible assets	853,260
Cash received for repayment of intercompany loans	988,369
Less cash in subsidiary at disposal	(2,731)
Net cash received on disposal	985,638

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 2: DISCONTINUED OPERATIONS AND RESULT FOR THE PERIOD (cont'd)

(c) The net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

	June 2015	June 2014
	\$	\$
Net cash inflow / (outflow) from operating activities	(280,625)	(353,385)
Net cash inflow / (outflow) from investing activities	(128,157)	(884,833)
Net cash inflow / (outflow) from finance activities	100,000	250,000
Net cash inflow / (outflow) by discontinued operations	<u>(308,782)</u>	<u>(988,218)</u>

(d) Final instalment from sale of subsidiaries:

On 14 March 2013, the group sold its wholly-owned subsidiaries, Administration Partners Pty Ltd and My Super Solutions Pty Ltd. The agreed consideration for the sale was \$1,000,000 payable in three instalments. The balance of \$500,000 was received in January 2014 and is disclosed in the Consolidated Statement of Cash Flows 2014 comparative.

NOTE 3: TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Current		
Trade debtors	129,021	403,077
Other receivables	508,554	718,328
Total trade and other receivables	<u>637,575</u>	<u>1,121,405</u>

NOTE 4: INVENTORIES

	Notes	2015	2014
		\$	\$
Current			
Stock in trade at cost		3,327	9,388
		<u>3,327</u>	<u>9,388</u>
Non-Current			
Development property at lower of cost and NRV	(a)	1,326,178	1,326,178
		<u>1,326,178</u>	<u>1,326,178</u>
		<u>1,329,505</u>	<u>1,335,566</u>
Movements during the year:			
Opening Balance as at 1 July		1,326,178	1,320,000
Development costs capitalised		-	6,178
Development property as at 30 June		<u>1,326,178</u>	<u>1,326,178</u>

(a) The group holds development property adjacent to its backpacker hostel property at Airlie Beach. The directors commissioned a valuation from Opteon (Central and Southern QLD) Pty Ltd for the year ended 30 June 2012, to assess independently the value of the land and of the other property assets at Airlie Beach. The valuer made an assessment recognising that the last 3-4 years had been challenging because of global economic conditions and valued the land at \$1,430,000. The directors considered the valuation assessment and elected to take a conservative approach to the valuation and include \$1,320,000 as the carrying value of the land at 30 June 2013 and 30 June 2014. The directors have adopted the same valuation methodology at 30 June 2015.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 5: FINANCIAL ASSETS

	Notes	June 2015 \$	June 2014 \$
Non-current			
Available-for-sale financial assets	(a)	842,909	19,010
Financial assets at fair value through profit and loss	(b)	1,517,031	-
Total financial assets		2,359,940	19,010

(a) Available-for-sale financial assets comprise:

Listed investments, at fair value			
- shares in listed corporations	(i)	842,909	19,010

(b) Financial assets at fair value through profit and loss comprise:

Unlisted investments, at fair value			
- Convertible notes - loan component	(ii)	1,517,031	-

(i) On 22 October 2014, as part of the dairy aggregation project as disclosed in Note 2, the group was issued 4,096,200 stapled securities in Australian Dairy Farms Group (ASX code: AHF) at the prospectus issue price of 20 cents per security. The securities traded in a broad price range between 20 cents to 38 cents after listing. At 30 June 2015 AHF securities were last traded at 20 cents and the fair value of \$819,240 based on the last trade price is included above with other minor listed investments. At the date of signing this report the last traded price of AHF was 13.5 cents. Given the current volatility of domestic and overseas security markets, the directors have held the current valuation at 20 cents on the basis that the current price may not be a permanent decrease in share value.

The movement in the period comprises:

	June 2015 \$	June 2014 \$
Opening balance	19,010	29,020
Reclassification from equity accounted associate	395,336	-
Fair value adjustments	428,563	(10,010)
	<u>842,909</u>	<u>19,010</u>

(ii) On 22 October 2014, as part of the dairy aggregation project as disclosed in Note 2, the group was issued with 145 unlisted convertible notes in Australian Dairy Farms Group (ASX code: AHF). The convertible notes have a face value of \$10,000 each and accrue interest at 2% above the CBA loan facility rate paid by AHF. At 30 June 2015 the fair value of the convertible notes plus accrued interest is \$1,517,031 being the amortised cost of the notes.

The notes may be converted into stapled securities at any time by the group and have a 2 year conversion date expiring 22 October 2016 and a conversion price of 20 cents per stapled security. Under accounting standards the group is required to fair value the conversion option of the convertible notes above in (ii). At a balance date last traded price of 20 cents and a conversion price of 20 cents the conversion option had a fair value of nil.

On 8 December 2014 the group was issued 2,048,100 unlisted options in AHF as part of its loyalty incentive. The loyalty options have an exercise price of 25 cents and are exercisable on or after the vesting date of 27 February 2015 and before 31 March 2016.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 6: INTANGIBLE ASSETS

	2015	2014
	\$	\$
Goodwill - at cost	226,316	226,316
less accumulated impairment losses	-	-
	<u>226,316</u>	<u>226,316</u>
Software - at cost	719,645	518,866
less accumulated amortisation	(75,255)	(13,109)
	<u>644,390</u>	<u>505,757</u>
Trademarks and patent - at cost	4,491	4,491
less accumulated amortisation	(4,382)	(3,836)
	<u>109</u>	<u>655</u>
Total intangibles	<u>870,815</u>	<u>732,728</u>

	Notes	Goodwill	Software	Trademarks	Total
		\$	\$	\$	\$
Balance at 1 July 2014		226,316	505,757	655	732,728
Additions		-	200,780	-	200,780
Amortisation charge		-	(62,147)	(546)	(62,693)
Balance at 30 June 2015	(a)	<u>226,316</u>	<u>644,390</u>	<u>109</u>	<u>870,815</u>
Balance at 1 July 2013		226,316	293,982	1,094	521,392
Additions		-	224,884	109	224,993
Amortisation charge		-	(13,109)	(548)	(13,657)
Balance at 30 June 2014	(a)	<u>226,316</u>	<u>505,757</u>	<u>655</u>	<u>732,728</u>

(a) As part of the annual review of holding values of all intangibles the directors have reviewed the carrying values of goodwill, software and trademarks and have adopted the current carrying values at 30 June 2015.

The development of new software systems across the Group are in the final stages of development and testing. The directors have reviewed the carrying value of the technology and elected to maintain the value at cost. Other than on a portion of incomplete software in Trustees Australia Limited and QTI Managed Funds, amortisation commenced in 2015.

Goodwill relates to the acquisition of subsidiary Rim Securities Limited and the recoverable amount of this goodwill has been assessed using "value in use" calculations for the financial services segment, with no indicators of impairment.

NOTE 7: INVESTMENTS IN ASSOCIATES

	2015	2014
	\$	\$
Non - current		
Investment in associates	<u>1,574,009</u>	<u>1,448,275</u>

Interests are held in the following associated entities:

Name	Principal Activities	Country of Incorp.	Type	Ownership Interest		Carrying amount of investment	
				2015	2014	2015	2014
				%	%	\$	\$
Unlisted:							
Whitsunday Village Retail Property Trust No 1.	Investment Property Management	Aust	Units	42.92	42.92	1,574,009	1,052,939
Listed							
Australian Dairy Farms Group	Dairy Farms Ownership and Operations	Aust	Stapled Securities	-	33.58	-	395,336
						1,574,009	1,448,275

(i) Whitsunday Village Retail Property Trust No 1 (WVRPT)

The Group has a 42.92% (June 2014: 42.92%) interest in the WVRPT, which is an unlisted property trust that holds retail property located in Airlie Beach. This property adjoins the new Woolworths supermarket development and the primary pedestrian entrances to the new supermarket are from Shute Harbour Road through the shops owned by Whitsunday Village Retail Property Trust. These shops have already seen positive benefits from the Woolworths proximity through renewed lease terms, renegotiated rents for some existing tenancies and increased enquiry for availability. On 25 June 2014, the Trust was successful in selling a shop in the Centre, tenanted by a BWS liquor store on an attractive yield.

(ii) Australian Dairy Farms Group (AHF) - formerly APA Financial Services Limited (APA)

AHF is an ASX listed stapled entity that owns and operates dairy farms in SW Victoria. AHF was formed as part of the dairy aggregation project on 22 October 2014 with a 1 for 5 consolidation of existing APA shares on issue and a new issue of stapled securities comprised of one post-consolidation APA share and one unit in the Australian Dairy Farms Trust. See Note 2 for further details.

Following the stapling transaction and raising of new capital in AHF, Trustees Australia holds a 2.62% (June 2014: 33.58%) interest in the Australian Dairy Farms Group plus a convertible note which can be converted to additional stapled securities at an issue price of 20 cents per security or paid by cash within a 2 year period from 22 October 2014. As a result of the substantial percentage decrease in ownership, the group will now measure its interests in AHF as available-for-sale financial assets as disclosed in Note 6. As a result, the group has transferred its previous carrying amount of \$395,336, which is also cost, for its investment in AHF to available-for-sale financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 7: INVESTMENTS IN ASSOCIATES (cont'd)

Summarised Financial Information for Associates

Set out below is the summarised financial information for the Group's material investments in associates. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards financial statements of the associates. The following summarised financial information, however, reflects the adjustments made by the group when applying the equity method, including adjustments for any differences in accounting policies between the group and the associates.

	WVRPT		AHF		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Summarised Financial Position						
Total current assets	418,171	1,411,273	-	794,596	418,171	2,205,869
Total non-current assets	5,408,070	4,750,000	-	-	5,408,070	4,750,000
Total current liabilities	113,403	1,707,241	-	311,147	113,403	2,018,388
Total non-current liabilities	2,045,119	2,000,500	-	-	2,045,119	2,000,500
Net Assets	3,667,719	2,453,532	-	483,449	3,667,719	2,936,981
Group's share (%)	42.92	42.92	-	33.58		
Group's share of associates net assets (i)	1,574,009	1,052,939	-	162,343	1,574,009	1,215,284
Summarised Financial Performance						
Revenue	1,143,256	752,057	-	2,635	1,143,256	754,692
Profit / (loss) after tax	832,240	386,282	-	(423,889)	832,240	(37,607)
Other comprehensive income	-	-	-	197,767	-	197,767
Total comprehensive income / (loss)	832,240	386,282	-	(226,122)	832,240	160,160
Group's share of associates' profit / (loss) after tax	357,145	165,774	-	(75,932)	357,145	89,842
Reconciliation Carrying Amounts						
Group's share of associates' opening net assets	1,052,939	1,247,247	395,336	395,336	1,448,275	1,642,583
Group's share of associates' profit after tax (i)	357,145	165,774	-	-	357,145	165,774
Distributions reinvested	217,258	-	-	-	217,258	-
Reclassification to financial assets	-	-	(395,336)	-	(395,336)	-
Group's share of distributions received and receivable	(53,333)	(360,082)	-	-	(53,333)	(360,082)
Group's share of associates' closing net assets (closing carrying amount of investment)	1,574,009	1,052,939	-	395,336	1,574,009	1,448,275

(i) In the 2014 comparative the directors reported the investment in APA at their estimate of the carrying value of the company's underlying net assets on the basis that this assessment more accurately reflected the fair value of the investment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Notes	2015 \$	2014 \$
Land and buildings			
Freehold land:			
- directors' valuation 2015		1,870,052	1,870,052
Total land		1,870,052	1,870,052
Buildings			
- directors' valuation 2015		2,561,223	2,561,223
less accumulated depreciation		(325,613)	(244,266)
Total buildings		2,235,610	2,316,957
Total land and buildings, net	(a)	4,105,662	4,187,009
Plant and equipment owned			
- at cost		1,894,088	1,876,481
less accumulated depreciation		(1,670,622)	(1,603,173)
Total plant and equipment, net		223,466	273,308
Leasehold improvements			
- at cost		59,916	59,916
Less accumulated amortisation		(49,721)	(44,187)
Total Leasehold improvements, net		10,195	15,729
Total property, plant and equipment, net		4,339,323	4,476,046

(a) The directors commissioned a valuation from Opteon (Central and Southern QLD) Pty Ltd for the year ended 30 June 2012, to assess independently the value of the land and of the other property assets at Airlie Beach. The valuer made an assessment taking into account the long term trading history of the property and its current condition, while also recognising that the 3-4 years prior to that date had been challenging because of global economic conditions and valued the Magnums site and business at \$4,470,000. The directors then considered the valuation assessment, subsequent market information and further valuer data and elected to take a conservative approach to the valuation and retain the value of the land and buildings at 30 June 2013 and 30 June 2014 less building depreciation. The directors have adopted the same valuation methodology at 30 June 2015 less building depreciation for the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 9: BORROWINGS

	Notes	2015 \$	2014 \$
Current			
Loans - unsecured		43,964	90,706
CBA loan facility	(b)	-	2,250,000
Loans - related party	(c)	-	1,366,621
Total current borrowings		43,964	3,707,327

(a) At 30 June 2015 the Group has banking facilities with the Commonwealth Bank of Australia Limited secured by registered mortgages and floating charges over real estate and other assets of the group. Included in the Commonwealth Bank of Australia facilities are:

- a two year loan facility of \$500,000 which has a maturity date of 5 December 2016. This facility was unutilised at 30 June 2015 (June 2014: \$nil). The facility is subject to compliance with pre-determined covenants;
- a \$50,000 overdraft facility which was unutilised at 30 June 2015 (June 2014: \$nil);
- a \$55,000 bank guarantee facility which was unutilised at 30 June 2015 (June 2014: \$nil); and
- a \$25,000 bank guarantee facility that is fully drawn at 30 June 2015 (June 2014: \$25,000).

Collateral provided:

	2015 \$	2014 \$
The carrying amounts of assets pledged as security are:		
First mortgage over freehold land and buildings at market value (including development property)	5,431,840	5,513,187
Floating charge over assets, including unlisted investments	6,175,700	9,045,163
Total assets pledged as security	11,607,540	14,558,350

(b) The Dairy Farm Investments Trust had a secured one year limited-recourse loan facility of \$2,250,000 with the Commonwealth Bank of Australia which had a maturity date of 14 June 2014 and was extended to 14 December 2014. On 22 October 2014 the loan was renegotiated as part of the disposal of the Dairy Farm Investments Trust as disclosed in Note 2.

(c) The Australian Dairy Farms Trust (ADFT) had a secured loan facility of \$1,366,621 with related entities of Michael Hackett, a director of the Group. The facility had a maturity date of 31 December 2014 and security over the farm property held by ADFT and all units in ADFT and DFIT Interim Facility Trust. On 22 October 2014 the loan was fully repaid by cash and the issue of convertible notes as part of the disposal of the Dairy Farm Investments Trust as disclosed in Note 2 and Note 5.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2015

NOTE 10: RECONCILIATION OF CASH FLOWS FROM OPERATIONS TO NET PROFIT AFTER TAX

	2015	2014
	\$	\$
Profit / (loss) after income tax (pre minority interest share)	564,622	(933,944)
Adjustment of non cash items		
Amortisation and depreciation	217,022	183,636
Bad debts	872	-
Finance discount earned on sale of subsidiary	-	(45,455)
Gain on disposal of subsidiary	(853,260)	-
Share of associated entities net profit after income tax and dividends	(329,336)	(152,144)
Livestock fair value adjustment	(129,763)	(214,335)
Interest accrual - related party	-	116,621
Interest received	(67,031)	-
Impairment of investment property	-	411,129
Changes in assets and liabilities, net of the effects of movements in subsidiaries		
Increase / (decrease) in provisions	34,514	23,001
(Increase) / decrease in receivables and other assets	86,239	(205,011)
(Increase) / decrease in inventories	6,062	(3,234)
Increase / (decrease) in trade creditors	137,887	487,301
Net operating cash flows	(332,172)	(332,435)

NOTE 11: CONTINGENT LIABILITIES

On the 25 October 2013, the company received a letter from solicitors representing Technology Capital Pty Ltd, a consultant to one of the parties involved in the dairy aggregation project indicating that Technology Capital Pty Ltd believed it may have a future claim against the company in respect of matters relating to amounts claimed to be payable to other parties to the proposed project. An announcement was made to the ASX advising that the directors were of the view that there is no valid claim that could be envisaged and directors remain of that view.

There are no other significant changes to commitments and contingencies reported at 30 June 2015.

NOTE 12: RELATED PARTY TRANSACTIONS

All arrangements with related parties continue to be in place. For details of these arrangements, refer to the 30 June 2014 Annual Financial Report. Note though the Australian Dairy Farms Group (see notes 2 and 5) remains a related party as Mr Michael Hackett is a director of that group.

NOTE 13: DIVIDENDS

No dividend has been paid or recommended during the reporting period.

NOTE 14: DIVIDEND REINVESTMENT PLAN

The Group does not operate a Dividend Reinvestment Plan.

NOTE 15: EARNINGS PER SHARE

	2015	2014
	Cents	Cents
From continuing and discontinued operations		
Basic earnings per share	1.7	(2.8)
Diluted earnings per share	1.7	(2.8)
From continuing operations		
Basic earnings per share	(0.4)	(1.5)
Diluted earnings per share	(0.4)	(1.5)
From discontinued operations		
Basic earnings per share	2.1	(1.3)
Diluted earnings per share	2.1	(1.3)
	2015	2014
	Number	Number
Weighted average number of ordinary shares		
Used in the calculation of basic earnings per share	33,110,131	33,110,131
Used in the calculation of diluted earnings per share	33,110,131	33,110,131

NOTE 16: NET TANGIBLE ASSET BACKING PER SHARE

	2015	2014
	Cents	Cents
Net tangible asset backing per ordinary share	26.3	23.7

NOTE 17: LOSS OR GAIN OF CONTROL OVER OTHER ENTITIES

On 22 October 2014 the Group disposed of the Dairy Farm Investments Trust. See Note 2.

NOTE 18: ASSOCIATES OR JOINT VENTURES

Refer to Note 7 for further details.

NOTE 19: OTHER SIGNIFICANT INFORMATION

Refer to the Commentary on Annual Results.

NOTE 20: FOREIGN ENTITIES

Not applicable.

NOTE 21: ORDINARY SECURITIES

	2015	2014
	Number	Number
Fully paid listed shares	33,110,131	33,110,131
Total at the end of the reporting period	<u>33,110,131</u>	<u>33,110,131</u>

NOTE 22: AUDIT STATUS

This Appendix 4E has been prepared from accounts which are in the process of being audited. There is no reason to believe that the Auditor's Report, when complete, will contain any qualification or material amendment.

The financial statements have been prepared in accordance with the accounting policies outlined in the June 2014 and December 2014 financial reports.