

# SUGAR TERMINALS LIMITED ABN 17 084 059 601

## Half-year report – 31 DECEMBER 2011

<b>Contents</b>	<b>Page</b>
Directors' report	2
Auditor's independence declaration	3
Interim financial report – 31 DECEMBER 2011	4
Notes to the financial statements	9
Directors' declaration	12
Independent auditor's review report to the members of Sugar Terminals Limited	13

## **SUGAR TERMINALS LIMITED**

### **Directors' report**

**31 December 2011**

Your directors present their report on the entity of Sugar Terminals Limited for the half-year ended 31 December 2011.

#### **Directors**

The following persons were directors of Sugar Terminals Limited during the whole of the half-year and up to the date of this report:

Mr Stuart Gregory  
Mr Andrew Cappello  
Mr Constantine Christofides

Mr Stephen Guazzo was a director from the beginning of the financial year until his retirement on 28 October 2011  
Mr Mark Day was a director from the beginning of the financial year until his retirement on 28 October 2011  
Mr Donald Watson was appointed a director on 28 October 2011 and continues in office at the date of this report  
Mr Shayne Rutherford was appointed a director on 28 October 2011 and continues in office at the date of this report

#### **Review of operations**

There were no material changes to the company's operations during the half-year. Profit attributable to members of Sugar Terminals Ltd for the half-year ended 31 December 2011 was \$10,627,000 (2010, \$10,710,000).

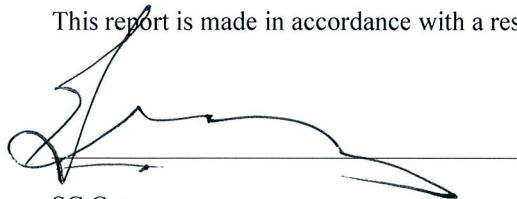
#### **Auditor's independence declaration**

A copy of the auditor's independence declaration is attached on page 3 in accordance with section 307C of the *Corporations Act 2001*.

#### **Rounding of amounts**

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



SC Gregory  
Brisbane  
14 March 2012



A Cappello  
Brisbane  
14 March 2012



## Auditor's Independence Declaration

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

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sugar Terminals Limited during the period.

A blue ink signature of Timothy J Allman, consisting of a large, stylized 'T' and 'A'.

Timothy J Allman  
Partner  
PricewaterhouseCoopers

Brisbane  
14 March 2012

---

**PricewaterhouseCoopers, ABN 52 780 433 757**

Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001  
T: +61 7 3257 5000, F: +61 7 3257 5999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# SUGAR TERMINALS LIMITED ABN 17 084 059 601

## Half-year report – 31 DECEMBER 2011

<b>Contents</b>	<b>Page</b>
Half-year report – 31 DECEMBER 2011	
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	12
Independent auditor's review report to the members of Sugar Terminals Limited	13

This interim financial report does not include all the notes of the type usually included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by SUGAR TERMINALS LIMITED during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Sugar Terminals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Sugar Terminals Limited  
Level 3  
348 Edward Street  
BRISBANE QLD 4000

**SUGAR TERMINALS LIMITED**  
**Statement of Comprehensive Income**  
For the half-year ended 31 DECEMBER 2011

	<b>Half-year</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from continuing operations</b>	<b>22,008</b>	<b>21,833</b>
Other income	-	-
Depreciation expense	(5,371)	(5,375)
Professional fees expense	(124)	(107)
Insurance expense	(669)	(515)
Other expenses	(492)	(376)
<b>Profit before income tax</b>	<b>15,352</b>	<b>15,460</b>
Income tax expense	(4,725)	(4,750)
<b>Total comprehensive income</b>	<b>10,627</b>	<b>10,710</b>

	<b>2011</b>	<b>2010</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company</b>		
Basic and diluted earnings per share	<b>2.95</b>	<b>2.97</b>

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

**SUGAR TERMINALS LIMITED****Balance Sheet**

As at 31 DECEMBER 2011

	31 Dec 2011 \$'000	30 Jun 2011 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	15,371	27,804
Trade and other receivables	-	493
Prepayments	672	-
Total current assets	16,043	28,297
<b>Non-current assets</b>		
Investment properties	324,712	328,184
Total non-current assets	324,712	328,184
<b>Total assets</b>	340,755	356,481
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	5,635	22,405
Current tax liabilities	2,378	1,539
Total current liabilities	8,013	23,944
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,309	6,291
Total non-current liabilities	6,309	6,291
<b>Total liabilities</b>	14,322	30,235
<b>Net assets</b>	326,433	326,246
<b>EQUITY</b>		
Contributed equity	317,628	317,628
Retained profits	8,805	8,618
<b>Total equity</b>	326,433	326,246

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

**SUGAR TERMINALS LIMITED****Statement of changes in equity**

For the half-year ended 31 DECEMBER 2011

	<b>Half-year</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total equity at the beginning of the half year</b>	<b>326,246</b>	<b>327,972</b>
<b>Total comprehensive income</b>	<b>10,627</b>	<b>10,710</b>
	<b>336,873</b>	<b>338,682</b>
Transactions with equity holders in their capacity as equity holders:		
Dividends provided for or paid (Note 3)	<b>(10,440)</b>	<b>(20,520)</b>
<b>Total equity at the end of the half-year</b>	<b>326,433</b>	<b>318,162</b>
 Total recognised income and expenses for the year attributable to the members of Sugar Terminals Limited	 <b>10,627</b>	 <b>10,710</b>

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



# SUGAR TERMINALS LIMITED

## Statement of Cash Flows

For the half-year ended 31 DECEMBER 2011

		Half-year	
	Notes	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		23,892	27,817
Payments to suppliers and employees (inclusive of goods and services tax)		(13,598)	(3,596)
		<u>10,294</u>	<u>24,221</u>
Interest received		510	385
Income taxes paid		(3,869)	(4,679)
<b>Net cash inflow from operating activities</b>		<u>6,935</u>	<u>19,927</u>
<b>Cash flows from investing activities</b>			
Payments for investment properties		(8,928)	(3,647)
<b>Net cash inflow / (outflow) from investing activities</b>		<u>(8,928)</u>	<u>(3,647)</u>
<b>Cash flows from financing activities</b>			
Dividends paid to Company's shareholders	3	(10,440)	(10,080)
<b>Net cash (outflow) from financing activities</b>		<u>(10,440)</u>	<u>(10,080)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(12,433)</u>	<u>6,200</u>
Cash and cash equivalents at the beginning of the half-year		27,804	11,689
<b>Cash and cash equivalents at the end of the half-year</b>		<u>15,371</u>	<u>17,889</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*



**SUGAR TERMINALS LIMITED****Notes to the financial statements**

31 DECEMBER 2011

<b>Note</b>	<b>Contents</b>	<b>Page</b>
Note 1	Basis of preparation of half-year report	10
Note 2	Segment information	10
Note 3	Dividends	10
Note 4	Events occurring after the balance sheet date	11
Note 5	Economic Dependency	11

# SUGAR TERMINALS LIMITED

## Notes to the financial statements

31 DECEMBER 2011

### Note 1 Basis of preparation of half-year report

This general purpose financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Sugar Terminals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### Impact of standards issued but not yet applied by the entity

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The company has not yet decided when to adopt AASB 9.

### Note 2 Segment information

The segment information is prepared in conformity with Accounting Standard AASB 8 "Operating Segments". Sugar Terminals Limited operates in one industry, being the sugar industry, and in one geographical segment, being Queensland, Australia.

### Note 3 Dividends

	Half-year	
	2011	2010
	\$'000	\$'000
<b>Ordinary shares</b>		
Final dividend for the year ended 30 June 2011 of 2.9 cents (2010 – 2.8 cents) per share paid on 30 September 2011.		
Fully franked based on tax paid @ 30%	10,440	10,080
Interim dividend for the year ending 30 June 2011 of 2.9 cents per share paid on 21 January 2011		
Fully franked based on tax paid @ 30%	-	10,440
	<b>10,440</b>	<b>20,520</b>

On 1 March 2012, Directors resolved that a dividend of \$10.08 million (2.8 cents per share), fully franked on tax paid at 30%, will be paid on 30 March 2012 to shareholders whose names are recorded on the register on 16 March 2012.

## **SUGAR TERMINALS LIMITED**

### **Notes to the financial statements**

31 DECEMBER 2011

#### **Note 4      Events occurring after the balance sheet date**

No significant events have occurred since the balance date.

#### **Note 5      Economic Dependency**

The Company depends on Queensland Sugar Limited (QSL) for most of its revenue. During the half-year ended 31 December 2011, 97% (2010 – 98%) of the Company's revenue from continuing operations was sourced from QSL under the Company's sublease agreement with that company.

# SUGAR TERMINALS LIMITED

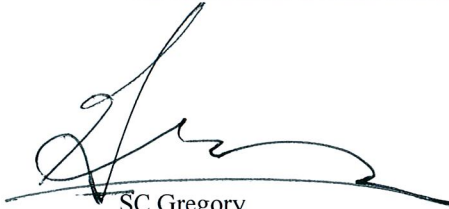
## Directors' declaration

31 DECEMBER 2011

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Sugar Terminals Ltd 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 directors.

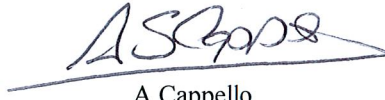


SC Gregory

Director

Brisbane

14 March 2012



A Cappello

Director

Brisbane

14 March 2012



## **Independent auditor's review report to the members of Sugar Terminals Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Sugar Terminals Limited, which comprises the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Sugar Terminals Limited.

#### *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 company'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 Sugar Terminals Limited, 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*.





#### *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 Sugar Terminals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company'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*.

#### *Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of Sugar Terminals Ltd for the half-year ended 31 December 2011 included on Sugar Terminals Limited's web site. The company's directors are responsible for the integrity of the Sugar Terminals Limited's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

PricewaterhouseCoopers

*PricewaterhouseCoopers*

A blue ink signature, appearing to read 'TJ Allman', enclosed within a large, loopy blue oval.

Timothy J Allman      Brisbane  
Partner 14 March 2012