ASPEN GROUP LIMITED
ABN 50 004 160 927

ASPEN PROPERTY TRUST
ARSN 104 807 767

Responsible Entity: Aspen Funds Management Ltd
ABN 48 104 322 278

Appendix 4D
For the period ended
31 December 2014

Results for announcement to the market

Details of reporting periods:

Current period	31 December 2014
Corresponding period	31 December 2013

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount $'000
Revenue from continuing operations	up	51.14%	to	20,944
Loss after tax	down	74.02%	to	(18,229)
Loss after tax attributable to securityholders of Aspen Group	down	76.35%	to	(14,594)
Operating Profit before tax	down	5.24%	to	7,845

Dividends/Distributions

Combined

31 December 2014		31 December 2013	
Cents per Stapled Security	Total $ '000	Cents per Stapled Security	Total $ '000
4.5	5,114	7.5	9,035

Aspen Property Trust

31 December 2014				31 December 2013			
Period	Cents per Unit	Total $ '000	Deferred tax %	Period	Cents per Unit	Total $ '000	Deferred tax %
Jul – Dec 14	4.5	5,114		Jul – Dec 13	7.5	9,035	
	4.5	5,114	100.0%		7.5	9,035	100.0%

Aspen Group Limited

31 December 2014				31 December 2013			
Period	Cents per Share	Total $ '000	Tax rate for franking credit %	Period	Cents per Share	Total $ '000	Tax rate for franking credit %
Jul – Dec 14	-	-	-	Jul – Dec 13	-	-	-
	-	-			-	-	

Record date for determining entitlements to the dividend/distribution was:

Interim dividend (December) 31 December 2014

Aspen Group Limited

Aspen Group Limited
ABN: 50 004 160 927

Aspen Property Trust
ARSN: 104 807 767

Interim Financial Report for the period ended

31 December 2014

Financial Report

for the period ended 31 December 2014

Glossary of entities and terms

Entity name	Term
Aspen Group Limited	The Company
Aspen Property Trust	The Trust
Aspen Group	Aspen Group
Aspen Funds Management Limited	AFM
Aspen Development Fund No 1 Pty Limited	ADF
Aspen Parks Property Fund	APPF
Aspen Parks Property Trust	APPT
Aspen Diversified Property Fund	ADPF
Aspen Whitsunday Shores Pty Limited	AWSS
Enclave at St Leonards Limited	EASL
Aspen Dunsborough Lakes Limited	ADLL
Fern Bay Seaside Village Pty Limited	FBSV
Aspen Parks Wholesale Property Fund	APWPF

Other terms used

Employee Stapled Security Incentive Plan	ESSIP
Earnings Per Share	EPS
Long Term Incentive	LTI
Cents per security	cps
Non-controlling interest	NCI

Company Particulars

Board of Directors

Frank Zipfinger	Non-Executive Chairman
Clem Salwin	Managing Director
Hugh Martin	Non-Executive Director
Clive Appleton	Non-Executive Director
Guy Farrands	Non-Executive Director

Company Secretary

Eric Lee

Registered Office

Level 3, Newspaper House
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PERTH WA 6000

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Email:	homemail@aspengroup.com.au
Web Address:	www.aspengroup.com.au

Share Registry

Link Market Services Limited
Ground Floor
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PERTH WA 6000

Australian Telephone:	1300 554 474
International Telephone:	(61 2) 8280 7111
Facsimile:	(61 2) 9287 0303

Auditor

PricewaterhouseCoopers
Brookfield Place
Level 15
125 St Georges Terrace
PERTH WA 6000

Telephone:	(61 8) 9238 3000
Facsimile:	(61 8) 9238 3999

Stock Exchange Listing

Aspen Group Limited's securities are listed on the Australian Securities Exchange ("ASX") through Aspen Group under the ASX code APZ (stapled securities). Each stapled security comprises one share in Aspen Group Limited and one unit in Aspen Property Trust.

Directors' Report

The directors present their report together with the consolidated interim financial statements of Aspen Group comprising Aspen Group Limited ("the Company"), its subsidiaries, Aspen Group's interest in associates, and its stapled entity Aspen Property Trust ("the Trust") and its subsidiaries, which form the Aspen Group ("Aspen Group"), for the period ended 31 December 2014 and the auditor's review report thereon.

Directors

The directors of the Company and Aspen Funds Management Limited ("AFM"), as responsible entity of the Trust, at any time during or since the end of the half year are:

Name	Date of Appointment
Non – Executive Directors	
Frank Zipfinger	Appointed: 31 January 2011
Hugh Martin	Appointed: 30 April 2012
Clive Appleton	Appointed: 30 April 2012
Guy Farrands	Appointed: 26 November 2012
Executive Director	
Clem Salwin	Appointed: 1 July 2013

Principal activities

The principal activities of Aspen Group during the period were to invest in the accommodation sector, divest non-core industrial and development properties, and funds management activities in the property sector. Other than as disclosed within the Operating and Financial Review, there was no significant change in the nature of the activities of Aspen Group during the period.

Operating and financial review

Aspen Group recorded a loss after tax of $18.229 million for the period ended 31 December 2014 (loss of $70.173 million for the period ended 31 December 2013).

Operating Results

"Underlying Profit" (also referred to as "net profit after tax before significant items") is a non-statutory measure that is determined to present, in the opinion of the directors, the operating activities of Aspen Group in a way that appropriately reflects Aspen Group's operating performance. Underlying Profit excludes items such as consolidation/deconsolidation losses and gains and adjustments arising from the effect of revaluing assets / liabilities (such as derivatives, financial assets and investment property) and non-cash items. Other Non-Underlying Profit adjustments are made for realised transactions occurring infrequently and those that are outside the course of Aspen Group's ongoing business activities.

Underlying Profit is determined having regard to principles which include providing clear reconciliation between statutory profit and Underlying Profit in the Directors' Report and Financial Report, including both positive and negative adjustments, maintaining consistency between reporting years, and taking into consideration property industry practices.

Underlying Profit Before Tax as assessed by the directors, for the period ended 31 December 2014 was $7.845 million ($8.279 million for the period ended 31 December 2013), reflecting a 5.24% decrease from the previous corresponding period.

Directors' Report (continued)

The following table summarises key reconciling items between consolidated statutory loss after tax attributable to the securityholders of Aspen Group and Underlying Profit. The Underlying Profit information in the table has not been subject to any specific review procedures by Aspen Group's auditor but has been extracted from note 5 of the accompanying financial statements for the period ended 31 December 2014, which have been subject to review; refer to pages 14 and 15 for the auditor's review report on the financial statements of Aspen Group.

Key financial results for Aspen Group during the period were as follows:

	31 December 2014	31 December 2013
	$ '000	$ '000
Accommodation underlying profit before tax	2,825	6,172
Commercial / industrial underlying profit before tax	5,126	6,919
Development underlying loss before tax	(106)	(4,812)
Total Underlying Profit before tax	7,845	8,279
Specific non-underlying and non-cash items*		
Cost of park operations	(30)	-
Property expenses from investment properties	(184)	-
Change in fair value of investment properties	(12,000)	(11,500)
Impairment of property, plant and equipment	(5,548)	-
Employee benefits expense	(126)	-
Administrative expenses	(622)	(55)
Depreciation expense	(2,462)	-
Write off of property, plant and equipment	(1,183)	-
Relocation cost expense	(3,151)	-
Other expenses	(596)	(35)
Change in fair value of assets held for sale	(1,418)	(770)
Impairment adjustments of equity accounted investees	-	(7,160)
Fair value adjustment of equity accounted investee	967	-
Share of loss of equity accounted investees	(22)	(152)
Financial income	-	1,322
Financial expenses	(1,805)	-
Profit / (loss) from discontinued operations – subsidiary assets held for sale, net of tax	1,702	(23,606)
Profit / (loss) from discontinued operations – industrial property held for sale, net of tax	404	(24,355)
Consolidated statutory net loss before tax attributable to securityholders of Aspen Group	(18,229)	(58,032)
Tax expense (i)	-	(12,141)
Consolidated statutory net loss after tax attributable to securityholders of Aspen Group	(18,229)	(70,173)

* Refer to note 5, Operating segments, for further details on non-underlying and non-cash items by segment.

(i) The tax expense for the period ended 31 December 2013 relates to the write off of the deferred tax asset balance.

Directors' Report (continued)

Distributions for the period were as follows:

	Record date	Amount per stapled security 31 December 2014	Amount per stapled security 31 December 2013
Aspen Group			
Income distribution	31 December 2014	4.50 cents	7.50 cents
Total		**4.50 cents**	**7.50 cents**
Aspen Parks Property Fund			
Income distribution	31 October 2014	0.340 cents	-
Income distribution	30 November 2014	0.329 cents	-
Income distribution	31 December 2014	0.340 cents	-
Total		**1.009 cents**	-

Reconciliation of carrying amount to net asset value for stapled security pricing

Net asset value ("NAV") is a non-statutory measure that is determined to present, in the opinion of the directors, the fair value of Aspen Group's net assets in a way that appropriately reflects the market value of the Aspen Group's net assets. NAV includes the fair value of goodwill on leasehold properties above carrying value that is not recognisable for statutory reporting.

NAV is determined having regard to principles which include providing clear reconciliation between net assets in the Consolidated Interim Statement of Financial Position and NAV in the Directors' Report, including both positive and negative adjustments, maintaining consistency between reporting periods, and taking into consideration property industry practices.

The table below provides a reconciliation between the net assets per the Consolidated Interim Statement of Financial Position and NAV. The NAV includes the value attributed to goodwill above its carrying value that exists in respect to leasehold accommodation park properties. Further detail in respect to this reconciliation is outlined in note 11.

	Note	31 December 2014 $ '000	30 June 2014 $ '000
Net assets per the Consolidated Interim Statement of Financial Position		213,210	179,699
APPF non-controlling interest share of net assets	20	(58,970)	-
Net assets attributable to APZ security holders		154,240	179,699
Adjustment for unrecognised goodwill on APPF leasehold properties		998	-
Adjustment for unrecognised APPF acquisition costs		259	-
NAV		155,497	179,699
NAV per security		1.37	1.50

Directors' Report (continued)

Operating and Financial Review

Aspen Group has three business segments outlined below:

CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	
ACCOMMODATION	INDUSTRIAL	DEVELOPMENT
Aspen Parks Property Fund Aspen Karratha Village	Spearwood Noble Park (settled in October 2014)	Aspen Development Fund No.1 Aspen Living Residential Syndicates On-balance sheet development assets

Accommodation

Aspen Group's accommodation business results were comprised of the following during the period:

- The management of and co-investment in Aspen Parks Property Fund ("APPF") until 9 October 2014;
- Full consolidation of APPF from 10 October 2014; and
- Ownership of the Aspen Karratha Village ("AKV")

The contribution to the operating result is detailed below:

Accommodation Earnings	1H15	1H14	Change
APPF management and co-investment (up to 9 October 2014)			
	$ '000	**$ '000**	
Management fees	657	2,599	(74.72%)
Underlying equity profits	472	623	(24.24%)
Non-underlying profit / (loss)	935	(152)	715.13%
Total APPF profit	2,064	3,071	(32.79%)
APPF consolidated (from 10 October 2014)			
Underlying profit	3,401	-	-
Non-underlying loss	(9,865)	-	-
Total loss	(6,465)	-	-
NCI	(3,750)	-	-
APZ share	(2,715)	-	-
Aspen Karratha Village			
Underlying profit	2,806	7,187	(60.96%)
Non-underlying loss	(12,181)	(11,500)	(5.92%)
Total Aspen Karratha Village	(9,375)	(4,313)	(117.37%)
Total Accommodation earnings attributable to Aspen Group security holders	(10,027)	(1,242)	(707.33%)

Directors' Report (continued)

Aspen Parks Property Fund

Aspen Group's earnings from APPF were reflected in equity profits and management fee income up to 9 October 2014 through its investment in, and management of, APPF. On 10 October 2014, Aspen Group obtained control of APPF in accordance with AASB 10 *'Consolidated Financial Statements'* and APPF's results have been fully consolidated in Aspen Group's financials from that date. At report date, Aspen Group held a 42.0% equity interest in APPF (2014: 12.5%).

The contribution to earnings for the period to 31 December 2014 from management fees was $0.657 million. This is down 74.72% against the period ended 31 December 2013 primarily due to the elimination of management fees earned from 10 October 2014 following full consolidation of APPF, and due to a reduction in Aspen Group's management fee to 1.0% of gross assets during the period (1.5% of gross assets in the prior corresponding period).

Management and co-investment:

a) Equity Profits

Aspen Group's equity share of Underlying Profit from APPF during the period was $0.472 million, a 24.24% reduction from the same period in FY14. As with the decline in management fees generated during 1H FY15, the decrease in equity profits is primarily due to consolidation of APPF from 10 October 2014.

b) Non-underlying

Aspen Group's non-underlying share of statutory profit and other comprehensive income from APPF during the period was a profit of $0.935 million primarily due to a fair value uplift of Aspen Group's equity holding.

Consolidated:

Consolidation of APPF from 10 October 2014 resulted in a contribution of $3.401 million profit to Aspen Group's underlying result and a contribution of $9.865 million loss to Aspen Group's non-underlying result.

Aspen Karratha Village ("AKV")

AKV is a 180 room, high quality transient worker accommodation facility which was 90.0% leased at 31 December 2014. Net income from the property during the period decreased 60.96% on the prior year to $2.806 million, as a result of Aspen Group having renegotiated its lease with Woodside in January 2014, with a 43% decline in room rate.

During the period, the carrying value of AKV declined by 31.2% to $26.5 million, based on an independent valuation received. This reflects the weaker demand in the resources accommodation sector that has occurred during the period and a decline in the lease term given this has one year remaining (the tenant has the right to extend the lease for a further 12 months, at the tenant's discretion).

Industrial

The industrial property portfolio consists of one remaining industrial property (Spearwood) at balance date. Noble Park was sold and settled in October 2014 for $20.581 million (net).

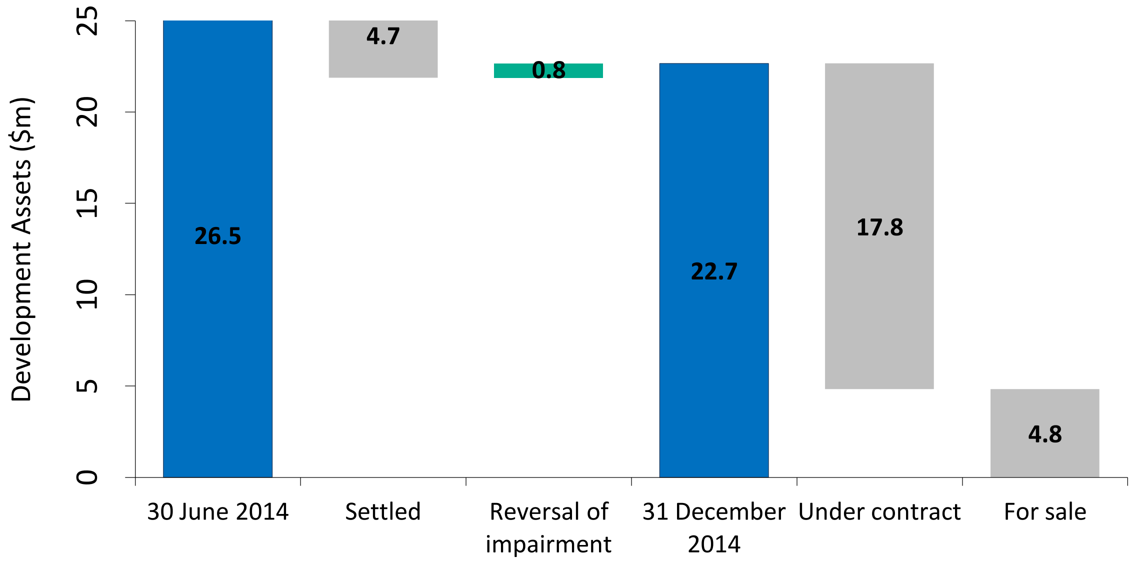
Net income from the industrial portfolio during the period was $5.530 million.

Development

The development segment recorded a profit of $1.669 million for the period (1H2014: $28.319 million loss). The improvement in performance reflects Aspen Group's success in pursuing its strategy of selling all development assets in an orderly manner.

Directors' Report (continued)

The following chart details the development activity during the period ended 31 December 2014:



Aspen Development Fund No. 1 ("ADF")

Aspen Group has a 75.1% interest in ADF which is a subsidiary and consolidated for accounting purposes.

Sales totalling $3.215 million settled during the period, reducing the number of remaining projects to two, being Adelaide City Central, South Australia and Upper Swan, Western Australia. Proceeds from sales during the period were used to repay loans and provide working capital.

At 31 December 2014, ADF had assets under contract for sale for $15.000 million, with $0.384 million of assets remaining unsold. This includes a conditional contract of sale of ADF's interest in the residual stages of the Adelaide City Central development for $12.000 million, which is due for settlement by April 2015.

Aspen Living Residential Syndicates

During the period, three residential development syndicates (Enclave at St Leonards Ltd, Aspen Dunsborough Lakes Ltd, and Fern Bay Seaside Village Pty Ltd) were placed into members' voluntary liquidation. These syndicates are expected to be wound up by the end of calendar 2015.

Aspen Whitsunday Shores Pty Ltd's ("AWSS") is the sole syndicate with property assets remaining unsold, with a carrying value of $2.447 million. Upon the sale and settlement of these property assets, it is intended that AWSS will commence a process to wind up.

On balance sheet development assets

At 31 December 2014, Aspen Group has $2.000 million in development balance sheet assets unsold and available for sale. This consists of a vacant strata lot held in Midland, Western Australia.

Corporate overheads

Statutory corporate overheads have increased by $0.630 million to $5.244 million from 2H FY14 to 1H FY15. This is primarily due to legal costs incurred in respect to the APPF recapitalisation during the period.

Capital management

At 31 December 2014, Aspen Group's core senior debt facility was drawn to $40.000 million, up from $26.806 million at 30 June 2014. The increase in debt was used to fund the acquisition of a further 27.5% equity holding in APPF.

As at 31 December 2014 and at the date of signing this report, Aspen Group is compliant with its banking covenants.

Directors' Report (continued)

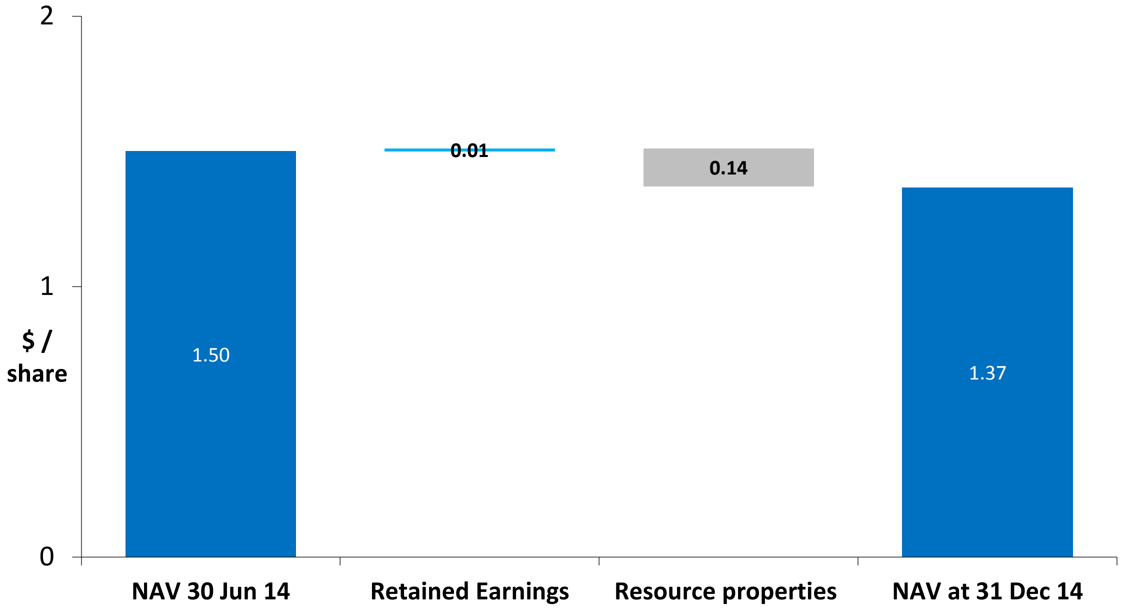
Aspen Group's consolidated debt position at 31 December 2014 is $122.250 million of which $82.250 reflects the consolidation of APPF's debt facility. Consolidated gearing is 25.27% at 31 December 2014 which has increased from nil at 30 June 2014, primarily reflecting the consolidation of APPF. As a result of the APPF entitlement offer, and an increase in Aspen Group's stake in APPF, look through gearing has increased from nil to 17.83%. Look through gearing is calculated by incorporating only the group's proportionate ownership interest in the assets and debt of its investments and subsidiaries.

The average cost of debt fell to 5.2% during the period, down from 6.9% at June 2014.

Financial Position

The NAV of Aspen Group at 31 December 2014 is $1.37 per security ($1.50 per security at 30 June 2014).

The following diagram outlines the key movements in the NAV assessed as at 31 December 2014:



Assets

Total assets have increased by $142.242 million to $362.962 million during the period, which has primarily arisen as a result of consolidating APPF.

Liabilities

Total liabilities increased by $107.731 million to $149.752 million during the period, which has primarily arisen as a result of consolidating APPF.

Equity

Equity increased by $33.511 million during the year. This increase primarily reflects the effect of the consolidation of APPF of $70.290 million partly offset by a total comprehensive loss for the period of $16.430 million, a security buy-back of $8.633 million, distributions of $6.552 million and the effect of the APPF withdrawal offer of $5.453 million.

Directors' Report (continued)

Likely developments

The immediate focus for Aspen Group is to complete the sale of its sole remaining industrial property (carrying value of $67.510 million), resort assets in APPF (carrying value $23.463 million) and development assets (carrying value of $4.831 million), improve yields from its accommodation portfolio including managing the impact of the downturn in demand for accommodation from the resource sector, and continue to progress reducing corporate overheads.
In addition, Aspen Group will continue to pursue growth opportunities in the accommodation sector, both in acquisitions and development works, and to progress the wind up of development syndicates and other dormant or inactive entities.

Safety and environment

No significant accidents or injuries were recorded during the period of Aspen Group employees. During the period, Aspen Group continued the reclassification of the Spearwood property in Bibra Lake as a result of contamination arising from historic land use.

Other than this, there were no significant environmental issues during, or subsequent to, the period.

Significant changes in the state of affairs

Other than noted elsewhere in this Interim Financial Report, there were no significant changes in the state of affairs of Aspen Group that occurred during the period under review.

Events subsequent to reporting date

On 13 January 2015, Aspen Group completed the acquisition of a manufactured housing estate, Four Lanterns Estate in Leppington, NSW for $7.420 million in cash.

Other than the above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Directors ("the Board"), to affect significantly the operations of the Aspen Group, the results of those operations, or the state of affairs of the Aspen Group, in future financial years.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is included on page 13 and forms part of the Directors' Report for the period ended 31 December 2014.

Rounding off

Aspen Group is an entity of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and, in accordance with the Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

Clem Salwin
Managing Director
PERTH, 20 February 2015

Auditor's Independence Declaration

As lead auditor for the review of Aspen Group Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aspen Group Limited and the entities it controlled during the period.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
20 February 2015

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Independent auditor's review report to the members of Aspen Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aspen Group Limited (the Company), which comprises the consolidated interim statement of financial position as at 31 December 2014, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Aspen Group (the consolidated entity). The consolidated entity comprises both the Company and the entities it controlled during that half-year, including Aspen Funds Management Limited as responsible entity for Aspen Property Trust (the Trust) and the entities it controlled during that half year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aspen Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Pierre Dreyer
Partner

Perth
20 February 2015

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2014

	Note	31 December 2014 $ '000	31 December 2013 $ '000
Income from investment properties		5,077	10,083
Revenue from park operations	6	15,210	-
Funds management revenue		657	3,774
Cost of park operations	6	(9,313)	-
Property expenses from investment properties		(2,467)	(2,777)
Gross profit excluding non-cash expenses, overhead costs and similar items		9,164	11,080
Change in fair value of investment properties	13	(12,000)	(11,500)
Impairment of property, plant and equipment	11	(5,694)	-
Employee benefits expense	7	(4,169)	(4,105)
Administration expenses	8	(2,159)	(1,891)
Depreciation expense	11	(2,591)	(258)
Write off of property, plant and equipment	11	(1,183)	-
Relocation cost expense		(3,151)	-
Other expenses		(590)	(378)
Change in fair value of assets held for sale	10	(1,272)	(815)
Impairment adjustments to equity accounted investees		-	(7,160)
Fair value adjustment of equity accounted investee	14	967	-
Share of profit of equity accounted investees		452	703
Operating loss before financing expenses		(22,226)	(14,324)
Finance income	9	277	2,170
Finance expenses	9	(3,479)	(525)
Loss before income tax		(25,428)	(12,679)
Income tax expense		-	(12,141)
Loss from continuing operations		(25,428)	(24,820)
Discontinued operations			
Profit / (loss) from discontinued operations – subsidiary assets held for sale, net of tax	21	1,669	(28,319)
Profit / (loss) from discontinued operations – industrial property held for sale, net of tax	15	5,530	(17,034)
Loss for the period		(18,229)	(70,173)
Loss attributable to:			
Securityholders of Aspen Group		(14,594)	(61,700)
Non-controlling interests		(3,635)	(8,473)
Loss for the period		(18,229)	(70,173)
Basic earnings per stapled security (cps)	19	(12.528)	(51.588)
Diluted earnings per stapled security (cps)	19	(12.528)	(51.588)
Basic earnings per stapled security – continuing operations (cps)	19	(18.298)	(20.752)
Diluted earnings per stapled security – continuing operations (cps)	19	(18.298)	(20.752)

(The Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2014

	Note	31 December 2014 $ '000	31 December 2013 $ '000
Loss for the period		(18,229)	(70,173)
Other comprehensive expense			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	18	2,346	-
		2,346	-
Items that are or may be reclassified to profit or loss			
Loss on non-controlling interest from withdrawal offer		(547)	-
		(547)	
Other comprehensive income for the period, net of tax		1,799	-
Total comprehensive expense for the period		(16,430)	-
Total comprehensive expense attributable to:			
Securityholders of Aspen Group		(12,478)	(61,700)
Non-controlling interests		(3,952)	(8,473)
Total comprehensive expense for the period		(16,430)	(70,173)
Total comprehensive income / (expense) attributable to securityholders of Aspen Group:			
Continuing operations		(23,629)	(24,820)
Discontinued operations - subsidiary assets held for sale, net of tax		1,669	(28,319)
Discontinued operations - industrial property held for sale, net of tax		5,530	(17,034)
Total comprehensive expense for the period		(16,430)	(70,173)

(The Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Consolidated Interim Statement of Financial Position

As at 31 December 2014

	Note	31 December 2014 $ '000	30 June 2014 $ '000
Assets			
Cash at bank and in hand		25,582	13,546
Cash in term deposits		18,735	31,135
Trade and other receivables		2,298	3,173
Other financial assets		2,111	7,153
Assets classified as held for sale	10	25,463	2,792
Subsidiary assets classified as held for sale	21	19,883	24,554
Industrial property assets classified as held for sale	15	67,510	87,809
Investments in equity accounted investees	14	37	25
Inventories		644	-
Prepayments and other current assets		2,143	616
Total current assets		164,406	170,803
Property, plant and equipment	11	165,550	1,436
Goodwill	12	5,502	-
Investment property	13	26,500	38,500
Investments in equity accounted investees	14	-	10,729
Other investments		453	-
Other		551	252
Total non-current assets		198,556	50,917
Total assets		362,962	221,720
Liabilities			
Trade and other payables		9,510	2,875
Subsidiary liabilities classified as held for sale	21	920	3,913
Industrial property liabilities classified as held for sale	15	29,400	19,306
Interest-bearing loans and borrowings	16	-	2,931
Provisions	17	11,824	7,215
Employee benefits		2,391	598
Other financial liabilities		2,883	683
Total current liabilities		56,928	37,521
Interest-bearing loans and borrowings	16	92,824	4,500
Total non-current liabilities		92,824	4,500
Total liabilities		149,752	42,021
Net assets		213,210	179,699
Equity			
Issued capital	18	514,481	523,031
Other equity		-	(1,465)
Reserves	18	-	(1,423)
Revaluation reserve	18	2,346	-
Accumulated losses		(343,397)	(320,777)
Total equity attributable to equity holders of Aspen Group		173,430	199,366
Non-controlling interest	20	39,780	(19,667)
Total equity		213,210	179,699

(The Consolidated Interim Statement of Financial Position is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Consolidated Interim Statement of Changes in Equity

For the period ended 31 December 2014

		Attributable to securityholders of Aspen Group							
		Issued capital	Other equity	Reserves	Revaluation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
		$ ’000	$ ’000	$ ’000	$ ’000	$ ’000	$ ’000	$ ’000	$ ’000
Balance at 1 July 2014		523,031	(1,465)	(1,423)	-	(320,777)	199,366	(19,667)	179,699
Total comprehensive expense for the period									
Loss for the period		-	-	-	-	(14,594)	(14,594)	(3,635)	(18,229)
Other comprehensive expense									
Revaluation of property, plant and equipment		-	-	-	2,346	-	2,346	-	2,346
Effect of withdrawal offer of APPF	20	-	-	-	-	(230)	(230)	(317)	(547)
Total other comprehensive expense		-	-	-	2,346	(230)	2,116	(317)	1,799
Total comprehensive expense for the period		-	-	-	2,346	(14,824)	(12,478)	(3,952)	(16,430)
Transfer to Accumulated losses		-	1,465	1,423	-	(2,888)	-	-	-
Transactions with securityholders of Aspen Group, recognised directly in equity									
Contributions by and distributions to securityholders of Aspen Group									
Issue of securities	18	83	-	-	-	-	83	-	83
Effect of securities buy-back, net of tax	18	(8,633)	-	-	-	-	(8,633)	-	(8,633)
Distributions to securityholders	18	-	-	-	-	(5,114)	(5,114)	-	(5,114)
Distributions to non-controlling interest	20	-	-	-	-	-	-	(1,438)	(1,438)
Share based payment transactions	7	-	-	-	-	206	206	-	206
Effect of consolidation of APPF	20	-	-	-	-	-	-	70,290	70,290
Effect of withdrawal offer of APPF	20	-	-	-	-	-	-	(5,453)	(5,453)
Total contributions by and distributions to securityholders of Aspen Group		(8,550)	-	-	-	(4,908)	(13,458)	63,399	49,941
Total transactions with securityholders of Aspen Group		(8,550)	-	-	-	(4,908)	(13,458)	63,399	49,941
Balance at 31 December 2014		514,481	-	-	2,346	(343,397)	173,430	39,780	213,210

(The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Consolidated Interim Statement of Changes in Equity

For the period ended 31 December 2013

		Attributable to securityholders of Aspen Group						
		Issued capital	Other equity	Reserves	Accumulated losses	Total	Non-controlling interest	Total equity
		$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1 July 2013		522,051	(1,465)	(9)	(236,755)	283,822	2,874	286,696
Total comprehensive expense for the period								
Loss for the period		-	-	-	(61,700)	(61,700)	(8,473)	(70,173)
Total comprehensive expense for the period		-	-	-	(61,700)	(61,700)	(8,473)	(70,173)
Transactions with securityholders of Aspen Group, recognised directly in equity								
Contributions by and distributions to securityholders of Aspen Group								
Issue of securities	18	980	-	-	-	980	-	980
Distributions to securityholders		-	-	-	(9,035)	(9,035)	(8,450)	(17,485)
Share based payment transactions	7	-	-	-	336	336	-	336
Total contributions by and distributions to securityholders of Aspen Group		980	-	-	(8,699)	(7,719)	(8,450)	(16,169)
Acquisition of non-controlling interest	20	-	-	-	-	-	(1,640)	(1,640)
Total transactions with securityholders of Aspen Group		980	-	-	(8,699)	(7,719)	(10,090)	(17,809)
Balance at 31 December 2013		523,031	(1,465)	(9)	(307,154)	214,403	(15,689)	198,714

(The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Consolidated Interim Statement of Cash Flows

For the period ended 31 December 2014

	Note	31 December 2014 $ '000	31 December 2013 $ '000
Cash flows from / (used in) operating activities			
Cash receipts from customers		35,054	50,431
Cash payments to suppliers and employees		(29,759)	(39,780)
Cash generated from operating activities		5,295	10,651
Dividends received		209	2,248
Interest received		277	2,516
Interest and other costs of finance paid		(2,770)	(6,376)
Net cash from operating activities		3,011	9,039
Cash flows from / (used in) investing activities			
Movement in cash held in restricted funds		(2,821)	(3)
Payment for acquisition of property, plant and equipment		(9,434)	39
Payment for acquisition of equity accounted investees		-	(8,480)
Payment for acquisition of subsidiary, net of cash acquired		(33,570)	(2,140)
Proceeds from disposal of equity accounted investees		-	885
Proceeds from sale of assets held for sale		5,497	7,724
Proceeds from sale of investment properties		20,581	73,803
Net cash from / (used in) investing activities		(19,747)	71,828
Cash flows from / (used in) financing activities			
Proceeds from issue of equity securities		-	980
Payment of equity securities issue costs		(105)	-
Proceeds from borrowings		41,444	-
Repayments of borrowings		(13,000)	(62,186)
Repayment of loan from third party		3,000	-
Repayment of directors loan		2,150	-
Payment for securities bought back		(8,528)	-
Payment for securities bought back from non-controlling interests		(6,000)	-
Distributions paid to non-controlling interests		(1,439)	-
Distributions paid to Aspen Group securityholders		(4,797)	(17,442)
Net cash from / (used in) financing activities		12,725	(78,648)
Net increase / (decrease) in cash and cash equivalents		(4,011)	2,219
Cash and cash equivalents at beginning of period		43,627	38,827
Cash and cash equivalents at end of period		39,616	41,046
Less: cash included in subsidiary assets held for sale		(299)	(2,933)
Cash and cash equivalents at end of period	23	39,317	38,113

(The Consolidated Interim Statement of Cash Flows is to be read in conjunction with the accompanying notes to the consolidated interim condensed financial statements.)

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Aspen Group was established for the purpose of facilitating a joint quotation of the Trust and the Company and its controlled entities on the ASX. Both the Trust and the Company and their controlled entities are domiciled in Australia. The address of Aspen Group's registered office is Level 3, Newspaper House, 129 St Georges Terrace, Perth, Western Australia. The Constitution of the Trust and the Articles of Association of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal and that unitholders and shareholders shall be identical.

The condensed consolidated interim financial statements of Aspen Group as at and for the period ended 31 December 2014 comprise the Company and the Trust along with their subsidiaries, including any subsidiaries acquired during the period, and their interests in associates. Aspen Group is a for-profit entity and is primarily involved in the accommodation sector.

2. Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of Aspen Group since the last annual consolidated financial statements as at and for the year ended 30 June 2014. The condensed consolidated interim financial statements do not include all information required for full annual financial statements prepared in accordance with Australian Accounting Standards ("AAS"), and should be read in conjunction with the consolidated annual financial statements of Aspen Group as at and for the year ended 30 June 2014.

These condensed consolidated interim financial statements were authorised for issue by the Board on 20 February 2015.

(b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position which are stated at their fair value:

- Derivative financial instruments;
- Available for sale financial instruments;
- Investment property;
- Certain classes of property, plant and equipment;
- Assets held for sale
- Subsidiary assets held for sale
- Commercial / industrial property assets held for sale; and
- Share-based payments.

The methods used to measure fair value are discussed further in note 2 (d).

(c) Functional and presentation currency

The condensed consolidated interim financial statements are presented in Australian dollars, which is the functional currency of Aspen Group. Aspen Group is an entity of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

(d) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with AAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Measurement of fair values

A number of Aspen Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Aspen Group has an established control framework with respect to the measurement of fair values. This includes dedicated finance staff that have overall responsibility for overseeing all significant fair value measurements and report directly to the Chief Financial Officer ("CFO").

The dedicated finance staff regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or external valuations are used to measure fair values, then the dedicated finance staff assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AAS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation matters are reported to the Aspen Group Audit Committee.

When measuring the fair value of an asset or a liability, Aspen Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in 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*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Aspen Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(e) Financial position

During the period ended 31 December 2014 Aspen Group recorded a loss after tax of $18.229 million (December 2013: loss after tax of $70.173 million). At 31 December 2014 Aspen Group had net assets of $213.210 million (June 2014: $179.699 million) and current assets exceeded current liabilities by $107.478 million (June 2014: $133.282 million). The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Board believes that Aspen Group will continue as a going concern and Aspen Group's cash flow forecast supports the Board's opinion that Aspen Group's working capital position will remain positive for at least the next twelve months from the date of these financial statements.

(f) Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current period amounts and other disclosures.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

3. Business Combinations

a) Acquisition of subsidiary

On 10 October 2014 Aspen Group acquired an additional 27.5% of the stapled securities and voting interests in APPF, an entity which owns and manages properties in the accommodation sector, mainly as the underwriter of APPF's entitlement offer. As a result, Aspen Group's equity interest in APPF increased from 12.5% to 40.0%, obtaining control of APPF in accordance with AASB 10 *'Consolidated Financial Statements'*. The acquisition has significantly increased Aspen Group's proportionate exposure to the accommodation sector, in line with Aspen Group's long-term strategy.

The fair values of certain items of property, plant and equipment have been determined on a provisional basis as the acquisition date fair values have yet to be finalised by management. This exercise will be completed by 30 June 2015.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Goodwill calculation

	$ '000
Consideration transferred	39,179
Fair value of pre-existing interest in APPF	11,927
Less: Fair value of identifiable net assets	(117,150)
Add: Non-controlling interest based on their proportionate interest in the recognised amounts of the net assets of APPF	70,290
Goodwill	4,246

The goodwill is attributable to the value of leasehold assets within APPF on certain accommodation park properties, not recognised by Aspen Group on consolidation of APPF under AASB.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	$ '000
Cash – APPF Entitlement Offer	5,001
Cash – Underwriting of APPF Entitlement Offer	34,178
	39,179

Reconciliation of acquisition of subsidiary, net of cash acquired

	$ '000
Cash – APPF Entitlement Offer	5,001
Cash – Underwriting of APPF Entitlement Offer	34,178
Less: Cash and cash equivalents of APPF at acquisition date	(5,608)
Acquisition of subsidiary, net of cash acquired	33,571

Fair value of pre-existing interest in APPF

The following table summarises the remeasurement of Aspen Group's pre-existing interest in APPF to fair value.

	$ '000
Aspen Group's equity accounted interest in APPF immediately prior to acquisition date	10,960
Fair value adjustment of equity accounted investee	967
	11,927

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at acquisition date.

	Fair value
	$ '000
Cash and cash equivalents	5,608
Trade and other receivables	1,234
Assets classified as held for sale	10,091
Prepayments and other current assets	1,534
Inventories	572
Property, plant and equipment	177,555
Trade and other payables	(8,358)
Interest bearing loans and borrowings	(67,000)
Provisions	(1,647)
Employee benefits	(1,398)
Tax liabilities	(553)
Derivative liabilities	(488)
Total identifiable net assets acquired	117,150

Non-controlling interest share of identified net assets

For the acquisition of APPF, Aspen Group elected to recognise the non-controlling interest of APPF at its proportionate share of the acquired net identifiable assets at acquisition date, in accordance with AASB 3.

The following table summarises the amount recognised for non-controlling interest at acquisition date.

	$ '000
Total identifiable net assets acquired	117,150
NCI percentage	60%
NCI share of identified net assets	70,290

Acquisition-related costs

Aspen Group incurred acquisition-related costs of $0.850 million on legal fees and due diligence costs. These costs have been fully expensed in the "Administrative Expenses" category in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Revenue and profit contribution

The acquired business, APPF, contributed revenues of $15.210 million and a net loss of $7.183 million to Aspen Group for the period from 10 October 2014 to 31 December 2014.

If the acquisition had occurred on 1 July 2014, the acquired business would have consolidated revenue and loss for the period ended 31 December 2014 of $30.970 million and $5.211 million respectively. These amounts have been calculated using APPF's results and adjusting them for inter-group transactions.

b) Acquisition of business

On 8 December 2014 Aspen Group's subsidiary, APPF, acquired a leasehold property known as the Harrington Holiday Park in NSW, Australia. This acquisition included the tangible assets of the park property as well as the existing park business. As a result, this transaction is accounted for under AASB 3 *Business Combinations* as a business combination.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Goodwill calculation

	$ '000
Consideration transferred	7,700
Less: Fair value of identifiable net assets	(6,444)
Goodwill	1,256

The goodwill is mainly attributable to the value of the existing business of Harrington Holiday Park, paid for by APPF and which is in excess of PPE.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	$ '000
Cash – Acquisition of Harrington Holiday Park	7,700
	7,700

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at acquisition date.

	Fair value $ '000
Property, plant and equipment, including land and buildings	6,444
Total identifiable net assets acquired	6,444

Acquisition-related costs

Aspen Group incurred acquisition-related costs of $0.617 million on legal fees and due diligence costs. These costs have been expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

4. Significant accounting policies

Except as detailed below, the accounting policies applied by Aspen Group in these condensed consolidated interim financial statements are the same as those applied by Aspen Group in its consolidated financial statements as at and for the year ended 30 June 2014 and the corresponding interim period.

As a result of the consolidation of APPF during the period ended 31 December 2014, Aspen Group applied, together with its existing policies, the accounting policies of APPF from the consolidation date, which have been adopted by Aspen Group. Accounting policies of APPF which are new to Aspen Group, are disclosed below:

(a) Property, plant and equipment

The revaluation model is used for certain classes of property, plant and equipment ("PPE"). Under the revaluation model, PPE is carried at its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses, plus capital expenditure incurred and capitalised to the property value. It is Aspen Group's policy to have its property assets valued by an external independent valuer at least once every three years on a rolling quarterly basis. In addition to this, the Board reviews the property asset valuations at each reporting date. If any factor materially influencing the valuation of a property is judged to have moved significantly, the Board may choose to conduct an external independent revaluation of a property asset earlier than 3 years.

The Board assesses the fair values of PPE by reference to the most recent external independent valuations received, having regard to recent market transactions for similar properties in the same location as the consolidated entity's properties, and through valuation analysis utilising current income levels for the properties and taking into account estimated capitalisation rates used by valuers.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

The fair value methodology requires significant assumptions to be made by the valuers, and subsequently by the directors including:

- The estimated future earnings of properties have been capitalised using capitalisation rates in the range of 10.3% - 34.1%, with a weighted average of 14.3%; and
- The fair values of excess land adjacent to the properties have been assessed having regard to arm's length transactions noted within an acceptable timeframe of the valuation date.

Fixtures, fittings and other equipment used in the operations are an integral part of the properties and have been included in the assessment of the properties' fair values.

Increments in the carrying amounts of PPE are credited, net of tax, to a revaluation reserve in equity. To the extent that the increment reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset. All other decreases are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

On disposal of PPE, any revaluation surpluses attributable to the asset that are remaining in the revaluation reserve at the date of disposal are transferred to accumulated losses.

Corporate office property, plant and equipment are measured at cost less accumulated depreciation and impairment losses and are not revalued. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives which have been assessed as follows:

Buildings & Cabins	10 – 40 years
Leasehold Improvements	15 – 40 years
Plant & Equipment	5 – 10 years

On revaluation of the properties and assets any accumulated depreciation is reversed.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and these are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Goodwill

Goodwill is recognised by Aspen Group in accordance with AASB 3 *Business Combinations*. Goodwill that is recognised by Aspen Group is measured at cost less accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually at the date of each Statement of Financial Position, or more frequently if events or changes in circumstances indicate that it might be impaired.

(c) Revenue

Accommodation income is recognised when the amount of revenue can be measured reliably and it is probable that it will be received by Aspen Group. Food and beverage income is recognised when the revenue has been received.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for at its net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

5. Operating segments

Aspen Group has three reportable segments, as described below, which are Aspen Group's strategic business units. The strategic business units hold different asset classes and offer different products and services, and are based on Aspen Group's management and internal reporting structure.

For each of the strategic business units, the CEO and Key Management Personnel (KMP) review internal management reports on at least a quarterly basis. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The following describes the operations in each of Aspen Group's reportable segments:

- Accommodation - This segment includes income and associated interest expense and other expenditure from Aspen Group's investments in the accommodation sector. This includes Aspen Group's 42.0% investment in, and funds management of, APPF, along with all income and expenditure associated with the Aspen Karratha Village investment property;
- Industrial – This segment includes all rental income and associated interest expense and other expenditure from Aspen Group's industrial property portfolio. This includes Spearwood and Noble Park (sold in October 2014). This segment is classified as a discontinued operation; and
- Development – This segment includes all development assets that Aspen Group has deemed as held for sale and has commenced divestment strategies on. This includes all Aspen Group on-balance sheet assets held for sale, AWSS, ADF, ADLL, EASL & FBSV. Development also includes interest from related parties and dividends from investments which cannot be allocated to the accommodation or industrial segments noted above. This segment is classified as a discontinued operation.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

5. Operating segments (continued)

Information about reportable segments	Accommodation (continuing operations)		Industrial (discontinued operation)		Development (discontinued operation)		Total	
	31 Dec 2014 $ '000	31 Dec 2013 $ '000	**31 Dec 2014 $ '000**	31 Dec 2013 $ '000	**31 Dec 2014 $ '000**	31 Dec 2013 $ '000	**31 Dec 2014 $ '000**	31 Dec 2013 $ '000
External revenues	20,944	12,610	6,969	13,503	5,914	16,071	33,827	42,185
Interest income	264	745	-	-	13	314	277	1,060
Total segment revenue	**21,208**	13,355	**6,969**	13,503	**5,927**	16,385	**34,104**	43,244
Interest expense	**(3,479)**	(404)	**(790)**	-	**-**	(121)	**(4,269)**	(525)
Reportable segment profit before income tax and share of profits from investments accounted for using the equity method (and other significant items below)	2,353	5,549	5,126	5,325	(108)	(5,044)	7,371	5,830
Share of profits from investments accounted for using the equity method (before significant items below)	472	623	-	1,594	2	231	474	2,449
Segment profit / (loss) before significant non-underlying and non-cash items below	**2,825**	6,172	**5,126**	6,919	**(106)**	(4,813)	**7,845**	8,279
Change in fair value of investment properties	(12,000)	(11,500)	-	-	-	-	(12,000)	(11,500)
Cost of park operations	(30)	-	-	-	-	-	(30)	-
Property expenses	(184)	-	-	-	-	-	(184)	-
Impairment of property, plant and equipment	(5,548)	-	-	-	-	-	(5,548)	-
Employee benefits expense	(332)	-	-	-	-	-	(332)	-
Administrative expenses	(416)	375	-	-	-	(430)	(416)	(55)
Depreciation expense	(2,462)	-	-	-	-	-	(2,462)	-
Write off of property, plant and equipment	(1,183)	-	-	-	-	-	(1,183)	-
Relocation cost expense	(3,151)	-	-	-	-	-	(3,151)	-
Other expenses	(757)	-	-	-	161	(33)	(596)	(35)
Change in fair value of assets held for sale	(1,418)	-	-	-	-	(770)	(1,418)	(770)
Impairment adjustments of equity accounted investees	-	(7,160)	-	-	-	-	-	(7,160)
Fair value adjustment of equity accounted investee	967	-	-	-	-	-	967	-
Share of profit / (loss) of equity accounted investees	(33)	(152)	-	-	11	-	(22)	(152)
Financial income	-	-	-	-	-	1,322	-	1,322
Financial expenses	(1,805)	-	-	-	-	-	(1,805)	-
Profit/loss from discontinued operations - subsidiary assets held for sale, net of tax	-	-	-	-	1,702	(23,606)	1,702	(23,606)
Profit/loss from discontinued operations - industrial property held for sale, net of tax	-	-	404	(24,355)	-	-	404	(24,355)
Segment profit / (loss) after significant items before tax	**(25,527)**	(12,265)	**5,530**	(17,436)	**1,768**	(28,330)	**(18,229)**	(58,032)
Reportable segment assets	**271,631**	94,668	**69,764**	226,777	**22,376**	81,739	**363,771**	403,184
Investments in equity accounted investees	**-**	10,629	**-**	-	**37**	106	**37**	10,735
Reportable segment liabilities	**116,788**	23,751	**32,853**	119,406	**920**	61,313	**150,561**	204,470

Notes to the Condensed Consolidated Interim Financial Statements (continued)

5. Operating Segments (continued)

Reconciliations of reportable segment revenues, profit or loss and assets

	31 December 2014 $ '000	31 December 2013 $ '000
Revenues		
Total revenues for reportable segments	34,104	43,224
Elimination of discontinued operations - subsidiary assets held for sale	(6,969)	(13,503)
Elimination of discontinued operations – industrial properties held for sale	(5,914)	(13,714)
Consolidated revenue	21,221	16,027
Profit or loss		
Total loss for reportable segments after significant items	(18,229)	(58,032)
Elimination of discontinued operations - subsidiary assets held for sale	(1,669)	28,319
Elimination of discontinued operations – industrial properties held for sale	(5,530)	17,034
Consolidated loss before income tax	(25,428)	(12,679)
Assets		
Consolidated assets	363,771	403,184
Total assets	363,771	403,184
Liabilities		
Consolidated liabilities	150,561	204,470
Total liabilities	150,561	204,470

Geographical segments

Aspen Group is an Australian based company, and as such has its current operating activities spread throughout Australia. The Board and KMP do not receive segmental information on a geographical basis.

Major customers

Gross revenues from one customer of Aspen Group's property portfolio represent approximately $5.077 million of Aspen Group's total gross revenues (31 December 2013: $10.010 million), while gross revenue from another major customer that ceased to be a customer of Aspen Group at 31 December 2014 represents approximately $4.343 million of Aspen Group's total gross revenues.

6. Profit from park operations

	31 December 2014 $ '000	31 December 2013 $ '000
Revenue from park operations (1)		
Accommodation income	12,754	-
Food and beverage income	1,405	-
Other income	1,051	-
	15,210	-
Cost of park operations (1)		
Direct operating expenses of park properties	(9,313)	-
	(9,313)	-

(1) Specifically relates to operations of park properties of the subsidiary acquired during the period, APPF, therefore there are no comparative amounts.

7. Employee benefits expense

	31 December 2014 $ '000	31 December 2013 $ '000
Wages and salaries including on-costs (1)	3,560	3,519
Contributions to defined contribution superannuation funds	168	250
Equity-settled share based payment transactions	206	336
Fringe benefits tax	45	-
Payroll tax	190	-
	4,169	4,105

(1) This amount includes overhead costs incurred by APPF from date of acquisition by Aspen Group per note 3(a).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

8. Administration expenses

	31 December 2014 $ '000	31 December 2013 $ '000
Occupancy costs	427	414
Other administration costs	1,732	1,477
	2,159	1,891

9. Net finance income / (expense)

		31 December 2014 $ '000	31 December 2013 $ '000
Finance income			
Interest income	– bank deposits	264	789
	– on loans to related parties	13	102
		277	891
Dividend expense		-	(44)
Change in fair value of interest rate swaps		-	54
Gain on disposal of held for sale financial asset		-	1,269
		277	2,170
Finance expenses			
Change in fair value of interest rate swaps		(1,829)	-
Interest expense on financial liabilities measured at amortised cost		(1,650)	(525)
		(3,479)	(525)
Net finance income / (expense)		(3,202)	1,645

10. Assets classified as held for sale

	31 December 2014 $ '000	30 June 2014 $ '000
At 1 July	2,792	26,119
Additions (1)	24,885	-
Disposals (2)	(339)	(21,434)
Transfer out (3)	(453)	-
Selling costs	(150)	-
Fair value adjustments (4)	(1,272)	(1,893)
At 31 December / 30 June	25,463	2,792
Previously classified as:		
Investment property	2,000	2,000
Property, plant and equipment	23,463	-
Other non-current assets	-	792
	25,463	2,792

(1) Relates to assets classified as held for sale from the subsidiary acquired during the period, APPF, namely the Ningaloo Reef Resort and the Monkey Mia Dolphin Resort transferred from PPE at 31 December 2014 ($14.940 million);

(2) A capital return of $0.339 million cash was received from the Esplanade Property Fund during the period ended 31 December 2014;

(3) The residual investment in the Esplanade Property Fund was transferred out of assets classified as held for sale to the "Other investments" balance at 31 December 2014 as the criteria included in AASB 5 was not met at 31 December 2014.

(4) Relates to impairments of the assets classified as held for sale of APPF based on latest valuations.

The Board believes the assets classified as held for sale continue to meet the requirements of AASB 5 at 31 December 2014.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

11. Property, plant and equipment

	Land	Buildings & cabins	Leasehold improvements	Plant & equipment	Corporate office	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Carrying amount at 1 July 2014	-	-	-	-	1,436	1,436
Additions	-	911	273	7,573	2	8,759
Consolidation (1)	21,708	106,852	33,670	15,325	-	177,555
Disposals	-	-	-	-	-	-
Depreciation	-	(1,545)	(302)	(615)	(129)	(2,591)
Reclassification to assets held for sale	242	122	(14,521)	(783)	-	(14,940)
Revaluation gains / (losses)	(3,993)	633	29	(155)	-	(3,486)
Write off of property, plant and equipment	-	-	-	-	(1,183)	(1,183)
Carrying amount at 31 December 2014	17,957	106,973	19,149	21,345	126	165,550
Carrying amount at 1 July 2013	-	-	-	-	2,427	2,427
Additions	-	-	-	-	105	105
Disposals	-	-	-	-	(5)	(5)
Depreciation	-	-	-	-	(461)	(461)
Impairments	-	-	-	-	(630)	(630)
Carrying amount at 30 June 2014	-	-	-	-	1,436	1,436

(1) Relates to a subsidiary acquired during the period, APPF. Refer to note 3(a) for details.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

11. Property, plant and equipment (continued)

Details of the latest revaluations of the park properties of APPF are as follows:

Property	Freehold or leasehold	Location	Latest independent valuation date	Latest independent valuation $ '000	Carrying value $ '000	Capitalisation rate %
A Shady River Holiday Park	Freehold	NSW	19/12/2013	5,970	5,970	13.39
Ashley Gardens BIG4 Holiday Village	Freehold	VIC	24/07/2014	19,500	19,500	11.50
Balmoral Holiday Park	Freehold	WA	8/01/2015	(5) 1,600	2,500	10.75
BIG4 Dubbo Parklands	Freehold	NSW	12/02/2014	10,200	10,200	10.97
Boathaven Holiday Park	Freehold and Leasehold	VIC	18/12/2013	7,860	8,000	15.78
Coogee Beach Holiday Park	Leasehold	WA	6/02/2014	(1) 7,250	3,189	16.97
Cooke Point Holiday Park	Leasehold	WA	30/01/2015	(3) 13,400	10,000	25.40
Exmouth Cape Holiday Park	Freehold	WA	6/02/2014	10,300	10,217	12.56
Geelong Riverview Tourist Park	Leasehold	VIC	13/01/2015	3,200	3,200	22.90
Harrington Holiday Park*	Leasehold	NSW	08/12/2014	7,700	7,700	12.98
Head office assets	N/A	WA	N/A	N/A	166	N/A
Horseshoe Lagoon Holiday Park	Freehold	NSW	14/01/2015	(6) 7,700	8,500	12.50
Maiden's Inn Holiday Park	Freehold	NSW	14/01/2015	15,000	15,000	12.00
Monkey Mia Dolphin Resort	Leasehold	WA	16/01/2015	(7) 9,310	-	19.78
Myall Grove Holiday Park	Freehold	SA	19/01/2015	4,000	4,000	15.00
Perth Vineyards Holiday Park	Freehold	WA	24/07/2014	14,090	14,000	10.30
Pilbara Holiday Park	Freehold	WA	8/01/2015	(4) 8,800	9,800	15.92
Port Augusta BIG4 Holiday Park	Freehold	SA	15/02/2014	5,700	5,700	14.04
Twofold Bay Beach Resort	Freehold	NSW	3/02/2014	6,000	6,000	10.89
Wallamba River Holiday Park	Freehold	NSW	11/02/2014	7,400	7,700	11.02
Woodman Point Holiday Park	Leasehold	WA	3/02/2015	(2) 14,500	6,064	11.70
Yarraby Holiday & Tourist Park Resort	Freehold	VIC	15/01/2014	9,400	9,400	12.50
				188,880	166,806	14.23

* Harrington Holiday Park was acquired on 8 December 2014 at a purchase price of $7.700 million and includes goodwill of $1.256 million at 31 December 2014, per note 3(b).

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Reconciliation of properties at independent valuation to carrying amount in the financial report

		31 December 2014 $ '000
	Cumulative total of latest independent valuations	188,880
(1)	Fair value of goodwill above carrying value – Coogee Beach Holiday Park	(4,061)
(2)	Fair value of goodwill above carrying value – Woodman Point Holiday Park	(8,436)
(3)	Difference between latest independent valuations and directors' valuation for Pilbara Holiday Park*	1,000
(4)	Difference between latest independent valuations and directors' valuation for Cooke Point Holiday Park**	(3,400)
(5)	Difference between latest independent valuations and directors' valuation for Balmoral Holiday Park***	900
(6)	Difference between latest independent valuations and directors' valuation for Horseshoe Lagoon Holiday Park****	800
(7)	Difference between latest independent valuations and directors' valuation for Monkey Mia Dolphin Resort*****	5,630
	Head Office property, plant and equipment and that is not subject to independent valuations	166
	Cumulative other differences between latest independent valuations and directors' valuations (Wallamba River Holiday Park, Perth Vineyards holiday Park, Exmouth Cape Holiday Park and Boathaven Holiday Park)	267
(7)	Transferred to assets classified as held for sale	(14,940)
	Carrying value at 31 December 2014	166,806

***** In considering the fair value of Pilbara Holiday Park, the Board has had regard to the independent valuation of $8.800 million. The Board has assessed that it is appropriate to make upward adjustments to the independent valuation to derive the fair value, by including the value of a rental agreement with an adjoining landowner, and excluding expenses which relate to income received on non-accommodation services, and which the Board believes was not accurately reflected within the valuation.

** In considering the fair value Cooke Point Holiday Park, the Board has had regard to the independent valuation of $13.400 million. The Board has assessed that it is appropriate to make downward adjustments to the independent valuation to derive the fair value, to reflect the current 'as is' leasehold basis of the property.

*** In considering the fair value of Balmoral Holiday Park, the Board has had regard to the independent valuation of $1.600 million. The Board has assessed that it is appropriate to make upward adjustments to the independent valuation to derive the fair value, by allowing for the add back of costs that would not be incurred by an owner operator, given that the valuer's assessment is that the likely buyer of this park would be an owner operator.

******** In considering the fair value of Horseshoe Lagoon Holiday Park, the Board has had regard to the independent valuation of $7.700 million. The Board has assessed that it is appropriate to make upward adjustments to the independent valuation to derive the fair value, by allowing for the add back of costs that would not be incurred by an owner operator, given that the valuer's assessment is that the likely buyer of this park would be an owner operator.

*****In considering the fair value of the Monkey Mia Dolphin Resort, the Board has considered both an April 2013 and January 2015 independent valuation, as well as market evidence. The Board believes that the capitalisation rate within the April 2013 valuation is appropriate for use in calculating the fair value of this park.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

12. Goodwill

	31 December 2014 $ '000	30 June 2014 $ '000
At 1 July	-	-
Goodwill on acquisition of subsidiary – APPF (1)	4,246	-
Goodwill on acquisition of Harrington Holiday Park (2)	1,256	-
At 31 December / 30 June	5,502	-

(1) During the period ended 31 December 2014, goodwill was recognised by Aspen Group as a result of the acquisition of the subsidiary APPF on 10 October 2014. Refer to note 3 (a) for further details.

(2) During the period ended 31 December 2014, goodwill was recognised by Aspen Group's subsidiary APPF on its purchase of Harrington Holiday Park on 8 December 2014. Refer to note 3 (b) for further details.

13. Investment property

	31 December 2014 $ '000	30 June 2014 $ '000
At 1 July	38,500	261,000
Reclassifications	-	(211,000)
Fair value adjustments (1)	(12,000)	(11,500)
At 31 December / 30 June	26,500	38,500

(1) During the period ended 31 December 2014, the AKV investment property was revalued by an independent valuer, which resulted in a decline of $12.000 million to AKV.

The following table presents the individual property owned by Aspen Group:

Property	Original acquisition date	Original acquisition cost $ '000	Latest independent valuation date	Latest independent valuation $ '000	Book value at 31 December 2014 $ '000	Book value at 30 June 2014 $ '000
Accommodation park						
Aspen Karratha Village – WA	June 2005	28,881	Jan 2015	26,500	26,500	38,500
					26,500	38,500

Investment properties are measured at fair value. Fair value is determined on the basis of either an independent valuation prepared by external valuers as at the date of the statement of financial position, or directors' valuation.

Independent valuations of property investments are obtained at intervals of not more than three years. Independent valuations were performed by external, independent property valuers, having appropriate professional qualifications and recent experience in the location and category of the property being valued.

The independent valuation received on AKV represents an 'as is' valuation, which includes the valuer's assessment of a 70% probability that the tenant leasing the property will exercise a one year option from January 2016. The last date for exercising this option is April 2015.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

14. Investments in equity accounted investees

Aspen Group accounts for investments in associates using the equity method. Aspen Group has the following investments in associates using the equity method which are all incorporated in Australia:

		Ownership		Share of associates' net assets equity accounted	
	Principal activities	**31 December 2014**	30 June 2014	**31 December 2014 $ '000**	30 June 2014 $ '000
Aspen Parks Property Fund (1)	Accommodation park investment	42.0%	12.5%	-	10,729
Enclave at St Leonards Limited	Residential property development	10.0%	10.0%	37	25
Total				37	10,754

(1) This investment ceased as an equity accounted investment during the period as a result of the consolidation of APPF in accordance with AASB 10. Refer to note 3(a) for details.

Reconciliation of the investments in equity accounted investees balance for the period ended 31 December 2014 below:

	31 December 2014
	$ '000
At 1 July 2014	10,754
Share of profit of APPF prior to consolidation	440
Distributions received	(209)
Fair value adjustment of equity accounted investee (1)	967
Reclassification of APPF as a result of consolidation (1)	(11,927)
Share of profit of EASL for the period	12
At 31 December 2014	37

(1) Relates to the Aspen Group's acquisition of APPF during the period. Refer to note 3(a) for details.

15. Industrial property classified as held for sale (discontinued operations)

	31 December 2014	30 June 2014
	$ '000	$ '000
Industrial property assets classified as held for sale – current		
Spearwood	67,510	67,492
Noble Park (1)	-	20,317
	67,510	87,809
Industrial property liabilities classified as held for sale - current		
Interest bearing loans and borrowings (2)	29,400	19,306
	29,400	19,306

(1) Settlement of the Noble Park property occurred for $20.581 million (net) in October 2014.

(2) Refer to note 16 for details in relation to the interest bearing loans and borrowings associated with the industrial properties classified as held for sale.

The Board believe the industrial property classified as held for sale continue to meet the requirements of AASB 5 at 31 December 2014.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Reconciliation of industrial property assets classified as held for sale

	31 December 2014 $ '000	30 June 2014 $ '000
At 1 July	87,809	-
Additions to industrial property assets classified as held for sale	-	240,540
Capital expenditure	47	164
Fair value adjustments	-	(29,989)
Disposals	(20,237)	(120,906)
Reclassification to other financial assets	(109)	(2,000)
At 31 December / 30 June	67,510	87,809

Profit / (loss) from industrial property discontinued operations for the period ended	31 December 2014 $ '000	31 December 2013 $ '000
Income from investment properties	6,969	13,852
Funds management revenue	-	100
Total revenue and other income	6,969	13,952
Change in fair value of investment properties	-	(16,044)
Property expenses	(1,022)	(11,568)
Administration expenses	-	(701)
Net finance expenses	(790)	(4,135)
Share of profit of equity accounted investees	-	1,462
Profit on disposal of industrial property	373	-
Profit / (loss) from discontinued operations	5,530	(17,034)

Cash flows from / (used in) industrial property discontinued operations for the period ended	31 December 2014 $ '000	31 December 2013 $ '000
Net cash from operating activities	5,139	672
Net cash from / (used in) investing activities	20,690	(2,807)
Net cash used in financing activities	(10,000)	-
Cash flows from / (used in) discontinued operations	15,829	(2,135)

16. Interest-bearing loans and borrowings

	31 December 2014 $ '000	30 June 2014 $ '000
Current liabilities		
Secured debt facilities	-	2,931
Secured debt facility – industrial property assets classified as held for sale (1)	29,400	19,306
	29,400	22,237
Non-current liabilities		
Secured debt facilities	92,824	4,500
	92,824	4,500
Total	122,224	26,737

(1) The interest-bearing loans and borrowings are associated with the industrial property assets held for sale due to their provision as security and have therefore been reclassified as current in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Refer to note 15 for further details.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Terms and debt repayment schedule

The terms and conditions of outstanding loans were as follows:

	Currency	Maturity	Fair value at 31 December 2014 $ '000	Carrying amount at 31 December 2014 $ '000	Fair value at 30 June 2014 $ '000	Carrying amount at 30 June 2014 $ '000
Secured debt facility	AUD	Aug 2016	40,000	39,974	-	-
Secured debt facility – APPF (1)	AUD	Sep 2017	82,250	82,250	-	-
Secured debt facility	AUD	Aug 2016	-	-	7,500	7,500
Secured debt facility	AUD	Aug 2016	-	-	19,306	19,237
			122,250	122,224	26,806	26,737

(1) Relates to a secured debt facility of the newly acquired subsidiary during the period, APPF.

Financing arrangements

Secured debt facility – Aspen Group

At 31 December 2014, Aspen Group's total debt facility with its primary financier consisted of $40.000 million, fully drawn. The debt facility is secured over the properties in Aspen Group's accommodation, and industrial assets classified as held for sale, portfolios. Aspen Group's financier also holds a fixed and floating charge over all other assets held by Aspen Group.

Secured debt facility – APPF

At 31 December 2014, APPF's debt facility limit with its primary financier was $125.000 million, currently drawn to $82.250 million. The facility is secured by registered real property mortgages over APPF's freehold and leasehold properties. In addition, at 31 December 2014, APPF's undrawn overdraft facility limit with its primary financier was $4.000 million. APPF's financier also holds a fixed and floating charge over all other assets held by APPF.

Secured bank guarantee facility – Aspen Group

At 31 December 2014, Aspen Group had a secured bank guarantee facility of $7.000 million, currently drawn to $6.211 million secured against cash held in term deposit.

Secured bank guarantee facility – APPF

At 31 December 2014, APPF had a secured bank guarantee facility of $1.000 million, not currently drawn.

	31 December 2014 $ '000	30 June 2014 $ '000
Financing facilities available		
Secured debt facility – Aspen Group	40,000	34.306
Secured debt facility – APPF	125,000	-
Secured debt facility – APPF (overdraft)	4,000	-
Bank guarantees - Aspen Group	7,000	-
Bank guarantees - APPF	1,000	-
	177,000	34,306
Facilities utilised at reporting date		
Secured debt facility – Aspen Group	40,000	26,806
Secured debt facility – APPF	82,250	-
Secured debt facility – APPF (overdraft)	-	-
Bank guarantees - Aspen Group	6,211	6,135
Bank guarantees - APPF	-	-
	128,461	32,941

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Facilities not utilised at reporting date		
Secured debt facility – Aspen Group	-	500
Secured debt facility – APPF	42,750	-
Secured debt facility – APPF (overdraft)	4,000	-
Bank guarantees - Aspen Group	789	865
Bank guarantees - APPF	1,000	-
	48,539	1,365

17. Provisions

	31 December 2014 **$ '000**	30 June 2014 $ '000
Provision – Stamp duty	-	118
Provision – Distribution	5,559	4,777
Provision – Relocation costs	3,151	-
Provision – Environmental remediation of Spearwood	1,760	1,863
Provision - Other	1,354	457
	11,824	7,215
Movement in provisions during the period		
Carrying amount at 1 July	7,215	11,506
Additional provisions recognised during the period	14,230	15,890
Provisions used during the period	(9,621)	(20,181)
Carrying amount at 31 December / 30 June	11,824	7,215

18. Capital and reserves

Issued capital	**Stapled securities**	
	31 December 2014 **No.**	30 June 2014 No.
On issue at 1 July	119,948,774	1,192,665,422
Issued during the period – pre securities consolidation	-	7,150,236
Cancellation of EDLTIP and ESSIP securities during the period – pre securities consolidation	-	(361,890)
Effect of securities consolidation*	-	(1,079,507,402)
Issued during the period – post securities consolidation	65,262	33,217
Effect of securities buy-back	(6,830,586)	-
Cancellation of EDLTIP and ESSIP securities during the period – post securities consolidation	-	(30,809)
On issue at 31 December / 30 June – fully paid	113,183,450	119,948,774

* On 8 November 2013 Aspen Group completed a securities consolidation of 10 fully paid ordinary securities into one fully paid ordinary security as approved by the securityholders at the 2013 Annual General Meeting.

Aspen Group does not have authorised capital or par value in respect of its issued stapled securities. Holders of stapled securities are entitled to receive dividends and distributions as declared from time to time and are entitled to one vote per stapled security at securityholder meetings. The liability of a member is limited to any remaining unpaid amount in relation to a member's subscription for securities.

Aspen Group recorded the following amounts within securityholders' equity as a result of the issuance of ordinary stapled securities.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2014

Issued capital	December 2014 No. '000	December 2014 $ '000
On issue at 1 July 2014	119,926	523,031
Stapled securities issued during the period	66	83
Effect of securities buy-back (1)	(6,831)	(8,633)
On issue at 31 December 2014 – fully paid	113,161	514,481

Equity instruments issued pursuant to Aspen Group stapled security plans accounted for as options	December 2014 No. '000	December 2014 $ '000
01 July 2014 – balance	22	-
31 December 2014 – balance	22	-
Total securities listed on ASX	113,183	514,481

(1) Relates to the buy back of 6.831 million stapled securities during the period for a total cash consideration of $8.528 million, at an average price of $1.25 per security.

For the year ended 30 June 2014

Issued capital	June 2014 No. '000	June 2014 $ '000
On issue at 1 July 2013	1,191,773	522,051
Stapled securities issued during the year – pre securities consolidation	7,150	980
Effect of securities consolidation	(1,079,030)	-
Stapled securities issued during the year – post securities consolidation	33	-
On issue at 30 June 2014 – fully paid	119,926	523,031

Equity instruments issued pursuant to Aspen Group stapled security plans accounted for as options	June 2014 No. '000	June 2014 $ '000
01 July 2013 – balance	892	-
Cancellation of ESSIP securities – pre securities consolidation	(362)	-
Effect of securities consolidation	(477)	-
Cancellation of ESSIP securities – post securities consolidation	(31)	-
30 June 2014 - balance	22	-
Total securities listed on ASX	119,948	523,031

Fully paid stapled securities carry one vote per security and carry the right to distributions.

Reserves	31 December 2014 $'000	30 June 2014 $'000
Available for sale reserve	-	(9)
Equity accounted investees - share of other comprehensive expense	-	(1,414)
	-	(1,423)

All amounts in the reserves balance were transferred to accumulated losses during the period. Refer to the Statement of Changes in Equity.

Revaluation reserve	31 December 2014 $'000	30 June 2014 $'000
Carrying value at 1 July	-	-
Revaluation of property, plant and equipment (1)	2,346	-
Carrying value at 31 December / 30 June	2,346	-

(1) Relates to the revaluation uplift on APPF property, plant and equipment.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Income distributions

Income distributions for the period were as follows:

31 December 2014	Cents per security	Total amount $'000	Date of payment	Tax deferred
Aspen Property Trust				
Income distribution	4.50	5,114	25 February 2015	16.00%
	4.50	5,114		
Aspen Parks Property Trust				
Income distributions				
October 14	0.340	829	27 November 2014	10.00%
November 14	0.329	802	30 December 2014	10.00%
December 14	0.340	790	29 January 2015	10.00%
	1.009	2,422		

19. Earnings per stapled security

	31 December 2014 cents per stapled security	31 December 2013 cents per stapled security
Basic earnings per stapled security	(12.528)	(51.588)
Diluted earnings per stapled security	(12.528)	(51.588)
Continuing operations:		
Basic earnings per stapled security – continuing operations	(18.298)	(20.752)
Diluted earnings per stapled security – continuing operations	(18.298)	(20.752)
Discontinued operations:		
Basic earnings per stapled security – discontinued operations	5.770	(30.836)
Diluted earnings per stapled security – discontinued operations	5.770	(30.836)

Basic and diluted earnings per stapled security

Basic earnings per security is calculated by dividing profit / (loss) attributable to securityholders of Aspen Group by the weighted average number of ordinary securities outstanding during the period.

Diluted earnings per security is calculated by dividing profit / (loss) attributable to securityholders of Aspen Group by the weighted average number of ordinary securities outstanding during the period after adjusting for the effect of dilutive securities granted under security plans accounted for as options and rights granted under employee security plans.

Profit / (loss) attributable to ordinary stapled securityholders

	31 December 2014			31 December 2013		
	Continuing operations $'000	Discontinued operations $'000	Total $'000	Continuing operations Restated $'000	Discontinued operations Restated $'000	Total Restated $'000
Profit / (loss) for the period	(25,428)	7,199	(18,229)	(24,820)	(45,353)	(70,173)
Non-controlling interest share of loss	4,112	(477)	3,635	-	8,473	8,473
Profit / (loss) attributable to ordinary stapled securityholders (basic)	(21,316)	6,722	(14,594)	(24,820)	(36,880)	(61,700)

Weighted average number of securities (basic and diluted)	31 December 2014 No. '000	31 December 2013 No. '000
Weighted average number of securities at 31 December (1)	116,495	119,602

(i) Excludes non-dilutive LTI instruments.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

20. Non-controlling interests

Summary of non-controlling interests

The following tables illustrate the movement of the non-controlling interests in Aspen Group's subsidiaries that are not wholly owned for the period ended 31 December 2014.

For the period ended 31 December 2014

	ADF	AWSS	ADPF	FBSV	ADLL	APPF	Total
NCI percentage	**24.9%**	**45.9%**	**53.1%**	**54.6%**	**56.8%**	**58.0%**	
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Opening balance at 1 July 2014	(15,492)	(2,894)	(12)	927	(2,196)	-	(19,667)
Share of Comprehensive Income / (Expense)	371	(13)	-	(3)	122	(4,112)	(3,635)
Distribution to non-controlling interest	-	-	-	-	-	(1,438)	(1,438)
Effect of consolidation of APPF	-	-	-	-	-	70,290	70,290
Withdrawal offer impact on non-controlling interest (1)	-	-	-	-	-	(5,453)	(5,453)
Loss on withdrawal offer (1)	-	-	-	-	-	(317)	(317)
Closing balance at 31 December 2014	(15,121)	(2,907)	(12)	924	(2,074)	58,970	39,780

For the year ended 30 June 2014

	ADF	AWSS	ADPF	FBSV	ADLL	Total
NCI percentage	**24.9%**	**45.9%**	**53.1%**	**54.6%**	**56.8%**	
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Opening balance at 1 July 2013	(8,657)	(479)	11,663	742	(395)	2,874
Share of Comprehensive Income / (Expense)	(6,835)	(2,415)	(228)	185	(1,801)	(11,094)
Distribution to non-controlling interest	-	-	(9,807)	-	-	(9,807)
Non-controlling interest portion of put option	-	-	(1,640)	-	-	(1,640)
Closing balance at 30 June 2014	(15,492)	(2,894)	(12)	927	(2,196)	(19,667)

As required under AASB 10 Consolidated Financial Statements, Aspen Group has recognised non-controlling interests for AWSS, ADF and ADLL even though these non-controlling interests are negative. AWSS, ADF and ADLL are limited companies, and there is no ability for Aspen Group to recoup the negative equity attributed to non-controlling interests.

(1) In December 2014 APPF bought back 11.478 million securities, for cash consideration of $6.000 million. At the time of the buy-back, the net identifiable assets of APPF were $0.48 per unit, a value of $5.453 million for the 11.478 million securities withdrawn. Therefore, a loss on buy-back of $0.547 million has been recognised, being the excess cash consideration above the value of the securities bought back. An amount of $0.317 million was allocated to non-controlling interest of the total loss of $0.547 million, with the balance of the loss allocated to the securityholders of Aspen Group.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

21. Subsidiary assets and liabilities held for sale (discontinued operation)

Aspen Group has a number of its subsidiaries classified as held for sale and discontinued operations. The following tables illustrate a summary of the financial position and performance the subsidiaries held for sale and discontinued operations for the year ended 31 December 2014.

Subsidiary assets and liabilities held for sale
For the period ended 31 December 2014

	ADF $ '000	AWSS $ '000	FBSV $ '000	ADLL $ '000	Total $ '000
Current assets	15,241	2,972	1,551	118	19,882
Current liabilities	(80,219)	(24,589)	(42,739)	(42,198)	(189,745)
Net assets pre eliminations	(64,978)	(21,617)	(41,188)	(42,080)	(169,863)
Intra-group eliminations	79,888	24,151	42,607	42,180	188,826
Net assets post eliminations	14,910	2,534	1,419	100	18,963

The Board believes the subsidiary assets and liabilities classified as held for sale continue to meet the requirements of AASB 5 at 31 December 2014.

Profit / (loss) from subsidiary assets and liabilities held for sale (discontinued operations) for the period ended 31 December 2014

	ADF $ '000	AWSS $ '000	FBSV $ '000	ADLL $ '000	Total $ '000
Revenue	1,520	5	1,350	3,039	5,914
Expenses	(33)	(33)	(1,355)	(2,824)	(4,245)
Income tax	-	-	-	-	-
Profit / (loss) from discontinued operations pre eliminations	1,487	(28)	(5)	215	1,669
Intra-group eliminations	-	-	-	-	-
Profit / (loss) from discontinued operations post eliminations	1,487	(28)	(5)	215	1,669

Cash flows from / (used in) subsidiary assets and liabilities held for sale (discontinued operations) for the period ended 31 December 2014

	ADF $ '000	AWSS $ '000	FBSV $ '000	ADLL $ '000	Total $ '000
Net cash from / (used in) operating activities	(962)	(368)	(1,538)	231	(2,637)
Net cash from investing activities	2,448	-	-	2,710	5,158
Net cash used in financing activities	-	-	-	-	-
Cash flows from / (used) in discontinued operations	1,486	(368)	(1,538)	2,941	2,521

Subsidiary assets and liabilities held for sale and non-controlling interests

For the year ended 30 June 2014

	ADF $ '000	AWSS $ '000	ADPF $ '000	FBSV $ '000	ADLL $ '000	Total $ '000
Current assets	16,557	3,025	18	796	4,158	24,554
Current liabilities	(83,023)	(24,609)	(18)	(41,954)	(46,416)	(196,020)
Net assets pre eliminations	(66,466)	(21,584)	-	(41,158)	(42,258)	(171,466)
Intra-group eliminations	81,425	23,861	-	41,456	45,365	192,107
Net assets post eliminations	14,959	2,277	-	298	3,107	20,641

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Profit / (loss) from non-controlling interests for the period ended 31 December 2013

	ADF	AWSS	ADPF	FBSV	ADLL	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Revenue	8,752	-	271	744	3,625	13,392
Net (Expenses)/Income	(31,333)	(3,654)	(733)	656	(6,647)	(41,711)
Income tax	-	-	-	-	-	-
Profit / (loss) from discontinued operations pre eliminations	(22,581)	(3,654)	(462)	1,400	(3,022)	(28,319)
Intra-group eliminations	-	-	-	-	-	-
Profit / (loss) from discontinued operations post eliminations	(22,581)	(3,654)	(462)	1,400	(3,022)	(28,319)

Cash flows from / (used in) non-controlling interests for the period ended 31 December 2013

	ADF	AWSS	ADPF	FBSV	ADLL	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Net cash from / (used in) operating activities	194	(445)	(1,703)	1,274	(2,134)	(2,814)
Net cash from investing activities	-	-	74,325	-	-	74,325
Net cash used in financing activities	(7,478)	-	(46,143)	(1,155)	(910)	(55,686)
Cash flows from / (used in) discontinued operations	(7,284)	(445)	26,479	119	(3,044)	15,825

22. Financial risk management

Aspen Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2014.

23. Fair value measurement of financial instruments

Carrying amounts versus fair values

The carrying amounts of non-financial assets and liabilities of Aspen Group approximate fair value. The fair values and the carrying amounts of financial assets and financial liabilities in the consolidated interim statement of financial position are as follows:

	31 December 2014 Carrying amount $'000	31 December 2014 Fair value $'000
Non-current financial assets		
Available-for-sale financial assets	468	468
	468	468
Current financial liabilities		
Derivative financial liabilities	2,883	2,883
	2,883	2,883

Notes to the Condensed Consolidated Interim Financial Statements (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined in note 2(d):

	Level 1	Level 2	Level 3	Total
31 December 2014	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Available-for-sale financial assets	-	-	468	468
Derivative financial liabilities	-	(2,883)	-	(2,883)
	-	(2,883)	468	(2,415)
30 June 2014				
Available-for-sale financial assets	-	-	807	807
Derivative financial liabilities	-	(683)	-	(683)
	-	(683)	807	124

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period ended 31 December 2014 (for the year ended 30 June 2014: nil transfers).

Level 2 fair values

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate 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 Aspen Group and counterparty when appropriate.

Level 3 fair values

The following table shows a reconciliation of movements in Aspen Group's financial instruments classified as Level 3 within the fair value hierarchy for the period ended 31 December 2014 and year ended 30 June 2014:

	Available for sale assets	
	31 December 2014	30 June 2014
	$ '000	$ '000
Opening balance at 1 July	807	1,747
Total gains or losses:		
In profit or loss	-	(885)
Disposals	(339)	(55)
Closing balance at 31 December / 30 June	468	807

The fair value of financial assets including those available for sale has been determined by reference to the published unit price of the investments at the year-end date. The investment comprises an investment in a closed fund which is not currently meeting redemption requests.

24. Cash and cash equivalents for the Consolidated Statement of Cash Flows

	31 December 2014	31 December 2013
	$ '000	$ '000
Cash at bank and in hand	25,582	15,451
Deposits at call	18,735	25,000
Less: cash held in restricted funds (AFSL requirements)	(5,000)	(2,388)
Cash and cash equivalents at the end of the period	39,317	38,113

Notes to the Condensed Consolidated Interim Financial Statements (continued)

25. Related party transactions

Other than the consolidation of APPF as a subsidiary during the period, all other arrangements with related parties continue to be in place. For details of these arrangements, refer to the consolidated financial statements for the year ended 30 June 2014.

26. Contingencies

The following material contingent liabilities exist at 31 December 2014.

	31 December 2014 $ ’000	30 June 2014 $ ’000
Contingent liabilities in respect to sale warranties provided	2,000	-
Contingent liabilities in respect to defect maintenance periods	2,500	5,000
Contingent liabilities in respect to tenant fitout incentives received	510	1,020
Total contingent liabilities	5,010	6,020

Other than the above, Aspen Group is not aware of any material contingent liabilities existing at 31 December 2014 or at the date of completion of these consolidated interim condensed financial statements.

27. Subsequent events

On 13 January 2015, Aspen Group acquired a property in the accommodation sector, Four Lanterns Estate in Leppington, NSW for $7.420 million cash.

Other than the above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of Aspen Group, the results of those operations, or the state of affairs of Aspen Group, in future financial years.

Directors' Declaration

In the opinion of the directors of Aspen Group Limited and Aspen Fund Management Limited (as responsible entity for Aspen Property Trust):

(a) the consolidated interim financial statements and notes set out on pages 16-46 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of Aspen Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that Aspen Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Clem Salwin
Managing Director
PERTH, 20 February 2015