

SUGAR TERMINALS LIMITED ABN 17 084 059 601
Half-year report – 31 DECEMBER 2014

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SUGAR TERMINALS LIMITED

Directors' report

31 December 2014

Your directors present their report on the entity of Sugar Terminals Limited for the half-year ended 31 December 2014.

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 Shayne Rutherford
Mr Donald Watson

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 2014 was \$11,600,000 (2013, \$10,551,000).

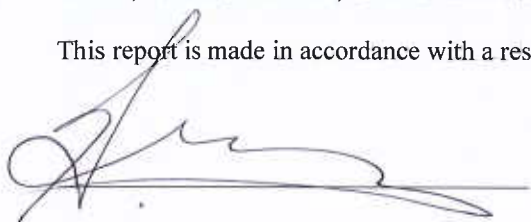
Auditor's independence declaration

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

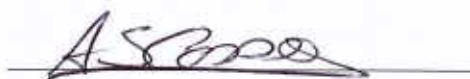
Rounding of amounts

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
9 March 2015



A Cappello
Brisbane
9 March 2015



Auditor's Independence Declaration

As lead auditor for the review of Sugar Terminals Limited for the half-year ended 31 December 2014, 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.

A handwritten signature in dark ink, appearing to read 'K Challenor', written in a cursive style.

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
9 March 2015

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SUGAR TERMINALS LIMITED ABN 17 084 059 601

Half-year report – 31 DECEMBER 2014

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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 2014 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 2014

	Half-year	
	2014	2013
	\$'000	\$'000
Revenue from continuing operations	23,571	22,504
Depreciation expense	(5,637)	(5,720)
Professional fees expense	(104)	(133)
Insurance expense	(700)	(776)
Other expenses	(389)	(633)
Profit before income tax	16,741	15,242
Income tax expense	(5,141)	(4,691)
Total comprehensive income	11,600	10,551

	2014	2013
	Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company		
Basic and diluted earnings per share	3.22	2.93

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

SUGAR TERMINALS LIMITED**Balance Sheet**

As at 31 DECEMBER 2014

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	21,928	18,487
Trade and other receivables	46	193
Prepayments	700	-
Total current assets	22,674	18,680
Non-current assets		
Investment properties	319,987	323,840
Total non-current assets	319,987	323,840
Total assets	342,661	342,520
LIABILITIES		
Current liabilities		
Trade and other payables	5,254	6,407
Current tax liabilities	2,626	2,139
Total current liabilities	7,880	8,546
Non-current liabilities		
Deferred tax liabilities	6,930	6,923
Total non-current liabilities	6,930	6,923
Total liabilities	14,810	15,469
Net assets	327,851	327,051
EQUITY		
Contributed equity	317,628	317,628
Retained profits	10,223	9,423
Total equity	327,851	327,051

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 2014

		Half-year	
	Notes	2014 \$'000	2013 \$'000
Total equity at the beginning of the half year		327,051	327,097
Total comprehensive income		11,600	10,551
		338,651	337,648
Transactions with equity holders in their capacity as equity holders:			
Dividends provided for or paid	3	(10,800)	(10,800)
Total equity at the end of the half-year		327,851	326,848
Total recognised income and expenses for the half year attributable to the members of Sugar Terminals Limited		11,600	10,551

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 2014

		Half-year	
	Notes	2014	2013
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		29,868	24,875
Payments to suppliers and employees (inclusive of goods and services tax)		(3,364)	(3,266)
		26,504	21,609
Interest received		294	263
Income taxes paid		(4,647)	(4,593)
Net cash inflow from operating activities		22,151	17,279
Cash flows from investing activities			
Payments for investment properties		(7,910)	(9,132)
Net cash inflow / (outflow) from investing activities		(7,910)	(9,132)
Cash flows from financing activities			
Dividends paid to Company's shareholders	3	(10,800)	(10,800)
Net cash (outflow) from financing activities		(10,800)	(10,800)
Net increase/(decrease) in cash and cash equivalents		3,441	(2,653)
Cash and cash equivalents at the beginning of the half-year		18,487	19,948
Cash and cash equivalents at the end of the half-year		21,928	17,295

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 2014

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SUGAR TERMINALS LIMITED

Notes to the financial statements

31 DECEMBER 2014

Note 1 Basis of preparation of half-year report

This general purpose financial report for the half-year reporting period ended 31 December 2014 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 2014 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

Certain new accounting standards and interpretations have been published that are not mandatory to the 31 December 2014 reporting period and have not been early adopted by the company. This includes:

1. AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 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.

2. The AASB has made small changes to some of the disclosures that are required under AASB 136 *Impairment of Assets*. These may result in additional disclosures if the group recognises an impairment loss or the reversal of an impairment loss during the period. They will not affect any of the amounts recognised in the financial statements. The group intends to apply the amendment from 1 July 2014.

3. IFRS 15 Revenue from Contracts with Customers establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is available for early adoption and is mandatory for annual reporting periods from 1 January 2017.

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.

SUGAR TERMINALS LIMITED
Notes to the financial statements
31 DECEMBER 2014

Note 3 Dividends

	Half-year	
	2014	2013
	\$'000	\$'000
Ordinary shares		
Final dividend for the year ended 30 June 2014 of 3 cents (2013 – 3 cents) per share paid on 30 September 2014.		
Fully franked based on tax paid @ 30%	10,800	10,800
	10,800	10,800

On 19 February 2015, Directors determined that a dividend of \$11.16 million (3.1 cents per share), fully franked on tax paid at 30%, will be paid on 31 March 2015 to shareholders whose names are recorded on the register on 17 March 2015.

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 2014, 97% (2013 – 97%) 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 2014

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 2014 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
9 March 2015



A Cappello
Director
Brisbane
9 March 2015



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 (the Company), which comprises the balance sheet as at 31 December 2014, 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.

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 Australian 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 entity's financial position as at 31 December 2014 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 entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;



b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Kim Challenor

Kim Challenor
Partner

Brisbane
9 March 2015