



**CENTURIA CAPITAL LIMITED
AND CONTROLLED ENTITIES**

A.B.N. 22 095 454 336

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

For the year ended 30 June 2015

The directors present their report together with the consolidated financial statements of the Group comprising of Centuria Capital Limited (the 'Company'), and its controlled entities for the financial year ended 30 June 2015 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Roger W. Dobson, LL.B, LL.M Chairman Independent Non-Executive Director	<p>Roger was appointed to the Board in 2007 and is Chairman of the Board, Chairman of the Nomination and Remuneration Committee and is also a member of the Audit, Risk Management and Compliance Committee.</p> <p>Roger is a senior partner of Henry Davis York and works primarily for clients in the financial services sector, including in the areas of financial restructuring and funds management.</p>
Mr Peter J. Done, B.Comm, FCA Independent Non-Executive Director	<p>Peter was appointed to the Board in 2007 and is the Chairman of the Audit, Risk Management and Compliance Committee. He is also a member of the Nomination and Remuneration Committee and the Investment Committee. Peter was a partner of KPMG for 27 years until his retirement in June 2006. He has extensive knowledge in accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and Board processes through his many senior roles.</p>
Mr John R. Slater Dip.FS (FP), F Fin Independent Non-Executive Director	<p>John was appointed to the Board in 2013 having been an adviser to the Centuria Life Friendly Society Investment Committees since 2011.</p> <p>John was a senior executive in the KPMG Financial Services practice from 1989 to 1999 and acted as State director of the Brisbane practice. He has also served on the Investment Committees of KPMG Financial Services, Berkley Group and Byron Capital.</p> <p>In 2008, John founded boutique Financial Advisory firm Riviera Capital and has a wealth of financial services experience.</p>
Mr John E. McBain, Dip. Urban Valuation Chief Executive Officer	<p>John was a founding director and major shareholder in boutique property funds manager Century Funds Management, which was established in 1999 and was acquired by Over Fifty Group in July, 2006. He joined the Over Fifty Group Board on 10 July, 2006 and was appointed Chief Executive Officer in 2008. In 2011 the company was renamed Centuria Capital.</p> <p>John is also a director of QV Equities Limited, a licensed investment company listed on the ASX.</p> <p>Prior to forming Century, in 1990 John founded Hanover Group, a specialist property investment consultancy and in 1995 he formed Waltus Investments Australia, a dedicated property fund manager. John formerly held senior positions in a number of property development and property investment companies in Australia, New Zealand and the United Kingdom.</p> <p>John holds a Diploma in Urban Valuation (University of Auckland).</p>

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Name, qualifications and independence status	Experience, special responsibilities and other directorships
Mr Jason C. Huljich, B. Comm Executive Director	<p>Jason was appointed to the Board in 2007.</p> <p>As CEO – Unlisted Property Funds, Jason is responsible for providing strategic leadership and ensuring the effective operation and growth of Centuria's unlisted property portfolio. Jason has been involved in the unlisted property sector in Australia since 1996 and has considerable expertise in investment property selection, fund feasibility and funds management.</p> <p>Jason is the President of the National Executive Committee of the Property Funds Association of Australia, the peak industry body representing the \$125 billion direct property investment industry.</p>
Mr Nicholas R. Collishaw, SAFin, FAAP, FRICS Executive Director	<p>Nicholas was appointed CEO – Listed Property Funds at Centuria Property Funds on 1 May, 2013.</p> <p>Prior to this role, Nicholas held the position of CEO and Managing Director at the Mirvac Group. During his time at Mirvac (2005-2012), Nicholas was responsible for successfully guiding the business through the GFC and implementing a strategy of sustained growth for the real estate development and investment company. During Nicholas' 30 year career, he has held senior positions with James Fielding Group, Paladin Australia, Schroders Australia and Deutsche Asset Management. He has extensive experience in all major real estate markets in Australia and investment markets in the United States, United Kingdom and the Middle East.</p> <p>Nicholas is Deputy Chair of the UNSW Built Environment Advisory Council.</p>

The above named directors held office during the entire financial year and up to the date of this report, unless otherwise noted.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Director	Board Meetings		Audit, Risk, Management & Compliance Committee Meetings		Nomination & Remuneration Committee Meetings	
	A	B	A	B	A	B
R. W. Dobson	10	13	4	4	2	2
P. J. Done	13	13	4	4	2	2
J. R. Slater	13	13	4	4	2	2
J. E. McBain	13	13	#	#	#	#
J. C. Huljich	12	13	#	#	#	#
N. R. Collishaw	13	13	#	#	#	#

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

– Not a member of the committee

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Directors' interests

The following table sets out each director's relevant interest in shares in the Company as at the date of this report.

Directors	Number of Fully Paid Ordinary Shares
R. W. Dobson	1,199,342
P. J. Done	500,000
J. R. Slater	1,630,000
J. E. McBain ⁽ⁱ⁾	4,600,040
J. C. Huljich ⁽ⁱ⁾	2,342,715
N. R. Collishaw ⁽ⁱ⁾	850,051

⁽ⁱ⁾ These directors have also been granted Performance Rights as detailed in the Remuneration Report.

Directors hold ordinary interests, with equal rights to other shareholders.

Company secretary

Mr James Lonie was appointed Company Secretary on 14 August 2015. James is a partner in the Sydney office of Holding Redlich solicitors and has extensive financial services experience with a particular focus on;

- funds management including advising on licensing issues,
- general securities/corporate transactions and advice,
- mergers and acquisitions including off-market takeover bids, schemes, capital reductions and buy-backs and in preparing and negotiating offer, disclosure and shareholder meeting documentation.

James' experience includes addressing regulatory and compliance issues relating to, and documenting transactions and investment vehicles regulated by, the Corporations Act.

James graduated from Sydney University and holds a Bachelor of Arts, a Bachelor of Laws and a Masters of Laws.

Mr Matthew Coy, Chief Financial Officer, was appointed Company Secretary in 21 October 2009 and resigned effective 14 August 2015.

Mrs Lucy Rowe was appointed Company Secretary on 27 May 2014 and resigned on 28 August 2014.

Principal activities

The principal activities of the Group during the financial year were the marketing and management of investment products (including friendly society investment bonds and property investment funds), management of Over Fifty Guardian Friendly Society Limited and management of a reverse mortgage lending portfolio.

In October 2014 the Company announced the sale of its subsidiary, Over Fifty Insurance Pty Ltd and the sale of a large portion of its reverse mortgage portfolio. Both of these capital transactions are detailed further in Note 4(b) to the consolidated financial statements.

There were no other significant changes in the nature of the activities of the Group during the financial year.

Directors' Report

For the year ended 30 June 2015

Operating and financial review

The Group recorded a consolidated net profit after tax for the year is \$8.561 million (2014 \$9.078 million). The main sources of revenue continue to be derived from the Property Funds Management and Investment Bonds divisions.

Operational highlights for the respective divisions within the Group for the year were as follows:

Property Funds Management Division

- Centuria Metropolitan REIT ("CMA") successfully listed on the ASX on 10 December 2014. Subsequent to the listing, CMA successfully completed a 2 for 3 accelerated non-renounceable entitlement offer that raised an additional \$100 million. The proceeds of the entitlement offer were used to partially fund the acquisition of four additional assets, increasing CMA's property portfolio to nine office and three industrial assets.
- Centuria Property Funds Limited as Responsible Entity successfully launched Centuria 2 Wentworth Street Fund in December 2014 and completed a \$64 million equity raising for the acquisition of the remaining 50% interest in 8 Central Avenue, Australia Technology Park, Sydney on behalf of the newly launched Centuria 8 Central Avenue Fund No. 2.
- During the year, the Unlisted Property Division sold 13 assets across the portfolio taking advantage of a strong property market to dispose of mature assets, realising significant profits for its investors and performance fees for the Company.
- Profit before tax increased substantially to \$8.774 million for 2015 (2014: \$5.043 million), largely driven by performance fees.

Investment Bonds Division

- The Company invested heavily in the Investment Bonds Division this financial year with the key appointment of Neil Rogan as General Manager of the division. Neil has worked swiftly to appoint Business Development Managers in NSW and Victoria and is leading the reinvigoration of the division.
- The Company's key focus continues to be on growing Funds Under Management ("FUM") through creating new and innovative products that meet market demand, prudent investment decision making and maintaining informative and regular policyholder communication.
- The number of primary policy holders under administration continued to steadily increase throughout the year with 83,814 primary policyholders at 30 June 2015 (30 June 2014: 83,136).
- FUM increased modestly during the year – up from \$714.4 million at 30 June 2014 to \$715.2 million at 30 June 2015.
- Profit before tax for the division of \$5.628 million (2014: \$9.226 million) was significantly impacted by the impairment of seed capital invested in the Income Accumulation Fund (one of the Benefit Funds managed by Centuria Life Limited). The net after-tax impact was \$2.159 million on the results for the financial year (impairment of \$2.218 million, offset by a discounting adjustment of \$0.423 million and related tax expense of \$0.364 million).

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Reverse Mortgages

- Profit before tax of \$1.925 million (2014: \$7.904 million) decreased during the year due to the sale of a substantial portion of the variable rate reverse mortgage portfolio.
- Over Fifty Seniors Equity Release Pty Ltd, a subsidiary of the Company, sold a portfolio of variable rate reverse mortgages at a slight premium to face value in October 2014. The sale represented the successful implementation of Centuria's previously announced strategy and released substantial cash to the Group, strengthening the Group's balance sheet and providing capital to expand core divisions and greatly simplifying the business model of the Group.
- The Group retained a portfolio of fixed rate reverse mortgages which are regarded as a non-core, lowly geared, long-term holding. The Group also retained the associated interest rate swaps which protect the Company's position by fixing the cost of borrowings that fund the remaining portfolio.

Dividends

Dividends paid or declared by the Company during the current financial year were:

Declared and paid during the current financial year	Cents per share	Total amount \$'000	Date paid
Final 2014 dividend	1.50	1,172	29 October 2014
Interim 2015 dividend	2.00	1,563	26 March 2015
Total amount	3.50	2,735	

Subsequent to year end, the following dividend was declared by the directors. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

Declared after the end of the current financial year	Cents per share	Total amount \$'000	Date payable
Final 2015 dividend	2.75	2,111	18 September 2015

Directors' Report

For the year ended 30 June 2015

Events subsequent to the reporting date

(a) Final Dividend

On 20 August 2015, the Company declared a dividend of 2.75 cents per share franked to 100%. The dividend is expected to be paid on 18 September 2015.

(b) Resignation of CFO and Company Secretary

Mr Matthew Coy, Chief Financial Officer and Company Secretary resigned effective 14 August 2015. From this date, the (former) Corporate Finance Manager, Ms. Lee-Anne Wilson, became Acting CFO and James Lonie was appointed Company Secretary.

Other than the matters discussed above, there has not arisen in the interval between 30 June 2015 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments

The Group continues to pursue its strategy of focusing on its core operations, utilising a strengthened balance sheet to provide support to grow and develop these operations.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group's operations are not subject to any significant environmental regulation.

Indemnification of officers and auditors

The Company has agreed to indemnify all current and former directors and executive officers of the Company and its controlled entities against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as a director or executive officer unless the liability relates to conduct involving a lack of good faith.

The Company has agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the Directors' and Officers' Liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such an officer or auditor.

Directors' Report

For the year ended 30 June 2015

Non-audit services

During the financial year, KPMG, the Group's auditor, has performed services in addition to the audit and review of the financial statements. Details of amounts paid or payable to KPMG are outlined in Note 21 to the financial statements.

The directors are satisfied that the provision of non-audit services during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence, based on advice received from the Audit, Risk Management & Compliance committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 21 and forms part of the Directors' Report for the year ended 30 June 2015.

Rounding of amounts to the nearest thousand dollars

The Group is an entity of a kind referred to in ASIC Class Order 98/100, related 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, unless otherwise indicated.

Directors' Report

For the year ended 30 June 2015

Remuneration Report - Audited

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's directors and its senior management for the financial year ended 30 June 2015. The prescribed details for each person covered by this report are detailed under the following headings:

- 1 Director and senior management details;
- 2 Remuneration policy;
- 3 Relationship between the remuneration policy and company performance;
- 4 Non-executive director remuneration;
- 5 Remuneration of executive directors and senior management;
- 6 Key terms of employment contracts; and
- 7 Director and senior management equity holdings and other transactions.

1 Director and senior management details

The following persons acted as directors of the Company during or since the end of the financial year:

- Mr R. W. Dobson (Independent Chairman)
- Mr P. J. Done (Independent Director)
- Mr J. R. Slater (Independent Director)
- Mr J. E. McBain (Group CEO - Centuria Capital and Executive Director)
- Mr J. C. Huljich (CEO – Unlisted Property Funds and Executive Director)
- Mr. N. R. Collishaw (CEO - Listed Property Funds and Executive Director)

The term 'senior management' is used in this remuneration report to refer to the following persons in addition to the directors listed above. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Mr M. J. Coy (Chief Financial Officer and Company Secretary), resigned effective 14 August 2015
- Mr D.B. Govey (Head of Assets)

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

2 Remuneration policy

The Company recognises the important role people play in the achievement of its long-term objectives and as a key source of competitive advantage. To grow and be successful, the Company must be able to attract, motivate and retain capable individuals. The Company's remuneration policy focuses on the following:

- Ensuring competitive rewards are provided to attract and retain executive talent;
- Linking remuneration to performance so that higher levels of performance attract higher rewards;
- Aligning rewards of all staff, but particularly executives, to the creation of value to shareholders;
- Making sure the criteria used to assess and reward staff include financial and non-financial measures of performance;
- Ensuring the overall cost of remuneration is managed and linked to the ability of the Company to pay; and
- Ensuring severance payments due to the Chief Executive Officer on termination are limited to pre-established contractual arrangements which do not commit the Group to making any unjustified payments in the event of non-performance.

3 Relationship between the remuneration policy and company performance

The main objective in rewarding the Company executives for their performances is to ensure that shareholders' wealth is maximised through the Company's continued growth. It is necessary to structure and strengthen this focus to drive this strategy so that they are aligned with the Company's objectives and successes.

Under the remuneration policy, senior management's remuneration includes a fixed remuneration component, short-term and long-term incentive arrangements. The long-term incentives are based on the Company's performance for the year in reference to specific Earnings per Share (EPS) hurdles and Key Strategic Goals being met. The Group's remuneration is directly related to the performance of the Group through the linking of short and long-term incentives to these financial measures.

The short-term incentives are based on the individual's performance in the preceding 12 months compared to pre-agreed goals.

Where senior management is remunerated with shares, the Remuneration Policy places no limitations to their exposure to risk in relation to the shares. Target incentive remuneration refers to the incentive pay provided for meeting performance requirements. Actual incentive remuneration can vary for executive directors and senior management depending on the extent to which they meet performance requirements.

In accordance with the Company's corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

4 Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. Clause 63.2 of the Constitution provides an aggregate maximum amount of not more than \$750,000 per year.

Directors' Fees

Each director receives a fee for being a director of Group companies and an additional fee is paid to the Chairman and to the Chairman of each Board Committee. The payment of the additional fees to each Chairman recognises the additional time commitment and responsibility associated with the position.

5 Remuneration of executive directors and senior management

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of stakeholders;
- Link rewards with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Directors' Report**For the year ended 30 June 2015****Remuneration Report – Audited (continued)****5 Remuneration of executive directors and senior management (continued)****Structure**

In determining the level and make-up of executive remuneration, the CEO and Board have regard to market levels of remuneration for comparable executive roles.

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance-based incentives. The proportion of fixed and variable remuneration is established for each executive by the CEO after consultation with the Nomination & Remuneration Committee. While the allocation may vary from period to period, the table below details the approximate fixed and variable components for the executives.

	% of Total Target Annual Remuneration	
	Fixed remuneration	Variable remuneration
Executive directors		
Mr J. E. McBain	80%	20%
Mr J. C. Huljich	80%	20%
Mr N. R. Collishaw	80%	20%
Senior management		
Mr M. J. Coy	80%	20%
Mr D. B. Govey	80%	20%

(a) Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds. This is reviewed annually by the CEO and the process consists of a review of Company, business unit and individual performance as well as relevant comparative remuneration in the market. The same process is used by the Nomination & Remuneration Committee when reviewing the fixed remuneration of the CEO.

The CEO and senior management are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and salary sacrifice items such as motor vehicles, motor vehicle allowances and/or additional superannuation contributions. It is intended that the manner of payment chosen will be optimal without creating undue cost for the Group but always contained in their respective fixed total remuneration.

(b) Variable Remuneration

Under the Company's Senior Management Remuneration Policy, long and short-term performance incentives may be made under the Company's incentive plans. These are discussed further below.

(i) Short-term Incentives (STI)

The objective of the STI program is to link the achievement of the Group's operational and financial targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve operational targets and such that the cost to the Group is reasonable in the circumstances.

Directors' Report**For the year ended 30 June 2015****Remuneration Report – Audited (continued)****5 Remuneration of executive directors and senior management (continued)**

At the Board's absolute discretion, employees may be provided with the opportunity to receive an annual, performance-based incentive, either in the form of cash or the issue of shares in the Company, or a combination of both.

During the current financial year, the Company issued 320,000 ordinary shares to employees in addition to cash bonuses provided to employees.

In the previous financial year, the Company issued 144,310 ordinary shares to employees in addition to cash bonuses provided to employees.

(ii) Long-term incentive (LTI)

The Company has an Executive Incentive Plan ("LTI Plan") which forms a key element of the Company's incentive and retention strategy for senior executives under which Performance Rights ("Rights") are issued.

The primary objectives of the Plan include:

- focusing executives on the longer term performance of the Group to drive long term shareholder value creation;
- ensure executive remuneration outcomes are aligned with shareholder interests, in particular, the strategic goals and performance of the Group; and
- ensure remuneration is competitive and aligned with general market practice by ASX listed companies.

Rights issued under the LTI Plan are issued in accordance with the thresholds approved at the 2013 AGM.

A summary of the key terms of the Performance Rights are set out below.

Term	Detail
Performance Rights ("Rights")	Each Right is a right to receive a fully paid ordinary share in the Company ("Share"), subject to meeting the Performance Conditions. Upon meeting the Performance Conditions, the Rights vest and Shares are allocated. Rights do not carry a right to vote or to dividends or, in general, a right to participate in other corporate actions such as bonus issues.
Vesting conditions	The Rights will vest to the extent that the board determines that: <ul style="list-style-type: none"> • The Performance Conditions that apply to the Rights were satisfied; and • The employee was continuously employed by the Company until the end of the Performance Period.
Vesting date	The date on which the Board determines the extent to which the Performance Conditions are satisfied and the Rights vest.
Performance Conditions	The Performance Conditions set out in the LTI Plan relate to: <ul style="list-style-type: none"> • Growth in Earnings Per Share ("EPS hurdles"); • Growth in property and friendly society funds under management ("Growth in FUM Hurdle"); and • Absolute Total Shareholder Return Performance ("Absolute TSR Hurdle").

Directors' Report**For the year ended 30 June 2015****Remuneration Report – Audited (continued)****5 Remuneration of executive directors and senior management (continued)**

There have been two tranches of Rights granted under the LTI plan to date:

- Tranche 1 granted on 1 January 2014 with a three year performance period from 1 July 2013 to 30 June 2016; and
- Tranche 2 granted on 1 February 2015 with a three year performance period from 1 July 2014 to 30 June 2017.

Each tranche contained different hurdle rates and a different portion of rights that are tested against each hurdle as detailed following.

EPS Hurdle

The percentage of Rights subject to the EPS Hurdle that vest, if any, will be determined as follows:

	Compound Annual Growth Rate	Portion of Rights that vest	Compound Annual Growth Rate	Portion of Rights that vest
	Tranche 1 (70%)		Tranche 2 (45%)	
Maximum % or above	12.5% or greater	100%	10% or greater	100%
Between threshold % and maximum %	More than 7.5%, less than 12.5%	Pro-rata between 50% to 100%	More than 6%, less than 10%	Pro-rata between 50% to 100%
			More than 4%, less than 6%	Pro-rata between 25% to 50%
Threshold %	7.5%	50%	4%	25%
Less than the threshold %	Less than 7.5%	0%	Less than 4%	0%

The Board has discretion to adjust the EPS performance hurdle to ensure that participants are neither advantaged nor disadvantaged by matters outside managements' control that affect EPS (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

Growth in FUM Hurdle

The percentage of Rights subject to the Growth in FUM Hurdle that vest, if any, will be determined as follows:

	Compound Annual Growth Rate	Portion of Rights that vest	Compound Annual Growth Rate	Portion of Rights that vest
	Tranche 1 (15%)		Tranche 2 (15%)	
Maximum % or above	25% or greater	100%	18% or greater	100%
Between threshold % and maximum %	More than 15%, less than 25%	Pro-rata between 50% to 100%	More than 14%, less than 18%	Pro-rata between 50% to 100%
			More than 10%, less than 14%	Pro-rata between 25% to 50%
Threshold %	15%	50%	10%	25%
Less than the threshold %	Less than 15%	0%	Less than 10%	0%

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Remuneration Report – Audited (continued)

5 Remuneration of executive directors and senior management (continued)

Absolute TSR Hurdle

The percentage of Rights subject to the Absolute TSR Hurdle that vest, if any, will be determined as follows:

	Compound Annual Growth Rate	Portion of Rights that vest	Compound Annual Growth Rate	Portion of Rights that vest
	Tranche 1 (15%)		Tranche 2 (40%)	
Maximum % or above	18% or greater	100%	18% or greater	100%
Between threshold % and maximum %	More than 12%, less than 18%	Pro-rata between 50% to 100%	More than 15%, less than 18%	Pro-rata between 50% to 100%
			More than 12%, less than 15%	Pro-rata between 25% to 50%
Threshold %	12%	50%	12%	25%
Less than the threshold %	Less than 12%	0%	Less than 12%	0%

Rights Granted

During the current and previous financial year, the following Rights were granted to key management personnel.

Employee	No. of Rights Granted	Vesting Conditions	Fair value at Grant Date
Tranche 1 (grant date of 1 January 2014)			
Mr J.E. McBain	376,903	EPS Hurdle	\$0.73
	80,765	FUM Growth Hurdle	\$0.73
	80,765	Absolute TSR Growth Hurdle	\$0.18
Mr J.C. Huljich	231,837	EPS Hurdle	\$0.73
	49,679	FUM Growth Hurdle	\$0.73
	49,680	Absolute TSR Growth Hurdle	\$0.18
Mr N. R. Collishaw	231,837	EPS Hurdle	\$0.73
	49,679	FUM Growth Hurdle	\$0.73
	49,680	Absolute TSR Growth Hurdle	\$0.18
Total	1,200,825		

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

5 Remuneration of executive directors and senior management (continued)

Tranche 2 (grant date of 1 February 2015)			
Mr J.E. McBain	216,496	EPS Hurdle	\$0.81
	72,165	FUM Growth Hurdle	\$0.81
	192,441	Absolute TSR Growth Hurdle	\$0.28
Mr J.C. Huljich	135,000	EPS Hurdle	\$0.81
	45,000	FUM Growth Hurdle	\$0.81
	120,000	Absolute TSR Growth Hurdle	\$0.28
Mr N. R. Collishaw	135,000	EPS Hurdle	\$0.81
	45,000	FUM Growth Hurdle	\$0.81
	120,000	Absolute TSR Growth Hurdle	\$0.28
Mr M. J. Coy	60,037	EPS Hurdle	\$0.81
	20,012	FUM Growth Hurdle	\$0.81
	53,366	Absolute TSR Growth Hurdle	\$0.28
Mr D. B. Govey	44,270	EPS Hurdle	\$0.81
	14,757	FUM Growth Hurdle	\$0.81
	39,350	Absolute TSR Growth Hurdle	\$0.28
Other executives	233,564	EPS Hurdle	\$0.81
	77,855	FUM Growth Hurdle	\$0.81
	207,613	Absolute TSR Growth Hurdle	\$0.28
Total	1,831,926		

Subject to the Boards' overriding discretion, unvested Rights lapse upon the earliest of ceasing employment, variations of capital, divestment of a material business or subsidiary, change of control, clawback and lapse for fraud and breach, failure to satisfy the Performance Conditions and the 7th anniversary of the date of the grant.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

5 Remuneration of executive directors and senior management (continued)

The Company's overall objective is to reward senior management based on the Company's performance and build on shareholders' wealth but this is subject to market conditions for the year. The table below sets out summary information about the Group's earnings for the past five years.

Summary of earnings

	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2013 \$'000	30 June 2012 \$'000	30 June 2011 \$'000
Net profit/(loss) before tax	16,343	17,383	10,905	3,702	1,347
Net profit/(loss) after tax	8,561	9,078	7,338	1,967	(2,891)

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Share price at start of year	\$0.80	\$0.82	\$0.42	\$0.57	\$0.52
Share price at end of year	\$0.93	\$0.80	\$0.82	\$0.42	\$0.57
Interim dividend	2.0cps	1.25cps	1.25cps	1.25cps	2.50cps
Final dividend	2.75cps	1.50cps	-	-	3.50cps
Basic earnings per share	11.0cps	11.6cps	9.4cps	2.5cps	(3.7)cps
Diluted earnings per share	10.8cps	11.6cps	9.4cps	2.5cps	(3.7)cps

Remuneration for the year ended 30 June 2015

	Short-term employee benefits				Post employment benefits	Other long-term benefits	Share-based payment	Total
	Salaries	Fees	Bonus	Car allowance	Superannuation	Long Service Leave		
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
R.W. Dobson	-	140,000	-	-	13,300	-	-	153,300
P.J. Done	-	120,000	-	-	11,400	-	-	131,400
J.R. Slater	-	90,000	-	-	8,550	-	-	98,550
J.E. McBain	541,199	-	150,000	-	24,000	11,549	215,387	942,134
J.C. Huljich	490,431	-	100,000	-	18,783	10,505	133,298	753,018
N.R. Collishaw ⁽ⁱ⁾	493,716	-	100,000	-	18,783	-	133,298	745,797
Sub-total	1,525,346	350,000	350,000	-	94,817	22,054	481,983	2,824,199
Senior management								
M.J. Coy ⁽ⁱⁱ⁾	359,967	-	-	-	18,783	7,137	45,248	431,136
D.B. Govey	321,286	-	30,000	-	25,000	7,144	19,610	403,040
Sub-total	681,253	-	30,000	-	43,783	14,282	64,858	834,176
Grand total	2,206,599	350,000	380,000	-	138,600	36,336	546,841	3,658,376

(i) As part of his employment agreement, Mr Collishaw is entitled to receive a one-off \$500,000 incentive payment upon successful listing of a listed property fund once the fund reaches \$500 million of assets under management.

(ii) Mr Coy was awarded 20,000 shares during the year as a short-term incentive in recognition of the achievement of a strategic objective of the Group to monetise a large portion of the reverse mortgage portfolio. The expense is included in the share-based payment amount disclosed in the table above.

No directors or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

5 Remuneration of executive directors and senior management (continued)

Remuneration for the year ended 30 June 2014

	Short-term employee benefits				Post employment benefits	Other long-term benefits	Share-based payment	Total
	Salaries	Fees	Bonus	Car allowance	Superannuation	Long Service Leave		
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
R.W. Dobson	-	140,000	-	-	12,950	-	-	152,950
P.J. Done	-	120,000	-	-	11,100	-	-	131,100
J.R. Slater	-	98,266	-	-	9,090	-	-	107,356
J.E. McBain	514,261	-	80,873	-	24,000	11,516	73,631	704,281
J.C. Huijich	463,842	-	74,641	15,000	17,775	14,206	45,291	630,755
N.R. Collishaw ⁽ⁱ⁾	482,442	-	75,120	-	17,776	-	45,291	620,629
Sub-total	1,460,545	358,266	230,634	15,000	92,691	25,722	164,213	2,347,071
Senior management								
M.J. Coy	351,738	-	55,591	-	17,775	7,014	-	432,118
T. D. Reid	217,894	-	11,111	-	17,775	5,912	-	252,692
D.B. Govey	312,724	-	50,564	-	25,000	7,137	-	395,425
Sub-total	882,356	-	117,266	-	60,550	20,064	-	1,080,236
Grand total	2,342,901	358,266	347,900	15,000	153,241	45,786	164,213	3,427,307

(i) Mr Collishaw commenced employment on 1 May 2013 and was appointed as a Director on 27 August 2013.

6 Key terms of employment contracts

CEO

Mr John McBain, was appointed as CEO of the Company in April 2008. He is also an executive director of the Company. Mr McBain is employed under contract. The summary of the major terms and conditions of Mr McBain's employment contract are as follows:

- Fixed Compensation plus superannuation contributions;
- Car parking within close proximity to the Company's office;
- Eligible to participate in the bonus program determined at the discretion of the Board;
- The Company may terminate this employment contract by providing 6 months written notice or provide payment in lieu of the notice period. Any payment in lieu of notice will be based on the Total Fixed Compensation Package; and
- The Company may terminate the employment contract at any time without notice if serious misconduct has occurred. When termination with cause occurs the CEO is only entitled to remuneration up to the date of termination.

Other executives (standard contracts)

All executives are employed under contract. The Company may terminate the executive's employment agreement by providing between 1 and 6 months written notice or providing payment in lieu of the notice period (based on the Total Fixed Compensation package).

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

For the year ended 30 June 2015

Remuneration Report – Audited (continued)

7 Director and senior management equity holdings and other transactions

(a) Director and senior management equity holdings

Set out below are details of movements in fully paid ordinary shares held by directors and senior management.

Fully paid ordinary shares

	Balance at 1 July	Shares Purchased / Issued as Part of Remuneration	Shares Sold	Balance at 30 June
	No.	No.	No.	No.
2015				
R.W. Dobson	997,728	201,614	-	1,199,342
P.J. Done	400,000	100,000	-	500,000
J.R. Slater	1,402,297	227,703	-	1,630,000
J.E. McBain	4,590,286	9,754	-	4,600,040
J.C. Huljich	2,387,715	-	(45,000)	2,342,715
N.R. Collishaw	850,051	-	-	850,051
M.J. Coy	583,311	37,360	-	620,671
D.B. Govey	715,272	-	-	715,272
2014				
R.W. Dobson	803,047	194,681	-	997,728
P.J. Done	324,261	75,739	-	400,000
J.R. Slater	1,100,000	302,297	-	1,402,297
J.E. McBain	4,538,359	51,927	-	4,590,286
J.C. Huljich	2,371,429	16,286	-	2,387,715
N.R. Collishaw	585,000	265,051	-	850,051
M.J. Coy	575,024	8,287	-	583,311
T.D. Reid	46,542	-	-	46,542
D.B. Govey	625,661	89,611	-	715,272

(b) Transactions with key management personnel

As a matter of Board policy, all transactions with directors and director-related entities are conducted on arms-length commercial or employment terms.

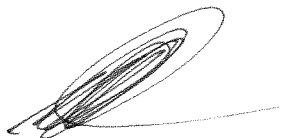
During the financial year, the following transactions occurred between the Company and key management personnel:

- Henry Davis York, a related party of R. Dobson, was paid \$806,856 (inclusive of GST) (2014: \$61,939) for legal consultancy fees.
- Mr J. R. Slater (personally) and Riviera Capital Pty Ltd, a related party of Mr. Slater, were paid a total of \$141,643 (inclusive of GST) (2014: \$97,715) for consultancy services.

Directors' Report

For the year ended 30 June 2015

This Director's Report is signed in accordance with a resolution of the Directors.

A stylized, cursive signature of R. W. Dobson, featuring a large, sweeping 'D' and 'W'.

R. W. Dobson
Chairman

A stylized, cursive signature of P. J. Done, featuring a large, sweeping 'D' and 'J'.

P. J. Done
Director
Chairman - Audit, Risk Management &
Compliance Committee

Sydney

20 August 2015



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

To: the directors of Centuria Capital Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

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

KPMG

Steven Gatt
Partner

Sydney

20 August 2015

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Consolidated statement of comprehensive income
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Revenue	4(a)	37,201	40,499
Gains on sales of non-core assets	4(b)	5,194	-
		<u>42,395</u>	<u>40,499</u>
Revenue attributable to Benefit Funds	2(b), 4(c)	22,015	28,533
Total income		<u>64,410</u>	<u>69,032</u>
Finance costs	5	(3,890)	(10,239)
Employee benefits expense	6	(12,464)	(10,706)
Administration fees		(2,338)	(2,913)
Consulting and professional fees		(2,363)	(2,346)
Other expenses	7(a)	(5,547)	(5,226)
Impairment of related party receivable		(2,218)	-
Unrealised gain arising from fair value movements of derivative financial instruments	24(c)(iv)	1,148	5,007
Expenses attributable to Benefit Funds	2(b), 7(b)	(20,395)	(25,226)
Profit before tax		<u>16,343</u>	<u>17,383</u>
Income tax expense relating to shareholders	8(a)	(6,162)	(4,998)
Income tax benefit/(expense) relating to Benefit Funds	8(a)	(1,620)	(3,307)
Total income tax expense		<u>(7,782)</u>	<u>(8,305)</u>
Profit for the period		<u>8,561</u>	<u>9,078</u>
Other comprehensive income:			
Gain on cash flow hedges taken to equity		54	490
Income tax expense relating to components of other comprehensive income		(16)	(147)
Other comprehensive income for the year (net of tax)		38	343
Total comprehensive income for the period		<u>8,599</u>	<u>9,421</u>
Profit attributable to:			
Owners of the Company		8,566	9,078
Non-controlling interests		(5)	-
		<u>8,561</u>	<u>9,078</u>
Total comprehensive income attributable to:			
Owners of the Company		8,604	9,421
Non-controlling interests		(5)	-
		<u>8,599</u>	<u>9,421</u>
Earnings per share			
From continuing operations:			
Basic (cents per share)	9	11.0	11.6
Diluted (cents per share)	9	10.8	11.6

The consolidated financial statements include the financial results of the Benefit Funds of Centuria Life Limited (refer to Note 2(d)).

The notes on pages 26 to 69 are an integral part of these consolidated financial statement.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Consolidated statement of financial position
For the year ended 30 June 2015

		30 June 2015	30 June 2014	1 July 2013
	Note	\$'000	Restated \$'000	Restated \$'000
ASSETS				
Cash and cash equivalents	23(a)	25,487	13,115	9,285
Trade and other receivables	10	8,619	11,004	13,290
Assets classified as held for sale	22(e)(iii)	1,040	-	-
Financial assets at fair value through profit and loss	11	5,456	285	3,154
Property held for development	22(a)	23,011	-	-
Other financial assets	11	43,754	170,321	185,848
Prepayments		797	1,421	1,382
Investment in associates	22(e)(iv)	-	668	668
Plant and equipment		1,134	1,031	728
Deferred tax assets	8(d)	819	3,603	6,427
Income tax receivable	8(c)	1,804	527	6,579
Intangible assets	12	53,025	53,025	53,109
Assets in respect of Benefit Funds	16(a)	386,401	411,238	435,459
TOTAL ASSETS		551,347	666,238	715,929
LIABILITIES				
Trade and other payables	13	6,343	9,168	17,599
Borrowings	14	20,912	126,236	147,298
Derivative financial liabilities	15	17,576	14,967	20,141
Provisions		1,264	1,185	1,129
Liabilities in respect of Benefit Funds	16(a)	386,401	411,238	435,459
TOTAL LIABILITIES		432,496	562,794	621,626
NET ASSETS		118,851	103,444	94,303
EQUITY				
Contributed equity	17	88,112	89,167	88,634
Retained earnings		-	-	-
Profits reserves		19,982	14,151	6,050
Cash flow hedge reserve		-	(38)	(381)
Share-based payment reserve		784	164	-
Equity attributable to equity holders of the Company		108,878	103,444	94,303
Non-controlling interests		9,973	-	-
TOTAL EQUITY		118,851	103,444	94,303

The consolidated financial statements include the financial position of the Benefit Funds of Centuria Life Limited (refer to Note 2(d)).

Prior period comparative information has been restated as set out in Note 18.

The notes on pages 26 to 69 are an integral part of these consolidated financial statements

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Consolidated statement of changes in equity

For the year ended 30 June 2015

	Contributed equity \$'000	Retained earnings \$'000	Profits reserve \$'000	Cash flow hedge reserve \$'000	Share-based payment reserve \$'000	Attributable to equity holders of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2013 (restated)	88,634	-	6,050	(381)	-	94,303	-	94,303
Profit for the year	-	9,078	-	-	-	9,078	-	9,078
Other comprehensive income for the period	-	-	-	343	-	343	-	343
Total comprehensive income for the period	-	9,078	-	343	-	9,421	-	9,421
Transfer between reserves	-	(9,078)	9,078	-	-	-	-	-
Share-based payment	-	-	-	-	164	164	-	164
Employee share scheme	533	-	-	-	-	533	-	533
Dividends paid	-	-	(977)	-	-	(977)	-	(977)
Balance at 30 June 2014 (restated)	89,167	-	14,151	(38)	164	103,444	-	103,444
Balance at 1 July 2014 (restated)	89,167	-	14,151	(38)	164	103,444	-	103,444
Profit for the year	-	8,566	-	-	-	8,566	(5)	8,561
Other comprehensive income for the period	-	-	-	38	-	38	-	38
Total comprehensive income for the period	-	8,566	-	38	-	8,604	(5)	8,599
Acquisition of subsidiary with NCI	-	-	-	-	-	-	9,978	9,978
Transfer between reserves	-	(8,566)	8,566	-	-	-	-	-
Share-based payment	-	-	-	-	620	620	-	620
Employee share scheme	284	-	-	-	-	284	-	284
Dividends paid	-	-	(2,735)	-	-	(2,735)	-	(2,735)
Share buy-back/shares cancelled	(1,339)	-	-	-	-	(1,339)	-	(1,339)
Balance at 30 June 2015	88,112	-	19,982	-	784	108,878	9,973	118,851

The consolidated financial statements include the financial results of the Benefit Funds of Centuria Life Limited (refer to Note 2(d)).

Prior period comparative information has been restated as set out in Note 18.

The notes on pages 26 to 69 are an integral part of these consolidated financial statements.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Consolidated statement of cash flows
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Interest received		776	537
Management fees received		29,734	23,563
Rent, trust distributions and other income received		2,392	3,066
Benefit Funds net cash used in operating activities		(27,855)	(27,327)
Payments to suppliers and employees		(25,424)	(19,349)
Payments for property held for development		(23,011)	-
Income tax paid		(6,819)	(159)
Net cash used in operating activities	23(b)	(50,207)	(19,669)
Cash flows from investing activities			
Benefit Funds net cash provided by investing activities		5,408	50,960
Payments for plant and equipment		(539)	(784)
Acquisition of investments in managed funds		(6,154)	-
Net proceeds from sale of insurance subsidiary		4,873	-
Net cash (used in)/provided by investing activities		3,588	50,176
Cash flows from financing activities			
Payment for shares (buy-back)/issued		(1,339)	533
Collections from reverse mortgage holders		12,994	28,379
Repayment of borrowings (reverse mortgages)		(8,395)	(21,062)
Interest paid on reverse mortgage borrowings		(3,765)	(8,666)
Proceeds from partial sale of reverse mortgage loan portfolio		126,566	-
Repayment of borrowings on sale of reverse mortgages loan portfolio		(94,864)	-
Repayment of borrowings (corporate)		(12,000)	-
Proceeds from borrowings (development)		9,609	-
Proceeds from non-controlling interests		9,696	-
Dividends paid		(2,735)	(977)
Financing costs paid on corporate borrowings		776	(1,251)
Net cash provided by/(used in) financing activities		36,543	(3,044)
Net (decrease)/increase in cash and cash equivalents		(10,076)	27,463
Cash and cash equivalents at the beginning of the financial year		51,400	23,937
Cash and cash equivalents at 30 June		41,325	51,400
Cash attributable to shareholders	23(a)	25,487	13,115
Cash attributable to benefit funds	23(a)	15,838	38,285
		41,325	51,400

The consolidated financial statements include the financial results of the Benefit Funds of Centuria Life Limited (refer to Note 2(d)).

The notes on pages 26 to 69 are an integral part of these consolidated financial statements.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

1. General information

Centuria Capital Limited (the 'Company') is a public company listed on the Australian Stock Exchange (trading under the symbol CNI), incorporated and operating in Australia. These consolidated financial statements comprise the Company and its controlled entities (together referred to as the 'Group').

The Company is a for-profit entity and its principal activities are the marketing and management of investment products (including friendly society investment bonds and property investment funds), management of Over Fifty Guardian Friendly Society Limited and management of a reverse mortgage lending portfolio.

The Company is required by AASB 10 *Consolidated Financial Statements* to recognise the assets, liabilities, income, expenses and equity of the Benefit Funds of its subsidiary, Centuria Life Limited (the "Benefit Funds"). The assets and liabilities of the Benefit Funds do not impact the net profit after tax or the equity attributable to the shareholders of the Company and the shareholders of the Company have no rights over the assets and liabilities held in the Benefit Funds.

The Company's registered office and its principal place of business are as follows:

Registered office	Principal place of business
Level 39	Level 39
100 Miller Street	100 Miller Street
Sydney NSW 2060	Sydney NSW 2060
Tel: 1300 50 50 50	Tel: 1300 50 50 50

2. Significant accounting policies

(a) Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the directors on 20 August 2015.

(b) Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for derivative financial instruments, financial assets at fair value through profit and loss and other financial assets, which have been measured at fair value at the end of each reporting period. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the company's functional currency, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

During the current financial year the Group has changed the way it presents revenue and expenses in respect of the Benefit Funds. In prior reporting periods, these amounts were presented net, whereas in the current year, these have been presented on a gross basis. Comparative information has been restated in line with the current period presentation basis. This change has resulted in the net revenue from Benefit Funds of \$3.307 million in the prior period being disclosed as follows:

	\$'000
Revenue attributable to Benefit Funds	28,533
Expenses attributable to Benefit Funds	(25,226)

This change has had no impact on the net profit or loss, or net assets of the Group.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Key judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – Intangible Assets
- Note 24 – Financial Instruments

(ii) Critical estimates in applying the entity's accounting policies

A Financial Condition Report was prepared by Centuria Life's Appointed Actuary, Mr Guy Thorburn, BEc, FIAA, ASA. This report covers Benefit Fund liabilities and prudential reserves. The effective date of the report is 30 June 2015.

The amount of the Benefit Fund liabilities has been determined in accordance with the methods and assumptions disclosed in the Financial Condition Report.

Policyholder liabilities for benefit funds, other than the Funeral Benefit Fund, are valued using the accumulation method and are equal to the contributions made by members, net of fees, together with bonus additions to date. The balance of the fund is the unvested policyholder benefit liabilities (or surplus). Each year's bonus declaration results in a movement from unvested policyholder benefit liabilities to the vested policy liability. The bonus rate is limited to ensure that the amount vesting is no more than the distributable portion of unvested policyholder benefit liabilities.

For the Funeral Benefit Fund, the policyholder liability has been taken to be the value of assets of the fund net of other liabilities less the value of the current period bonus. This liability represents the present value of guaranteed benefits (pre-bonus) plus the present value of future bonuses. Following declaration of the bonus, there would then be no surplus under this arrangement.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty (continued)

The main variables that determine the bonus rate for a Benefit Fund are the value of the net assets of each benefit fund at the end of the year, the amounts standing to the credit of each investment account through the previous year and the investment return (net of fees and taxes where applicable) earned by the fund throughout the year. The excess of the net assets of the benefit fund over the liabilities after meeting the prudential standards is the surplus that is generally able to be distributed to members as a bonus.

There is no provision in the funds' rules for any surplus to be transferred to the Management Fund. The Management Fund receives specified fee transfers from the funds to cover expenses. All remaining assets are to be used to provide benefits to members.

Changes in economic conditions and demographics will alter the unallocated surplus. The Capital Requirements, as set by APRA, aim to ensure there is sufficient unallocated surplus to cover the effect of these changes.

APRA has provided the Society with temporary transitional relief from the Capital Adequacy Requirements to the extent of \$6.2 million for the period to 31 December 2015, at which point Centuria Life Limited and the Benefit Funds are expected to be in a position to meet the capital reserving requirements without the benefit of transitional relief. The expected recovery of, or future injection of, seed capital into the Society's Benefit Funds is dependent on the underlying performance of the Funds' assets.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (subsidiaries). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company is required by AASB 10 *Consolidated Financial Statements* to recognise the assets, liabilities, income, expenses and equity of the benefit funds of its subsidiary, Centuria Life Limited (the "Benefit Funds"). The assets and liabilities of the Benefit Funds do not impact the net profit after tax or the equity attributable to the shareholders of the Company and the shareholders of the Company have no rights over the assets and liabilities held in the Benefit Funds.

The Company has majority representation on the Board of the Over Fifty Guardian Friendly Society Limited (Guardian). However, as Guardian is a mutual organisation, the Company has no legal rights to Guardian's net assets, nor does it derive any benefit from exercising its power and therefore does not control Guardian.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method when control is transferred to the Group. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(f) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is achieved (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are initially carried in the consolidated statement of financial position at cost and subsequently adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Management fees

Management fees are recognised on an accruals basis when the Group has the right to receive payment.

Distribution revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method.

Property acquisition fees, sale and performance/incentive fees

Property acquisition fees are recognised when an investment property has been acquired in a fund managed by the Group.

Sales and performance/incentive fees derived from managed funds is recognised upon settlement of the sale of an investment property.

Commission and application fee income

All insurance agency commissions and application fee income is recognised on an accruals basis when the Group has the right to receive the payment.

Sale of development properties

Revenue from the sale of apartments is recognised at the fair value of the consideration receivable when the significant risks and rewards of ownership have been transferred to the purchaser and where there is no continuing management involvement, which normally coincides with settlement of the contract for sale.

(j) Finance costs

The groups finance costs include:

- Interest expense;
- The net gain or loss on hedging instruments that are recognised in profit or loss; and
- The unwinding of the discount on the non-current receivables.

Interest expense is recognised using the effective interest method.

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(k) Taxation (continued)

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is unable to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. The Company is the head entity in the tax-consolidated group. Tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using a 'stand-alone' approach based on the allocation specified in the tax funding arrangement.

The Benefit Funds are part of the tax consolidated group, and they are allocated a share of the income tax liability attributable to Centuria Life Limited equal to the income tax liability that would have arisen to the Benefit Funds had they been stand-alone.

(iv) Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(l) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Bank overdrafts are shown within borrowings in the statement of financial position.

(m) Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) Financial assets at fair value through profit and loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of comprehensive income.

(iii) Other financial assets

Other financial assets include reverse mortgage loans. Reverse mortgage loans are held directly at amortised cost using the effective interest method except for commercial mortgage loans held by the Benefit Funds which are measured at fair value through profit and loss. An allowance for impairment loss is made at year end for specific amounts when there is objective evidence that collection of the full amount is no longer probable. Bad debts are written off when identified.

(iv) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the consolidated financial statements

For the year ended 30 June 2015

2. Significant accounting policies (continued)

(m) Financial assets (continued)

(v) *Impairment of financial assets*

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss.

(vi) *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

(n) Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) *Group as a lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) *Lease incentives*

Lease incentives received to enter into operating leases are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives granted as part of operating leases are recognised as a reduction of rental income on a straight line basis over the life of the lease.

(o) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(i) *Short-term employee benefits*

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(ii) *Long-term employee benefits*

Liabilities recognised in respect of long-term employee benefits, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(o) Employee benefits (continued)

(iii) Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates with respect to non-market vesting conditions, if any, is recognised in profit for the year such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(p) Financial liabilities and equity instruments issued by the Group

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with AASB 132 *Financial Instruments*.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(iii) Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(q) Derivative financial instruments

The Group enters into derivative financial instruments such as interest rate swaps to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(q) Derivative financial instruments (continued)

(i) Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking the hedge. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The Group designates certain derivatives as either hedges of fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the other expenses or other income line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(r) Product classification

The accounting treatment of certain transactions varies depending on the nature of the contract underlying the transaction. The major contract classifications are insurance contracts and investment contracts.

(i) Insurance contracts

Insurance contracts are those containing significant insurance risk at the inception, or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

(ii) Investment contracts

Contracts not considered insurance contracts are classified as investment contracts. The accounting treatment of investment contracts depends on whether the investment has a Discretionary Participation Feature. A Discretionary Participation Feature (DPF) means a contractual right to receive, as a supplement to guaranteed benefits, additional benefits:

- (a) that are likely to be a significant portion of the total contractual benefits;
- (b) whose amount or timing is contractually at the discretion of the issuer; and
- (c) that are contractually based on:
 - the performance of a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - the profit or loss of the Company, fund or other entity that issues the contract.

Applications and redemptions on investment contracts with a DPF are accounted for through profit or loss. The gross change in the liability to these policyholders for the period, which includes any participating benefits vested in policyholders and any undistributed surplus attributed to policyholders, is also recognised through profit or loss.

Applications and redemptions on investment contracts without a DPF are accounted for through the statement of financial position as a movement in policyholder liabilities. Distributions on these contracts are charged to profit or loss as a movement in the policyholder liability. Premiums and claims relating to the investment component are accounted for as a deposit through the statement of financial position.

(s) Policyholders' funds

Assets and liabilities held by the Benefit Funds are included in the statement of financial position of the Group.

The liability to bonus fund policyholders is closely linked to the performance and value of the assets (after tax) that back those liabilities. The fair value of such liabilities is therefore the same as the fair value of those assets after tax. In accordance with the rules of the funds, any remaining surplus is attributed to the policyholders of the fund. In accordance with applicable accounting standards, applications to these funds are recorded as income, redemptions from these funds and amounts distributable to policyholders are recorded as expenses.

Notes to the consolidated financial statements
For the year ended 30 June 2015

2. Significant accounting policies (continued)

(s) Policyholders' funds (continued)

The policyholders' funds liability for unit linked funds is equal to the number of units held, multiplied by the unit redemption price based on market value of the fund's investments as at the valuation date. Applications to these funds are not recorded as income, redemptions from these funds are not recorded separately as expenses, but amounts distributable to policyholders are recorded as an expense. No guarantees are provided by the Society in respect of the unit linked funds.

Claims incurred in respect of the Benefit Funds represent investment withdrawals (redemptions) and are recognised as a reduction in policyholder liabilities. Redemptions in respect of bonus funds are also disclosed as an expense as set out above.

Benefit Fund expenses which are directly attributable to an individual policy or product are allocated directly to the benefit fund within which that class of business is conducted. The apportionment basis has been made in line with the principles set out in the Life Insurance Actuarial Standards Board (LIASB) Valuation Standard (Actuarial Standard AS1.04) and the apportionment is in accordance with Division 2 of Part 6 of the Life Act.

(t) Property held for development

Properties held for development in the ordinary course of business are carried at the lower of cost and net realisable value. Cost includes, where applicable, the cost of acquisition, construction, interest, rates, taxes and other expenses directly related to the development.

(u) New Accounting Standards and Interpretations

A number of new standards, amendments to standards and interpretations are effective from annual periods beginning after 1 July 2015 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group except for:

- AASB 9 Financial Instruments which becomes mandatory for the Group's 30 June 2016 consolidated financial report and could change the classification and measurement of financial assets and financial liabilities.

The group is currently considering the financial impact of this accounting standard change.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

3. Operating Segments

For the current financial year, the Group had five reportable segments. These reportable segments are the divisions used to report to the Group's CEO and Board for the purpose of resource allocation and assessment of performance. From 1 July 2015, this has been reduced to four reportable segments following the disposal of the Insurance Agency during the financial year.

These reportable segments have changed from the prior period with Benefit Funds now reported as part of the Investment Bonds segment and Corporate now including the "Other", non-material investments that used to be reported separately. Comparative segment information has been restated to conform with the new segment presentation.

The operations of the reportable segments are:

- Property Funds Management: management of listed and unlisted property funds through Centuria Property Funds Limited and Centuria Strategic Property Limited.
- Investment Bonds: management of the Benefit Funds of Centuria Life Limited and management of the Guardian Over Fifty Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments.
- Reverse Mortgages: management of a reverse mortgage lending portfolio.
- Insurance: general, home and contents, motor vehicle and travel insurance agency.
- Corporate: includes returns from investment activities.

The accounting policies of reportable segments are the same as the Group's accounting policies.

Following is an analysis of the Group's revenue and results by reportable segment.

Financial year ended 30 June 2015	Property Funds Management \$'000	Investment Bonds ⁽ⁱ⁾ \$'000	Reverse Mortgages ⁽ⁱⁱ⁾ \$'000	Insurance ⁽ⁱⁱⁱ⁾ \$'000	Corporate ⁽ⁱⁱⁱ⁾ \$'000	Group \$'000
Revenue						
Interest, dividends and distribution revenue	139	213	5,194	-	838	6,384
Management, performance, sale and other	20,324	9,856	-	-	-	30,180
Commissions, other income and gains	154	9	402	287	4,979	5,831
Revenue attributable to Benefit Funds	-	22,015	-	-	-	22,015
Total segment revenue	20,617	32,093	5,596	287	5,817	64,410
 Segment profit/(loss) before tax	 8,774	 5,628	 1,925	 244	 (228)	 16,343
Income tax (expense)/benefit	(2,797)	(4,367)	(509)	(74)	(35)	(7,782)
Segment profit/(loss) after tax	5,977	1,261	1,416	170	(263)	8,561
 Additional segment information						
Finance costs	(113)	415	(3,662)	48	(578)	(3,890)
Employee benefits expense	(8,360)	(969)	(230)	-	(2,905)	(12,464)
Impairment of related party receivable	-	(2,218)	-	-	-	(2,218)

(i) Profit after tax for the division \$1.261 million was significantly impacted by the impairment of the seed capital invested in the Income Accumulation Fund (one of the Benefit Funds). The net after-tax impact was \$2.159 million (impairment of \$2.218 million, offset by a discounting adjustment of \$0.423 million and related tax expense of \$0.364 million).

(ii) The Reverse Mortgages segment result was impacted by the portfolio sale in October 2014 (refer to Note 4(b)).

(iii) The Insurance segment result was impacted by the sale of the Over Fifty Insurance Pty Ltd in October 2014 (refer to Note 4(b)). The Corporate segment result includes the gain on sale of the subsidiary of \$4.873 million.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

3. Operating Segments (continued)

	Property Funds Management	Investment Bonds	Reverse Mortgages	Insurance	Corporate	Group
Financial year ended 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Interest, dividends and distribution revenue	31	251	12,852	1	211	13,346
Management, performance, sale and other fee	15,333	10,311	67	-	-	25,711
Commissions, other income and gains	-	58	95	1,232	57	1,442
Revenue attributable to Benefit Funds	-	28,533	-	-	-	28,533
Total segment revenue	15,364	39,153	13,014	1,233	268	69,032
Segment profit/(loss) before tax	5,043	9,226	7,904	1,090	(5,880)	17,383
Income tax (expense)/benefit	(1,524)	(5,785)	(2,371)	(327)	1,702	(8,305)
Segment profit/(loss) after tax	3,519	3,441	5,533	763	(4,178)	9,078
Additional segment information						
Finance costs	(9)	(513)	(8,664)	-	(1,052)	(10,239)
Employee benefits expense	(7,063)	(861)	(254)	-	(2,528)	(10,706)

4. Revenue

(a) Group revenue (excluding Benefit Funds)

	2015 \$'000	2014 \$'000
Interest revenue - from reverse mortgages	5,144	12,852
Interest revenue - from other sources	776	537
Distribution revenue	464	-
Management fees from property funds	9,161	11,054
Sales fees	3,880	1,960
Incentive fees	4,741	1,003
Property acquisition fees	2,542	1,360
Management fees from Benefit Funds	9,856	10,311
Commission received	287	1,160
Other income	350	262
	37,201	40,499

(b) Gains on sale of non-core assets

	2015 \$'000	2014 \$'000
Gain on sale of Over Fifty Insurance Pty Ltd	4,873	-
Gain on sale of reverse mortgage loan portfolio	321	-
	5,194	-

In October 2014, the Company announced:

- the sale of its subsidiary, Over Fifty Insurance Pty Ltd for \$5.2 million; and
- the sale of a large portion of its reverse mortgage portfolio, releasing \$31.7 million cash to the Group (before transaction costs and taxation). The Group sold its variable rate reverse mortgages with a balance of \$124.4 million and retained a \$27.0 million portfolio of fixed rate reverse mortgages.

Both of these capital transactions were part of Centuria's long-stated strategic objectives to monetise non-core assets and promote greater clarity of Centuria's market positioning as a specialist investment manager.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

4. Revenue (continued)

(c) Benefit Funds revenue

	2015	2014
	\$'000	\$'000
<u>Income</u>		
Interest and dividends	11,414	15,681
Realised gains	3,784	5,504
Unrealised gains	2,500	2,968
Applications from capital guaranteed funds	4,315	4,334
Other income	2	46
	<u>22,015</u>	<u>28,533</u>

5. Finance costs

	2015	2014
	\$'000	\$'000
Corporate working capital facility	473	1,040
Reverse mortgage facility	3,662	8,666
Discount/(unwinding of discount) on non-current related party receivable	(423)	511
Other finance costs	178	22
Gain on derivatives in a fair value hedge (reverse mortgage division)	(3,888)	(127)
Loss on financial assets in a fair value hedge (reverse mortgage division)	3,888	127
	<u>3,890</u>	<u>10,239</u>

6. Employee benefits expenses

	2015	2014
	\$'000	\$'000
Wages and salaries	10,428	9,053
Share-based payments	904	697
Payroll taxes	462	470
Other associated personnel expenses	670	486
	<u>12,464</u>	<u>10,706</u>

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES**Notes to the consolidated financial statements
For the year ended 30 June 2015****7. Other expenses****(a) Other expenses (excluding Benefit Funds)**

	2015	2014
	\$'000	\$'000
Rental expense (operating leases)	760	631
Office administration expenses	721	707
Advertising and marketing expense	698	625
Depreciation and amortisation expense	341	481
Recruitment and temporary staff	440	182
Directors' fees	383	391
Insurance expenses	360	366
Travel expenses	354	301
Information systems expenses	319	372
Brokerage fees	189	297
Loss on disposal of property, plant and equipment	95	204
Other general expenses	887	669
	5,547	5,226

(b) Benefit Fund expenses

	2015	2014
	\$'000	\$'000
Redemptions from capital guaranteed funds	36,559	38,703
Net movement in policyholder liabilities	(26,265)	(21,449)
Management fee expense	7,735	8,212
Bad debts - mortgage loans	2,366	(240)
	20,395	25,226

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

8. Income taxes

The Company is the head entity of the tax consolidated group, which includes Centuria Life Limited and the Benefit Funds. As a result of tax consolidation, the Company recognises current tax related receivables and corresponding payables from its subsidiaries and the Benefit Funds.

The tax rate used in the reconciliation following is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(a) Income tax recognised in profit or loss

	2015 \$'000	2014 \$'000
Profit before tax	16,343	17,383
Less net revenue relating to Benefit Funds included in profit before tax	(1,620)	(3,307)
Profit before tax attributable to shareholders	14,723	14,076
Income tax expense calculated at 30%	4,417	4,223
Add/(deduct) tax effect of amounts which are not deductible (assessable):		
- Non-allowable expenses	1,756	786
- Adjustments to current tax in relation to prior years	(11)	(11)
Income tax expense attributable to Shareholders	6,162	4,998
Income tax expense relating to Benefit Funds	1,620	3,307
Income tax expense	7,782	8,305
Current tax expense in respect of the current year	5,444	3,017
Adjustments to current tax in relation to prior years	(11)	(11)
	5,433	3,006
Deferred tax expense relating to the origination and reversal of temporary differences	729	1,992
Income tax expense attributable to Shareholders	6,162	4,998

(b) Deferred tax in comprehensive income

	2015 \$'000	2014 \$'000
Revaluations of financial instruments treated as cash flow hedges	-	(147)
	-	(147)

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

8. Income taxes (continued)

(c) Current tax assets and liabilities

	2015	2014
	\$'000	Restated \$'000
Current tax assets/(liabilities) attributable to:		
Benefit Funds	1,998	2,546
Shareholders	(194)	(2,019)
	<u>1,804</u>	<u>527</u>

(d) Deferred tax balances

	Opening balance Restated \$'000	Charged to income \$'000	Charged to equity \$'000	Utilised \$'000	Closing Balance \$'000
Financial year ended 30 June 2015					
Deferred tax assets					
Provisions	1,211	-	-	-	1,211
Financial derivatives	3,719	(323)	-	-	3,396
Capital losses	2,258	(111)	-	(2,055)	92
Deferred tax liabilities					
Accrued income	-	(525)	-	-	(525)
Deferred capital gain on financial assets	(189)	164	-	-	(25)
Prepayments	(171)	96	-	-	(75)
Fair value movements in mortgage assets	(3,208)	(47)	-	-	(3,255)
Other	(17)	17	-	-	-
	<u>3,603</u>	<u>(729)</u>	<u>-</u>	<u>(2,055)</u>	<u>819</u>
Financial year ended 30 June 2014					
Deferred tax assets					
Provisions	1,943	(677)	-	(55)	1,211
Financial derivatives	5,224	(1,505)	-	-	3,719
Capital losses	2,949	-	-	(691)	2,258
Deferred tax liabilities					
Deferred capital gain on financial assets	(220)	(18)	(12)	61	(189)
Prepayments	(268)	97	-	-	(171)
Fair value movements in mortgage assets	(3,201)	128	(135)	-	(3,208)
Other	-	(17)	-	-	(17)
	<u>6,427</u>	<u>(1,992)</u>	<u>(147)</u>	<u>(685)</u>	<u>3,603</u>

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

9. Earnings per share

	2015	2014
Basic earnings per share (cents per share)	11.0	11.6
Diluted earnings per share (cents per share)	10.8	11.6

The earnings used in the calculation of basic and diluted earnings per share is the profit for the year attributable to owners of the Company as reported in the Consolidated Statement of Comprehensive Income.

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share is as follows:

	No. '000	No. '000
Weighted average number of ordinary shares (basic)	77,855	78,131
Weighted average number of ordinary shares (diluted) ⁽ⁱ⁾	79,024	78,131

⁽ⁱ⁾ The weighted average number of ordinary shares used in the calculation of diluted earnings per share is determined as if 30 June 2015 was the end of the performance period of the grants of Rights under the LTI plan. All Rights that would have vested if 30 June 2015 was the end of the performance period are deemed to have been issued at the start of the financial year in accordance with the applicable accounting standard.

10. Trade and other receivables

	2015 \$'000	2014 \$'000
Amount owing by related entities (non-current) (refer to Note 22(e)(i))	8,384	8,260
Sundry debtors (current)	235	2,064
Deferred consideration (current)	-	680
	8,619	11,004

Deferred consideration relates to the sale of Mortgageport. This amount was fully recovered in the current financial year.

Except for the deferred consideration, the Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

11. Financial assets

	2015 \$'000	2014 \$'000
Financial assets at fair value through profit and loss		
Unit trusts (non-current)	26	17
Unit trusts (related party) (non-current) (refer to Note 22(e)(ii))	5,430	268
	<u>5,456</u>	<u>285</u>
Other financial asset		
Reverse mortgage receivables ⁽ⁱ⁾	26,552	157,191
Reverse mortgages (fair value adjustment) ⁽ⁱ⁾	17,202	13,130
Reverse mortgages at fair value	<u>43,754</u>	<u>170,321</u>

⁽ⁱ⁾ Whilst some mortgages are likely to be repaid during the next 12 months, Centuria does not control the repayment date and accordingly all amounts are treated as non-current.

The significant decrease in reverse mortgage assets is due to the sale of a large portion of the variable rate reverse mortgage portfolio. Refer to Note 4(b) for further details.

12. Intangible assets

	2015 \$'000	2014 \$'000
Goodwill (non-current)	<u>53,025</u>	<u>53,025</u>

There was no movement in the carrying value of goodwill during the current or prior reporting period.

Goodwill is solely attributable to the Property Funds Management business with recoverability determined by a value in use calculation using profit and loss projections covering a five-year period, with a terminal value determined after 5 years.

The key assumptions used in the value in use calculations for the property funds management cash-generating unit are as follows:

Revenue:	Revenues in 2016 are based on the budget for FY2016 and are assumed to increase at a rate of 7.5% (2014: 7.5%) per annum for the years 2017-2020. The directors believe this is a prudent and achievable growth rate based on past experience.
Expenses:	Expenses in 2016 are based on the budget for FY2016 and are assumed to increase at a rate of 5.0% (2014: 5.0%) per annum for the years 2017-2020. Significant investment has already been made to the business infrastructure to accommodate future growth therefore the directors believe this is an appropriate growth rate based on past experience.
Post-tax discount rate:	Discount rates are determined to calculate the present value of future cash flows. A pre-tax rate of 11.24% (2014: 11.98%) is applied to cash flow projections. In determining the appropriate discount rate, regard has been given to relevant market data as well as Company specific inputs.
Terminal growth rate:	Beyond 2020, a growth rate of 3% (2014: 3%), in line with long term economic growth, has been applied to determine the terminal value of the asset.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

12. Intangible assets (continued)

Sensitivity to changes in assumptions

As at 30 June 2015, the estimated recoverable amount of goodwill relating to the property funds management business exceeded its carrying amount by \$15.3 million (2014: \$11.5 million). The table below shows the key assumptions used in the value in use calculation and the amount by which each key assumption must change in isolation in order for the estimated recoverable amount to be equal to its carrying value:

	Revenue growth rate (average)	Pre-tax discount rate	Expenses growth rate
Assumptions used in value in use calculation	7.50%	11.24%	5.00%
Change required for recoverable amount to equal carrying value	-2.03%	2.63%	2.59%

13. Trade and other payables

	2015 \$'000	2014 \$'000
Sundry creditors (current) ⁽ⁱ⁾	2,120	3,990
Accrued expenses (current)	2,225	1,760
Tax payable to Benefit Funds (current) (refer to Note 16(a))	1,998	3,418
	<u>6,343</u>	<u>9,168</u>

⁽ⁱ⁾ Sundry creditors are non-interest bearing liabilities, payable on commercial terms of 7 to 60 days.

14. Borrowings

	2015 \$'000	2014 \$'000
Corporate working capital facility (non-current)	-	12,000
Reverse mortgage bill facilities and notes - secured (non-current)	11,303	114,236
Development facility - secured (non-current)	9,609	-
	<u>20,912</u>	<u>126,236</u>

The significant decrease in reverse mortgage borrowings is due to the repayment of borrowings following the sale of variable rate reverse mortgages. Refer to Note 4(b) for further details.

(a) Terms and conditions

The terms and conditions relating to the above facilities are set out below.

(i) Corporate working capital facility

The Company entered into a new revolving cash advance facility with National Australia Bank during the reporting period to replace its previous working capital facility. The facility limit is \$12.0 million, maturing 30 September 2016 and there was no amount drawn under the facility at reporting date.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

14. Borrowings (continued)

(a) Terms and conditions (continued)

(ii) *Reverse mortgage bill facilities and notes – secured*

At reporting date, the Group has \$11.3 million (30 June 2014: \$114.2 million) non-recourse notes on issue to the ANZ, secured over the remaining reverse mortgages held in Senex Warehouse Trust No.1 (a subsidiary of the Group) maturing on 30 September 2016.

The facility limit is \$18.0 million (30 June 2014: \$150.0 million) and is reassessed every 6 months with a view to reducing the facility in line with the reduction in the reverse mortgage book. Under the facility agreement, surplus funds (being mortgages repaid (including interest) less taxes, administration expenses and any hedge payments) are required to be applied against the facility each month. During the year ended 30 June 2015, \$8.4 million surplus funds have been applied against the facility (30 June 2014: \$21.1 million) in addition to the \$94.9 million repayment following the portfolio sale.

(iii) *Development facility - secured*

Centuria Belmont Road Management Pty Limited has entered into a facility agreement with Commonwealth Bank of Australia. The facility is \$38.7 million across three tranches, maturing 31 May 2017. The facility is recourse only to the underlying property assets of the Belmont Road Development Fund.

(b) Available facilities

The Group has access to the following lines of credit⁽ⁱ⁾:

	2015 \$'000	2014 \$'000
Corporate working capital facility	12,000	12,000
Amount used at reporting date	-	12,000
Amount unused at reporting date	12,000	-
Reverse mortgage bill facilities and notes (secured)	18,000	150,000
Amount used at reporting date	11,303	114,236
Amount unused at reporting date	6,697	35,764

⁽ⁱ⁾ Excludes the undrawn portion of the development facility.

15. Derivative financial liabilities

	2015 \$'000	2014 \$'000
Interest rate swaps at fair value	17,576	14,967
	17,576	14,967

As at 30 June 2015, interest rate swaps at fair value of nil (2014: \$0.9 million) are current liabilities and \$17.6 million (2014: \$14.1 million) are non-current liabilities.

Refer to Note 24 for details on exposure to interest rates and credit risk.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

16. Policyholders' funds

The Company is required by AASB 10 *Consolidated Financial Statements* to recognise the assets, liabilities, income, expenses and equity of the benefit funds of its subsidiary, Centuria Life Limited (the "Benefit Funds"). The assets and liabilities of the Benefit Funds do not impact the net profit after tax or the equity attributable to the shareholders of the Company and the shareholders of the Company have no rights over the assets and liabilities held in the Benefit Funds.

The composition and balances of the assets and liabilities held by the Benefit Funds are as follows:

(a) Assets and Liabilities

	2015 \$'000	2014 \$'000
Assets relating to Benefit Fund policyholders are as follows:		
Cash	15,838	38,285
Trade and other receivables	11,184	638
Financial assets at fair value	357,381	368,897
Income tax receivable (refer to Note 13)	1,998	3,418
Total assets	386,401	411,238
Liabilities relating to Benefit Fund policyholders are as follows:		
Trade and other payables	-	89
Policyholders' funds ⁽ⁱ⁾	382,914	409,277
Deferred tax liabilities	3,487	1,872
Total liabilities	386,401	411,238

⁽ⁱ⁾ Included within policyholders' funds at 30 June 2015 is \$25.2 million (30 June 2014: \$17.8 million) of reserves of which \$6.2 million (30 June 2014: \$5.8 million) is seed capital repayable to Centuria Life Limited. This seed capital receivable by Centuria Life Limited has been impaired and discounted to present value. The carrying value of the receivable in the books of Centuria Life Limited (and therefore the Group) at 30 June 2015 is \$2.8 million (30 June 2014: \$4.6 million).

(b) Movement in policyholder's funds

	2015 \$'000	2014 \$'000
Bonus Rated Benefit Funds (with Discretionary Participation Features)		
Opening balance	328,616	358,234
Movement in seed capital	370	-
Applications received	4,315	4,334
Redemptions paid	(36,559)	(38,703)
Current period income	771	4,751
Closing balance	297,513	328,616
Unitised Benefit Funds (non Discretionary Participation Features)		
Opening balance	80,661	77,077
Applications received	5,472	3,238
Redemptions paid	(5,909)	(7,822)
Current period income	5,177	8,168
Closing balance	85,401	80,661
Total policyholders' funds	382,914	409,277

Notes to the consolidated financial statements
For the year ended 30 June 2015

16. Policyholders' funds (continued)

(c) Guarantees to Benefit Fund policyholders

Centuria Life Limited (CLL) provides a guarantee to policyholders of two of its Benefit Funds, Centuria Capital Guaranteed Bond Fund and Centuria Income Accumulation Fund as follows:

"If, when CLL, in right of the Bonds, is required under the Bond rules to pay Policy Benefits to a Policy Owner as a consequence of the termination of the Bond or the Maturity or Surrender of a Policy, and CLL determines that the sums to be paid to the Policy Owner from the Bonds shall be less than the amounts standing to the credit of the relevant Accumulation Account Balance, (or in the case of a partial surrender, the relevant proportion of the Accumulation Account Balance), CLL guarantees to take all action within its control, including making payment from its Management Fund to the Policy Owner to ensure that the total sums received by the Policy Owner as a consequence of the termination, Maturity or Surrender equal the relevant Accumulation Account Balance, (or) in the case of a partial surrender, the relevant proportion thereof."

No provision has been raised in respect of these guarantees at this time for the following reasons:

- The funds follow an investment strategy that is appropriate for the liabilities of the fund. The Fund cannot alter their investment strategy without the approval of the members and APRA, following a report from the Appointed Actuary;
- The funds must meet the Capital Adequacy standards of APRA which results in additional reserves being held within the funds to enable the funds to withstand a "shock" in the market value of assets. If the Funds can withstand a shock in asset values and still meet their liabilities from their own reserves, then this further reduces the likelihood of the Funds calling on the guarantee provided;
- CLL also continues to meet the ongoing capital requirements set by APRA, taking into account any transitional relief as outlined in Note 2.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

17. Issued Capital

	2015		2014	
	No. of Shares	\$'000	No. of Shares	\$'000
Balance at beginning of financial year	78,130,764	89,167	78,130,764	88,634
Employee share scheme	-	284	-	533
Share buy-back/shares cancelled	(1,373,835)	(1,339)	-	-
Balance at end of financial year	76,756,929	88,112	78,130,764	89,167

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Unless otherwise stated, ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

18. Restatement of Previous Financial Periods

During the current reporting period, the Group's reconciliation process identified incorrect accounting for income tax in previous years. This has been treated as a restatement and has no effect on income tax returns as lodged. The Group has at all times met its income tax obligations.

This restatement has resulted in Total Equity in FY14 being revised downwards by \$1.107 million (1.06%) as set out below in the Condensed Statement of Financial Position.

There was no impact on net profit after tax, earnings per share or cash flows in the current or prior financial year arising from this restatement.

Condensed Statement of Financial Position as at 30 June 2014

	Restated \$'000	Adjustment \$'000	Previously Reported \$'000
ASSETS			
Deferred tax assets	3,603	(235)	3,838
Income tax receivable	527	(872)	1,399
TOTAL ASSETS	666,238	(1,107)	667,345
	103,444	(1,107)	104,551
EQUITY			
Retained earnings	-	(767)	767
Profit reserves	14,151	(340)	14,491
	103,444	(1,107)	104,551

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

18. Restatement of Previous Financial Periods (continued)

Condensed Statement of Financial Position
as at 1 July 2013

	Restated \$'000	Adjustment \$'000	Previously Reported \$'000
ASSETS			
Deferred tax assets	6,427	(235)	6,662
Income tax receivable	6,579	(872)	7,451
TOTAL ASSETS	715,929	(1,107)	717,036
	94,303	(1,107)	95,410
EQUITY			
Retained earnings	-	(767)	767
Profit reserves	6,050	(340)	6,390
	94,303	(1,107)	95,410

19. Dividends

	2015		2014	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Recognised amounts				
Interim dividend (fully franked)	2.00 ⁽ⁱ⁾	1,563	1.25 ⁽ⁱⁱⁱ⁾	977
Final dividend (fully franked)	1.50 ⁽ⁱⁱ⁾	1,172	-	-
	3.50	2,735	1.50	977

- (i) The Company declared an interim dividend in respect of the year ended 30 June 2015 of 2.0 cents fully franked to 100% with a record date of 5 March 2015 which was paid on 26 March 2015.
- (ii) The Company declared a final dividend in respect of the year ended 30 June 2014 of 1.50 cents fully franked to 100%. The final dividend had a record date of 12 September 2014 and was paid on 29 October 2014.
- (iii) The Company declared an interim dividend in respect of the year ended 30 June 2014 of 1.25 cents fully franked to 100% with a record date of 6 March 2014 which was paid on 26 March 2014.

(a) Franking credits

	2015 \$'000	2014 \$'000
Franking credits available at 30% (2014: 30%) are:		
Amount of franking credits available to shareholders of the Company for subsequent financial years ⁽ⁱ⁾	7,704	5,252

- (i) Before taking into account the impact of the dividend declared on 20 August 2015.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

20. Commitments and contingencies

Operating leases

During the current financial year, the Group entered into a commercial lease for its new Melbourne office premises, with a term of 5 years. The Group also has an existing commercial lease of its Sydney head office premises.

Future minimum rentals payable under operating leases are as follows:

	2015 \$'000	2014 \$'000
Not longer than 1 year	739	663
Longer than 1 year and not longer than 5 years	2,539	2,425
	<u>3,278</u>	<u>3,088</u>

21. Remuneration of auditors

	2015 \$'000	2014 \$'000
KPMG		
Audit and review of the financial report	361	327
Investigating Accounts Report in respect of Centuria Metropolitan REIT	300	-
Other advisory services ⁽ⁱ⁾	630	75
Taxation services	72	168
	<u>1,363</u>	<u>570</u>

(i) Other advisory services include costs incurred for services provided in relation to the sale of the insurance agency and a large portion of the variable rate reverse mortgage portfolio. Refer to Note 4(b) for further details.

22. Related party transactions

(a) Acquisition of Units in Centuria Belmont Road Development Fund

During the current financial year, the Company invested \$3.750 million in the Centuria Belmont Road Development Fund ("the Fund"), representing 27.26% of units on issue. Centuria Property Funds Limited ('CPFL') is the Manager of the Fund and Centuria Property Services Limited provides development management services to the Fund.

When considering the Company's direct interest in the Fund together with its powers as Manager of the Fund and the potential fees receivable from the Fund, the Group is deemed to control the Fund. In accordance with applicable accounting standards, the Group has therefore been required to consolidate the results and assets and liabilities of the Fund, and recognised the portion of the net assets of the fund that the Group does not own ("non-controlling interests").

All transactions and balances between the Fund and other subsidiaries in the Group (including development management fees) have eliminated.

As at 30 June 2015, the summarised balance sheet of the Fund was:

	2015 \$'000	2014 \$'000
Property held for development	23,011	-
Other assets	232	-
 Borrowings	(9,609)	-
Other liabilities	(63)	-
Net Assets	<u>13,571</u>	<u>-</u>

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

22. Related party transactions (continued)

(b) Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed below:

Name of subsidiary	Country of incorporation	Ownership interest	
		2015 %	2014 %
Centuria Capital Limited	Australia	100%	100%
Over Fifty Capital Pty Ltd	Australia	100%	100%
Centuria Life Limited	Australia	100%	100%
Over Fifty Seniors Equity Release Pty Ltd	Australia	100%	100%
Over Fifty Insurance Pty Ltd	Australia	0%	100%
Over Fifty Investments Pty Ltd	Australia	100%	100%
OFM Direct Property Trust No. 2 "Dominion"	Australia	100%	100%
Over Fifty Funds Management Pty Ltd	Australia	100%	100%
OFM Direct Property Trust No. 3 Chisholm	Australia	100%	100%
National Leisure Trust	Australia	100%	100%
OFM Bluegums Leisure Trust	Australia	100%	100%
OFG LTP Pty Ltd (formerly Lifetime Planning Pty Ltd) ⁽ⁱ⁾	Australia	n/a	100%
Senex Warehouse Trust No. 1	Australia	100%	100%
Centuria Property Funds Limited	Australia	100%	100%
Over Fifty Financial Planning Pty Ltd ⁽ⁱ⁾	Australia	n/a	100%
Centuria Strategic Property Limited	Australia	100%	100%
Centuria Investment Holdings Pty Limited	Australia	100%	100%
Centuria Investment Management Services Pty Ltd	Australia	100%	100%
Centuria Investment Services Pty Limited	Australia	100%	100%
Centuria Property Services Pty Limited	Australia	100%	100%
Centuria SPC West Gosford Pty Ltd	Australia	100%	100%
Centuria SPV Pty Limited	Australia	100%	100%
Centuria Bulky Goods SPV Pty Limited	Australia	100%	100%
Centuria 4-8 Woodville Street Pty Limited	Australia	100%	100%
Centuria 100 Bennelong Road Pty Limited	Australia	100%	100%
Centuria 924 Pacific Highway Pty Limited ⁽ⁱ⁾	Australia	n/a	100%
Centuria 110 Pacific Highway Pty Limited	Australia	100%	100%
Centuria 519 Cross Keys Road Pty Limited	Australia	100%	100%
Centuria Opportunity Fund 2 Pty Limited	Australia	100%	100%
Centuria 601 Bourke Street Pty Limited	Australia	100%	100%
Centuria 339 Military Road Pty Ltd	Australia	100%	100%
Centuria DPF Pty Ltd	Australia	100%	100%
Centuria Employee Share Fund Pty Ltd	Australia	100%	100%
Strategic Property Holdings Pty Ltd	Australia	100%	100%
Strategic Property Holdings No3 Pty Limited	Australia	100%	100%
Strategic Property Holdings No. 5 Pty Ltd	Australia	100%	100%
Strategic Property Holdings No. 7 Pty Limited	Australia	100%	100%
30A Nominees Pty Ltd	Australia	100%	100%
Centuria Capital Private Limited	Singapore	100%	0%
Belmont Road Management Pty Limited	Australia	100%	n/a
Belmont Road Development Pty Limited	Australia	100%	n/a
Centuria Belmont Road Development Fund	Australia	27%	n/a

(i) Deregistered during the current financial year.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

22. Related party transactions (continued)

(c) Transactions with key management personnel

As a matter of Board policy, all transactions with directors and director-related entities are conducted on arms-length commercial or employment terms.

During the financial year, the following transactions occurred between the Company and key management personnel:

- Henry Davis York, a related party of R. Dobson, was paid \$806,856 (inclusive of GST) (2014: \$61,939) for legal consultancy fees.
- Mr J. R. Slater (personally) and Riviera Capital Pty Ltd, a related party of Mr. Slater, were paid a total of \$141,643 (inclusive of GST) (2014: \$97,715) for consultancy services.

(d) Transactions with other related parties

Management fees are charged to related parties in accordance with the respective trust deeds and management agreements.

	2015 \$'000	2014 \$'000
Management fees:		
Centuria Life Limited Benefit Funds	7,735	8,212
Over Fifty Guardian Friendly Society	2,121	2,099
Property Trusts managed by Centuria	20,324	15,377
	30,180	25,688

(i) Terms and conditions of transactions with related parties

Investments in property trusts and benefit funds held by certain directors and director-related entities are made on the same terms and conditions as all other persons. Directors and director-related entities receive the same returns on these investments as all other investors and policyholders.

The Company and its related parties entered into transactions, which are insignificant in amount, with directors and their director-related entities in their domestic dealings and are made in arm's length transactions at normal market prices and on normal commercial terms.

The Group pays some expenses on behalf of related entities and receives a reimbursement for these payments.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

22. Related party transactions (continued)

(e) Related party balances

The following balances were outstanding at the end of the financial period between the Group and other related parties:

(i) Trade and other receivables

	2015 \$'000	2014 \$'000
Monthly management fees owing from Benefit Funds	630	656
Monthly management fees owing from Property Trusts	673	1,789
Acquisition fee, loan receivable and cost recoveries owing from Centuria 8 Central Avenue Fund No. 2	3,534	-
Receivable from Over Fifty Guardian Friendly Society Limited	191	198
Distribution receivable from Centuria Metropolitan REIT	106	-
Receivable from Centuria Diversified Property Fund (earning 10% p.a.)	-	979
Receivable from Centuria 339 Military Road (earning 10% p.a.)	-	50
Present value of \$5.8m seed capital investment in Centuria Income Accumulation Fund	2,779	4,588
Short-term loan receivable from Property Trust	101	-
Present value of \$0.37m seed capital investment in Centuria Capital Guaranteed Bond Fund	370	-
	8,384	8,260

(ii) Financial assets carried at fair value through profit or loss

The following table details related party investments carried at fair value through profit and loss.

	2015			2014		
	Fair value \$'000	Units held	Ownership %	Fair value \$'000	Units held	Ownership %
Financial assets held by the Group						
Centuria Opportunity Fund 2	146	141,531	0.69%	141	141,531	0.69%
Centuria Office Fund No. 2	-	-	0.00%	25	38,392	0.05%
Centuria 2 Lincoln Street Fund	-	-	0.00%	1	1,485	0.01%
Centuria Metropolitan REIT (formerly Centuria Diversified Property Fund)	5,231	2,539,382	2.13%	48	92,398	0.11%
Centuria Diversified Direct Property Fund	-	3,765	0.01%	2	2,510	0.01%
Centuria Australian Property and Mortgage Bond Fund	1	395	0.03%	1	395	0.03%
Centuria Australian Shares Bond	20	10,000	0.22%	19	10,000	0.23%
Centuria Balanced Bond	15	9,000	0.13%	14	9,000	0.15%
Centuria High Growth Bond	17	10,000	0.28%	16	10,000	0.29%
	5,430			268		
Financial assets held by the Benefit Funds						
Centuria Australian Property and Mortgage Bond						
Centuria 8 Australia Avenue Fund	1,307	1,458,635	7.69%	409	458,635	2.42%
Centuria 10 Spring Street Fund	-	-	-	29	30,916	0.01%
Centuria Balanced Bond						
Centuria Metropolitan REIT	736	357,143	0.30%	-	-	0.00%
Centuria Growth Bond Fund						
Centuria 8 Australia Avenue Fund	-	-	-	891	1,000,000	5.27%
Centuria 131-139 Grenfell Street Fund	-	-	-	3,310	3,113,000	28.92%
Centuria Direct Property Fund	-	-	-	2,724	9,843,702	22.74%
Centuria Metropolitan REIT (formerly Centuria Diversified Property Fund)	9,763	4,739,200	3.98%	5,811	11,119,259	13.43%
Centuria Income Accumulation Fund						
Centuria Direct Property Fund	-	-	-	1,913	6,914,484	15.98%

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

22. Related party transactions (continued)

(e) Related party balances (continued)

(iii) Assets classified as held for sale

During the current reporting period, the Company acquired 100% of the Acquisition Units in Centuria 2 Wentworth Street Fund ("the Fund") to seed the Fund and enable the acquisition of the underlying investment property.

Acquisition Units rank equally with Ordinary Units, except that the proceeds from the allotment of Ordinary Units may be used to redeem any Acquisition Units.

As at 30 June 2015, the Company held 1,040,018 Acquisition Units which valued at \$1,040,018.

All Acquisition Units in the Fund (except for 18 units to be retained), were redeemed on 1 July 2015.

(iv) Investment in associates

	2015 \$'000	2014 \$'000
Centuria Direct Property Fund (non-current asset) ⁽ⁱ⁾	-	668
	-	668

- (i) The Group held a combined 44% investment in Centuria Direct Property Fund (CDPF), an unlisted property fund managed by a subsidiary of the Group. Although the Group held a combined 44% investment in CDPF, it did not control the voting rights. The Company accounted for its 5% direct investment in CDPF as an investment in an associate. CDPF was wound up during the current financial year.

Reconciliation of movement during the financial year

	2015 \$'000	2014 \$'000
Balance at 1 July	668	668
Share of loss for the year	(4)	-
	664	668
Dividends	(664)	-
Balance at 30 June	-	668

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

23. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2015 \$'000	2014 \$'000
Cash and cash equivalents	41,325	51,400
Attributable to shareholders	25,487	13,115
Attributable to Benefit Fund policyholders	15,838	38,285
Total	41,325	51,400

Under AASB 107 *Statement of Cash Flows*, the income, expenses, assets and liabilities of the Benefit Funds of Centuria Life Limited are included in the Group's statement of comprehensive income and statement of financial position and statement of cash flows. As a result, the Benefit Funds' cash is included in the Group's assets with a corresponding amount included in liabilities. The shareholders of the Group have no rights over the cash held in the Benefit Funds.

Included in cash and cash equivalents attributable to shareholders is \$9.6 million (2014: \$9.9 million) relating to amounts held by Centuria Life Limited and Senex Warehouse Trust No.1 which is not readily available for use by the Group.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

23. Notes to the statement of cash flows (continued)

(b) Reconciliation of profit for the period to net cash flows from operating activities

	2015 \$'000	2014 \$'000
Profit for the year	8,561	9,078
Add (deduct) non-cash items:		
Depreciation and amortisation	341	481
Movement in provision for doubtful debts	-	(1,171)
Impairment of related party receivable	2,218	-
Share-based payment expense	904	164
Gross proceeds on disposals	(7,050)	-
Fair value (gain)/loss on derivatives	(1,148)	(4,860)
Loss on disposal of property, plant and equipment	95	-
Fair value gain/(loss) on unit trusts	(57)	-
Interest revenue - from reverse mortgages	(5,144)	-
Interest expense - reverse mortgage facility	3,662	-
Unwinding of discount on non-current related party receivable	(423)	-
Unrealised foreign exchange loss	178	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade receivables	(17)	(1,115)
Prepayments	(313)	(39)
Investment in associates	668	-
Current and deferred tax assets	1,507	(2,824)
Property held for development	(23,011)	-
Increase/(decrease) in liabilities:		
Trade and other payables	(3,403)	8,000
Provisions	79	(56)
Policyholder liability	(27,855)	(27,327)
Net cash flows used in operating activities	(50,207)	(19,669)

24. Financial instruments

These consolidated results comprise the assets and liabilities of the Group, including the Benefit Funds as required by AASB 10 *Consolidated Financial Statements*. The assets and liabilities of the Benefit Funds do not impact the net profit after tax or the equity attributable to the shareholders of the Company and the shareholders of the Company have no rights over the assets and liabilities held in the Benefit Funds. As a result, this note does not include disclosures in respect of those financial assets and liabilities held by the Benefit Funds (as set out in Note 16).

The only risk to the shareholders of the Company in respect to the Benefit Funds is limited to capital reserving. Centuria Life Limited, (CLL), being a subsidiary of the Company, acts in the capacity of manager for two capital guaranteed benefit funds as described in Note 16(c). To mitigate the risk of these guarantees being called upon, the Benefit Funds set aside prescribed reserving which is determined upon a "1 in 400 year event" stress testing scenario. The reserving calculations are performed by an independent actuary appointed by CLL.

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

The Benefit Funds at 30 June 2015 have set aside the requisite reserving as determined by the investment profile of the two respective funds. If the required reserving under the "Capital Adequacy Test" increases, CLL may be required to inject additional seed capital.

Seed capital is later repaid to CLL when reserving is returned to a normal sustainable level. APRA has provided the Society with temporary transitional relief to the extent of \$4.7 million for the period to 31 December 2015, at which point CLL and the Benefit Funds are expected to be in a position to meet the capital reserving requirements without the benefit of transitional relief. The expected recovery of, or future injection of, seed capital into the Society's Benefit Funds is dependent on the underlying performance of the Funds' assets.

(a) Management of financial instruments

The Board is ultimately responsible for the Risk Management Framework of the Group.

The Group employs a cascading approach to managing risk, facilitated through delegation to specialist committees and individuals within the Group.

CLL has also established an Investment Committee. The Investment Committee's function is to manage and oversee the Benefit Fund investments in accordance with the investment objectives and framework. Specifically, it has responsibility for setting and reviewing strategic asset allocations, reviewing investment performance, reviewing investment policy, monitoring and reporting on the performance of the investment risk management policy and performing risk management procedures in respect of the investments.

The Group is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management and investment policies, approved by the Board, seek to minimise the potential adverse effects of these risks on the Group's financial performance. These policies may include the use of certain financial derivative instruments.

The Group outsources the investment management of the Benefit Funds to specialist investment managers, who provide services to the Group, co-ordinate access to domestic and international financial markets, and manage the financial risks relating to the operations of the Group in accordance with an investment mandate set out in the Group's constitution and the Benefit Funds' product disclosure statements. The Benefit Funds' investment mandates are to invest in equities and fixed interest securities via unit trusts, discount securities and may also invest in derivative instruments such as futures and options.

The Group uses interest rate swaps to manage interest rate risk and not for speculative purposes in any situation. Hedging is put in place where the Group is either seeking to minimize or eliminate cash-flow variability, i.e., converting variable rates to fixed rates, or changes in the fair values of underlying assets or liabilities, i.e., to convert fixed rates to variable rates.

Derivative financial instruments of the Benefit Funds, consolidated into the financial statements of the Group under AASB 10 *Consolidated Financial Statements*, are used only for hedging of actual or anticipated exposures relating to investments. The use of financial derivatives in respect of Benefit Funds is governed by the Fund's investment policies, which provide written principles on the use of financial derivatives.

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity capital. This overall strategy remains unchanged from the prior year.

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

(b) Capital risk management (continued)

The Group's capital structure consists of net debt (borrowings, offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Group carries on business throughout Australia, primarily through subsidiary companies that are established in the markets in which the Group operates. The operations of Centuria Life Limited are regulated by APRA and the Management Fund of the Society has a minimum Prescribed Capital Amount (PCA) that must be maintained at all times. It is calculated monthly and these results are reported to the Board each month. The current level of share capital of Centuria Life Limited meets the PCA requirements.

In addition, Centuria Property Funds Limited and Centuria Strategic Property Limited have AFSL licences so as to operate registered property trusts. Regulations require these entities to hold a minimum net asset amount which is maintained by way of bank guarantees. Where necessary, the bank guarantees will be increased to ensure the net asset requirement is always met.

Operating cash flows are used to maintain and, where appropriate, expand the Group's funds under management as well as to make the routine outflows of tax, dividends and repayment of maturing debt. The Group reviews regularly its anticipated funding requirements and the most appropriate form of funding (capital raising or borrowings) depending on what the funding will be used for.

The capital structure of the Benefit Funds (and management fund) consists of cash and cash equivalents, bill facilities and mortgage assets. The Benefit Funds also hold a range of financial assets for investment purposes including investments in unit trusts, equity and floating rate notes. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by unit holders of the Benefit Funds by regularly monitoring the level of liquidity in each fund.

The Benefit Funds have no restrictions or specific capital requirements on the application and redemption of units. The Benefit Fund's overall investment strategy remains unchanged from the prior year.

(c) Fair value of financial instruments

(i) Valuation techniques and assumptions applied in determining fair value

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. Discount rates are determined based on market rates applicable to the financial asset or liability.
- The valuation technique used to determine the fair value of the Group's reverse mortgage loan book is as follows:
 - the weighted average reverse mortgage holders' age is 79 years;
 - the future cash flows calculation is related to borrowers' mortality rates and mortality improvements. The data is sourced from mortality tables provided by the actuary;
 - fixed or variable interest rates charged to borrowers are used to project future cash flows;
 - a redemption rate, which is based on historical loan redemption experience, applies to future cash flow forecast; and
 - year-end yield curve is used to discount future cash flows back to 30 June 2015 to determine the fair value.

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

(ii) Valuation techniques and assumptions applied in determining fair value of derivatives

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The valuation technique used to determine the fair value of the Fixed for Life interest rate swaps is as follows:

- the weighted average reverse mortgage holders' age is 79 years;
- the expected future cash flows in relation to the swaps are based on reverse mortgage borrowers' expected life expectancy sourced from mortality tables provided by the actuary; and the difference between the fixed swap pay rates and forward rates as of 30 June 2015 is used to calculate the future cash flows in relation to the swaps; and year-end yield curve plus a credit margin is used to discount future cash flows back to 30 June 2015 to determine the fair value.

(iii) Fair value measurements recognised in the statement of financial position

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 in the period.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

24. Financial instruments (continued)**(c) Fair value of financial instruments (continued)****(iii) Fair value measurements recognised in the statement of financial position (continued)**

	Measurement basis	Fair value hierarchy	Carrying amount \$'000	Fair value \$'000
30 June 2015				
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	25,487	25,487
Trade and other receivables	Amortised cost	Not applicable	8,619	8,619
Assets classified as held for sale	Fair value	Level 2	1,040	1,040
Financial assets at fair value through profit and loss	Fair value	Level 1	5,456	5,456
Other financial assets (reverse mortgage at fair value)	Fair value	Level 3	43,754	43,754
			84,356	84,356
Financial liabilities				
Trade and other payables	Amortised cost	Not applicable	4,345	4,345
Borrowings	Amortised cost	Not applicable	20,912	20,912
Derivative financial liabilities - fixed-for-life interest rate swaps	Fair value	Level 3	17,576	17,576
			42,833	42,833
30 June 2014				
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	13,115	13,115
Trade and other receivables	Amortised cost	Not applicable	11,004	11,004
Financial assets at fair value through profit and loss	Fair value	Level 2	285	285
Other financial assets (reverse mortgage at fair value)	Fair value	Level 3	170,321	170,321
			194,725	194,725
Financial liabilities				
Trade and other payables	Amortised cost	Not applicable	4,392	4,392
Borrowings	Amortised cost	Not applicable	126,236	126,236
Derivative financial liabilities - non fixed-for-life interest rate swaps	Fair value	Level 2	892	892
Derivative financial liabilities - fixed-for-life interest rate swaps	Fair value	Level 3	14,075	14,075
			145,595	145,595

The Group determines Level 2 fair values for financial assets and liabilities without an active market based on broker quotes.

Level 2 fair values for simple over-the-counter derivatives are also based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the entity and counterparty where appropriate.

Set out below is a reconciliation of Level 3 fair value movements of financial assets and liabilities.

The Level 3 financial asset held by the Group is the fair value of the reverse mortgage receivables attributable to interest rate risk. The Level 3 financial liability held by the Group is the fixed-for-life interest rate swaps.

These two items are designated in a fair value hedging relationship, with the fair value movements on the swaps, offset by the fair value movements attributable to interest rate risk in the mortgage receivables (refer to Note 11). However, as the Group has only designated the fair value movements attributable to interest rate risk in the hedging relationship, any other fair value movements impact the profit and loss directly, such as movements attributable to credit risk.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

(iv) Reconciliation of Level 3 fair value measurements of financial assets and liabilities

Year ended 30 June 2015	Reverse mortgages fair value adjustment \$'000	Interest rate swaps at fair value \$'000	Total \$'000
Balance at 1 July 2014	13,130	(14,075)	(945)
Total gains in profit or loss:			
Accrued interest	184	(761)	(577)
Attributable to interest rate risk	3,888	(3,888)	-
Attributable to credit risk	-	1,148	1,148
Balance at 30 June 2015	17,202	(17,576)	(374)

Year ended 30 June 2014	Reverse mortgages fair value adjustment \$'000	Interest rate swaps at fair value \$'000	Total \$'000
Balance at 1 July 2013	13,108	(18,323)	(5,215)
Total gains in profit or loss:			
Accrued interest capitalised	149	(886)	(737)
Attributable to interest rate risk	(127)	127	-
Attributable to credit risk	-	5,007	5,007
Balance at 30 June 2014	13,130	(14,075)	(945)

(v) Significant assumptions used in determining fair value

The fair value of the 50 year reverse mortgage loans and 50 years swaps are calculated using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and not based on available observable market data due to the illiquid nature of the instruments. Use is made of discounted cash flow analysis using the applicable yield curve out to 20 years, with the yield curve at 20 years employed as the best proxy for subsequent rates due to non-observable market data.

Mortality rates for males and females have been assumed to be consistent with 2013 Life Tables. Mortality improvements of 3% p.a. are assumed starting at age 70. The improvement factor tapers down to 1% p.a. at age 90 and then zero at age 100. Joint life mortality is calculated based on last death for loans with joint borrowers. 53% of reverse mortgage loan portfolio consists of joint lives.

Adjusting the yield curve by an increase/(decrease) of 100 basis points as at 30 June 2015 would cause the fair value of the 50 year swaps to (decrease)/increase by \$(4,824,367)/\$5,788,482 (2014: \$(4,420,192)/\$5,367,085).

Additionally, the valuations have been calculated with an assumption of deaths (as opposed to early voluntary repayment) of mortgagees during the life of the interest rate swaps. However, the swap agreements provide that in the event of death of a mortgagee there is a nil cost prepayment option.

Accordingly, the assumption on the number of deaths and timing of such deaths will impact the valuation. If the assumption of the death rate was to increase/(decrease) by 10%, the fair value of fixed for life swaps at 30 June 2015 would (decrease)/increase by \$(665,804)/\$813,657 (2014: \$(465,103)/\$567,989).

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating risk of financial loss from default. The credit risk on financial assets of the Group and the parent recognised in the statement of financial position is generally the carrying amount, net of allowance for impairment loss.

Concentration of risk may exist when the volume of transactions limits the number of counterparties.

(i) Credit risk of reverse mortgages

Concentration of credit risk in relation to reverse mortgage loans is minimal, as each individual reverse mortgage loan is secured by an individual residential property. The loan is required to be paid off from the proceeds of disposal of the secured property after the borrower's death.

Individual property valuations are conducted at least every 3 years in accordance with financier's requirements. At 30 June 2015, the highest loan to value ratio (LVR) of a loan in the reverse mortgage loan book is 74% (2014: 85%), and there are only 32 out of 263 (2014: 84 out of 1,535) reverse mortgage loans where the LVR is higher than 50%.

There are no reverse mortgage loans that are past due and not impaired.

(ii) Credit risk on other financial assets

Credit risk on other financial assets such as investments in floating rate notes, standard discount securities and unit trusts is managed through strategic asset allocations with creditworthy counterparties and the on-going monitoring of the credit quality of investments, including the use of credit ratings issued by well-known rating agencies. The exposure of credit risk in respect of financial assets is minimal.

The Group does not have any significant credit risk exposure to any single entity in other financial assets or any group of counterparties having similar characteristics. No individual investment exceeds 5% of net assets at either 30 June 2015 or 30 June 2014.

Notes to the consolidated financial statements

For the year ended 30 June 2015

24. Financial instruments (continued)

(e) Liquidity risk

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities.

The liquidity risk is managed for the Group at a corporate level. Bank account balances across all entities, current and future commitments, and expected cash inflows are reviewed in detail when the monthly cash flow projection is prepared for management purposes and presented to the Board at its regular monthly meetings. By comparing the projected cash flows with the assets and liabilities shown in the individual and consolidated statements of financial position, which are also prepared on a monthly basis for management purposes and presented to the Board, liquidity requirements for the Group can be determined. Based on this review, if it is considered that the expected cash inflows plus liquidity on hand, may not be sufficient in the near term to meet cash outflow requirements, including repayment of borrowings, a decision can be made to carry out one or more of the following:

- renegotiate the repayment terms of the borrowings;
- sell assets that are held on the statement of financial position; and/or
- undertake an equity raising.

This, combined with a profitable business going forward, should ensure that the Group continues to meet its commitments, including repayments of borrowings, as and when required.

The Group's overall strategy to liquidity risk management remains unchanged from the prior year.

The following tables summarise the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the parent can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The policy holders in the Benefit Funds are able to redeem their policies at any time and the Benefit Funds are therefore exposed to the liquidity risk of meeting policyholders' withdrawals at any time. The Investment Committee aims to ensure that there is sufficient capital for possible redemptions by policyholders of the Benefit Funds by regularly monitoring the level of liquidity in each fund.

	On Demand	Less than 3 months	3 months to 1 year	1-5 years	5+ years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-derivative financial liabilities						
Consolidated						
2015						
Borrowings	-	1,040	2,724	17,962	-	21,725
Other payables	-	4,345	-	-	-	4,345
Total	-	5,384	2,724	17,962	-	26,070
2014						
Borrowings	-	7,469	21,326	104,677	-	133,472
Convertible notes	-	-	-	-	-	-
Other payables	-	4,392	-	-	-	4,392
Total	-	11,861	21,326	104,677	-	137,864

The following table summarises the maturing profile of derivative financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015

24. Financial instruments (continued)

(e) Liquidity risk (continued)

	On Demand \$'000	Less than 3 months \$'000	3 months to \$'000	1 - 5 years \$'000	5+ years \$'000	Total \$'000
Derivative financial liabilities						
Consolidated						
2015						
Interest rate swaps	-	-	-	-	45,552	45,552
Total	-	-	-	-	45,552	45,552
2014						
Interest rate swaps	-	486	612	-	43,864	44,962
Total	-	486	612	-	43,864	44,962

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and price risk. Due to the nature of assets held by the Group (excluding the Benefit Funds), there is an asset and liability management process which determines the interest rate sensitivity of the statement of financial position and the implementation of risk management practices to hedge the potential effects of interest rate changes. The Group manages the market risk associated with its Benefit Funds by outsourcing its investment management. The Investment Manager manages the financial risks relating to the operations of the Benefit Funds in accordance with an investment mandate set out in the Benefit Funds' constitution and product disclosure statement. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. Management of this risk is evaluated regularly and interest rate swaps are used accordingly.

The tables below detail the Group's interest bearing financial assets and liabilities.

	Weighted average effective interest rate	Variable rate	Fixed rate	Total
2015	%	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	2.06%	9,771	15,717	25,487
Reverse mortgage receivables	8.72%	1,664	24,888	26,552
Total financial assets		11,435	40,605	52,040
Financial liabilities				
Borrowings	3.82%	(20,912)	-	(20,912)
Total financial liabilities		(20,912)	-	(20,912)
Net interest bearing financial (liabilities)/assets		(9,477)	40,605	31,128

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements
For the year ended 30 June 2015
24. Financial instruments (continued)**(f) Market risk (continued)****(i) Interest rate risk management (continued)**

	Weighted average effective interest rate	Variable rate	Fixed rate	Total
2014	%	\$'000	\$'000	\$'000

Financial assets

Cash and cash equivalents	2.93%	5,948	7,167	13,115
Reverse mortgage receivables	7.73%	128,987	28,204	157,191
Total financial assets		134,935	35,371	170,306

Financial liabilities

Borrowings	5.20%	(126,236)	-	(126,236)
Total financial liabilities		(126,236)	-	(126,236)
Net interest bearing financial (liabilities)/assets		8,699	35,371	44,070

(ii) Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of fixed rate financial assets held and the cash flow exposures on the issued variable rate debt.

The following table details the notional principal amounts and remaining expiry of the Group's outstanding interest rate swap contracts as at reporting date. These swaps are at fair value through profit and loss.

	Average contracted rate		Notional principal		Fair value	
	2015 %	2014 %	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Pay fixed for floating contracts designated as effective in fair value hedge						
50 years swaps contracts	7.48%	7.48%	12,745	14,108	(17,576)	(14,075)
			12,745	14,108	(17,576)	(14,075)
Pay fixed for floating contracts designated as effective in cash flow hedges						
Less than 1 year	N/A	6.94%	-	3,574	-	(892)
			-	3,574	-	(892)
			12,745	17,682	(17,576)	(14,967)

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements

For the year ended 30 June 2015

24. Financial instruments (continued)

(f) Market risk (continued)

(iii) Interest rate sensitivity

The sensitivity analysis below has been determined based on the parent and the Group's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of financial assets and financial liabilities that have variable interest rates. A 100 basis point (1%) increase or decrease represents management's assessment of the reasonably possible change in interest rate.

At reporting date, if variable interest rates had been 100 (2014: 100) basis points higher or lower and all other variables were held constant, the impact to the Group would have been as follows:

	Change in variable	Effect On			
		Profit after tax		Other Reserves	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Consolidated					
Interest rate risk	+1%	(1,117)	(971)	-	9
Consolidated					
Interest rate risk	-1%	1,410	1,285	-	(9)

The methods and assumptions used to prepare the sensitivity analysis have not changed in the year. The sensitivity analyses above take into account interest-earning assets and interest-bearing liabilities attributable to the shareholders only, and does not take into account the bank bill facility margin changes.

25. Key management personnel compensation

The aggregate compensation paid to key management personnel of the Group is set out below:

	2015 \$	2014 \$
Short-term employee benefits	2,936,599	3,064,067
Post-employment benefits	138,600	153,241
Other long-term employment benefits	36,336	45,786
Share-based payments	546,841	164,213
	<u>3,658,376</u>	<u>3,427,307</u>

Detailed information on key management personnel is included in the Remuneration Report.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Notes to the consolidated financial statements For the year ended 30 June 2015

26. Parent entity disclosure

As at, and throughout the current and previous financial year, the parent entity of the Group was Centuria Capital Limited.

	2015 \$'000	2014 \$'000
Result of parent entity		
Profit for the period	843	1,759
Other comprehensive income	-	-
Total comprehensive income for the year	843	1,759
Financial position of parent entity at year end		
Total assets	87,316	103,437
Total liabilities	2,610	16,123
Total equity of the parent entity comprising of:		
Share capital	88,146	89,484
Share-based incentive reserve	784	164
Profits reserve	2,601	1,759
Retained earnings	(6,825)	(4,092)
Total equity	84,706	87,315

27. Events subsequent to the reporting date

Events subsequent to the reporting date

(a) Final Dividend

On 20 August 2015, the Company declared a dividend of 2.75 cents per share franked to 100%. The dividend is expected to be paid on 18 September 2015.

(b) Resignation of CFO and Company Secretary

Mr Matthew Coy, Chief Financial Officer and Company Secretary resigned effective 14 August 2015. From this date, the (former) Corporate Finance Manager, Ms. Lee-Anne Wilson, became Acting CFO and James Lonie was appointed Company Secretary.

Other than the matters discussed above, there has not arisen in the interval between 30 June 2015 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

For the year ended 30 June 2015

In the opinion of the directors of Centuria Capital Limited:

- (a) the consolidated financial statements and notes that are set out on pages 22 to 69 and the Remuneration Report set out on pages 9 to 19 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended on 30 June 2015.


The directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

For and on behalf of the Board



R. W. Dobson
Chairman



P. J. Done
Director
Chairman - Audit, Risk Management & Compliance Committee

Sydney
20 August 2015



Independent auditor's report to the members of Centuria Capital Limited

Report on the financial report

We have audited the accompanying financial report of Centuria Capital Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

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. These Auditing 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 judgement, 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 entity's preparation of the financial report that gives a true and fair view 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) The financial report of Centuria Capital Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Group'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.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Restatement of comparative balances

Without modifying our opinion expressed above, we draw attention to Note 18 to the financial statements, which states that amounts reported in the previously issued 30 June 2014 financial report have been restated and disclosed as comparatives in this financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 9 to 19 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 Section 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Centuria Capital Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Steven Gatt

Partner

Sydney

20 August 2015

CENTURIA CAPITAL LIMITED AND CONTROLLED ENTITIES

Additional stock exchange information as at 31 July 2015

For the year ended 30 June 2015

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Distribution of holders of ordinary shares

	Number of holders	Number of ordinary shares
1 - 1,000	837	418,756
1,001 - 5,000	4,996	12,263,109
5,001 - 10,000	862	5,879,604
10,001 - 100,000	621	15,551,291
100,001 and over	71	42,644,169
	7,387	76,756,929
Holding less than a marketable parcel	487	150,523

On-market share buy-back

In accordance with the notice issued on 10 October 2014, the Company commenced an on-market buy-back during the current financial year.

The company bought-back 1,383,835 shares during the current financial year. All but 10,000 of the shares bought-back were settled by 30 June 2015.

Substantial shareholders

Ordinary shareholders

Number of shares held

RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST	7,665,000
RESOLUTE FUNDS MANAGEMENT PTY LTD <HANOVER PROPERTY S/F A/C>	4,199,440

Top 20 Shareholders

	Ordinary Shares	
	Number	Percentage
1 RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	7,665,000	9.99%
2 RESOLUTE FUNDS MANAGEMENT PTY LTD <HANOVER PROPERTY S/F A/C>	4,199,440	5.47%
3 J P MORGAN NOMINEES AUSTRALIA LIMITED	3,688,367	4.81%
4 PARITAI PTY LIMITED <PARITAI A/C>	2,044,266	2.66%
5 HWM (NZ) HOLDINGS LIMITED	1,737,128	2.26%
6 NATIONAL EXCHANGE PTY LTD <CORP A/C>	1,401,563	1.83%
7 AVANTEOS INVESTMENTS LIMITED <2412987 SLATER A/C>	1,380,000	1.80%
8 AVANTEOS INVESTMENTS LIMITED <1259738 PARSONS A/C>	1,107,822	1.44%
9 AVANTEOS INVESTMENTS LIMITED <1703553 JOHNSON A/C>	1,063,608	1.39%
10 NATIONAL NOMINEES LIMITED	835,394	1.09%
11 STERLING GRACE CAPITAL MANAGEMENT LP	802,550	1.05%
12 STERLING GRACE INTERNATIONAL LLC	802,550	1.05%
13 BRYSHAW MANAGEMENT PTY LTD <BRYSHAW ACCOUNT>	765,051	1.00%
14 PHILIP CAIRNS DIXON + JACQUELINE PATRICIA DIXON + STEPHEN THOMAS WRIG	750,000	0.98%
15 VEXDAT PTY LTD <VEXDAT SUPER FUND A/C>	714,390	0.93%
16 AVANTEOS INVESTMENTS LIMITED <2469707 N SLATER A/C>	710,000	0.92%
17 MR ROGER WILLIAM DOBSON <DOBSON SUPER FUND A/C>	647,662	0.84%
18 KOONTA PTY LTD <KOONTA SUPER FUND ACCOUNT>	548,112	0.71%
19 AUST EXECUTOR TRUSTEES LTD <HENROTH PTY LIMITED>	530,000	0.69%
20 NATIONAL EXCHANGE PTY LTD	500,000	0.65%
	31,892,903	41.55%

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Corporate Directory

Contact Us

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