

SUGAR TERMINALS LIMITED ABN 17 084 059 601
Half-year report – 31 DECEMBER 2015

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SUGAR TERMINALS LIMITED

Directors' report

31 December 2015

Your directors present their report on the entity of Sugar Terminals Limited for the half-year ended 31 December 2015.

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 2015 was \$11,773,000 (2014, \$11,600,000).

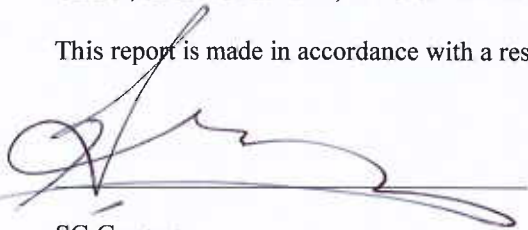
Auditor's independence declaration

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
3 March 2016



A Cappello
Brisbane
3 March 2016



Auditor's Independence Declaration

As lead auditor for the review of Sugar Terminals Limited for the half-year ended 31 December 2015, 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 blue ink, appearing to read 'K Challenor', written in a cursive style.

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
3 March 2016

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SUGAR TERMINALS LIMITED ABN 17 084 059 601

Half-year report – 31 DECEMBER 2015

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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 2015 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 2015

	Half-year	
	2015	2014
	\$'000	\$'000
Revenue from continuing operations	24,268	23,571
Depreciation expense	(5,820)	(5,637)
Professional fees expense	(281)	(104)
Insurance expense	(705)	(700)
Other expenses	(473)	(389)
Profit before income tax	16,989	16,741
Income tax expense	(5,216)	(5,141)
Total comprehensive income	11,773	11,600

	2015	2014
	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	3.27	3.22

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

SUGAR TERMINALS LIMITED**Balance Sheet**

As at 31 DECEMBER 2015

	31 Dec 2015 \$'000	30 Jun 2015 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	18,675	23,915
Trade and other receivables	56	278
Prepayments	706	-
Total current assets	19,437	24,193
Non-current assets		
Investment properties	325,017	323,738
Total non-current assets	325,017	323,738
Total assets	344,454	347,931
LIABILITIES		
Current liabilities		
Trade and other payables	5,532	9,933
Current tax liabilities	2,582	2,425
Total current liabilities	8,114	12,358
Non-current liabilities		
Deferred tax liabilities	7,706	7,552
Total non-current liabilities	7,706	7,552
Total liabilities	15,820	19,910
Net assets	328,634	328,021
EQUITY		
Contributed equity	317,628	317,628
Retained profits	11,006	10,393
Total equity	328,634	328,021

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 2015

		Half-year	
	Notes	2015	2014
		\$'000	\$'000
Total equity at the beginning of the half year		328,021	327,051
Total comprehensive income		11,773	11,600
		339,794	338,651
Transactions with equity holders in their capacity as equity holders:			
Dividends provided for or paid	3	(11,160)	(10,800)
Total equity at the end of the half-year		328,634	327,851
Total recognised income and expenses for the half year attributable to the members of Sugar Terminals Limited		11,773	11,600

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 2015

		Half-year	
	Notes	2015	2014
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		26,552	29,868
Payments to suppliers and employees (inclusive of goods and services tax)		(3,338)	(3,364)
		<u>23,214</u>	<u>26,504</u>
Interest received		263	294
Income taxes paid		(4,905)	(4,647)
Net cash inflow from operating activities		<u>18,572</u>	<u>22,151</u>
Cash flows from investing activities			
Payments for investment properties		(12,652)	(7,910)
Net cash (outflow) from investing activities		<u>(12,652)</u>	<u>(7,910)</u>
Cash flows from financing activities			
Dividends paid to Company's shareholders	3	(11,160)	(10,800)
Net cash (outflow) from financing activities		<u>(11,160)</u>	<u>(10,800)</u>
Net (decrease)/increase in cash and cash equivalents		(5,240)	3,441
Cash and cash equivalents at the beginning of the half-year		<u>23,915</u>	<u>18,487</u>
Cash and cash equivalents at the end of the half-year		<u>18,675</u>	<u>21,928</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 2015

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SUGAR TERMINALS LIMITED

Notes to the financial statements

31 DECEMBER 2015

Note 1 Basis of preparation of half-year report

This general purpose financial report for the half-year reporting period ended 31 December 2015 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 2015 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, amendments and interpretations have been published that are mandatory for the Company for the reporting periods beginning on or after 1 July 2015 but which the Company has not yet adopted. Based on a review, the Company has concluded that the majority of these standards yet to be adopted are not expected to have a significant impact on the Company's financial statements. The Company's assessment of the impact of those new standards, amendments and interpretations which may have an impact is set out below:

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018).

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The Company has not yet considered the impact of the new rules on its revenue recognition policies. It will undertake a detailed assessment in the near future. The Company will assess whether to adopt AASB 15 before its operative date; if not it would be first applied in the annual reporting period ending 30 June 2019.

IFRS 16 Leases

This standard was issued on 13 January 2016 by the International Accounting Standards Board and applies to accounting periods commencing on or after 1 January 2019. There is no current Australian equivalent standard, though it is expected that the standard will be adopted by the Australian Accounting Standards Board ('AASB') with little or no change. IFRS 16 *Leases* addresses the recognition, measurement, presentation and disclosure of leases. This standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, AASB 117. Once this standard is adopted by the AASB the Company will assess the full impact of this standard on the financial statements and report on this in future financial statements.

Note 2 Segment information

Sugar Terminals Limited operations are monitored by the Company as one operating segment, and this is how the results are reported internally and how the business is managed. The General Manager and the Board assess the performance of the Company based on earnings before interest and tax.

SUGAR TERMINALS LIMITED
Notes to the financial statements
31 DECEMBER 2015

Note 3 Dividends

	Half-year	
	2015	2014
	\$'000	\$'000
Ordinary shares		
Final dividend for the year ended 30 June 2015 of 3.1 cents (2014 – 3 cents) per share paid on 30 September 2015.		
Fully franked based on tax paid @ 30%	11,160	10,800
	11,160	10,800

On 18 February 2016, 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 2016 to shareholders whose names are recorded on the register on 11 March 2016.

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 2015, 98% (2014 – 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

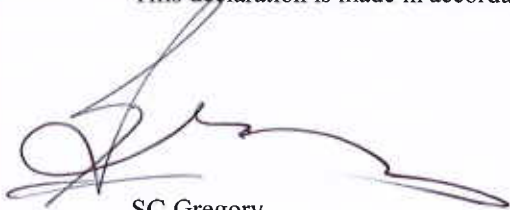
Directors' declaration

31 DECEMBER 2015

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 2015 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
3 March 2016



A Cappello
Director
Brisbane
3 March 2016



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 2015, 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 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 half-year 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 2015 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 2015 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

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A handwritten signature in blue ink, appearing to read "K Challenor", written over the printed name.

Kim Challenor
Partner

Brisbane
3 March 2016