Trustees Australia Limited

ANNUAL REPORT 2015

CONTENTS

DIRECTORS' REPORT

The board of directors of Trustees Australia Limited (Trustees Australia) submits to members the Annual Report of the company and its controlled entities (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 year were:

Financial services activities comprising:

- custodial and responsible entity services through Trustees Australia;
- fixed interest broking and advisory through Rim Securities Limited (Rim Securities); 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.

OUR BUSINESS MODEL AND OBJECTIVES

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.

OPERATING RESULTS AND REVIEW OF OPERATIONS

OPERATING RESULT

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).

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS

- ***AUSTRALIAN DAIRY FARMS GROUP***

On 28 October 2014 Australian Dairy Farms Group (ADFG) 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 ADFG. 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, as well as a contemporaneous Share Placement Plan to ADFG securityholders of $1,240,000.

ADFG 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 with a view to becoming a major and profitable supplier of milk.

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS (cont'd)

- ***AUSTRALIAN DAIRY FARMS GROUP (CONT'D)***

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 ADFG on ASX.

At the date of this report, the group and the Hackett Interests together hold 3.76% of ADFG 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%

The group and the Hackett Interests together also hold 235 unlisted convertible notes in ADFG. The convertible notes have a face value of $10,000 each and accrue interest at 2% above the CBA loan facility rate paid by ADFG. 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 12(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.

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 engaged independent valuers to formally review book carrying values for the retail shops at 30 June 2015 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.

- ***DEVELOPMENT PROPERTY***

The group retains development land at Airlie Beach adjoining the Magnums Backpackers property, which is currently used for vehicle parking and access. The land parcel has a strategic value in terms of the future development of various adjoining land parcels. The directors are in continuing discussions with the local authority and adjoining property owners with respect to complimentary development of this land in conjunction with development on adjoining parcels.

- ***MAGNUMS 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 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 responsible entity services for Australian Dairy Farms Trust 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.

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS (cont'd)

- ***FIXED INTEREST SPECIALISTS (RIM SECURITIES)***

  Rim Securities 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.

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 ADFG 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.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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. Key business risks associated with these plans relate to the ability to restructure given the current economic climate.

INFORMATION ON DIRECTORS

The following persons held office as directors of Trustees Australia during or since the end of the year. The names and details of the directors are:

Name	**Position**
Michael Hackett	Managing Director / Acting Chairman
Kerry Daly	Director
Nathan Leman	Director

DIRECTORS

Michael Hackett	**Managing Director/Acting Chairman (Executive)**
Qualifications	Bachelor of Commerce - University of Queensland Fellow - Institute of Chartered Accountants in Australia ACA Financial Planning Specialist
Directorships held in other listed entities in the past 3 years	Australian Dairy Farms Limited (formerly APA Financial Services Limited) – non-executive director from May 2009 to current
Interest in Trustees Australia shares & options	Michael Hackett has a relevant interest in 25,277,807 shares in Trustees Australia at 30 June 2015.
Michael was the founding chairman and managing director when the company was incorporated in 1986 and resigned as chairman in 1996. Michael was reappointed chairman in November 2010 on retirement of Mr Richard Green. Michael is an associate of the company's majority shareholders through private company interests. He has had considerable experience in managing and operating a wide range of businesses and property developments and is responsible for the day-to-day activities of the company.	

DIRECTORS (cont'd)

Kerry Daly	Director (Non-Executive, Independent)
Qualifications	Bachelor of Business (Accountancy) – Queensland University of Technology Certified Practicing Accountant
Directorships held in other listed entities in the past 3 years	Collection House Limited – non-executive director from Oct 2009 to current
Interest in Trustees Australia shares & options	Kerry Daly has a relevant interest in 460,200 shares in Trustees Australia at 30 June 2015.
Kerry was appointed as a director on 17 March 2009. He is an experienced senior executive and public company director with some 30 years' experience in the financial services sector, including retail banking, equities and bond markets dealing, funds management, investment banking and corporate advisory. He has around twenty years' experience at chief executive officer, managing director and executive director level.	

Nathan Leman	Director (Non-Executive)
Qualifications	Commercial Builder and Project Manager
Directorships held in other listed entities in the past 3 years	Nil
Interest in Trustees Australia shares & options	Nathan Leman has a relevant interest in 2,878,880 shares in Trustees Australia at 30 June 2015.
Nathan was appointed as a director on 24 November 2010. He is a qualified project manager with approximately 20 years hands-on experience in managing development, construction and technology acquisition and implementation projects. Since 1999, he has been responsible for the design and implementation of property and IT projects for the Trustees Australia group, including those relating to financial services technology platforms. As a director of Trustees Australia, Nathan has been appointed to the boards of most of its subsidiary entities.	

COMPANY SECRETARY

The following persons held office as a company secretary of Trustees Australia during the financial year:

Jerome Jones	Company Secretary
Interest in Trustees Australia shares & options	Jerome Jones has no relevant interest in Trustees Australia shares at 30 June 2015.
Jerome was appointed company secretary on 29 August 2014. Jerome is an experienced financial and management accounting analyst with experience in Australia and the UK. He is CPA qualified with specialist skills and experience in detailed management accounting and procedure implementation in several private and ASX listed businesses.	

Elizabeth Hackett retired as company secretary 29 August 2014.

MEETINGS OF DIRECTORS

The board generally meets on at least a bi-monthly basis either in person or by telephone conference. Directors meet bi-annually with the group's auditor to discuss relevant issues. On matters of corporate governance, the board retains its direct interest rather than through a separate committee structure which would be inappropriate for a company of the modest size and structure of Trustees Australia.

Aside from formally constituted directors' meetings, the non-executive directors are in regular contact with the managing director regarding the operation of the company and particular issues of importance. Written reports on trading activities and operating strategies are provided to the directors on a regular basis or as required by changing circumstances.

The number of directors' meetings and number of meetings attended by each of the company directors during the financial year are set out in the table below:

Directors	Meetings eligible to attend	Meetings attended
Michael Hackett	12	12
Kerry Daly	12	12
Nathan Leman	12	12

DIVIDENDS PAID OR RECOMMENDED

The directors have not recommended a dividend for the year ended 30 June 2015 (2014: $nil) at the date of this report.

OPTIONS

At the date of this report, there are no unissued ordinary shares of Trustees Australia under option (2014: nil).

No shares were issued, options granted by Trustees Australia or any controlled entity and no options were exercised by any holder during the year ended 30 June 2015 or since that date.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the group that occurred during the year under review that are not disclosed elsewhere in this report or in the accompanying financial statements.

SIGNIFICANT EVENTS AFTER BALANCE DATE

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.

INDEMNIFICATION OF OFFICERS OR AUDITOR

During the financial year, the parent entity paid an insurance premium in respect of an insurance policy insuring the directors, the company secretary and all executive officers of the group against a liability incurred as a consequence of holding that office in the group to the extent permitted by the *Corporations Act 2001*. The amount of the premium was $58,104 (2014: $46,018) for all directors and officers for the year.

The company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such by an officer or auditor.

FINANCIAL SERVICES LICENCES

Trustees Australia Limited, Redgate Asset Management Limited (formerly QTI Managed Funds Limited) and Rim Securities Limited hold financial services licences under section 913B of the *Corporations Act 2001*. These are Licences 260033, 260038 and 283119 respectively.

The AFS licences held contain a requirement to purchase an insurance policy for professional indemnity cover for fraud by officers and employees. As disclosed above, an insurance policy is in force and premiums have been paid for the requisite cover as required.

ENVIRONMENTAL ISSUES

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

PROCEEDINGS ON BEHALF OF COMPANY

As a normal part of its operations, the group from time to time becomes a party to various minor legal exchanges in relation to town planning, licensing and other operational matters and in minor disputes regarding amounts payable or receivable. No person has applied for leave of a court to bring proceedings against or on behalf of the group or to intervene in any significant proceedings to which any such entity is a party for the purpose of taking responsibility for all or any part of those proceedings. No proceeding has had or is likely to have a material impact on the financial position of the group.

NON-AUDIT SERVICES

The board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and is satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

i) all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and,

ii) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional Ethical Standards board.

No fees for non-audit services were payable/paid to external auditors during the year ended 30 June 2015 (2014: $nil).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and a copy can be found at page 12.

REMUNERATION REPORT (AUDITED)

A. Remuneration policies and practices

The group's current remuneration policy is designed to align Key Management Personnel (KMP) objectives with shareholder and business objectives. The group uses a fixed remuneration structure with short term performance components. However, as the senior management team is expanded the board intends to review the remuneration policy so that it is appropriate and effective in its ability to attract and retain good quality executives and directors to run and manage the group, as well as create common goals between directors, executives and shareholders.

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in a general meeting. Fees for non-executive directors are not linked to the performance of the group. However, to align directors' interests with shareholder interests, directors are encouraged to hold shares in the company. Directors are reimbursed at cost for travelling expenses and other costs and in respect of attendance at meetings.

The managing director, Michael Hackett, holds a significant interest in the equity of Trustees Australia which ensures he maintains a strong alignment with shareholders' interests. Other employees and contractors are remunerated at market rates applicable to their qualifications, experience and contribution to the group. The remuneration policy allows for the use of remuneration consultants where necessary, although none were used in the 2015 financial year.

An employee share scheme was approved by shareholders in 1988, it has not operated since 1994 and currently no employee or director has a right to participation in any bonus scheme involving shares in the company.

All remuneration paid to directors and executives is valued at the cost to the company. Where applicable, part of such remuneration may be capitalised into the carrying value of long-term projects. Directors and executives receive a fixed salary and a minimum superannuation guarantee contribution required by the government and any statutory retirement and long service leave benefits. Some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

B. Performance-based remuneration

At present remuneration is linked to general market levels with short-term performance components. As the group expands in the near future, remuneration policy and practices will be reassessed to realign director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the group's financial results.

C. Relationship between remuneration policy and company performance

The maximum aggregate amount of directors' fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the company. Fees for non-executive directors are not linked to company performance. To align directors' and shareholder interests, the directors are encouraged to hold shares in the company.

Some employees of Rim Securities are eligible for bonuses which are linked to predetermined individual profit benchmarks.

The current remuneration policy seeks to align director and executive objectives with those of shareholders by recognising the criticality of funds being utilised to achieve business development objectives.

REMUNERATION REPORT (AUDITED) (cont'd)

C. Relationship between remuneration policy and company performance (cont'd)

The following table shows some key performance data of the group for the last five years, together with the share price at the end of each respective year:

	2011	2012	2013	2014	2015
	$	$	$	$	$
Revenue	4,469,255	4,243,088	6,433,875	3,798,031	3,698,014
Net profit / (loss)	(9,442,150)	(1,599,567)	(321,303)	(938,875)	570,567
Net assets	11,414,127	9,827,351	9,526,044	8,582,091	9,575,276
Share price at year end	0.200	0.105	0.100	0.07	0.16
Dividends / return of capital paid	-	-	-	-	-

D. Employment details of members of key management personnel (KMP) and other executives

The following table provides employment details of persons who, during the financial year, were members of KMP of the group. No KMP remuneration was performance based. The table illustrates the proportion of remuneration that was non-performance based.

Name	Position held	Contract details	Non-salary cash based incentives	Shares	Options	Fixed salary / fees	Total**
Directors			%	%	%	%	%
M Hackett	Managing Director/ Acting Chairman	N/A	-	-	-	100	100
K Daly	Non-Executive Director	N/A	-	-	-	100	100
N Leman	Non-Executive Director	N/A	-	-	-	100	100
Executives							
E Hackett	Operations Manager	N/A	-	-	-	100	100

For senior executives of Rim Securities, employment conditions are formalised in contracts of employment. Aside from RIMsec employees, there are no formal employment contracts for KMP in the group.

**No remuneration is performance incentive based.

E. Remuneration details for the year ended 30 June 2015

Details of the nature and amount of each major element of remuneration for KMP and other executives of the group during the financial year:

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Shares and options	
2015	$	$	$	$	$	$	$
M Hackett	128,150	-	36,100	3,100	-	-	167,350
K Daly	50,000	-	4,750	-	-	-	54,750
N Leman*	186,000	-	-	-	-	-	186,000
E Hackett	100,060	-	9,506	2,024	-	-	111,590
Total	**464,210**	**-**	**50,356**	**5,124**	**-**	**-**	**519,690**

* This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Ltd, an entity associated with Nathan Leman. Refer to Note 22: Key Management Personnel (KMP) Interests.

REMUNERATION REPORT (AUDITED) (cont'd)

E. Remuneration details for the year ended 30 June 2015 (cont'd)

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Shares and options	
2014	**$**	**$**	**$**	**$**	**$**	**$**	**$**
M Hackett	106,197	-	57,678	3,087	-	-	166,962
K Daly	50,000	-	4,625	-	-	-	54,625
N Leman*	186,000	-	-	-	-	-	186,000
E Hackett	100,060	-	9,256	2,015	-	-	111,331
Total	**442,257**	**-**	**71,559**	**5,102**	**-**	**-**	**518,918**

* This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Ltd, an entity associated with Nathan Leman. Refer to Note 22: Key Management Personnel (KMP) Interests.

Cash bonuses, performance-related bonuses and share-based payments

During the year there were no cash bonuses, performance-related bonuses or share-based payments to KMP.

Options and Rights Granted

No options were issued, exercised or lapsed during the year ended 30 June 2015.

Details of KMP equity interests and other transactions are set out in note 22 in the financial statements.

This report of the directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the board of directors.

Michael Hackett

Michael Leslie Hackett
Managing Director

Kerry Daly

Kerry John Daly
Director

Brisbane

29 September 2015

CORPORATE GOVERNANCE STATEMENT

The board is responsible for the overall Corporate Governance of the group.

The board monitors the operational and financial position and performance of the group and oversees the business strategy, including approving the strategic goals of the group and considering and approving its business plan and the associated subsidiary entities and corporate budgets.

The board is committed to maximising performance and growth and generating appropriate levels of security holder value and returns. In conducting the group's business, the board strives to ensure the group is properly managed to protect and enhance shareholder interests and that the group operates in an appropriate environment of Corporate Governance. In accordance with this, the board has developed and adopted a framework of Corporate Governance policies and practices, risk management practices and internal controls that it beleives are appropriate for the group.

Unless disclosed, as per ASX Listing rule 4 .10 .3 all the recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2015. The group has generally adopted the Corporate Governance Statement to comply with the ASX's revised Corporate Governance Principles and Recommendations third edition which became effective on or after 1 July 2014. The Corporate Governance Statement which was lodged with this annual report, discloses the extent to which the group will follow the recommendations taking into account that the relatively small size of the company requires that the cost and benefits of adoption need to be taken into account in determining the extent of practical implementation.

The principal governance related policies and practices are as follows:

- Corporate Governance Statement
- Board Charter
- Securityholder Communication Policy
- Risk Management Policy
- Continuous Disclosure Policy
- Code of Conduct

Details of the group's key policies, charters for the board and code of conduct are available on the Group's website under the Governance tab at www.trusteesau.com.au.

Hayes Knight
Accountants, Advisors & Auditors

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Auditor's Independence Declaration
Under Section 307C of the *Corporations Act 2001*

To the Directors of Trustees Australia Limited

As lead auditor for the audit of Trustees Australia Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions:

(i) to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Trustees Australia Limited and the entities it controlled during the period.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 29 September 2015

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Associated Offices: Sydney | Melbourne | Adelaide | Darwin | Auckland

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
Continuing operations	**Notes**	**$**	**$**
Revenue	3(a)	3,698,014	3,511,316
Other income	3(b)	-	45,455
Business operating expenses		(849,869)	(754,981)
Employment expenses	3(c)(iii)	(2,183,401)	(2,300,453)
Finance costs	3(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	3	**(144,804)**	**(484,368)**
Income tax benefit /(expense)	4	-	-
Net loss from continuing operations		**(144,804)**	**(484,368)**
Discontinued operations			
Profit / (loss) from discontinued operations after tax	5	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)
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)**
Earnings per share:	28	**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)

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	6	507,786	115,104
Trade and other receivables	7	637,575	1,121,405
Inventories	8	3,327	9,388
Investment property	9	-	4,325,593
Biological assets	10	-	702,200
Other current assets	11	238,587	282,423
Total Current Assets		**1,387,275**	**6,556,113**
Non-Current Assets			
Inventories	8	1,326,178	1,326,178
Other financial assets	12	2,359,940	19,010
Intangibles	13	870,815	732,728
Investments in associates	14	1,574,009	1,448,275
Property, plant & equipment	15	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	16	1,121,661	1,591,663
Borrowings	17	43,964	3,707,327
Provisions	18	137,336	104,315
Total Current Liabilities		**1,302,961**	**5,403,305**
Non-Current Liabilities			
Trade and other payables	16	404,857	-
Provisions	18	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	19	4,058,525	4,058,525
Reserves	20	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 FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Cash Flows from Operating Activities			
Receipts from customers		4,044,047	3,700,868
Payments to suppliers and employees		(4,385,098)	(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	6(b)	**(332,172)**	**(332,435)**
Cash Flows from Investing Activities			
Payment for property, plant & equipment	27	(17,607)	(54,336)
Payment for development costs - development land	8	-	(6,178)
Payment for intangible assets - software	13	(200,780)	(224,993)
Payment for capital development - investment property	9	(2,909)	(396,968)
Proceeds from disposal of subsidiary	5	985,638	500,000
Payment for biological assets	10	(129,250)	(487,865)
Net investing cash flows		**635,092**	**(670,340)**
Cash Flows from Financing Activities			
Proceeds from related party	17(c)	136,505	250,000
Net proceeds of other borrowings	17	(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	6(a)	**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 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
Loss 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**

	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)
Profit attributable to non-controlling interests	-	-	4,931	-	4,931
Other comprehensive loss	-	(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					
De-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**

The accompanying notes form part of these financial statements.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Trustees Australia Limited (Trustees Australia) and controlled entities (the group). Trustees Australia is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Trustees Australia Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 2.

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), of the Australian Accounting Standards Board and the *Corporations Act 2001*. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in Note 1(W).

A. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Trustees Australia Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24: Controlled Entities, to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Principles of Consolidation (cont'd)

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the Statement of Profit or Loss and Comprehensive Income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

B. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Income Tax (cont'd)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Trustees Australia Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2004. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

C. Fair Value of Assets and Liabilities

The group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

D. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of first-in-first-out.

E. Land for Development and Investment Property

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

The group's investment property in 2014 was a dairy farm property at Brucknell Victoria. On 22 October 2014 the group disposed of the Australian Dairy Farms Trust (the owner of the dairy farm property and a wholly owned subsidiary) as part of the dairy aggregation project in the Australian Dairy Farms Group (ASX code: AHF).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Land for Development and Investment Property (cont'd)

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance date. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Gains or losses arising from changes in the fair values of investment properties are recorded in the statement of profit or loss and other comprehensive income as other income.

A revaluation does not take into count any potential capital gains tax on assets acquired after the introduction of CGT on the basis that this liability is transferred from the Trust to the unitholders.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

F. Biological Assets - Dairy Cattle

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise.

The group's biological assets in 2014 were livestock on the farm property at Brucknell Victoria. On 22 October 2014 the group disposed of the Australian Dairy Farms Trust (the owner of the livestock and a wholly owned subsidiary) as part of the dairy aggregation project in the Australian Dairy Farms Group (ASX code: AHF).

G. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuation assessments are also conducted by management using the same methodology applied in previous independent valuations, taking into account comparable rentals and capitalisation rates to recent new leases and sales achieved which reflect the prevailing economic conditions, to assess whether the book values represent fair values.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

G. Property, Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful-life rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate (years)
Buildings	40
Leasehold improvements	10
Plant and equipment	10-15
Leased plant and equipment	2-8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

H. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

I. Financial Instruments

Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. Financial Instruments (cont'd)

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. Financial Instruments (cont'd)

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

J. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

K. Investments in Associates

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the group's share of net assets of the associate company. In addition the group's share of the profit or loss of the associate company is included in the group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any excess of the group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the group and the associate are eliminated to the extent of the relation to the group's investment in the associate.

When the group's share of losses in an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the group will resume the recognition of its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the group's investments in associates are shown at Note 14: Investments in Associates.

L. Intangibles other than goodwill

Trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

Software

Software which has been externally acquired is recognised at cost of acquisition. Once the software is fully operational, the expenditure has a finite useful life of 5 years and is carried at cost less any accumulated amortisation and impairment losses.

M. Employee Benefits

Short-term employee benefits

Provision is made for the group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

N. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

O. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

P. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Commission income is taken to account when payment is made to the service provider or the monies are satisfactorily accounted for to the service provider and settlement made.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably.

All revenue is stated net of the amount of goods and services tax (GST).

Q. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

R. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

S. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

T. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(J) for further discussion on the determination of impairment losses.

U. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

V. Trustee / Responsible Entity Obligations

Trustees Australia acts as responsible entity for managed investment schemes registered with the Australian Securities and Investment Commission. A responsible entity is liable for limited obligations of its underlying trusts, and generally has a right of indemnity against the trusts' assets. These financial statements do not recognise such liabilities except to the extent that the group has committed a breach of fiduciary duty, or the extent that an underlying trust might have insufficient assets to settle its obligations. Such circumstances have not arisen. Trustees Australia has no obligation in respect of any borrowing or other liability of any trust for which it acts as responsible entity.

The Directors' Report contains a statement regarding the financial services licence to act as Responsible Entity.

The Consolidated Cash Flow Statement does not reflect any cash flows attributable to the activities of the group undertaken on behalf of the trust's. At balance date, there have been no breaches of fiduciary duty by the Responsible Entity to the directors' knowledge and the assets of the trust's are sufficient to meet its liabilities.

Commissions and fees earned in respect of the trust's activities are included in profit and loss, which also includes commissions and fees earned or paid from fund management activities.

W. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) Impairment

The group assesses impairment at each reporting date by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value and value-in-use calculations which incorporate various key assumptions.

(ii) Property Valuations

The directors make assessments of land and buildings and property valuations on the basis outlined in Note 1 (E) & (G).

Key Judgments

(i) Future Tax Benefit of Tax Losses

At 30 June 2015, the directors reassessed the recoverability of the future tax benefits of tax losses and consider there is no certainty that future taxable profit will be available to enable the benefit of tax losses to be realised. At each period end the directors will reassess the recoverability of the future tax benefit of these tax losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

X. New Accounting Standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are relevant but not yet mandatorily applicable to the group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2015	2014
	$	$
Statement of Financial Position		
Assets		
Current assets	1,135,796	2,760,559
Non-current assets	8,430,512	5,967,008
Total assets	**9,566,308**	**8,727,567**
Liabilities		
Current liabilities	91,556	145,476
Total liabilities	**91,556**	**145,476**
Equity		
Issued capital	4,058,525	4,058,525
Reserves	423,904	-
Retained earnings	4,992,323	4,523,566
Total Equity	**9,474,752**	**8,582,091**
Statement of Profit or Loss and Other Comprehensive Income		
Total profit / (loss)	468,852	(943,954)
Total comprehensive income / (loss)	892,756	(943,954)

Contingent liabilities and guarantees

In the ordinary course of business Trustees Australia provides guarantees in respect of borrowing facilities provided to the group and has given a guarantee of financial support for the base level financial requirements of Redgate Asset Management Limited and Rim Securities Limited. At 30 June 2015 the financial support totalled $421,000. No liability is expected to arise in respect of these guarantees.

Contractual commitments

At 30 June 2015, Trustees Australia had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: $nil).

Other contingent matters of the company, or the group, are mentioned in note 21.

NOTE 3: REVENUE AND EXPENSES

	2015	2014
(a) Revenue from continuing operations		
Revenue	**$**	**$**
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**
Other revenue		
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 from continuing operations		
(i) Finance costs		
Bank loans and overdrafts	14,349	7,175
Finance charges payable under finance leases	15,503	14,049
	29,852	**21,224**
(ii) Depreciation and amortisation of non-current assets		
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**
(iii) Employee benefits expense		
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**
(iv) Other significant expenses		
Rental expense on operating leases	293,457	344,221
Cost of sales	41,940	(1,654)

NOTE 4: INCOME TAX EXPENSE

	2015	2014
	$	$
(a) The components of tax expense / (benefit) comprise		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on profit before income tax is reconciled to the income tax as follows		
Prima facie tax payable / (benefit) on profit / (loss) from ordinary activities before income tax at 30% (2014: 30%):	169,387	(280,183)
Add /(less)		
Tax effect of:		
- current period tax losses not recognised	151,292	271,318
- net amount of temporary differences	(64,701)	(114,474)
- non-deductible impairment expense	-	123,339
- sale of discontinued operations	(255,978)	-
Income tax expense / (benefit) attributable to entity	-	-
Applicable weighted average effective tax rates are as follows:	N/A	N/A

(c) Deferred tax assets not recognised

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1: Statement of Significant Accounting Policies occur.

	2015	2014
Temporary differences	(204,819)	(140,118)
Tax losses	2,268,591	2,117,299
Capital losses	976,089	976,089
Net unbooked deferred tax assets	**3,039,861**	**2,953,270**

The group has unconfirmed revenue losses of $7,561,970 (2014: $7,057,662) and capital losses of $3,253,630 (2014: $3,253,630)

(d) Tax effects relating to each component of other comprehensive income

	2015			2014		
	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	$	$	$	$	$	$
Financial assets revaluation	423,904	-	423,904	(10,009)	-	(10,009)
	423,904	**-**	**423,904**	**(10,009)**	**-**	**(10,009)**

NOTE 5: DISCONTINUED OPERATIONS

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 ADFG (ASX code: AHF).

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

(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**

NOTE 5: DISCONTINUED OPERATIONS (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	**(308,782)**	**(988,218)**

(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 6: CASH AND CASH EQUIVALENTS

	Notes	2015 $	2014 $
Cash at bank and in hand		94,075	79,169
Short-term deposit		413,711	35,935
	29	**507,786**	**115,104**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Effective interest rates on short term deposits were 1.75% (2014: 2.30%). These deposits are at call.

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

- Trustees Australia has 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 (2014: unutilised). While the facility is made for a pre-determined term it is subject to annual review of compliance with pre-determined covenants. Trustees Australia also has a long-term $55,000 (2014: $55,000) bank guarantee that is fully drawn at 30 June 2015.
- Queensland Resorts Pty Ltd has a $50,000 (2014: $50,000) overdraft facility which was unutilised (2014: unutlised) at 30 June 2015 and a long-term $25,000 (2014: $25,000) bank guarantee facility that is fully drawn at 30 June 2015.

The fair value of cash, cash equivalents and overdrafts is $507,786 (2014: $115,104).

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash includes cash and cash equivalents comprising the following at 30 June 2015:

	2015 $	2014 $
Cash at bank and in hand	94,075	79,169
Short-term deposit	413,711	35,935
	507,786	**115,104**

A floating charge over cash and cash equivalents has been provided to the CBA as part of security arrangements for current facilities. For further details refer to Note 17(a): Borrowings.

NOTE 6: CASH AND CASH EQUIVALENTS (cont'd)

(b) Reconciliation of Profit after Income Tax to Cash Flows from Operations

	2015	2014
	$	$
Net 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)
Share of associated company's 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	(67,030)	-
Profit on sale of subsidiary	(853,260)	-
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	86,237	(205,011)
(Increase) / decrease in inventories	6,062	(3,234)
Increase / (decrease) in trade creditors	137,888	487,301
Net operating cash flows	**(332,172)**	**(332,435)**

Significant non-cash financing and investment activities in the period include:

- Reclassification of $395,396 equity accounted investment to financial assets (see Note 12).

- Convertible notes of $1,450,000 acquired as part settlement of inter-company receivables on disposal of subsidiary (see Note 5).

NOTE 7: TRADE AND OTHER RECEIVABLES

	2015	2014
	$	$
Current		
Trade debtors	129,021	403,077
Other receivables	508,554	718,328
Total current receivables	**637,575**	**1,121,405**

(a) Provision For Impairment of Receivables

Current trade and other receivables are non-interest bearing and generally on 30-day terms. Any non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.There are no balances within trade and other receivables that contain assets that are impaired.

CREDIT RISK — TRADE AND OTHER RECEIVABLES

Receivables include $250,000 in accrued income from ADFG for recovery of employment, accounting and other administrative costs incurred by the Trustees Australia Group in the administration and operations of ADFG. This item represents a concentration of credit risk for the group and is considered recoverable. Otherwise the group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the group. On a geographical basis, the group has no significant credit risk exposures.

NOTE 7: TRADE AND OTHER RECEIVABLES (cont'd)

The following table details the group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of good credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			31-60	61-90	>90	
2015	**$**	**$**	**$**	**$**	**$**	**$**
Trade and term receivables	129,021	-	1,429	830	8,850	117,912
Other receivables	508,554	-	-	-	-	508,554
Total	**637,575**	**-**	**1,429**	**830**	**8,850**	**626,466**

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)			Within initial trade terms
			31-60	61-90	>90	
2014	**$**	**$**	**$**	**$**	**$**	**$**
Trade and term receivables	403,077	-	9,352	2,167	1,318	390,240
Other receivables	718,328	-	-	-	-	718,328
Total	**1,121,405**	**-**	**9,352**	**2,167**	**1,318**	**1,108,568**

The group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

(b) Financial assets classified as loans and receivables

	Notes	2015 $	2014 $
Trade and other receivables			
Total current		637,575	1,121,405
Financial assets	29	**637,575**	**1,121,405**

(c) Collateral pledged

A floating charge over trade receivables has been provided for certain debt. For futher details refer to Note 17(a): Borrowings.

NOTE 8: INVENTORIES

	Notes	2015 $	2014 $
Current			
Stock in trade at cost		3,327	9,388
		3,327	**9,388**
Non-Current			
Development property at lower of cost and NRV	(a)	1,326,178	1,326,178
		1,326,178	**1,326,178**
		1,329,505	**1,335,566**

NOTE 8: INVENTORIES (cont'd)

	2015	2014
	$	**$**
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	**1,326,178**	**1,326,178**

(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.

NOTE 9: INVESTMENT PROPERTY

	Notes	2015 $	2014 $
Current			
Investment property at fair value		-	4,325,593
Total investment property		**-**	**4,325,593**
Movements during the year:			
Opening balance		4,325,593	4,339,754
Development costs capitalised		2,909	274,375
Disposal of investment property	(a)	(4,328,502)	-
Plant and equipment		-	122,593
Impairment expense on property	(b)	-	(411,129)
Total investment property		**-**	**4,325,593**

(a) On 22 October 2014 the group disposed of the Australian Dairy Farms Trust (a wholly owned subsidiary and owner of the investment property) as part of the dairy aggregation project in the Australian Dairy Farms Group (ASX code: AHF). For further details refer to Note 5: Discontinued Operations.

(b) On 26 May 2014 an independent valuation of the dairy farm property owned by Australian Dairy Farms Trust was undertaken by Mr RM Cussen (certified practising valuer No 61961). The property was valued at $4,203,000 excluding then recent farm infrastructure enhancements and integral plant and equipment. The directors adopted this valuation at 30 June 2014 and in accordance recorded an impairment of $411,129.

NOTE 10: BIOLOGICAL ASSETS

	Notes	2015 $	2014 $
Dairy cattle - livestock mature - at fair value	(a)	-	702,200
Total investment property		**-**	**702,200**
Movements during the year:			
Opening balance		702,200	-
Purchases at cost		129,250	487,865
Fair value adjustment due to market value changes, natural increase and attrition	(b)	129,763	214,325
Disposal of biological assets	(c)	(961,213)	-
Closing balance		**-**	**702,200**
Movements during the year (herd numbers):			
Opening balance		481	-
Purchases		71	408
Natural increase		57	95
Sales		(609)	
Attrition		-	(22)
Closing balance		**-**	**481**

(a) Biological assets represented the dairy cattle herd located on the trust's investment property (see note 9).

(b) The cattle were valued at fair value, by an independent stock agent, based on the prices in the open cattle market in the locality of the property. A fair value adjustment of $129,763 (2014: $214,335) was recognised during the year, and represents the increase in value of the cattle due to market price and natural increases / decreases.

(c) On 22 October 2014 the group disposed of the Australian Dairy Farms Trust (a wholly owned subsidiary and owner of the biological assets) as part of the dairy aggregation project in the Australian Dairy Farms Group (ASX code: AHF). For further details refer to Note 5: Discontinued Operations.

NOTE 11: OTHER ASSETS

	2015 $	2014 $
Current		
Prepayments	138,107	179,553
Bonds and deposits	100,480	102,870
	238,587	**282,423**

NOTE 12: 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 or 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 (ADFG) 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 ADFG 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 ADFG was 15.5 cents and has traded as low as 13 cents in recent stock market volatility. 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)
	842,909	19,010

(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 (ADFG). The convertible notes have a face value of $10,000 each and accrue interest at 2% above the CBA loan facility rate paid by ADFG. 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 ADFG 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. The loyalty options have a fair value of nil at balance date.

NOTE 13: INTANGIBLE ASSETS

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

	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)	**226,316**	**644,390**	**109**	**870,815**
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)	**226,316**	**505,757**	**655**	**732,728**

(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 Redgate Asset Management Limited (formerly QTI Managed Funds Limited), amortisation commenced in 2015.

Goodwill relates to the acquisition of subsidiary Rim Securities 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.

IMPAIRMENT DISCLOSURES

Goodwill is allocated to cash-generating units which are based on the group’s reporting segments. Goodwill relates to the acquisition of Rim Securities. The recoverable amount of this goodwill has been assessed using “value in use” calculations for the financial services segment.

KEY ASSUMPTIONS USED FOR ‘VALUE-IN-USE’ CALCULATIONS

Value-in-Use

The impairment test for the financial services segment is based on ‘value-in-use’ calculations, applying 4 year discounted cash flow projections that have been approved by the board. The assumptions on current business are consistent with past performance and are combined with expectations of future market activity.

NOTE 13: INTANGIBLE ASSETS (cont'd)

Growth and Discount Rates

Income growth of between 35-48% per annum, attributed to current and new fixed income business, have been used in calculating future cash flows. Discount rates used reflect after-tax rates and are adjusted to incorporate risk premiums associated with industry sector and specific business risk assessments. An after-tax discount rate of 18% has been used.

Impairment

No impairment for the 2015 financial year has been recorded for intangible assets in the financial services segment.

NOTE 14: INVESTMENTS IN ASSOCIATES

	2015	2014
	$	$
Non - current		
Investment in associates	1,574,009	1,448,275

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 (ADFG) - formerly APA Financial Services Limited (APA)

ADFG is an ASX listed stapled entity that owns and operates dairy farms in SW Victoria. ADFG 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 5 for further details.

Following the stapling transaction and raising of new capital in ADFG, Trustees Australia holds a 2.62% (June 2014: 33.58%) interest in the ADFG 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 ADFG as available-for-sale financial assets as disclosed in Note 12. As a result, the group has transferred its previous carrying amount of $395,336, which is also cost, for its investment in ADFG to available-for-sale financial assets.

NOTE 14: 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	441,512	1,411,273	-	794,596	441,512	2,205,869
Total non-current assets	5,397,000	4,750,000	-	-	5,397,000	4,750,000
Total current liabilities	325,715	1,707,241	-	311,147	325,715	2,018,388
Total non-current liabilities	1,845,119	2,000,500	-	-	1,845,119	2,000,500
Net Assets	**3,667,718**	**2,453,532**	**-**	**483,449**	**3,667,718**	**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	1,143,257	752,057	-	2,635	1,143,257	754,692
Profit / (loss) after tax	832,241	386,282		(423,889)	832,241	(37,607)
Other comprehensive income	-	-	-	197,767	-	197,767
Total comprehensive income / (loss)	**832,241**	**386,282**	**-**	**(226,122)**	**832,241**	**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 ADFG 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.

NOTE 15: 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 acummulated 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.

NOTE 16: TRADE AND OTHER PAYABLES

	Notes	2015 $	2014 $
Current – unsecured			
Trade creditors		388,651	559,176
Sundry creditors and accrued expenses		733,010	1,032,487
Total current payables		**1,121,661**	**1,591,663**
Non-current – unsecured		404,857	-
Total trade and other payables		**1,526,518**	**1,591,663**
Financial liabilities at amortised cost classified as trade and other payables			
Total trade and other payables		1,526,518	1,591,663
Financial liabilities as trade & other payables	29	**1,526,518**	**1,591,663**

NOTE 17: 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	6,425,700	9,045,163
Total assets pledged as security	**11,857,540**	**14,558,350**

(b) The Australian Dairy Farms Trust (ADFT) 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 ADFT as disclosed in Note 5.

(c) 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 ADFT as disclosed in Note 5 and Note 12.

NOTE 18: PROVISIONS

	2015	2014
	$	$
Current		
Employee benefits	137,336	104,315
Total current provisions	**137,336**	**104,315**
Non-Current		
Employee benefits	574,446	572,954
Total non-current provisions	**574,446**	**572,954**
Opening Balance	677,269	654,268
Additional provisions	119,375	119,668
Amounts used	(84,862)	(96,667)
Closing Balance	**711,782**	**677,269**

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

NOTE 19: ISSUED CAPITAL

	2015	2014
(a) Contributed Equity	$	$
At the beginning of the reporting period	4,058,525	4,058,525
New share issues	-	-
At the end of the reporting period	**4,058,525**	**4,058,525**

	2015	2014
Number of Ordinary Shares on Issue	**Number**	**Number**
At the beginning of the reporting period	33,110,131	33,110,131
Shares issued during the period	-	-
Shares cancelled during the period	-	-
At the end of the reporting period	**33,110,131**	**33,110,131**

The company does not have authorised capital or par value in respect of issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Options

There are no options on issue.

NOTE 19: ISSUED CAPITAL (cont'd)

(c) Capital Management

The group's debt and capital includes shares and financial liabilities, supported by financial assets. The group's capital is managed by assessing the group's financial risks and adjusting its capital structure in response to changes in those risks and in the market. Financial risk consideration includes the management of debt levels, distributions to shareholders and share issues. Given the recent volatility in financial markets and increased risks associated with high levels of gearing, the directors have elected to maintain low levels of borrowings. The strategy adopted to manage capital is consistent with prior years. The gearing ratios for the year ended 30 June 2015 and 30 June 2014 are as follows:

		2015	**2014**
	Notes	**$**	**$**
Total borrowings	17	43,964	3,707,327
Less cash and cash equivalents	6	(507,786)	(115,104)
Net debt / (surplus)		(463,822)	3,592,223
Total equity (less intangibles)		8,704,461	7,849,363
Total capital		8,240,639	11,441,586
Gearing ratio		0%	31%

Trustees Australia Limited, Redgate Asset Management Limited (formerly QTI Managed Funds Limited) and Rim Securities Limited hold Australian financial services licences. Conditions of each licence authorisation, require each licensee to maintain a number of minimum financial standards as set out in Note 21(c): Committments and Contingencies.

NOTE 20: RESERVES

NATURE AND PURPOSE OF RESERVES

Financial asset reserve
The financial assets reserve records revaluation of financial assets.

NOTE 21: COMMITMENTS AND CONTINGENCIES

(a) Trustee / Responsible Entity Obligations

Trustees Australia Limited acts as responsible entity for managed investment schemes registered with the Australian Securities and Investment Commission. A responsible entity is liable for limited obligations of its underlying trusts, and generally has a right of indemnity against the trusts' assets. These financial statements do not recognise such liabilities except to the extent that the group has committed a breach of fiduciary duty, or the extent that an underlying trust might have insufficient assets to settle its obligations. Such circumstances have not arisen. Trustees Australia has no obligation in respect of any borrowing or other liability of any trust for which it acts as responsible entity.

	2015	**2014**
	$	**$**
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
Not later than 12 months	175,595	175,184
Between 12 months and 5 years	44,430	183,949
Greater than 5 years	-	-
Present value of minimum lease payments	**220,025**	**359,133**

NOTE 21: COMMITMENTS AND CONTINGENCIES (cont'd)

(c) AFS Licences

Trustees Australia Limited, Redgate Asset Management Limited (formerly QTI Managed Funds Limited) and Rim Securities Limited hold financial services licences under section 913B of the *Corporations Act 2001*. These are Licences 260033, 260038 and 283119 respectively.

As a condition of licence authorisation, each licensee is required to maintain a number of base level financial requirements. The following table identifies these financial requirements and states whether each licensee has met these conditions for the 2015 financial year:

	Licence Number		
	260033	**260038**	**283119**
Base level financial requirement	**Condition satisfied by licensee (Y / N)**		
Meet the standard solvency and positive net assets requirement	Yes	N/A	Yes
Meet the cash needs requirement of the licence	Yes	N/A	Yes
Meet the audit requirements	Yes	N/A	Yes
Meet a net tangible assets (NTA) requirement with requirements for holding cash or cash equivalents and holding liquid assets	Yes	N/A	N/A

As allowed for in the licences, Trustees Australia has given a guarantee of financial support for the base level financial requirements of Redgate Asset Management Limited and Rim Securities Limited. At 30 June 2015 this totalled $421,000.

(d) Capital Expenditure Commitments

There are no capital expenditure commitments contracted for the year ended 30 June 2015.

(e) Other commitments

There are no other commitments for the year ended 30 June 2015.

(f) Other contingencies

Other than as disclosed in Note 2, there are no other contingencies for the year ended 30 June 2015.

NOTE 22: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS

(a) Names and positions held of KMP in office at any time during the financial year are:

Name:	Position
Michael Hackett	Managing Director / Acting Chairman
Kerry Daly	Director
Nathan Leman	Director
Elizabeth Hackett	Operations Manager

(b) KMP Shareholdings and Options Holdings

The number of ordinary shares in Trustees Australia held by each of the KMP of the group during the financial year is as follows:

Listed fully paid ordinary shares

30 June 2015	Balance at 01/07/2014	Granted as remuneration	Net change other	Purchased / (sold) on market	Balance at 30/06/2015
Michael Hackett	25,037,800	-	-	240,007	25,277,807
Kerry Daly	460,200	-	-	-	460,200
Nathan Leman	2,878,880	-	-	-	2,878,880
Elizabeth Hackett[1]	1,877,962	-	-	-	1,877,962
Total	**30,254,842**	**-**	**-**	**245,007**	**30,494,849**

30 June 2014	Balance at 01/07/2013	Granted as remuneration	Net change other	Purchased / (sold) on market	Balance at 30/06/2014
Michael Hackett	25,037,800	-	-	-	25,037,800
Kerry Daly	460,200	-	-	-	460,200
Nathan Leman	2,878,880	-	-	-	2,878,880
Elizabeth Hackett[1]	1,877,962	-	-	-	1,877,962
Total	**30,254,842**	**-**	**-**	**-**	**30,254,842**

The above tables represent shares held directly, indirectly or beneficially. The company does not issue shares as a form of remuneration.

[1]Elizabeth has a relevant direct interest in 1,877,962 shares in Trustees Australia as at 30 June 2015 (2014: 1,877,962) and has an indirect interest as an associate through Michael Hackett's relevant interest in shares.

NOTE 22: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS (cont'd)

(c) KMP Compensation by Category

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the group's KMP for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the company and the group during the year are as follows:

	2015	2014
	$	$
Short term	464,210	442,257
Post employment	50,356	71,559
Other long-term	5,124	5,102
Termination benefits	-	-
Share-based payments	-	-
	519,690	**518,918**

(d) KMP Other Equity Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

(e) KMP amounts payable

2015	Opening balance	Closing balance	Interest charged	Interest not charged	Provision for impairment	Loans advanced / (repaid)
Amounts Payable to:						
Michael Hackett (i)	13,510	24,277	-	-	-	10,767
Fiduciary Nominees Pty Ltd (ii)	1,366,621	-	36,505	-	-	(1,403,126)
	1,380,131	**24,277**	**36,505**	**-**	**-**	**(1,392,359)**

2014	Opening balance	Closing balance	Interest charged	Interest not charged	Provision for impairment	Loans advanced / (repaid)
Amounts Payable to:						
Michael Hackett (i)	30,687	13,510	-	-	-	(17,177)
Fiduciary Nominees Pty Ltd (ii)	1,000,000	1,366,621	116,621	-	-	250,000
	1,030,687	**1,380,131**	**116,621**	**-**	**-**	**232,823**

(i) Trade accrual amount included in note 16.

(ii) Secured borrowing, see note 17(c).

NOTE 22: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS (cont'd)

(f) KMP Contracts for Services

There are no formal employment contracts in place for any other key management personnel in the group.

(g) Transactions with Key Management Personnel

From time to time Key Management Personnel may purchase or supply goods or services from or to the group.

These transactions are made on an arms-length commercial basis.

The Managing Director, Michael Hackett, and companies of which he is a director have transactions with Trustees Australia Limited and the controlled entities Queensland Resorts Pty Ltd and Corporate Solutions Pty Ltd. These transactions are outlined below:

(i) Jabane Pty Ltd (Jabane) is the owner of a freehold shop tenancy at Airlie Beach in which Queensland Resorts Pty Ltd operates a tour sales office as a tenant. The tenancy is subject to a five-year lease with a five-year renewal option on commercial terms, which commenced in July 2001. During the 2015 year rent and outgoings paid to Jabane by Queensland Resorts Pty Ltd was $66,828 (2014: $111,557). At 30th June 2015 the group owed Jabane $132,554 (2014: $102,864).

(ii) Mikko Constructions Pty Ltd (Mikko) was established with the intention of being an interposed building company between the group and any direct building activity. Mikko is an associate of Michael Hackett and Nathan Leman, who are both directors of Mikko. Mikko undertakes all project management, town planning and IT establishment work for the group on a cost recovery basis. This provides inter alia a level of liability separation for construction activities of the group. During the 2015 year, $186,000 (2014: $186,000 was paid by the group to Mikko for construction and IT expenses. At 30 June 2015 the group owed Mikko $68,200 (2014: $51,150).

(iii) As set out in note 17(c) the debt in ADFT included a secured loan facility with Fiduciary Nominees Pty Ltd of which Michael Hackett is a director. The loan was secured by a mortgage over land and buildings at Brucknell Victoria and all units of ADFT and the DFIT Interim Facility Trust.

NOTE 23: AUDITOR'S REMUNERATION

The following total remuneration was received or is receivable by the auditor of Trustees Australia in respect of:

	2015	2014
	$	$
Audit and review of the financial statements	73,345	65,455
Non audit services	-	-

NOTE 24: CONTROLLED ENTITIES

(A) Particulars in relation to controlled entities	Note	Class of Equity	2015 Percentage Owned	2014 Percentage Owned
Parent Entity:			**%**	**%**
Trustees Australia Limited	(a)			
Wholly Owned Controlled Entities				
Corporate Solutions Pty Ltd	(b)	ordinary	100	100
Redgate Asset Management Limited		ordinary	100	100
Budget Traveller Group Pty Ltd	(b)	ordinary	100	100
Australian Share Registers Pty Ltd		ordinary	100	100
Queensland Resorts Pty Ltd	(b)	ordinary	100	100
Magnums Backpackers & Bar Pty Ltd		ordinary	100	100
Corporate Queensland Pty Ltd		ordinary	100	100
Airlie Central Two Property Trust		units	100	100
Australian Dairy Farms Trust		units	-	100
Other Controlled Entities			%	%
Rim Securities Limited		ordinary	97	97

The financial year of all controlled entities is the same as that of the holding company. All controlled entities are incorporated in Australia.

(a) Ultimate Controlling Entity

The directors believe that the ultimate controlling entity of the group is Trustees Australia Limited (Trustees Australia).

(b) Corporate Solutions Pty Ltd, Queensland Resorts Pty Ltd, Budget Traveller Group Pty Ltd are joint and several guarantors to the Commonwealth Bank of Australia in respect of borrowing facilities for Trustees Australia and Queensland Resorts Pty Ltd. Queensland Resorts Pty Ltd provided collateral security by way of registered mortgages over real property to the Commonwealth Bank of Australia in respect of the same borrowing facilities.

Prior to the formation of ADFG as a stapled security, ADFT provided security for the borrowing facility with Fiduciary Nominees Pty Ltd. Security was released on 22 October 2014 (see note 17(c)).

(c) Other than for the items in note 24(b) above, there are no significant restrictions over the group's ability to access or use assets and settle liabilities of the group.

(d) Some group entities trade with each other on a limited basis primarily in respect of administrative costs and intercompany balances.

NOTE 25: RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTIES

Related parties of Trustees Australia group are:

- controlled entities - see note 24.
- associates - see note 14 and below.
- key management personnel and their associates - see note 22.

Entity with significant influence over the group

Interests associated with the Managing Director, Michael Hackett, own 76.34% of the ordinary shares in Trustees Australia (2014: 75.62%).

Associates

The group has a 42.92% interest in the Whitsunday Village Retail Property Trust No1 (2014: 42.92%).

In the 2014 finacial year the group had a 33.58% interest in Australian Dairy Farm Group (ADFG). Following the stapling transaction and raising of new capital in ADFG, Trustees Australia holds a 2.62% interest in the ADFG 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 ADFG as available-for-sale financial assets as disclosed in Note 12. As a result, the group has transferred its previous carrying amount of $395,336, which is also cost, for its investment in ADFG to available-for-sale financial assets.

During the year the group earned fees of $13,609 (2014: $16,004) for completion of Responsible Entity duties for WVRPT and a 3% fee of $40,650 (2014: $nil) on the sale proceeds on the sale of Lot 21. This fee was accrued in the 2014 financial year. $371 (2014: $517) was due from WVRPT at balance date. The group also paid rent of $7,320 (2014: $7,320) for a casual tenancy in WVRPT.

Terms and conditions of transactions with related parties

Transactions with related parties are made at arm’s length at normal market prices and on normal commercial terms.

NOTE 26: SEGMENT INFORMATION

SEGMENT INFORMATION

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed by the board in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of product category and service offerrings since the diversification of the group’s operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service; and
- external regulatory requirements.

NOTE 26: SEGMENT INFORMATION (cont'd)

SEGMENT INFORMATION (CONT'D)

Types of products and services by segment

Financial Services

The financial services segment includes:

- custodial and responsible entity services through Trustees Australia;
- fixed income broking and advisory through RIMsec; and
- the group's portfolio holding of listed investments which includes a 2.62% interest in the Australian Dairy Farms Group plus a convertible note in the same group.

Tourism & Hospitality

The tourism and hospitality segment includes the ownership and operation of Magnums Airlie Beach Backpackers, offering various grades of backpacker hostel style accommodation and services including a tour sales outlet. The operations are located at Airlie Beach in the Whitsundays, Queensland.

Property

The property segment includes:

- development land and buildings at Airlie Beach, suitable for providing retail shopping facilities, accommodation or held for resale in Trustees Australia; and
- a 42.92% interest in WVRPT, a managed investment scheme holding retail shops at Airlie Beach.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless otherwise stated, all amounts reported to the board with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

Segment assets

If an asset is used across multiple segments, it is allocated to the segment that receives the majority of economic value from it. Segment assets are generally clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings are considered to relate to the group as a whole and are not allocated. Segment liabilities include trade and other payables.

Unallocated items

The following items of revenue and expenses are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense
- finance costs
- corporate charges
- discontinued operations of the Australian Dairy Farms Trust which owned a dairy farm property and an interest in dairy livestock in Victoria's South West district in connection with the Australian Dairy Farms Group.

NOTE 26: SEGMENT INFORMATION (cont'd)

(i) Segment Performance **30 June 2015**	**Tourism & Hospitality Services**	**Property**	**Financial Services**	**Total**
Revenue	**$**	**$**	**$**	**$**
External sales	2,166,862	-	1,453,200	3,620,062
Inter-segment sales	-	-	-	-
Interest revenue	173	-	77,779	77,952
Total segment revenue	**2,167,035**	**-**	**1,530,979**	**3,698,014**
Reconciliation of segment revenue to group revenue				
Revenue from discontinued operations				136,496
Total group revenue				**3,834,510**
Segment net profit before tax	**511,163**	**340,346**	**441,980**	**1,293,489**
Reconciliation of segment result to group net profit/(loss) before tax				
(i) Amounts not included in segment result but reviewed by the board:				
Depreciation and amortisation	(138,182)	-	(78,840)	(217,022)
(ii) Unallocated items				
Profit from discontinued operations				709,426
Corporate charges				(1,218,347)
Finance costs				(2,924)
Net profit before tax				**564,622**

(i) Segment Performance **30 June 2014**	**Tourism & Hospitality Services**	**Property**	**Financial Services**	**Total**
Revenue	**$**	**$**	**$**	**$**
External sales	1,845,100	-	1,701,012	3,546,112
Inter-segment sales	-	-	-	-
Interest revenue	215	-	10,444	10,659
Total segment revenue	**1,845,315**	**-**	**1,711,456**	**3,556,771**
Reconciliation of segment revenue to group revenue				
Revenue from discontinued operations				241,260
Total group revenue				**3,798,031**
Segment net profit before tax	**381,029**	**42,601**	**586,214**	**1,009,844**
Reconciliation of segment result to group net profit/(loss) before tax				
(i) Amounts not included in segment result but reviewed by the board:				
Depreciation and amortisation	(145,269)	-	(38,367)	(183,636)
(ii) Unallocated items				
Loss from discontinued operations				(449,576)
Corporate charges				(1,301,226)
Finance costs				(9,350)
Net profit before tax				**(933,944)**

NOTE 26: SEGMENT INFORMATION (cont'd)

(ii) Segment Assets	**Tourism & Hospitality Services**	**Property**	**Financial Services**	**Total**
As at 30 June 2015	**$**	**$**	**$**	**$**
Segment assets	4,472,749	2,928,801	4,455,990	11,857,540
Segment asset increases for the period:				
Capital expenditure	17,607	132,159	200,780	350,546
Acquisitions	-	-	-	-
	17,607	132,159	200,780	350,546
Included in segment assets are				
Equity accounted associates	-	1,574,009	-	1,574,009
Reconciliation of segment assets to group assets				
Unallocated assets				-
Total group assets				**11,857,540**

(ii) Segment Assets	**Tourism & Hospitality Services**	**Property**	**Financial Services**	**Total**
As at 30 June 2014	**$**	**$**	**$**	**$**
Segment assets	4,565,536	7,649,484	2,343,330	14,558,350
Segment asset increases for the period:				
Capital expenditure	54,336	891,011	224,993	1,170,340
Acquisitions	-	-	-	-
	54,336	891,011	224,993	1,170,340
Included in segment assets are				
Equity accounted associates	-	1,052,939	395,336	1,448,275
Reconciliation of segment assets to group assets				
Unallocated assets				-
Total group assets				**14,558,350**
(iii) Segment Liabilities				
As at 30 June 2015				
Segment liabilities	477,814	-	1,040,535	1,518,349
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities				
Other liabilities				763,915
Total group liabilities				**2,282,264**
As at 30 June 2014				
Segment liabilities	465,592	3,789,249	786,188	5,041,029
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities				
Other liabilities				935,230
Total group liabilities				**5,976,259**

NOTE 26: SEGMENT INFORMATION (cont'd)

(iv) Revenue by geographic region

Revenue attributable to external customers is disclosed below, based on the location of the external customer

	2015	2014
	$	$
Australia	3,698,014	3,556,771
Other foreign countries	-	-
Total revenue	**3,698,014**	**3,556,771**

(v) Assets by geographic region

The location of segment assets is disclosed below by geographical location of the assets

	2015	2014
	$	$
Australia	11,857,540	14,558,350
Other foreign countries	-	-
Total assets	**11,857,540**	**14,558,350**

(vi) Major customers

There are no large individual customers who can be regarded as a significant client of the group.

NOTE 27: MOVEMENTS IN PROPERTY PLANT AND EQUIPMENT

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant & equipment	Leasehold improvements	Total
2015	$	$	$	$	$
Balance beginning of the financial year	1,870,052	2,316,958	273,308	15,728	**4,476,046**
Additions	-	-	33,415	-	**33,415**
Disposals	-	-	(15,809)	-	**(15,809)**
Depreciation expense	-	(81,348)	(67,448)	(5,533)	**(154,329)**
Balance at end of financial year	**1,870,052**	**2,235,610**	**223,466**	**10,195**	**4,339,323**
2014	$	$	$	$	$
Balance beginning of the financial year	1,870,052	2,398,305	302,070	21,262	**4,591,689**
Additions	-	-	54,336	-	**54,336**
Depreciation expense	-	(81,347)	(83,098)	(5,534)	**(169,979)**
Balance at end of financial year	**1,870,052**	**2,316,958**	**273,308**	**15,728**	**4,476,046**

No borrowing costs were capitalised in the 2015 year (2014: $nil).

NOTE 28: EARNINGS PER SHARE

	2015 cents	2014 cents
From continuing and discontinued operations		
Basic profit / (loss) per share	1.7	(2.8)
Diluted profit / (loss) per share	1.7	(2.8)
From continuing operations		
Basic profit / (loss) per share	(0.4)	(1.5)
Diluted profit / (loss) per share	(0.4)	(1.5)
From discontinued operations		
Basic profit / (loss) per share	2.1	(1.3)
Diluted profit / (loss) per share	2.1	(1.3)
Reconciliation of earnings to profit or loss		
Profit / (loss)	564,622	(933,944)
Profit / (loss) attributable to non-controlling interest	5,945	(4,931)
Earnings used to calculate basic EPS	**570,567**	**(938,875)**
Earnings used to calculate basic EPS from continuing operations	**(138,859)**	**(489,299)**
Earnings used to calculate basic EPS from discontinued operations	**709,426**	**(449,576)**

	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	33,110,131	33,110,131
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**33,110,131**	**33,110,131**

Options to acquire ordinary shares in the parent entity are the only securities considered as potential ordinary shares in determination of diluted EPS.

NOTE 29: FINANCIAL RISK MANAGEMENT

The group's principal financial instruments consist mainly of bank balances, accounts receivable and payable and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2015 $	2014 $
Financial assets			
Cash and cash equivalents	6	507,786	115,104
Loans and receivables	7	637,575	1,121,405
Bonds and deposits	11	100,480	102,870
Listed investments - available for sale at fair value	12(a)	842,909	19,010
Unlisted investments - at fair value through profit and loss	12(b)	1,517,031	-
Total financial assets		**3,605,781**	**1,358,389**
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	16	1,526,518	1,591,663
Borrowings	17	43,964	3,707,327
Total financial liabilities		**1,570,482**	**5,298,990**

NOTE 29: FINANCIAL RISK MANAGEMENT (cont'd)

(a) Financial Risk Management Policies

The main purpose of the financial instruments listed is to raise finance for the group's operations when the board considers it appropriate. The group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Risks arising from the group's financial instruments include interest rate risk, liquidity risk, share price risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. Overall these risks are considered to be minimal.

(i) Treasury Risk Management

The board considers financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are reviewed by the board when necessary. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

Interest rate risk

Interest rate risk arises where the group has financial instruments exposed to rate movements. This arises on bank balances and the group also currently has debt exposure through $43,964 in fixed rate facilities. The group's exposure to cash flow interest rate risk is considered minimal.

Commodity Price risk

The group's exposure to commodity price risk is considered nil.

Credit risk

Credit risk arises from the risk that a counterparty will default on its obligations to the group. The group trades only with parties that it believes to be creditworthy. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. Refer note 7 for comments on concentrations of credit risk within the group.

With respect to credit risk arising from the other financial assets of the group, which comprise cash and cash equivalents, available-for-sale assets and certain derivative instruments, the group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of those instruments. The group generally does not require third party collateral.

Credit risk also arises for the parent entity on its funding of controlled entities and guarantees given in respect of borrowings by controlled entities - see note 2.

Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with appropriately regulated financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below presents maturity of the group's financial instruments. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates taking into consideration management expectations that group banking facilities will be extended.

NOTE 29: FINANCIAL RISK MANAGEMENT (cont'd)

(a) Financial Risk Management Policies (cont'd)

Liquidity risk (cont'd)

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Borrowings	(43,964)	(3,707,327)	-	-	-	-	(43,964)	(3,707,327)
Trade & other payables	(1,121,661)	(1,591,663)	(404,857)	-	-	-	(1,526,518)	(1,591,663)
Total contractual outflows	**(1,165,625)**	**(5,298,990)**	**(404,857)**	**-**	**-**	**-**	**(1,570,482)**	**(5,298,990)**
Total expected outflows	**(1,165,625)**	**(5,298,990)**	**(404,857)**		**-**	**-**	**(1,570,482)**	**(5,298,990)**
Financial assets - cash flows realisable								
Cash and cash equivalents	507,786	115,104	-	-	-	-	507,786	115,104
Bonds & deposits	100,480	102,870	-	-	-	-	100,480	102,870
Trade receivables and loans	637,575	1,121,405	-	-	-	-	637,575	1,121,405
Listed investments - available for sale at fair value	-	-	-	-	842,909	19,010	842,909	19,010
Unlisted investments - at fair value through profit and loss	-	-	1,517,031	-	-	-	1,517,031	-
Total anticipated inflows	**1,245,841**	**1,339,379**	**1,517,031**	**-**	**842,909**	**19,010**	**3,605,781**	**1,358,389**
Net (outflows) / inflows on financial instruments	**80,216**	**(3,959,611)**	**1,112,174**	**-**	**842,909**	**19,010**	**2,035,299**	**(3,940,601)**

The group will manage this liquidity risk through realisation of other current assets, or renegotiation of borrowings.

Price risk

The group has exposure to market price risk through its equity accounted investment in the WVRPT (see note 14).

Share price risk

The group has investments in the following ASX listed company sectors at the end of the reporting period:

- Information technology
- Food, beverage and tobacco

These are long term shareholdings, however exposure exists to movements in the market price.

NOTE 29: FINANCIAL RISK MANAGEMENT (cont'd)

(b) Net Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the group's financial instruments recognised in the financial statements.

		Carrying Amount		Fair Value	
	Footnote	2015	2014	2015	2014
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	507,786	115,104	507,786	115,104
Trade and other receivables	(i)	637,575	1,121,405	637,575	1,121,405
Bonds and deposits	(i)	100,480	102,870	100,480	102,870
Listed investments - available for sale at fair value	(ii)	842,909	19,010	842,909	19,010
Unlisted investments - at fair value through profit and loss	(iii)	1,517,031	-	1,517,031	-
Total financial assets		**3,605,781**	**1,358,389**	**3,605,781**	**1,358,389**
Financial liabilities					
Trade creditors	(i)	1,526,518	1,591,663	1,526,518	1,591,663
Interest bearing liabilities	(iv)	43,964	3,707,327	43,964	3,707,327
Total financial liabilities		**1,570,482**	**5,298,990**	**1,570,482**	**5,298,990**

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) For listed available-for-sale financial assets, closing quoted bid prices at the end of the reporting period are used.

(iii) For unlisted investments at fair value through profit and loss, the fair value of the convertible notes plus accrued interest and the conversion option is based on closing quoted bid prices at the end of the reporting period and amortised cost.

(iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates.

(c) Contingencies

The company and certain controlled entities have potential financial liabilities that may arise from certain contingencies disclosed in Note 21: Commitments and Contingencies. As explained in that note, no material losses are anticipated in respect of any of those contingencies and the fair value disclosed above is the directors' estimate of amounts that would be payable by the group as consideration of the assumption of those contingencies by another party.

NOTE 29: FINANCIAL RISK MANAGEMENT (cont'd)

(d) Sensitivity Analysis

The group has performed sensitivity analysis relating to its exposure to interest rate and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

(i) Interest rate sensitivity analysis

At 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2015	2014
Change in profit	**$**	**$**
- Increase in interest rate by 2.5%	50,620	89,517
- Decrease in interest rate by 2.5%	(50,620)	(89,517)
Change in equity		
- Increase in interest rate by 2.5%	50,620	89,517
- Decrease in interest rate by 2.5%	(50,620)	(89,517)

(ii) Price risk sensitivity analysis

At 30 June 2015, the net effect on profit and equity of a 20% change in price:

- listed investments, with all other variables remaining constant is $168,582 up / down (2014: $3,802 up / down) for the group.
- Unlisted investments, with all other variables remaining constant is $303,406 up and nil down (2014: $nil) for the group. There is no down side on the convertible note option component as the AHF security price at 30 June 2015 of 20 cents is the conversion price so the fair value is nil.

NOTE 30: EVENTS AFTER THE BALANCE DATE

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.

Other than above, no other material matters have arisen since 30 June 2015 that have significantly affected or may significantly affect the group.

The financial report was authorised for issue on 29 September 2015.

NOTE 31: FAIR VALUE MEASUREMENTS

The group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets;
- financial assets at fair value through profit and loss;
- investment properties; and
- biological assets.

The group subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTE 31: FAIR VALUE MEASUREMENTS (cont'd)

The following tables provide the fair values of the group's assets and liabilities measured and recognised on a recurring and non-recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2015

	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
Financial assets					
Available-for-sale financial assets					
- Shares in listed companies	12	842,909	-	-	842,909
Financial assets at fair value through profit and loss					
- Convertible notes - loan component	12	-	1,517,031	-	1,517,031
Total financial assets recognised at fair value on a recurring basis		**842,909**	**1,517,031**	**-**	**2,359,940**
Non-recurring fair value measurements					
Land and buildings (i)	15	-	4,105,662	-	4,105,662
Total non-financial assets recognised at fair value on a non-recurring basis		**-**	**4,105,662**	**-**	**4,105,662**

(i) Freehold land and building is the Magnums site, being a backpacker operations in Airlie Beach. The board considers that the land's current use is its highest and best use.

30 June 2014

	Note	Level 1	Level 2	Level 3	Total
		$	$	$	$
Financial assets					
Available-for-sale financial assets					
- Shares in listed companies	12	19,010	-	-	19,010
Total financial assets recognised at fair value on a recurring basis		**19,010**	**-**	**-**	**19,010**
Non-financial assets					
Biological assets	10	-	702,200	-	702,200
Investment property	9	-	4,325,593	-	4,325,593
Total non-financial assets recognised at fair value on a recurring basis		**-**	**5,027,793**	**-**	**5,027,793**
Non-recurring fair value measurements					
Land and buildings (i)	15	-	4,187,009	-	4,187,009
Total non-financial assets recognised at fair value on a non-recurring basis		**-**	**4,187,009**	**-**	**4,187,009**
Total non-financial assets recognised at fair value		**-**	**9,214,802**	**-**	**9,214,802**

There were nil transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: nil transfers)

NOTE 31: FAIR VALUE MEASUREMENTS (cont'd)

(b) Valuation techniques and Inputs Used to Measure Level 2 Fair Values

The following tables provide the fair values of the group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Description	Fair Value at 30 June 2015 $	Valuation Technique(s)	Input Used
Non-financial assets			
Freehold land (i)	1,870,052	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Land Area, market borrowing rate, trading data
Freehold buildings (i)	2,235,610	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Building Area, market borrowing rate, trading data
Investment property (ii)		Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Building Area, market borrowing rate, trading data
Biological assets (iii)		Market approach using recent observable market data for dairy cattle	Breed, weight, condition
Financial assets			
Convertible notes (iv)	1,517,031	Income approach using discounted cash flow methodology	Market borrowing rate, trading data
	5,622,693		

(i) The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

(ii) The fair value of investment property is determined annually based on valuations by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued.

(iii) The fair value of biological assets (dairy cattle held) is determined annually based on valuations by an independent stock agent who has recognised and appropriate professional qualifications and recent experience in the location and category of cattle.

(iv) The fair value of convertible notes is determined using a discounted cash flow model incorporating current commercial borrowing rates.

There were no changes during the period in the valuation techniques used by the group to determine Level 2 fair values.

NOTE 31: FAIR VALUE MEASUREMENTS (cont'd)

(c) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Receivables;
- Associates;
- Payables; and
- Borrowings.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierachy Level	Valuation Technique(s)	Input Used
Assets				
Receivables	7	2	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Associates	14	2	Income approach using disclosed financials of associates	Financial statements
Liabilities				
Payables	16	2	Income approach using discounted cash flow methodology	Yield curves based on market interest rates for remaining maturity period for similar liabilities
Borrowings	17	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

Trustees Australia Limited

DIRECTORS' DECLARATION

For the year ended 30 June 2015

In accordance with a resolution of the directors of Trustees Australia Limited, the directors of the company declare that:

(a) the financial statements and notes to the financial statements of the company and of the group, as set out on pages 13 to 63, and the remuneration disclosures that are contained within the remuneration report with the Directors' Report set out on pages 8 to 10 are in accordance with the Corporations *Act 2001*, and:

(i) give a true and fair view of the company's and group's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

(ii) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

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

(b) the directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

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

Michael Hackett

Michael Leslie Hackett
Managing Director

Kerry Daly

Kerry John Daly
Director

Brisbane

29 September 2015

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Accountants, Advisors & Auditors

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INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF TRUSTEES AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Trustees Australia Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF TRUSTEES AUSTRALIA LIMITED (CONT)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been provided to the directors of Trustees Australia Limited as attached to the directors’ report, has not changed as at the date of this auditor’s report.

Auditor’s Opinion

In our opinion:

a) the financial report of Trustees Australia Limited is in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the consolidated entity’s financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 10 of the directors’ report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor’s Opinion

In our opinion the remuneration report of Trustees Australia Limited for the year ended 30 June 2015 complies with s 300A of the *Corporations Act 2001*.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 23, 10 Eagle Street,
Brisbane, QLD, 4000

Date: 29 September 2015

SHAREHOLDER INFORMATION

The following information was extracted from Trustees Australia's Register of Shareholders on 31 August 2015:

TWENTY LARGEST SHAREHOLDERS

		Fully Paid Shares	
		Shares Held	**% of Issued**
1	Costine Pty Ltd	14,460,044	43.67%
2	Mikko Constructions Pty Ltd	2,878,880	8.69%
3	Fiduciary Nominees Pty Ltd	2,584,719	7.81%
4	Elizabeth Mersh Superannuation Fund	1,877,962	5.67%
5	G Echo Pty Ltd	1,529,323	4.62%
6	Book Now Online Pty Ltd	958,526	2.89%
7	The Trustee for the EI Fund	925,007	2.79%
8	Mr Milton Yannis	531,413	1.60%
9	David Scicluna	526,991	1.59%
10	Kreskin Pty Ltd	460,200	1.39%
11	Mr Norman Colburn Mayne	450,000	1.36%
12	Terence McCorley	328,479	0.99%
13	Mr Ralf Pelz	199,496	0.60%
14	Ruth Mackay	175,560	0.53%
15	Jig Investments Pty Ltd	150,100	0.45%
16	Mr Phillip Dickinson	150,000	0.45%
17	Ian Henderson	148,193	0.45%
18	Mr Ross Yannis	140,000	0.42%
19	Linton Rise Pty Ltd	125,000	0.38%
20	Alan Cobb	116,122	0.35%
	Total of Top Twenty Shareholdings	**28,716,015**	**86.73%**
	Total Shares on issue	**33,110,131**	**100.00%**

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	Number of Shareholders	Total Units	%
1 - 1000	67	26,112	0.08
1,001 - 5,000	170	377,446	1.14
5,001 - 10,000	66	513,151	1.55
10,001 - 100,000	89	2,970,963	8.97
100,001 or greater	26	29,222,459	88.26
	418	**33,110,131**	**100.00**

MARKETABLE PARCELS

At 31 August 2015, using the last traded share price of $0.12 per share, there were 193 holdings, which were of less than a marketable parcel ($500).

VOTING RIGHTS

On a show of hands, every member present in person or by proxy or attorney or being a corporation by its authorised representative shall have one vote. On a poll, every member who is present in person or by proxy or attorney, or being a corporation, by its authorised representative, shall have one vote for every share of which he is the holder.

SHAREHOLDER INFORMATION

HOLDER OF RELEVANT INTEREST

The number of shares held either directly or indirectly by substantial shareholders listed in the holding company's register on 31 August 2015 was:

	Ordinary
Costine Pty Ltd ATF The Hackett Super Fund	14,460,044
Mikko Constructions Pty Ltd	2,878,880
Fiduciary Nominees Pty Ltd	2,584,719
Trustee for Elizabeth Mersh Super Fund	1,877,962
G. Echo Pty Ltd	1,529,323
Book Now Online Pty Ltd	958,526
The Trustee for the EI Fund	925,007
Michael Leslie Hackett	56,428
Jabane Pty Ltd	5,000
Cotrace Pty Ltd	1,000
Estate of Phyllis Mary Hackett	918
Total	**25,277,807**

Percentage of shares on issue in category	76.34%

UNQUOTED SECURITIES

Options over unissued shares

There are no options over unissued shares in Trustees Australia.

CORPORATE DIRECTORY

Board of Directors

Michael Hackett (B.Com, FCA)
Managing Director / Acting Chairman

Kerry Daly (B.Bus, CPA)
Director

Nathan Leman
Director

Company Secretaries

Jerome Jones
Company Secretary

Registered Office

Level 1, 41 Edward Street
Brisbane QLD 4000

Telephone:	(07) 3020 3020
Facsimile:	(07) 3020 3080
Email:	Shareholders@trusteesau.com.au
Web:	www.trusteesau.com.au

Corporate Office

Level 1, 41 Edward Street
Brisbane QLD 4000

GPO Box 6
Brisbane QLD 4001

Telephone:	(07) 3020 3020
Facsimile:	(07) 3020 3080
Email:	mail@trusteesau.com.au
Web:	www.trusteesau.com.au

Share Register

Boardroom Limited
PO Box R67
Royal Exchange
Sydney NSW 1223

Telephone:	(02) 9290 9600
Facsimile:	(02) 9279 0664
Email:	registries@registries.com.au
Web:	www.boardroomlimited.com.au

Auditor

Hayes Knight Audit (Qld) Pty Ltd
Level 23
10 Eagle Street
Brisbane QLD 4000

Telephone:	(07) 3229 2022
Facsimile:	(07) 3229 3277
Email:	audit@hayesknightqld.com.au
Web:	www.hayesknightqld.com.au

Stock Exchange

Trustees Australia is listed on the official List of the Australian Securities Exchange Limited (ASX)

The ASX Code is “TAU”.