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Trustees Australia 
Limited

INTERIM FINANCIAL REPORT

For the Half-Year ended 31 December 2011

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2011

(All comparisons to Half-Year ended 31 December 2010)

	%	\$000 December 2011	\$000 December 2010
	Change		
Revenues from ordinary activities	(21%)	2,217	2,791
Profit from ordinary activities after tax attributable to members	(1,454%)	(373)	(24)
Net profit for the period attributable to members	(1,454%)	(373)	(24)
		cents	cents
Net tangible asset backing per security		30.6	55.9

Dividend Information

	Amount per Share (Cents)	Franked Amount per Share (Cents)	Tax Rate for Franking (%)
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not Applicable

Loss or gain of control over other entities

There was no loss or gain of control over other entities during the period.

Associates

	% holding	% holding
Whitsunday Village Retail Property Trust No 1	42.92	42.92
APA Financial Services Limited	33.58	33.58
	\$,000	\$,000
Aggregate share of net profit from the associates listed above	51	40

Audit Status

This report has been subject to audit review. There is no dispute or qualification to report.

Refer to the Directors' Report and Interim Financial Report for additional information.

DIRECTORS' REPORT

The board of directors of Trustees Australia Limited (Trustees Australia) submits to members the Interim Financial Report of the company and its controlled entities (group) for the half-year to 31 December 2011.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES

The principal activities of the group during the half-year were: -

Financial Services Activities comprising:

- custodial and responsible entity services through Trustees Australia;
- fixed interest broking and advisory through Rim Securities Limited (RIMsec);
- superannuation administration services through Administration Partners Pty Ltd (AdminPARTNERS); and
- a 33% interest in APA Financial Services Limited (APA), an ASX listed entity with an interest in OneVue Holdings Limited, a portfolio administration platform provider for participants in the financial services industry.

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 No 1 (WVRPT), a managed investment scheme holding retail shops at Airlie Beach.

OPERATING RESULTS

During the half-year to 31 December 2011, the group continued with the management and operation of its financial services activities and its backpacker and property assets.

Business conditions continued to be challenging although property values have shown signs of stabilising after the significant write-downs of the prior financial year. Tourism revenues remain negatively affected by the very strong Australian dollar and the poor economic conditions experienced in the traditional backpacker source countries. Additionally, the reduced numbers of international backpacker travellers visiting Australia are generally spending most of their time working in the southern states and then spending their leisure time in low cost destinations such as Bali and Phuket.

The consolidated result attributed to members of Trustees Australia, after providing for income tax and eliminating outside equity interests, was a loss of \$373,460 (2010: \$24,309). The group suffered a revenue decrease of \$421,493, predominantly from its tourism and hospitality segment, which was largely offset by a reduction in group business operating, employment, finance, property, and other expenses totaling \$540,675.

FINANCIAL POSITION

The net assets of the group are \$11,099,213 at 31 December 2011, a decrease of \$314,914 from 30 June 2011.

REVIEW OF BUSINESS SEGMENTS

PROPERTY VALUES

The most significant assets of the company in terms of value are the property assets located at Airlie Beach. They comprise the property from which the Magnums Backpackers operations are conducted, the Airlie Central development land and a 43% interest in WVRPT, which holds retail shops adjacent to Airlie Central.

In the financial accounts for the year ended 30 June 2011 the directors adopted land and building market value assessments by Herron Todd White resulting in significant impairments of the carrying value of property. There is some indication that property prices at Airlie Beach have stabilised, although few completed sales have been recorded.

It has been previously disclosed to shareholders that negotiations were at an advanced stage with a national retail chain for the lease of a new tenancy to be constructed on the Airlie Central development site at Airlie Beach. The details of the negotiation were required to be kept confidential until they became unconditional.

Subsequent to the end of the financial period under review, the directors have entered into further confidential negotiations regarding the possible purchase of the Airlie Central development site at a price which is approximate to its current carrying value. An exclusive heads of agreement has been signed by the parties, however it is required to be kept confidential and is conditional upon, amongst other things, the prospective purchaser being satisfied, at its sole discretion, that the development project is feasible as well as various development approval amendments being granted.

DIRECTORS' REPORT

- **MAGNUMS AIRLIE BEACH BACKPACKERS**

As discussed earlier, tourism is currently very challenging. The overall market size of backpackers visiting Airlie Beach has diminished significantly in the last two years; however, Magnums management is committed to ensuring that Magnums achieves a significantly higher share of that diminished market.

Significant progress has been made on the development of new marketing material including a refreshing new web-site that will be launched in coming weeks. Additionally, new marketing aimed at the Australian domestic market for social groups, sporting clubs and specific employee groups, such as those in nearby regional mining communities, has been developed and is gaining some momentum.

Notwithstanding these initiatives, tourism will remain challenging while the Australian dollar remains high compared with the currencies of competitive destinations. In addition, the reintroduction of high penalty rates of remuneration for tourism workers working weekends and after office hours makes it difficult for Australian operators to provide a level of service that is competitive with other international destinations.

- **CUSTODY, RESPONSIBLE ENTITY AND TRUSTEE SERVICES**

Trustees Australia continues to evaluate the most effective way to become a meaningful participant in the custody and administration of financial assets. Changed investment attitudes to changed economic climates in recent years have led to fewer new products being introduced to the investor market and lower funds under management for many existing product providers. This coincides with reluctance by managers to look at altering their established service providers while economic conditions are volatile.

The efficient development of the custody segment of the business is dependent on the availability of electronic systems that are able to process transactions securely with minimum handling by personnel and the company continues to focus its evaluation on this area.

- **FIXED INTEREST SPECIALISTS (RIMSEC)**

Restructuring changes introduced in the prior financial year are producing positive effects on the motivation and morale of RIMsec personnel, as well as on the financial and operational performance of this segment. The fixed income asset class has experienced increased acceptance as a safety asset class and more recently as a favoured income class as banks compete for deposits and bond issuance. A detailed strategic review of the business has been undertaken and is in the course of being implemented.

Several initiatives are being implemented to capitalise on the increased market demand for fixed income investment options, primarily by targeting the financial planning and stockbroking community through established platforms traditionally focussed on equities.

- **SUPERANNUATION ADMINISTRATION (ADMINPARTNERS)**

AdminPARTNERS has operated in line with expectations during the period. The company continues to provide superannuation administration infrastructure for pooled superannuation funds. An independent report on the quality of the products offered was completed in December 2010, finding that the systems and capabilities of MySuperSolution were of high standard and offer very competitive solutions to the marketplace.

AdminPARTNERS currently has a respectable pipeline of prospective clients, although the process of securing new administrators and changing software takes considerable time. The company is also working on separate partnering opportunities with other administration providers to build scale of turnover in the administration business.

- **OTHER EQUITY INTERESTS (APA)**

Trustees Australia retains its strategic interest of 33% in APA Financial Services Limited (ASX code APP), which remains listed on ASX and holds assets comprising cash and an investment in OneVue Holdings Limited, a portfolio administration platform provider for participants in the financial services industry. APA reports separately to the ASX on its activities and results. Trustees Australia director, Michael Hackett is a director of APA.

SUMMARY

Despite the challenging economic times, the group has further consolidated its position in the half year to 31 December 2011.

The directors believe that the underlying positive direction of the company and the very significant time and effort contributed by management and personnel at all levels within the company will result in improvements in the coming years.

The directors wish to thank the Trustees Australia team and its shareholders for their continued support and patience during challenging times.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

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

Name	Position	Appointed
Michael Hackett	Managing Director / Acting Chairman	25 July 1986
Kerry Daly	Director	17 March 2009
Nathan Leman	Director	24 November 2010

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under S 307C of the Corporations Act 2001 is set out on page 18 for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.



Michael Leslie Hackett
Managing Director / Acting Chairman

Brisbane

20 February 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Notes	December 2011 \$	December 2010 \$
Revenue		2,213,444	2,634,937
Other income		3,093	155,727
Business operating expenses		(434,194)	(568,299)
Employment expenses		(1,466,436)	(1,749,132)
Finance costs		(7,112)	(20,239)
Property operating expenses		(475,060)	(528,802)
Impairment expenses	2	(7,396)	-
Other expenses		(244,246)	(301,251)
Share of net profit from associate		50,582	40,484
Profit / (loss) before income tax		(367,325)	(336,575)
Income tax benefit /(expense)		-	293,485
Profit / (loss) for the period	2	(367,325)	(43,090)
Other comprehensive income for the period, net of tax:			
Net gain / (loss) on revaluation of financial assets		41,816	36,462
Other comprehensive income for the period, net of tax		41,816	36,462
Total comprehensive income for the period, net of tax		(325,509)	(6,628)
Profit / (loss) attributable to:			
Members of the parent entity		(373,460)	(24,309)
Non-controlling interest		6,135	(18,781)
		(367,325)	(43,090)
Total comprehensive income / (loss) attributable to:			
Members of the parent entity		(331,644)	12,153
Non-controlling interest		6,135	(18,781)
		(325,509)	(6,628)
Earnings per share:			
Basic earnings per share (cents)		(1.1)	(0.1)
Diluted earnings per share (cents)		(1.1)	(0.1)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Notes	December 2011 \$	June 2011 \$
Current Assets			
Cash and cash equivalents		140,021	569,055
Trade and other receivables		485,351	480,721
Inventories		4,871	11,803
Other current assets	5	243,533	118,005
Total Current Assets		873,776	1,179,584
Non-Current Assets			
Inventories		4,402,052	4,326,451
Other financial assets	6	71,863	134,274
Intangibles	7	957,509	1,005,133
Investments in associates		1,737,050	1,719,485
Property, plant & equipment		4,804,892	4,858,660
Total Non-Current Assets		11,973,366	12,044,003
Total Assets		12,847,142	13,223,587
Current Liabilities			
Trade and other payables		1,059,231	1,201,294
Borrowings	8	153,170	74,109
Provisions		29,043	10,931
Total Current Liabilities		1,241,444	1,286,334
Non-Current Liabilities			
Trade and other payables		364,511	352,797
Borrowings	8	25,914	32,510
Provisions		116,060	137,819
Total Non-Current Liabilities		506,485	523,126
Total Liabilities		1,747,929	1,809,460
Net Assets		11,099,213	11,414,127
Equity			
Issued capital		4,058,525	4,058,525
Reserves		44,420	49,508
Retained earnings		6,985,973	7,301,934
Parent entity interest		11,088,918	11,409,967
Non-controlling interest		10,295	4,160
Total Equity		11,099,213	11,414,127

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	December 2011	December 2010
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	2,410,280	2,674,420
Payments to suppliers and employees	(2,806,545)	(2,845,929)
Trust distributions	33,018	-
Interest received	4,258	10,389
Dividends received	2,945	41,927
Income tax received	-	44,810
Finance costs	(634)	(20,239)
Net operating cash flows	(356,678)	(94,622)
Cash Flows from Investing Activities		
Payment for property, plant & equipment	(38,667)	(37,007)
Proceeds from sale of property, plant & equipment	-	20,500
Payment for development costs - AC2 land	(75,601)	(72,309)
Proceeds from sale of financial investments	99,925	592
Net investing cash flows	(14,343)	(88,224)
Cash Flows from Financing Activities		
Proceeds from commercial bill facility	-	360,000
Repayment of borrowings	(58,013)	(87,087)
Net financing cash flows	(58,013)	272,913
Net increase / (decrease) in cash held	(429,034)	90,067
Cash at the beginning of the period	569,055	66,826
Cash at the end of the financial period	140,021	156,893

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Option Reserve	Non- Controlling Interests	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	4,058,525	2,604	46,904	4,160	7,301,934	11,414,127
Profit / (loss) attributable to members of parent entity	-	-	-	-	(373,460)	(373,460)
Profit / (loss) attributable to non-controlling interests	-	-	-	6,135	-	6,135
Amortisation of options for period	-	-	10,595	-	-	10,595
Transfer (to) / from retained earnings	-	-	(57,499)	-	57,499	-
Total other comprehensive income for the period	-	41,816	-	-	-	41,816
Balance at 31 December 2011	4,058,525	44,420	-	10,295	6,985,973	11,099,213
Balance at 1 July 2010	4,058,525	(38,386)	25,886	127,102	16,668,963	20,842,090
Profit / (loss) attributable to members of parent entity	-	-	-	-	(24,309)	(24,309)
Profit / (loss) attributable to non-controlling interests	-	-	-	(18,781)	-	(18,781)
Amortisation of options for period	-	-	10,595	-	-	10,595
Transfer (to) / from retained earnings	-	-	-	(25,228)	25,228	-
Total other comprehensive income for the period	-	36,461	-	-	-	36,461
Balance at 31 December 2010	4,058,525	(1,925)	36,481	83,093	16,669,882	20,846,056

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the group for the year ended 30 June 2011, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Current Ratio

The group's net current asset deficiency arises primarily from the utilisation of cash reserves to fund business development and operations during the 2011 year. The group has access to \$1 million of unused bank facilities, and these unused facilities will be utilised to fund any cash shortfall arising from the repayment of current liabilities.

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period

For the half-year reporting period to 31 December 2011, a number of new and revised accounting standard requirements became mandatory for the first time. A discussion of relevant new and revised requirements and their impact on the group is provided below.

● AASB 124: Related Party Disclosures (December 2009)

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following.

- the definition of a related party is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
 - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
 - entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
 - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
 - the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a material impact on the financial statements of the group.

● AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]

This standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standards financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- AASB 101 is amended to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- AASB 134 is amended by adding a number of examples to the list of events and transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and interpretations.

Application of the amendments in AASB 2010–4 did not have a material impact on the financial statements of the group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (cont'd)

- AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and interpretations 2, 112 & 113].

AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statements of the group.

NOTE 2: RESULT FOR THE PERIOD

	December 2011	December 2010
	\$	\$
The following expense items are relevant in explaining the financial performance for the interim period.		
Bad debts	-	1,340
Impairment of other financial assets	7,396	-

NOTE 3: RELATED PARTIES

All arrangements with related parties continue to be in place. For details of these arrangements, refer to 30 June 2011 Annual Financial Report.

NOTE 4: CONTINGENT LIABILITIES

Trustees Australia Limited and the subsidiary companies listed below have been parties to a Deed of Cross Guarantee since 17 June 1994. The deed provided that all parties to the deed would guarantee each creditor payment in full of any debt of each company participating in the Deed on the winding-up of that company. On 26 June 2011 all parties to the deed executed a Deed of Revocation of Cross Guarantee, which was lodged with the Australian Securities & Investment Commission on 30 June 2011 and advertised as required by the Corporations Act 2001. The conditions of the Deed of Revocation of Cross Guarantee were fully satisfied on 31 December 2011.

- | | |
|----------------------------------|--------------------------------------|
| • Corporate Solutions Pty Ltd | • Australian Share Registers Pty Ltd |
| • QTI Managed Funds Limited | • Queensland Resorts Pty Ltd |
| • Budget Traveller Group Pty Ltd | • Magnums Backpackers & Bar Pty Ltd |

NOTE 5: OTHER ASSETS

	December 2011	June 2011
	\$	\$
Current		
Prepayments	241,067	116,446
Bonds and deposits	2,466	1,559
Total current other assets	243,533	118,005

NOTE 6: OTHER FINANCIAL ASSETS

		December 2011	June 2011
	Notes	\$	\$
NON-CURRENT			
Available-for-sale financial assets	(a)	70,863	133,274
Other investments		1,000	1,000
Total other financial assets		71,863	134,274

(a) During the half-year period the group sold its remaining 36,808 shares in the ROK Building Society Limited and proceeds of \$99,925 were received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 7: INTANGIBLE ASSETS

	December 2011	June 2011
	\$	\$
Goodwill - at cost	253,878	253,878
less accumulated impairment losses	(27,562)	(27,562)
	226,316	226,316
Software - at cost	950,318	950,318
less accumulated amortisation	(221,040)	(173,692)
	729,278	776,626
Trademarks and patent - at cost	4,382	4,382
less accumulated amortisation	(2,467)	(2,191)
	1,915	2,191
Total intangibles	957,509	1,005,133

NOTE 8: BORROWINGS

	December 2011	June 2011
	\$	\$
Current		
Loans - unsecured	139,978	60,917
Bank Hire purchase loans - secured	13,192	13,192
Total current borrowing	153,170	74,109
Non-current		
Bank Hire purchase loans – secured	25,914	32,510
Total non-current borrowings	25,914	32,510
Total borrowings	179,084	106,619

At 31 December 2011 the group has unused facilities with the Commonwealth Bank of Australia Limited secured by registered mortgages over real estate and floating charges over other assets of the group. Included in the Commonwealth Bank of Australia facilities is a commercial bill facility of \$1,000,000 unutilised at 31 December 2011 (30 June 2011: \$nil) and a long term \$55,000 bank guarantee facility that is unutilised (30 June 2011: \$nil). The group's bank facilities were reviewed on 1 September 2011 and are subject to an annual review.

Queensland Resorts Pty Ltd also has a \$50,000 (30 June 2011: \$50,000) overdraft facility which was unutilised at 31 December 2011 (30 June 2011: \$nil) and a \$25,000 (30 June 2011: \$25,000) bank guarantee facility that is fully drawn.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 9: SEGMENT INFORMATION

(i) Segment Performance	Tourism & Hospitality Services	Property	Financial Services	Total
Six months ended 31 December 2011				
Revenue	\$	\$	\$	\$
External sales	1,042,301	-	1,169,978	2,212,279
Inter-segment sales	-	-	-	-
Interest revenue	1,460	-	2,798	4,258
Total segment revenue	1,043,761	-	1,172,776	2,216,537
Reconciliation of segment revenue to group revenue				
Inter-segment elimination	-	-	-	-
Total group revenue	1,043,761	-	1,172,776	2,216,537
Segment net profit before tax	(17,108)	50,582	119,649	153,123
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	(83,162)	-	(56,897)	(140,059)
(ii) Unallocated items				
Corporate charges				(64,947)
Finance costs				(7,112)
Other				(308,330)
Net profit / (loss) before tax				(367,325)
Six months ended 31 December 2010				
Revenue				
External sales	1,408,413	-	1,371,862	2,780,275
Inter-segment sales	-	-	-	-
Interest revenue	8,646	-	1,743	10,389
Total segment revenue	1,417,059	-	1,373,605	2,790,664
Reconciliation of segment revenue to group revenue				
Inter-segment elimination	-	-	-	-
Total group revenue	1,417,059	-	1,373,605	2,790,664
Segment net profit before tax	309,028	40,484	(37,962)	311,550
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	(102,451)	-	(57,451)	(159,902)
(ii) Unallocated items				
Corporate charges				(149,693)
Finance costs				(11,154)
Other				(327,376)
Net profit / (loss) before tax				(336,575)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 9: SEGMENT INFORMATION (cont'd)

	Tourism & Hospitality Services	Property	Financial Services	Total
(ii) Segment Assets				
As at 31 December 2011				
Segment assets	\$ 5,146,149	\$ 5,743,766	\$ 1,957,227	\$ 12,847,142
Segment asset increases for the period:				
Capital expenditure	38,667	75,601	-	114,268
Included in segment assets are				
Equity accounted associates	-	1,341,714	395,336	1,737,050
Reconciliation of segment assets to group assets				
Unallocated assets				-
Total group assets				12,847,142
As at 30 June 2011				
Segment assets	\$ 5,234,312	\$ 5,650,600	\$ 2,338,675	\$ 13,223,587
Segment asset increases for the period:				
Capital expenditure	78,602	146,951	-	225,553
Acquisitions	-	-	10	10
	78,602	146,951	10	225,563
Included in segment assets are				
Equity accounted associates	-	1,324,149	395,336	1,719,485
Reconciliation of segment assets to group assets				
Unallocated assets				-
Total group assets				13,223,587
(iii) Segment Liabilities				
As at 31 December 2011				
Segment liabilities	1,122,989	-	445,856	1,568,845
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities				
Other liabilities				179,084
Total group liabilities				1,747,929
As at 30 June 2011				
Segment liabilities	1,003,231	-	699,610	1,702,841
Reconciliation of segment liabilities to group liabilities				
Unallocated liabilities				
Other liabilities				106,619
Total group liabilities				1,809,460

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 10: EVENTS AFTER THE BALANCE DATE

Subsequent to 31 December 2011, the consolidated entity entered into an exclusive, mutually confidential and conditional heads of agreement with an unrelated party regarding the possible purchase of the Airlie Central development site at a price that is approximate to its current carrying value. The agreement is conditional upon, amongst other things, the prospective purchaser being satisfied, in its sole discretion, that the development project is feasible as well as various development approval amendments being granted. The conditions have not been satisfied at the date of this report.

For personal use only

Trustees Australia *
| Limited


DIRECTORS' DECLARATION

For the year ended 31 December 2011

The directors of Trustees Australia Limited declare that:

- (a) the financial statements and notes, as set out on pages 7 to 16 are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
- (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.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Michael Leslie Hackett
Chairman

Brisbane

20 February 2012



Hayes Knight
Accountants, Advisers & Auditors

Hayes Knight Audit (QLD) Pty Ltd
ABN 49 115 261 722
Registered Audit Company 299289
Level 19, 127 Creek Street, Brisbane QLD 4000
GPO Box 1189 Brisbane QLD 4001
T: +61 7 3229 2022 F: +61 7 3229 3277
E: email@hayesknights.com.au
www.hayesknights.com.au

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

To the Directors of Trustees Australia Limited

As lead auditor for the review of Trustees Australia Limited for the half year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 20 February 2012



Hayes Knight
Accountants, Advisers & Auditors

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Trustees Australia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Trustees Australia Limited and controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Trustees Australia Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act*, provided to the directors of Trustees Australia Limited as attached to the directors' report, would be in the same terms if provided to the directors as at the date of this auditor's review report.

**Independent auditor's review report to the members of Trustees Australia Limited
(continued)**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Trustees Australia Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Level 19, 127 Creek Street,
Brisbane, QLD 4000

Date: 20 February 2012

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CORPORATE DIRECTORY

Board of Directors

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

Kerry Daly (B.Bus, CPA)
Director

Nathan Leman
Director

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

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

Stock Exchange

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

The ASX Code is "TAU".

Company Secretaries

Elizabeth Hackett
Company Secretary

Richard Brennan (B.Sc, B.Bus)
Company Secretary

Corporate Office

Level 1, 41 Edward Street
Brisbane QLD 4000

GPO Box 6
Brisbane QLD 4001

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Auditor

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