TRINITY GROUP
(Comprising Trinity Limited and Trinity Stapled Trust and their controlled entities)

APPENDIX 4E
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2014 TO THE AUSTRALIAN SECURITIES EXCHANGE

1. COMPANY DETAILS

This report is for Trinity Group comprising Trinity Limited (ABN 11 110 831 288), Trinity Stapled Trust (ARSN 111 389 596) and their controlled entities.

The responsible entity of Trinity Stapled Trust is Trinity Investment Management Limited (ABN 47 137 565 149, AFS Licence number 338688), a subsidiary of Trinity Limited.

2. REPORTING PERIOD

Reporting Period: **30 June 2014**

Previous Corresponding Period: 30 June 2013

3. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2014 $'000	30 June 2013 $'000	Change from prior period
Revenue and other income [1]	**9,944**	19,484	Down 49%
Net profit/(loss) for the period attributable to members [1]	**469**	(4,432)	N/A
Basic/diluted earnings/(loss) per security	**0.3 cents**	(2.6) cents	N/A
Distribution per security	**0 cents**	0 cents [2]	-

[1] All items of revenue and expense are from ordinary activities.
[2] A capital distribution of 3 cents per security was paid on 7 June 2013.

4. NET TANGIBLE ASSETS (NTA) PER SECURITY

	30 June 2014	30 June 2013
NTA per security	**$0.359**	$0.350

Refer to page 5 of Trinity Group's 2014 Financial Report for further details.

5. DIVIDENDS / DISTRIBUTIONS

No dividends/distributions were paid or proposed to be paid in respect of the reporting period or the previous corresponding period.

Refer to Note 19 on page 61 of Trinity Group's 2014 Financial Report.

6. DIVIDEND & DISTRIBUTION REINVESTMENT PLAN

A dividend and distribution reinvestment plan was launched in February 2007 for the securityholders of Trinity Group. The plan is not available in respect of the current distribution period.

7. INFORMATION CONTAINED WITHIN TRINITY GROUP'S 2014 FINANCIAL REPORT

Item	2014 Financial Report Reference
Commentary on the results for the reporting period	The Directors' Report on pages 1 to 11 of Trinity Group's 2014 Financial Report and the accompanying ASX announcement
Statements of Comprehensive Income together with notes to the statements	Page 30 and accompanying notes.
Statements of Financial Position together with notes to the statements	Page 31 and accompanying notes
Statements of Cash Flows together with notes to the statements	Page 32 and accompanying notes
Statements of Changes in Equity	Pages 33 and 34 and accompanying notes
Other Significant Information	As contained within the 2014 Financial Report

8. ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Trinity Group established Trinity Capital Fund No 1 on 16 December 2013 which is a registered managed investment scheme wholly owned by Trinity Stapled Trust.

Trinity ESOP Pty Ltd, a subsidiary of Trinity Limited, was deregistered on 10 July 2013.

Refer to Note 23 on page 64 of Trinity Group's 2014 Financial Report.

9. ASSOCIATES AND JOINT VENTURE ENTITIES

Refer to Note 15 on page 58 of Trinity Group's 2014 Financial Report.

10. AUDIT REPORT

Trinity Group's 2014 Financial Report has been audited. The Independent Auditor's Report is included in the Financial Report. No disputes or qualifications are noted.

Brett Heading
Chairman
28 August 2014

TRINITY GROUP

FINANCIAL REPORT
30 JUNE 2014

COMPRISING THE CONSOLIDATED FINANCIAL REPORTS OF

TRINITY LIMITED
ABN 11 110 831 288
AND ITS CONTROLLED ENTITIES

AND

TRINITY STAPLED TRUST
ARSN 111 389 596
AND ITS CONTROLLED ENTITIES

CONTENTS

CORPORATE DIRECTORY

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The Directors of Trinity Limited and Trinity Investment Management Limited, the responsible entity for Trinity Stapled Trust, present their report together with the consolidated financial statements and the auditor's report thereon for the year ended 30 June 2014 of both:

- Trinity Limited and Trinity Stapled Trust and their controlled entities ("Trinity Group"); and
- Trinity Stapled Trust and its controlled entities ("the Trust").

TRINITY GROUP

The stapled securities of Trinity Group are quoted on the Australian Securities Exchange ("ASX") under the code TCQ and comprise of one unit in Trinity Stapled Trust and one share in Trinity Limited. The unit and the share are stapled together and cannot be traded separately. Each entity forming part of Trinity Group continues as a separate legal entity in its own right under the *Corporations Act 2001* and is therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* and Australian Accounting Standards.

Trinity Limited has been deemed the parent entity of Trinity Stapled Trust under Accounting Standards and this financial report is prepared on that basis.

Trinity Stapled Trust is a managed investment scheme. Trinity Investment Management Limited, a controlled entity of Trinity Limited, was appointed the responsible entity for Trinity Stapled Trust on 26 February 2010.

DIRECTORS

TRINITY LIMITED

The Directors of Trinity Limited in office during the financial year and until the date of this report are:

Brett Heading	Independent Chairman	Appointed 21 August 2009
Richard Friend	Independent Non-Executive Director	Appointed 25 September 2007
Christopher Morton	Executive Director and Chief Executive Officer	Appointed 21 August 2009

TRINITY INVESTMENT MANAGEMENT LIMITED

The Directors of Trinity Investment Management Limited in office during the financial year and until the date of this report are:

Brett Heading	Independent Chairman	Appointed 23 October 2009
Richard Friend	Independent Non-Executive Director	Appointed 23 October 2009
Christopher Morton	Executive Director and Chief Executive Officer	Appointed 10 June 2009

Details of the directors' experience, qualifications, special responsibilities and other interests are outlined in the Corporate Governance Report on page 19.

Meetings of directors, and their attendance at those meetings, for the year ended 30 June 2014 (including meetings of committees of directors) are disclosed in the Corporate Governance Report on page 20.

EXECUTIVE DIRECTOR

Mr Morton was appointed Chief Executive Officer of Trinity Limited and Trinity Investment Management Limited on 24 September 2012.

COMPANY SECRETARY

The Company Secretaries of both Trinity Limited and Trinity Investment Management Limited as at 30 June 2014 were:

Laura Fanning	Joint Company Secretary and Joint Chief Financial Officer	Appointed 3 February 2014
Janita Robba	Joint Company Secretary and Joint Chief Financial Officer	Appointed 17 January 2013

Mrs Fanning and Mrs Robba were appointed Joint Company Secretary and Joint Chief Financial Officer on 3 February 2014.

On 3 February 2014, Mrs Fanning resumed her previous role of Company Secretary and Chief Financial Officer in a part time capacity, upon her return from leave. Mrs Robba was appointed Company Secretary during Mrs Fanning's period of leave and continued in the role also in a part time capacity.

Details of the company secretaries' experience and qualifications are outlined in the Corporate Governance Report on page 20.

PRINCIPAL ACTIVITIES

Trinity Group's principal activities are:

- direct investment in, and management of, income producing properties (property investment);
- direct investment in properties acquired for re-sale or development (property held as inventory); and
- funds management.

Trinity Group's properties are classified as follows:

PRINCIPAL ACTIVITY	PROPERTIES
Property investment	Trinity Place (308 Queen St/88 Creek St), Brisbane QLD Rivergate Centre, Murrarie QLD 13 Compark Circuit, Mulgrave VIC (sold in March 2014)
Property held as inventory	Cumberland Lorne Resort apartments, Lorne VIC Land parcel, San Remo VIC

The Trust's principal activities are investment in, and management of, income producing properties (property investment).

Trinity Investment Management Limited holds an Australian Financial Services Licence No. 338688 issued pursuant to Section 913B of the *Corporations Act 2001.* Trinity Stapled Trust was registered as a managed investment scheme on 28 October 2004 with ARSN 111 389 596.

During the year Trinity Capital Management Limited, a controlled entity of Trinity Limited, was granted an Australian Financial Services Licence No. 442262 which was issued pursuant to Section 913B of the *Corporations Act 2001.* Trinity Capital Management Limited is the responsible entity of Trinity Capital Fund No. 1, a managed investment scheme registered on 16 December 2013 with ARSN 167 058 693. Trinity Capital Fund No. 1 is a controlled entity of Trinity Stapled Trust and had not commenced activities by 30 June 2014.

REVIEW OF OPERATIONS AND RESULTS

FINANCIAL PERFORMANCE

TRINITY GROUP

Trinity Group's result for the year ended 30 June 2014 ("year") was a profit of $0.5 million compared with a loss of $4.4 million for the year ended 30 June 2013 ("previous year").

THE TRUST

The Trust's result for the year was a profit of $3.7 million compared with a loss of $9.8 million for the previous year. The Trust owns the investment properties. The result for the Trust in each reporting period is largely driven by movements in the provision for doubtful debts, which relates to loans between entities within Trinity Group. As they are intra-group transactions, these loans eliminate upon presentation of Trinity Group's consolidated result.

The financial performance of Trinity Group for the year is summarised as follows:

PERFORMANCE MEASURE		TRINITY GROUP CONSOLIDATED		TRINITY STAPLED TRUST CONSOLIDATED	
		30 JUNE 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
Revenue and other income	$'000	9,944	19,484	5,468	6,314
Profit/(loss) attributable to securityholders	$'000	469	(4,432)	3,732	(9,751)
Basic earnings/(loss) per stapled security	cents	0.3	(2.6)	2.6	(5.7)
Diluted earnings/(loss) per stapled security	cents	0.3	(2.6)	2.6	(5.7)
Distributions per security [1]	cents	-	3.0	-	3.0

1 A one-off capital distribution of 3 cents per security was paid on 7 June 2013 from Trinity Stapled Trust.

FINANCIAL REVIEW

The result for the year was influenced by the following transactions and events:

PROPERTY SALES

Trinity Group's investment property at 13 Compark Circuit, Mulgrave, Victoria was sold in March 2014 for $6.825 million resulting in a loss on sale of $0.4 million after transaction costs.

During the year Trinity Group sold 8 apartments at the Cumberland Lorne Resort in Lorne, Victoria. The sale of these apartments resulted in an overall gain on sale of $0.4 million after transaction costs.

MOVEMENTS IN PROPERTY VALUES

The fair value of Trinity Group's investment properties held at 30 June 2014 increased by $1.2 million or 2% during the year based on independent 30 June 2014 valuations. The net fair value gain disclosed in the Statements of Profit or Loss and Other Comprehensive Income was $1.1 million after allowing for lease incentives and capital expenditure. Capital expenditure incurred during the year related to Trinity Group's investment property at 308 Queen Street/88 Creek Street, with works being carried out in relation to the retail tenancies on the ground floor. Further details are provided in note 16 of the Notes to the Financial Statements.

Inventory was written down by $1.1 million during the year which related to the land at San Remo, Victoria. The write down comprised a $0.95 million reduction in value based on an independent 30 June 2014 valuation and $0.15 million in costs incurred during the year in pursuing the potential rezoning of the land.

OPERATING REVENUE

Total revenue reduced by $9.5 million or 49% to $9.9 million in the year compared to the previous year. Revenue in the previous year included an additional $8.5 million of income relating to Cumberland Lorne Resort. This included higher rental income and management fees prior to sale of a significant portion of Trinity Group's investment in the resort (including the management rights) in April 2013 as well as the sale price relating to this transaction. Total revenue excluding the Cumberland Lorne Resort sales revenue during the year was $6.3 million in the year down from $10.0 million in the previous year.

Property revenue (rental income and recoverable outgoings from investment properties) reduced during the year by $0.9 million or 14% compared to the previous year primarily as a result of the sale of 15 Compark Circuit towards the end of the previous year. There were no resort management fees earned during the year due to the sale, as noted previously, of the Cumberland Lorne Resort management rights in April 2013 (2013: $1.5 million). 13 Compark Circuit was sold during the year. However this property had been vacant for some time prior to its sale and therefore did not impact upon property revenue.

OPERATING EXPENSES

Property expenses for the year were comparable to the previous year as the only asset sale during the year was 13 Compark Circuit which had only minor outgoings.

Administration and overhead costs for the year were also similar compared to the previous year. Whilst there were further savings in areas such as insurance to those already achieved in the previous year, Trinity Group incurred costs in its pursuit of business growth during the year, such as consulting fees and travel costs.

Employment costs increased during the year to $1.5 million primarily due to the employment of Bevan Towning as Chief Investment Officer in November 2013. Employment costs include a non-cash expense of $0.2 million relating to options to acquire Trinity Group stapled securities which were granted to Mr Towning on commencement of his employment. Further details of Mr Towning's remuneration are set out on page 16. This increase in employment costs was partially offset by a reduction in Board and committee fees during the year. Employment costs in the previous year of $1.3 million included a $0.2 million termination payment to Craig Bellamy, the former Chief Executive Officer.

The Board has taken a measured approach to costs relating to Trinity Group's growth objectives. As noted above, costs incurred to date include additional employment costs (including those for the Chief Investment Officer), consulting fees and travel costs.

Other expenses for the year included a one off repayment of performance fees to the purchaser of the shares in Trinity Funds Management Limited (which was sold by Trinity Group in 2012) referred to in note 7 of the Notes to the Financial Statements.

FINANCING COSTS

Financing costs reduced during the 30 June 2014 year. Interest rates applying to the unhedged portion of Trinity Group's debt facilities were reduced further during the year. Trinity Group's debt facilities were restructured and simplified in the first half of the year and lower facility fees were secured when the facilities were extended in December 2013 to 31 October 2015. Proceeds from asset sales applied to debt reduction totalled $6.0 million during the year and $8.5 million late in the previous year. Collectively, these initiatives reduced financing costs (including financing costs capitalised to inventory) by $1.0 million or 35% compared to the previous year.

Trinity Group complied with all financial covenants required by its financier National Australia Bank Limited ("NAB") during the year and as at 30 June 2014. Trinity Group's debt facilities expire on 31 October 2015.

PREVIOUS PERIOD RESULT

The 30 June 2013 year loss of $4.4 million was primarily driven by Trinity Group's Cumberland Lorne Resort ("Lorne") assets.

Trinity Group's investment in Lorne assets was written down by $3.1 million (or 18% of carrying value) at 31 December 2012. The write down reflected property market conditions for that sector and Trinity Group's one-line sale strategy for the assets at the time.

A significant portion of the Lorne investment was sold in April 2013 for $9.1 million, resulting in a further loss on sale of $1.9 million after transaction costs. The sale transaction included 23 apartments, the resort conference centre, the resort manager's apartment and the resort management company. At that time, Trinity Group revised its sales strategy for the remaining 15 apartments and determined they would be sold individually. This revised strategy resulted in a reversal of the previous write down, recorded at 31 December 2012, by $1.0 million at 30 June 2013. The overall impact of the sale transaction and movement in property valuations for Lorne during the year was a loss of $4.0 million.

PROFIT FROM OPERATIONS

The profit/(loss) for the year and the previous year include a number of items which, in the opinion of the Directors, do not form part of Trinity Group's underlying profit from operations. In order to allow securityholders to gain a better understanding of Trinity Group's underlying profit from operations, certain items which are non-cash in nature, are non-recurring or occur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities can be excluded.

Profit from operations is a measure which is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by the auditor of Trinity Group.

A reconciliation of Trinity Group's profit from operations, as assessed by the Directors, to the reported profit/(loss) for the year is set out below.

	TRINITY GROUP CONSOLIDATED		TRINITY STAPLED TRUST CONSOLIDATED	
	30 JUNE 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
	$'000	$'000	$'000	$'000
Profit from operations [1]	1,592	1,720	2,439	2,118
Reconciliation to profit/(loss) for the year				
Fair value adjustments / write downs	115	(3,733)	1,210	(691)
Non-cash property investment income/(expense)	(551)	170	(551)	170
Other non-cash income/(expenses)	(687)	(2,589)	634	(11,348)
Profit/(loss) for the year	469	(4,432)	3,732	(9,751)

1 Profit from operations for the previous year have been presented as comparative figures, although these have not been reported in this format for that period by Trinity Group previously.

Further details of the profit from operations and the reconciling items can be found in note 24 Segment Reporting.

EARNINGS AND DISTRIBUTIONS

Income distributions paid or payable to securityholders during the year are as follows:

	CENTS PER SECURITY	$'000
Interim distribution paid	Nil	-
Final distribution payable	Nil	-

In the previous year, a one-off capital distribution of 3 cents per security totalling $4.5 million was paid on 7 June 2013 from Trinity Stapled Trust.

FINANCIAL POSITION

The following table summarises key information regarding Trinity Group's and the Trust's financial positions:

		TRINITY GROUP CONSOLIDATED		TRINITY STAPLED TRUST CONSOLIDATED	
		30 JUNE 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
Total assets	$'000	83,927	91,349	83,535	83,099
Net assets	$'000	51,412	52,388	51,281	48,994
Debt (Bank loans and bank bills)	$'000	31,591	37,606	31,591	32,946
Net debt [1]	$'000	14,193	22,496	18,071	25,072
Balance sheet gearing ratio [2]	%	21.3	29.4	25.7	33.2
Property loan-to-value ratio [3]	%	49.0	50.3	n/a	n/a
Securities on issue	'000	143,217	149,599	143,217	149,599
Net tangible assets (NTA) per security [4]	cents	35.9	35.0	35.8	32.7
Distributions per security [5]	cents	-	3.0	-	3.0

1 Debt less cash and cash equivalents

2 Net debt (less unamortised borrowing costs) divided by total assets less cash and cash equivalents

3 Debt divided by bank accepted property valuations as per facility covenants

4 NTA per security increased partly due to the impact of the on-market buyback conducted during the year

5 A one-off capital distribution of 3 cents per security was paid on 7 June 2013 from Trinity Stapled Trust

STATE OF AFFAIRS

DIRECT PROPERTY

At 30 June 2014, Trinity Group owned four property assets, made up of one office property, one industrial property, seven apartments in Cumberland Lorne Resort and a parcel of rural zoned land in Victoria.

Trinity Group's office property is Trinity Place, comprising the heritage listed property located at 308 Queen Street, Brisbane, which is interconnected with the modern office tower at 88 Creek Street. This property had a vacancy rate by net lettable area of 10.4% at 30 June 2014 (June 2013: 8.8%). Subsequent to balance date a lease for a large commercial space vacated in late 2012 was executed which has reduced the vacancy rate to 4.3% which relates to 3 small vacant heritage suites. Development works on the ground floor and in the retail precinct have been completed with all retail tenancies leased. The focus for this building over the coming year will continue to be the leasing of the vacant suites and strategies to manage pending office lease expiries particularly in the second half of 2015 and in 2016.

The industrial property is located in the Rivergate precinct in Murrarie, Brisbane. It generates solid returns with a single whole-of-building tenant and a remaining lease duration of approximately 8.9 years.

At 30 June 2014, Trinity Group owned 7 apartments at Cumberland Lorne Resort. As at the date of this report, unconditional contracts of sale have been secured for 2 of these apartments at a profit to carrying value, with settlements expected in September and October 2014. A summer sales campaign for the remaining apartments will resume later in the year. Based on apartment sales over the past 12 months, it is anticipated that the remaining 5 apartments will be sold within the next 12 months. All apartments at Lorne held by Trinity Group are currently recorded at cost in the Statement of Financial Position.

For the rural land located at San Remo, Victoria the Board will continue to pursue value uplift opportunities, including rezoning and rural lot subdivision, as it presently holds the view that the net financial impact of such will be favourable in the medium term.

FUNDS MANAGEMENT

Trinity Investment Management Limited acts as the responsible entity and manager of Trinity Stapled Trust.

As responsible entity, it is responsible for all aspects of operation of the trust, including the day to day running of the business, property and asset management and asset transactions and sales. Trinity Investment Management Limited has appointed an external custodian (The Trust Company (Australia) Limited) of the scheme assets.

Trinity Investment Management Limited also acts as the trustee of Trinity Prime Industrial Trust, a controlled entity of Trinity Stapled Trust.

Funds management revenue and fees reported during the year are generally intra-group transactions and eliminate on presentation of Trinity Group's consolidated result. However, during the year Trinity Group provided funds management advisory services to an overseas investor resulting in one-off revenue of $0.1 million. Trinity Group is optimistic that other opportunities resulting from this work may arise in the future.

Trinity Group identified funds management as a targeted area of growth and applied for and was granted a second Australian Financial Services Licence (AFSL) in December 2013. The second AFSL enables Trinity Group to provide funds management services to external parties as well as the establishment and operation of its own externally managed property investment schemes.

BUSINESS GROWTH PROSPECTS

On 26 September 2013, Trinity Group announced its intention to pursue a growth strategy for the business and commenced its implementation by actively pursuing growth opportunities in the property funds management sector by either the purchase of the whole or part of an existing funds management business, the gradual building of a new funds management business or funds or a combination of both.

In late 2013, Trinity Group appointed Bevan Towning as Chief Investment Officer as a key and complementary role to Chris Morton as Chief Executive Officer for the delivery and execution of Trinity Group's growth path.

As previously announced, Trinity Group is committed to acquiring interests in funds management businesses. To date, Trinity Group has had discussions and negotiations (some of which are still ongoing) with a number of property fund managers as to the acquisition of material interests in their businesses.

The Trinity management team has increased its focus on establishing and building a new funds management platform of its own which includes the creation of new externally managed property investment vehicles including the contracting of property assets for those vehicles. For example, this may include smaller property portfolios and single property assets which may have a broader investor appeal in the current market. The new funds management platform is designed to sit alongside those of other fund managers in which Trinity Group will have an interest.

Considerable interaction is also occurring with financial intermediaries (e.g. stockbrokers, financial planners and accountants) to assist with the development and distribution of investment products to ensure that any new investment products issued by Trinity Group meet current investor needs in those markets and consequently reduce Trinity Group's execution risk.

The Board remains committed to the growth strategy as announced in September 2013 and believes that the benefits of the extensive work to date by the Trinity Group team to implement the strategy, together with Trinity Group's sound financial position, will enable it to deliver benefits to all securityholders.

CAPITAL MANAGEMENT

DEBT AND GEARING

Trinity Group's total debt facilities, held with NAB, were fully drawn at $31.6 million at 30 June 2014. These facilities have an expiry date of 31 October 2015, having been extended by 12 months during the year.

During the year, Trinity Group applied part of the proceeds from asset sales to reduce its debt facilities by $6.0 million.

Trinity Group manages interest rate exposure on debt facilities through the use of fixed interest rate swap instruments (further details are in note 3 of the Notes to the Financial Statements). At year end, $16.0 million of Trinity Group's debt was hedged.

The following summarises key information regarding Trinity Group's debt position with NAB:

		TRINITY GROUP CONSOLIDATED		TRINITY STAPLED TRUST CONSOLIDATED	
		30 JUNE 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
Debt (Bank loans and bank bills)	$'000	31,591	37,606	31,591	32,946
Debt repayments during the year	$'000	6,015	8,508	6,015	1,508
Property loan-to-value ratio (LVR) [1]	%	49.0	50.3	n/a	n/a
LVR covenant [2]	%	50.8	50.8	n/a	n/a
Debt hedged	%	50.6	42.5	n/a	n/a

1 Debt divided by bank accepted property valuations as per facility covenants

2 Covenant maximum of 55% if any increase is due to adverse valuation movements

At 30 June 2014, Trinity Group's balance sheet gearing ratio, calculated as a percentage of net interest bearing liabilities over total tangible assets (excluding cash) was 21.3% (2013: 29.4%). Trinity Group's property gearing ratio, calculated as a percentage of net interest bearing liabilities over total property assets was 22.0% (2013: 30.3%).

Further details on borrowings of Trinity Group and the Trust are set out in note 18 of the Notes to the Financial Statements.

CASH EQUIVALENTS AND CASH FLOW

Trinity Group has accumulated significant cash reserves over the past two years with a resulting cash balance of $17.4 million at 30 June 2014. Trinity Group's policy is to invest available cash in short term investments at best available rates in order to maintain liquidity and protect the capital invested.

Operating activities resulted in a net cash inflow of $0.6 million. The sale of 13 Compark Circuit at Mulgrave, Victoria, together with the disposal of Trinity Group apartments at the Cumberland Lorne Resort in Lorne, Victoria, were drivers of the net cash inflow from investing activities of $9.4 million. There was a net cash outflow from financing activities of $7.7 million primarily as a result of proceeds from asset sales during the year being used to reduce debt, and the capital management initiatives undertaken. Overall there was a net cash inflow of $2.3 million for the year.

CAPITAL INITIATIVES

Trinity Group completed its capital management program in the first half of the year with a final initiative, an on-market buyback. The buyback was approved by securityholders in June 2013 and completed by November 2013, with Trinity Group buying back 6,381,569 securities at a cost of $1.6 million.

During the previous year, two capital management initiatives were undertaken. These were a $15.0 million off-market buyback of Trinity Group securities completed in December 2012 and a capital distribution of 3 cents per security totalling $4.5 million paid in June 2013.

SECURITIES INFORMATION

SECURITIES ON ISSUE

At 30 June 2014 there were 143,216,966 securities on issue (2013: 149,598,535). The reduction from the previous year is due to the on-market buyback that was completed in November 2013. Details of movements in contributed equity, including shares in Trinity Limited and units in the Trust are disclosed in note 20 of the Notes to the Financial Statements.

SECURITY OPTIONS

During the year, 7,500,000 options were issued to Trinity Group's Chief Investment Officer, Bevan Towning. There are no other stapled security options on issue at the date of this report.

Details of options granted to, and exercised by, Directors and key management personnel of Trinity Group, can be found in the Remuneration Report on page 13. No options lapsed during the year.

REGISTER OF SECURITYHOLDERS

The register of securityholders has, during the year ended 30 June 2014, been properly drawn up and maintained so as to give a true account of the securityholders of Trinity Group and the Trust.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date Trinity Group entered into a contract of sale for an apartment at Cumberland Lorne Resort, at a profit to carrying value, which is scheduled to settle in September 2014.

There have been no other significant events since balance date which may affect either the operations of Trinity Group or the results of those operations or the state of affairs of Trinity Group, which have not been disclosed already in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Trinity Group's current operations include direct property investment and funds management.

During the year, Trinity Group completed its capital management program, which it had commenced in 2012. It has also largely completed its asset sale program (divestment of non-core assets), other than disposal of the remaining Cumberland Lorne Resort apartments. Trinity Group believes that its strong tenant covenants and leasing profiles for its investment properties will see steady rental income maintained during the next financial year.

Trinity Group will be focused on its previously announced intention to actively pursue business growth opportunities in the property funds management sector. This is expected to result in external funds management opportunities and/or investment in such businesses. Its existing funds management arrangements relate to internal funds.

Trinity Group provided an ASX update on progress with its growth mandate on 27 May 2014. Details about further developments in the operations of Trinity Group and the expected results of those operations in future financial years will be advised as new business and other strategic opportunities have been secured.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Trinity Group's and the Trust's environmental responsibilities, such as waste removal and water treatment, have been managed in compliance with all applicable regulations and license requirements and in accordance with industry standards. No breaches of requirements or additional environmental issues have been identified nor brought to the Board's attention.

TRUST DISCLOSURES

INTERESTS OF THE RESPONSIBLE ENTITY

Trinity Investment Management Limited has not held any units in the Trust during the year.

REMUNERATION OF THE RESPONSIBLE ENTITY

Details of remuneration and other transactions with the Trust are disclosed in note 25 of the Notes to the Financial Statements.

ISSUED UNITS

Units issued in the Trust during the year are disclosed in note 20 of the Notes to the Financial Statements.

VALUE OF SCHEME ASSETS

The total carrying value of the Trust's assets, and net assets attributable to unitholders of the Trust, at 30 June 2014 are disclosed in the Statements of Financial Position.

The Trust's assets are valued in accordance with the policies stated in note 1 of the Notes to the Financial Statements.

DIRECTORS' AND KEY MANAGEMENT PERSONNEL INTERESTS

At the date of this report, the relevant interests of the Directors and key management personnel of Trinity Limited and Trinity Investment Management Limited in the stapled securities of Trinity Group and the Trust were as follows:

DIRECTOR	NO. OF SECURITIES	NO. OF OPTIONS
Brett Heading	295,905	-
Richard Friend	268,163	-
Christopher Morton	39,030,882	-
KEY MANAGEMENT PERSONNEL		
Bevan Towning	200,000	7,500,000
Laura Fanning	1,947	-
Janita Robba	-	-

Further details of these holdings are set out in the Remuneration Report on page 14.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Trinity Group has agreed to indemnify its officers, to the extent permitted by law, against certain liabilities and costs incurred by them in their capacity as an officer of Trinity Group.

Further, Trinity Group has entered into a Deed of access, insurance and indemnity with each of the Directors and a Deed of insurance and indemnity with each of the Joint Company Secretaries. Under the deeds, Trinity Group agrees to, amongst other things:

- indemnify the officer to the extent permitted by law against certain liabilities and legal costs incurred by the officer as an officer of the Company and its subsidiaries;
- maintain and pay the premium on an insurance policy in respect of the officer; and
- in relation to the directors, provide the officer with access to documents provided or available to the officer as an officer of Trinity Group and its subsidiaries.

Trinity Group has paid premiums for Directors' and officers' liability insurance in respect of its officers for the year ended 30 June 2014. The terms of the policy prohibit disclosure of the nature of the liabilities covered and the premiums payable under the policy.

Neither Trinity Group nor the Trust has indemnified the auditor of Trinity Limited or the Trust.

CLAIMS AGAINST TRINITY GROUP

There are no claims that the Board has been made aware of against Trinity Group or the Trust.

REMUNERATION REPORT

A Remuneration Report attached at pages 12 to 17 provides details of the remuneration of Directors and key management personnel and forms part of the Directors' Report.

CORPORATE GOVERNANCE

A Corporate Governance Report attached at pages 19 to 29 provides details of the corporate governance practices of Trinity Group and forms part of the Directors' Report.

ASX AND STAPLING REQUIREMENTS

ASX reserves the right (but without limiting its absolute discretion) to remove Trinity Limited or Trinity Stapled Trust or both from the official list if any of the shares in Trinity Limited and the units in Trinity Stapled Trust cease to be stapled together, or any equity securities are issued by Trinity Limited or Trinity Stapled Trust which are not stapled to equivalent securities in the other entity.

It is the current intention of the Trust and Trinity Limited to remain as a stapled entity, but this could be changed, subject to the *Corporations Act 2001* and ASX Listing Rules, by special resolution of the Unitholders of the Trust and the Shareholders of Trinity Limited.

ROUNDING OF AMOUNTS

The entity is a kind of entity referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with Section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

During the year BDO Audit Pty Ltd, Trinity Group's and the Trust's auditor, has performed certain other services in addition to audit services. The non-audit services related to reporting of non-IFRS information, assurance advice on equity based remuneration and general accounting advice related to Trinity Group's growth strategy.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of the non-audit services by the auditor is compatible with the auditor independence requirements of the *Corporations Act 2001* as none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants and all non-audit services have been reviewed by the Audit Committee to ensure that auditor independence is not compromised.

Details of the amounts paid or payable to the auditor of Trinity Group and the Trust for statutory and non-audit services can be found in note 32 of the Notes to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained a declaration of independence from our auditors, in accordance with Section 307C of the *Corporations Act 2001*, as set out on page 18.

Signed in accordance with resolutions of the Boards of Directors of Trinity Limited and Trinity Investment Management Limited.

Brett Heading
Chairman

Dated in Brisbane this 28th day of August 2014.

The Remuneration Report forms part of the Trinity Group Directors' Report and is audited as required by section 308(3C) of the *Corporations Act 2001*. It outlines Trinity Group's remuneration activities for the 30 June 2014 year, together with other remuneration information, for directors and other key management personnel.

The Remuneration Report is set out under the following main headings:

- Remuneration principles;
- Equity based remuneration;
- Alignment of remuneration and Trinity Group performance;
- Service contracts; and
- Key management personnel remuneration.

REMUNERATION PRINCIPLES

REMUNERATION PHILOSOPHY

The Board does not presently have a Remuneration Committee. The Directors consider that the company is not of a size, nor are its affairs of such complexity, to justify the formation of a separate committee. The Board is responsible for determining and reviewing the remuneration arrangements for Directors, the Chief Executive Officer and key management personnel.

Trinity Group's remuneration policy is to ensure that remuneration packages properly reflect an individual's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors' remuneration comprises fixed fees determined having regard to the level of responsibility including committee memberships, industry practice and the need to retain appropriately qualified independent persons.

Non-Executive Directors' fees are determined at the discretion of the Board within an aggregate Directors' fee pool limit, which is recommended for approval by securityholders. The current limit of $650,000 per annum inclusive of superannuation guarantee contributions was approved by securityholders at the Annual General Meeting held on 21 November 2007.

Non-Executive Directors do not receive performance based remuneration.

EXECUTIVE DIRECTOR AND SENIOR EXECUTIVE REMUNERATION

Remuneration of the Executive Director has historically been determined by the Board with consideration given to normal commercial rates of remuneration for similar levels of responsibility. Details of the Executive Director's remuneration are set out on page 16 as he is also the Chief Executive Officer.

Remuneration packages for the Executive Director and Senior Executives may include a mix of fixed and performance based remuneration.

Fixed remuneration is typically set by reference to the competitive market for executive talent. Fixed remuneration is calculated to include the cost of superannuation and employee benefits such as car parking, together with any fringe benefits tax applicable to such benefits. Trinity Group's employment contracts explicitly state that fixed remuneration will be reviewed each year but increases are not guaranteed.

Performance based remuneration takes the form of bonuses based on the achievement of goals relating to the performance of Trinity Group, and a range of qualitative and quantitative factors and specific executive performance.

KEY MANAGEMENT PERSONNEL

The names of, and positions held by, key management personnel in Trinity Limited and Trinity Group during the period to 30 June 2014 were:

Current Key Management Personnel

Directors	***Senior Executives***
Brett Heading, Non-Executive Director	Bevan Towning, Chief Investment Officer
Richard Friend, Non-Executive Director	Laura Fanning, Joint Chief Financial Officer and Company Secretary
Christopher Morton, Executive Director	Janita Robba, Joint Chief Financial Officer and Company Secretary

Under the provisions of AASB 124 *Related Party Disclosures* there are no further employees or other members of the organisation who fall within the definition of key management personnel.

REMUNERATION CONSULTANTS

Trinity Group did not engage any remuneration consultants during the 30 June 2014 financial year

EQUITY BASED REMUNERATION

EMPLOYEE EQUITY PLANS

Trinity Group does not currently have employee securities or option plans in place.

Trinity Group previously operated two employee stapled securities schemes both of which were terminated during the year ended 30 June 2013. The schemes were the Trinity Exempt Employee Stapled Securities Plan and Trinity Deferred Employee Stapled Securities Plan. The schemes had been inactive since 2009 and all securities issued under both schemes had vested. The entities through which the schemes were operated, being Trinity Stapled Securities Plan Trust and Trinity ESOP Pty Ltd, have subsequently been wound up and deregistered respectively.

OPTIONS AND SECURITIES GRANTED AS COMPENSATION

During the year, Trinity Group made a one-off grant of 7,500,000 stapled securities options to an incoming executive, with no vesting performance conditions attached (other than the options being issued “out of the money”). The options were granted at no cost to the executive. The Board considered the grant of options to be an effective long term incentive to align the executive’s interests with those of securityholders.

The other key terms of these options are:

- expiry date of 30 June 2018;
- escrow period is between 24 – 36 months from commencement of employment;
- exercise price of $0.35;
- upon termination of employment in certain circumstances prior to expiry, accelerated terms of $0.05 plus exercise price to be exercised within 20 business days from cessation of employment;
- no entitlement to participate in rights issues or distributions prior to exercise; and
- the options are personal to the executive and may not be assigned or transferred to another person.

The fair value per option for accounting purposes, determined in accordance with Accounting Standards, is $0.0267.

No other options were granted during the year (2013: nil) or are on issue at the date of this report.

No securities were granted as compensation during the year (2013: nil).

EXERCISE OF OPTIONS GRANTED AS COMPENSATION

No options granted as compensation were exercised during the year.

MODIFICATION OF TERMS OF EQUITY BASED PAYMENT TRANSACTIONS

No terms of share based payment transactions (including options granted as compensation to key management personnel) have been altered or modified by the issuing entity during the year or the previous year.

EQUITY AND OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL

STAPLED SECURITIES HOLDINGS

The number of securities held during the year by each director and other key management personnel of Trinity Group, including their related entities' interests (if any), are set out below. No securities were granted as compensation during the year (2013: nil).

2014	HELD AT 1 JULY 2013	PURCHASES / (SALES)	EMPLOYEE STAPLED SECURITIES PLAN	DIVIDEND REINVESTMENT PLAN	EXERCISE OF OPTIONS	HELD AT 30 JUNE 2014
CURRENT DIRECTORS						
Brett Heading	295,905	-	-	-	-	295,905
Richard Friend	268,163	-	-	-	-	268,163
Christopher Morton	39,030,882	-	-	-	-	39,030,882
CURRENT SENIOR EXECUTIVES						
Bevan Towning [1]	-	200,000	-	-	-	200,000
Laura Fanning	1,947	-	-	-	-	1,947
Janita Robba	-	-	-	-	-	-

1 Mr Towning commenced with Trinity Group on 25 November 2013

OPTION HOLDINGS

The numbers of options over ordinary securities held during the financial year by each director and other key management personnel of Trinity Group, including their related entities' interests (if any), are set out below.

Details of options granted during the year as compensation and details of options exercised during the year are outlined on page 13.

2014	HELD AT 1 JULY 2013	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	HELD AT 30 JUNE 2014
CURRENT DIRECTORS					
Brett Heading	-	-	-	-	-
Richard Friend	-	-	-	-	-
Christopher Morton	-	-	-	-	-
CURRENT SENIOR EXECUTIVES					
Bevan Towning	-	7,500,000	-	-	7,500,000
Laura Fanning	-	-	-	-	-
Janita Robba	-	-	-	-	-

ALIGNMENT OF REMUNERATION AND TRINITY GROUP PERFORMANCE

Underlying market conditions have significantly impacted Trinity Group's performance and securityholder returns in recent years.

During the post GFC period, Trinity Group has been focused on stability of its balance sheet, debt management and subsequent capital management initiatives. Although Trinity Group's financial results have varied significantly during this period as a result of asset sales and a number of one-off transactions, the Board considers the performance of Trinity Group as a whole, including overall securityholder value, when determining the remuneration level of key management personnel. This approach has also been relevant in previous years for determining performance based remuneration (payment of bonuses), where applicable.

The Board is confident that Trinity Group's current remuneration strategy for key management personnel and senior executives is appropriate for, and supports, the Group's business operations whilst ensuring that executives are engaged, motivated towards, and rewarded for, achieving the strategic objectives of the business. Specifically, other than a one-off grant of options to an incoming executive during the year, performance based remuneration is limited to short term incentives in the form of bonuses.

During the year, Non-Executive Directors' fees were reduced for the second consecutive year in recognition of the reduced anticipated workload and responsibility of the Non-Executive Directors.

TRINITY GROUP PERFORMANCE

Share prices are influenced by market sentiment towards the property sector and other business segments in which Trinity Group operates and changes can occur independent of company performance. The security price, earnings per security, net tangible asset value per security and dividends/distributions declared at the end of the financial year for the last five years has been:

	2010	2011	2012	2013	2014
Basic earnings/(loss) per stapled security (cents)	(21.7)	6.6	9.5	(2.6)	0.3
Security price at year end	$0.06	$0.18	$0.25	$0.25	$0.25
Change in security price	($0.12)	$0.12	$0.07	-	-
Total dividends/distributions declared (cents per security) [1]	-	-	-	3.0	-
Net tangible asset per stapled security (cents)	19.6	28.6	38.4	35.0	35.9

1 A one-off capital distribution of 3 cents per security totalling $4.5 million was paid on 7 June 2013 from the Trust.

During the year ended 30 June 2014 the share price of Trinity Group's stapled securities ranged from a low of $0.25 to a high of $0.28.

SERVICE CONTRACTS

SENIOR EXECUTIVES

It is Trinity Group's policy that service contracts for senior executives, excluding the Chief Executive Officer and the Chief Investment Officer, are unlimited in term but capable of termination on 1 month's notice and Trinity Group retains the right to terminate the contract immediately, by making payment equal to 1 month's salary in lieu of notice.

Senior executives (including key management personnel) are entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave. Notice periods and termination benefits as required by law apply to each of the Directors and key management personnel.

Service contracts outline the components of compensation paid to key management personnel but do not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account any change in the scope of the role performed by the senior executive.

CHIEF EXECUTIVE OFFICER

Mr Morton was appointed Chief Executive Officer on 24 September 2012 and entered into a Deed of Variation to his contract of employment with Trinity Limited effective from that date. The variation specifies the duties and obligations to be fulfilled by the Chief Executive Officer. The contract had an initial completion date of 30 November 2013 which has been extended to 31 December 2014. At that time the terms of his employment will be renegotiated.

A summary of the terms of Mr Morton's employment contract are as follows:

- a salary of $250,000 per annum plus superannuation;
- access to a car parking space;
- no entitlement to any short term or long term incentives; and
- employment may be terminated by the executive or by the employer at any time by either of them giving to the other not less than 3 months' written notice.

Prior to 24 September 2012, Mr Morton's remuneration as part time Deputy Chairman included an annual remuneration package of $175,000 plus superannuation. He was also given access to a car parking space. Mr Morton's initial remuneration package included a grant of 4,750,000 options to acquire stapled securities at an exercise price of 18 cents with 4,000,000 options exercised in the 30 June 2012 year and the remaining 750,000 options in the 30 June 2013 year.

CHIEF INVESTMENT OFFICER

Bevan Towning commenced as Trinity Group's Chief Investment Officer on 25 November 2013 to focus on new opportunities and business growth following Trinity Group's future direction announcement in September 2013. Mr Towning is principally based in Sydney and travels to Brisbane regularly.

Mr Towning's employment contract with Trinity Limited has a completion date of 30 June 2018 and has the following key terms:

- a salary of $350,000 per annum plus superannuation;
- an entitlement to short term incentives based on specific key performance indicators to be agreed with the Board (although significant short term incentives are not immediately contemplated);
- an entitlement to long term incentives and received a one-off grant of 7,500,000 stapled securities options on commencement of his employment with Trinity Group; and
- employment may be terminated by the executive or by the employer at any time by either of them giving to the other not less than 3 months' written notice.

As at 30 June 2014, no short term incentives were approved by the Board in respect of the 30 June 2014 year for Mr Towning.

Details of options granted during the year to Mr Towning are outlined on page 13.

KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of each major element of the remuneration of each director and the key management personnel of Trinity Group are set out below.

2014	Short Term		Post Employment	Equity Based Payments	Total	Proportion of Remuneration Performance Related	Proportion of Remuneration Consisting of Options
	Salary & Fees	Non-Monetary Benefits	Superannuation	Options			
	$	$	$	$	$	%	%
Current Directors							
Brett Heading	114,765	-	-	-	114,765	-	-
Christopher Morton	250,000	6,591	23,125	-	279,716	-	-
Richard Friend	67,535	-	6,247	-	73,782	-	-
Current Senior Executives							
Bevan Towning [1]	196,090	-	10,369	200,700 [3]	407,159	-	49.3%
Laura Fanning [2]	64,788	1,976	4,957	-	71,721	-	-
Janita Robba [2]	113,856	4,613	10,532	-	129,001	-	-
Total Remuneration	**807,034**	**13,180**	**55,230**	**200,700**	**1,076,144**	**-**	**18.6%**

1 Bevan Towning commenced with Trinity Group on 25 November 2013.

2 Laura Fanning was part time from 8 January 2014. Janita Robba was part time for the full year.

3 Value of options granted during the year.

2013	Short Term		Post Employment		Total	Proportion of Remuneration Performance Related	Proportion of Remuneration Consisting of Options
	Salary & Fees	Non-Monetary Benefits	Superannuation	Termination Benefits			
	$	$	$	$	$	%	%
Current Directors							
Brett Heading	134,615	-	-	-	134,615	-	-
Christopher Morton	233,077	7,042	20,975	-	261,094	-	-
Richard Friend	75,608	-	6,805	-	82,413	-	-
Current Senior Executives							
Laura Fanning [1]	90,513	5,868	8,146	-	104,527		
Janita Robba [2]	75,276	1,174	6,775	-	83,225	-	-
Former Senior Executive							
Craig Bellamy [3]	122,586	3,415	4,118	216,667	346,785	-	-
Total Remuneration	**731,675**	**17,499**	**46,819**	**216,667**	**1,012,660**	**-**	**-**

1 Laura Fanning commenced maternity leave on 17 January 2013

2 Janita Robba was part time from 5 December 2012

3 Mr Bellamy resigned as Chief Executive Officer on 24 September 2012

No bonuses or long service leave have been paid or accrued for any director or key management personnel in either the 2013 or 2014 financial year. The remuneration shown in the above tables is fixed remuneration and there were no short term or long term incentives linked to performance.

END OF REMUNERATION REPORT – AUDITED.

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DECLARATION OF INDEPENDENCE BY KIM COLYER TO THE DIRECTORS OF TRINITY LIMITED AND THE DIRECTORS OF TRINITY INVESTMENT MANAGEMENT LIMITED AS RESPONSIBLE ENTITY FOR TRINITY STAPLED TRUST

As lead auditor of Trinity Group for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect Trinity Group which comprises both Trinity Limited and the entities it controlled during the financial year and Trinity Stapled Trust and the entities it controlled during the financial year.

K L Colyer

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 28 August 2014

The Corporate Governance Report forms part of the Trinity Group Directors' Report and is unaudited.

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Trinity Group support and adhere to the principles of corporate governance, and are committed to good corporate governance.

This report outlines the main corporate governance practices in place during the financial year, which complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles"), unless otherwise stated. The third edition of the ASX Principles, which was recently released to have effect from 1 July 2014, has not been early adopted by Trinity Group.

DETAILS OF DIRECTORS

Details of the directors' experience, qualifications, special responsibilities and other interests are outlined below.

BRETT HEADING, CHAIRMAN AND NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr Heading has been Chairman since his appointment to the Trinity Group Board on 21 August 2009.

Mr Heading is an experienced company director and corporate lawyer. He is Senior Partner of McCullough Robertson and has been a partner of that firm since 1985, specialising in capital raising, mergers and acquisitions.

Mr Heading has been a director of a number of listed and unlisted companies. Mr Heading is also a former long-standing member of the Board of Taxation and was a member of the Takeovers Panel from 1997 to 2009.

Other Trinity Group memberships: Audit Committee member (appointed 1 December 2009).

Other current directorships in listed companies: Empire Oil & Gas NL, Invion Limited (formerly CBio Limited) and Peanut Company of Australia Ltd.

Other former directorships in listed companies within the last three years: ChemGenex Pharmaceuticals Limited (appointed July 2002 – resigned 22 July 2011)

Qualifications: BCom LLB (Hons) FAICD

CHRISTOPHER MORTON, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr Morton was appointed to the Trinity Group Board on 21 August 2009. He was appointed Chief Executive Officer on 24 September 2012.

Mr Morton has over 25 years' experience in the areas of property law, investment and funds management and was formerly a senior property law partner and senior management executive with the national legal firm Phillips Fox (now known as DLA Piper).

In 1997, Mr Morton founded and was Managing Director of Property Funds Australia Limited (PFA), a specialist property funds management company and responsible entity for the Australian exchange listed, PFA Diversified Property Trust. PFA was acquired by the Mirvac Group in October 2007.

Mr Morton is a past president of the Property Council of Australia (Queensland Division), past president of the Australian Direct Property Investment Association (ADPIA) and a past member of the Queensland Heritage Council and the Brisbane City Council's Urban Renewal Taskforce.

Other Trinity Group memberships: Compliance Committee member (appointed 1 December 2009).

Other directorships in listed companies within the last three years: Nil

Qualifications: BCom LLB LLM MAICD

RICHARD FRIEND, NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr Friend was appointed to the Trinity Group Board on 25 September 2007.

Mr Friend currently runs his own consulting company, which provides specialist advice and general business consulting. Mr Friend was formerly Head of Tax at Ernst & Young Brisbane and served on the Board of Partners of Ernst & Young Australia from 2002 until 2005.

Other Trinity Group memberships: Audit Committee Chairman (appointed 1 December 2009) and Compliance Committee member (appointed 1 July 2012).

Other directorships in listed companies within the last three years: Nil

Qualifications: BCom LLB (Hons) LLM

DETAILS OF COMPANY SECRETARY

Details of the experience and qualifications of the Joint Company Secretaries are outlined below.

LAURA FANNING, JOINT COMPANY SECRETARY AND JOINT CHIEF FINANCIAL OFFICER

Mrs Fanning joined Trinity Group in January 2007 and was appointed Company Secretary and Chief Financial Officer on 19 May 2010. She went on maternity leave during 2011 and 2013 but otherwise continued in the role when not on leave. Mrs Fanning is a Chartered Company Secretary and Chartered Accountant with more than 15 years' experience in listed and unlisted companies across sectors including funds management, property and wholesale distribution.

Qualifications: BBus (Accounting) Grad Dip (App. Corp. Gov.) CA AGIA ACIS

JANITA ROBBA, JOINT COMPANY SECRETARY AND JOINT CHIEF FINANCIAL OFFICER

Mrs Robba was initially appointed Trinity Group's Company Secretary and Chief Financial Officer during the periods when Mrs Fanning was on leave in 2011 and 2013. Mrs Robba is a Chartered Accountant with experience in executive management roles with both listed and unlisted companies across industries including funds management, financial services and travel.

Qualifications: BCom LLB CA

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of Trinity Limited (or their nominated alternate Director) during the financial year are:

	BOARD MEETINGS		AUDIT COMMITTEE		COMPLIANCE COMMITTEE	
	A	B	A	B	A	B
DIRECTOR						
Brett Heading	22	22	5	5	-	-
Christopher Morton	22	22	-	-	4	4
Richard Friend	21	21	5	5	4	4
JOINT COMPANY SECRETARIES						
Janita Robba	21	21	3	3	-	-
Laura Fanning	8	8	2	2	-	-
EXTERNAL COMMITTEE MEMBER						
Alex Fraser	-	-	-	-	4	4

A Number of meetings held during the time the Directors/secretary/external committee members held office during the year and for which leave of absence not granted

B Number of meetings attended

DETAILS OF THE BOARD

ROLE OF THE BOARD

The Board's primary role is the protection and enhancement of long term securityholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of Trinity Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration and establishing succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting.

During the year, the Board delegated responsibility for the operation and administration of Trinity Group to the Chief Executive Officer and executive management.

BOARDS OF THE STAPLED ENTITY

The Boards of the stapled entity, comprising Trinity Limited and Trinity Investment Management Limited (the "Responsible Entity" of Trinity Stapled Trust), currently have the same Directors.

The Responsible Entity is responsible for the operation of Trinity Stapled Trust. The Responsible Entity must exercise its powers and perform its obligations under the Trinity Stapled Trust Constitution and the *Corporations Act 2001* in the best interests of securityholders to ensure that the activities of the trust are conducted in a proper manner. In particular, the Responsible Entity is responsible for the selection and management of investment properties, maintenance of accounting and statutory records for the trust, compliance with statutory requirements of managing the trust including communication with securityholders and management of the debt facilities and equity raisings of the trust.

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- a minimum of three Directors, with a broad range of expertise in property, finance and funds management;
- a majority of the Board need not be Non-Executive Directors;
- a majority of Directors having extensive knowledge of the property and funds management industries, and those without such knowledge having extensive expertise in significant aspects of the law, or risk management of large companies;
- an Independent Non-Executive Director is normally to be appointed as Chairman;
- enough Directors to serve on various committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities; and
- Directors are subject to re-election at least every three years.

Procedures for selection and appointment of new directors, including reference to Trinity Group's diversity policy, are considered as required. Due to the small size of the Board a specific diversity target for the Board is not currently considered appropriate.

The Board currently has two Independent Non-Executive Directors and an Executive Director. The names, qualification and experience of the Directors of Trinity Group in office during the year and at the date of this report, specifying which are independent, are set out on page 19 of this report.

INDEPENDENT DIRECTORS

An Independent Director is a director who is not a member of management (a Non-Executive Director) and who:

- holds less than five percent of the voting securities of Trinity Group and is not an officer of, or otherwise associated, directly or indirectly, with a securityholder of more than five percent of the voting securities of Trinity Group;
- has not within the last three years been employed in an executive capacity by Trinity Group or another group member, or been a director after ceasing to hold any such employment;
- has not within the last three years been a principal of a material professional adviser or a material consultant to Trinity Group or another Group member, or an employee materially associated with the service provided ;
- is not a material supplier or customer of Trinity Group or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- has no material contractual relationship with Trinity Group or another group member other than as a director of Trinity Group;
- has not served on the Board for a period which in the Board's opinion could, or could reasonably be perceived to, materially interfere with the Directors ability to act in the best interests of Trinity Group; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Trinity Group.

No materiality threshold has been set by the Board however materiality of services provided to Trinity Group is regularly assessed by the Board.

Brett Heading is considered to be an independent director even though the law firm of which Mr Heading is a partner has provided advisory services to Trinity Group during the year. Mr Heading has not been directly involved in the provision of any advice, or the commissioning and management of any legal matters. This responsibility rests with executive management.

BOARD PROCESSES

The Board operates with support from two Board committees as follows:

- Audit Committee – established 1 December 2009
- Compliance Committee – established 1 December 2009.

These committees were established after the former Compliance, Audit and Risk Management Committee was restructured from 1 December 2009.

The Audit and Compliance Committees have written mandates and operating procedures, which are reviewed on a regular basis.

Due to the composition of the Board, limited number of key management personnel and executives and small number of employees, Trinity Group has not established a separate Nomination Committee or Remuneration Committee. The Board takes responsibility for all matters which would otherwise have been a Nomination Committee or Remuneration Committee responsibility.

The Board has also established a framework for the management of Trinity Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds twelve scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary as appropriate. Standing items include reports prepared by the Chief Executive Officer, Chief Financial Officer and Company Secretary, financial reports, strategic matters, governance and compliance. Board meeting material is circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

DIRECTOR EDUCATION

Trinity Group informs new Directors and senior executives about the nature of the business, current issues, the corporate strategy and the expectations of Trinity Group concerning performance of Directors. Directors also have the opportunity to visit Trinity Group's business premises and meet with management to gain a better understanding of business operations.

BOARD EVALUATION

The Chairman has conducted a review of the effectiveness of the Board, its committees and its members during the year. The review considered the role of the Board and its performance and executive management and their performance. In addition the review considered board processes, corporate governance and strategic planning.

Further, the performance of senior management (other than the Chief Executive Officer) is reviewed by the Chief Executive Officer. The Chief Executive Officer's performance is reviewed by the Board.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO INFORMATION

Each director has the right of access to all relevant information and to Trinity Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at Trinity Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

AUDIT COMMITTEE

The Audit Committee was formed on 1 December 2009 and has a documented charter approved by the Board.

COMPOSITION OF THE AUDIT COMMITTEE

All members of the Audit Committee must be Non-Executive Directors with a majority being independent. The Committee may also from time to time have members who are not Directors of Trinity Group but who hold skills and qualifications, which in the opinion of Directors, makes them suitable or desirable to be a member of the Committee.

During the year, the Committee comprised two Independent Non-Executive Directors only. At all times during the year, the chairman was independent and was not the chairman of the Board.

The members of the Audit Committee during the year and up to the date of this report were:

MR RICHARD FRIEND

Independent Non-Executive Director – Committee Chairman appointed a member of the committee on 1 December 2009.

Qualifications: BCom LLB(Hons) LLM

MR BRETT HEADING

Independent Non-Executive Director – appointed a member of the committee on 1 December 2009.

Qualifications: BCom LLB (Hons) FAICD

Trinity Group's Audit Committee structure follows the ASX Principles except for the smaller size of the committee which reflects the simplified nature of Trinity Group's structure and operations. Trinity Group considers the composition of the committee to be appropriate as the Board of Trinity Limited comprises only two Independent Directors and an Executive Director and considers that requiring three Independent Directors to serve on the committee would prove too onerous at present.

AUDIT COMMITTEE PROCESSES

Details of committee meetings held during the year and each committee member's attendance record are disclosed in the table of Directors' meetings on page 20. The external auditor met with the Audit Committee three times during the year.

The external auditors, other Directors, Chief Executive Officer, Chief Financial Officer and other senior management are invited to the Audit Committee meetings at the discretion of the Committee.

The Chief Executive Officer and the Chief Financial Officer have declared in writing to the Board that the financial records of Trinity Group have been properly maintained and the financial reports for the year ended 30 June 2014 comply with accounting standards and present a true and fair view of Trinity Group's financial position and operational results. This statement is currently required annually.

ROLE OF THE AUDIT COMMITTEE

The Committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of Trinity Group. The responsibilities of the Audit Committee include:

- reviewing the annual and half-year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and assessing whether the financial information is adequate for securityholder needs;
- establishing procedures for selecting, appointing and, if necessary, removing the external auditor;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;
- assessing the adequacy of the internal control framework;
- organising, reviewing and reporting on any special reviews deemed necessary by the Board;
- monitoring procedures to ensure compliance with *Corporations Act 2001* and the Australian Securities Exchange Listing

Rules and all other regulatory requirements; and

- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Securities Exchange and financial institutions.

The Audit Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, acquisitions and key finance personnel;
- discuss internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the Australian Securities Exchange and any significant adjustments required as a result of the auditor's findings and to recommend Board approval of these documents;
- prior to announcement of results, review the annual and half-year financial reports and recommend them to the Board; and
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made.

COMPLIANCE COMMITTEE

The Compliance Committee was formed on 1 December 2009 and has a documented charter approved by the Board.

COMPOSITION OF THE COMPLIANCE COMMITTEE

The Board is responsible for the appointment of the Compliance Committee members. There must be at least three Compliance Committee members at all times, of which the majority must be External Compliance Committee members. The Board may appoint a chair for the Compliance Committee indefinitely or for a term, and terminate that appointment at any time.
Compliance Committee members must be suitably qualified for the position. The skills required by the members of the Compliance Committee will vary depending on the other members. The following experience has been determined by the Board as valuable:

(a) a legal background;
(b) an accounting background;
(c) a trustee background; or
(d) a minimum of three years' experience in funds management.

The members of the Compliance Committee during the year and up to the date of this report are:

MR ALEX FRASER

Independent Non-Executive Chairman, appointed 25 July 2012, Committee Member appointed 1 December 2009
Qualifications: BEcon FCA G.Dip.App.Fin MAICD

MR RICHARD FRIEND

Independent Non-Executive Committee Member, appointed 1 July 2012
Qualifications: BCom LLB (Hons) LLM

MR CHRISTOPHER MORTON

Executive Committee Member, appointed 1 December 2009
Qualifications: BCom LLB LLM MAICD

The Compliance Officer can be a member of the Compliance Committee if appointed by the Board.

COMPLIANCE COMMITTEE PROCESSES

Details of committee meetings held during the year and each committee member's attendance record are disclosed in the table of Directors' meetings on page 20. The external Compliance Plan auditor met with the Compliance Committee once during the year.

Any member of the Board, Australian Financial Services Licence ("AFSL") Responsible Manager, officer of the Responsible Entity, the scheme auditor, the compliance plan auditor and any invitee of Compliance Committee members may attend and speak at a Compliance Committee meeting.

ROLE OF THE COMPLIANCE COMMITTEE

The Compliance Committee is responsible for monitoring and reviewing the function and effectiveness of the Compliance Plan and ensuring adherence to applicable laws and regulations, including the Responsible Entity's compliance with the terms and conditions of its AFSL. Further to this, to the extent that the *Corporations Act 2001* and ASIC policy requires, the specific functions of the Compliance Committee are to:

(a) assess at regular intervals (determined by the Committee) whether the Compliance Plan is adequate and up to date;
(b) monitor to what extent the Responsible Entity complies with the trust's Compliance Plan and to report on its findings to the Responsible Entity;
(c) report and make recommendations to the Board regarding amendments to the Compliance Plan at such times as necessary or desirable;
(d) report to the Board any breach of the Act involving the trust, or any breach of the provisions included in the Constitution of which the Compliance Committee becomes aware of, or suspects;
(e) report to ASIC any breach of which it becomes aware of suspects and has reported to the Board if the Compliance Committee is of the view that the Board has not taken, or does not propose to take, appropriate action; and
(f) do such other things as the Act requires.

COMPLIANCE PLAN

Trinity Group has a Compliance Plan for the management of Trinity Stapled Trust which sets out the key processes, systems and measures that the Responsible Entity has in place to ensure compliance with its AFSL, the *Corporations Act 2001*, the Constitution, ASIC, Regulatory Guides and any Disclosure Documents.

The Compliance Plan sets out details of the obligations which must be met by the Responsible Entity, what measures or procedures are in place to comply with these obligations, how compliance with those measures and procedures will be monitored and how those measures are updated. The Compliance Plan also details the risks of not complying with these obligations and how breaches are to be reported and addressed. The description of measures in place allows staff with compliance responsibilities to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures. Compliance with the Compliance Plan is reported on a quarterly basis to the Compliance Committee and is reviewed annually by the external Compliance Plan auditor.

RISK MANAGEMENT

OVERSEEING THE RISK MANAGEMENT SYSTEM

The Board oversees the establishment, implementation and annual review of Trinity Group's risk management system.
Management has established and implemented the risk management system for assessing, monitoring and managing operational, financial reporting and compliance risks for Trinity Group. The Chief Executive Officer and Chief Financial Officer have provided assurance in writing to the Board, that the financial reporting and operational risk management and associated internal controls have been assessed and found to be operating effectively. The financial report, operational and other risk management compliance and controls have been assessed and found to be operating efficiently and effectively and management has reported to the Board accordingly.

Trinity Group is committed to proper identification and effective management of risk. Trinity Group's risk management systems are designed to ensure that decisions made enhance long term securityholder value and that any calculated risks taken are considered by the Board.

Management, through the Chief Executive Officer and/or Chief Financial Officer as appropriate, report to both the Compliance Committee and Audit Committee and the Board quarterly or more frequently if necessary on the company's key risks and how they were being managed.

The Compliance Committee on behalf of the Board reviews Trinity Group's risk management systems annually to ensure that management has developed and implemented a sound system of risk management and internal control. Internal controls are reviewed by the external auditors as part of Trinity Group's reporting obligations.

RISK PROFILE

The Compliance Committee reported to the Board on the status of notified risks.

Major risks arise from such matters as actions by competitors, government policy changes, the impact of interest rate movements, environment, occupational health and safety, property, financial reporting, and the purchase, development and use of information systems. These risks are not an exhaustive list but are provided to enable investors to better understand the risks Trinity Group is faced with.

A detailed Compliance Plan for Trinity Stapled Trust is in place to ensure compliance with all legislative and regulatory obligations.

Other risk areas, such as treasury, are also considered by executive management and reported to the Board on a regular basis.

RISK MANAGEMENT PLAN

Trinity Group strives to ensure that its operations are of the highest standard. Towards this aim it has prepared a Risk Management Plan consistent with AS/NZS ISO 31000:2009.

The Board is responsible for the overall internal control framework, but recognises that a cost-effective internal control system will not preclude all errors and irregularities. Further supporting the internal controls of Trinity Group are the following types of reporting and procedures:

- Functional speciality reporting – Key areas subject to regular reporting to the Board include treasury, interest rate management and financial forecasting.
- Investment appraisal – Guidelines for property acquisitions and capital expenditure include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where properties or businesses are being acquired or divested.

In addition, comprehensive practices have been established to ensure:

- capital expenditure and revenue commitments above a certain value obtain prior Board approval;
- financial exposures are controlled, including the use of fixed rate instruments. Further details of Trinity Group's policies relating to interest rate management are included in note 26 of the Notes to the Financial Statements;
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel (see below);
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- environmental regulation compliance.

To ensure that the quality and integrity of personnel is maintained for Trinity Group, formal appraisals are conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of co-operation and constructive communication with employees and senior management.

As part of achieving financial reporting accuracy and compliance with the financial reporting regulatory framework, financial forecasts are updated monthly based on actual results and are communicated to the Board. Further, the Board requires the Chief Executive Officer and the Chief Financial Officer as appropriate to declare, in writing to the Board, that Trinity Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The Chief Executive Officer and Chief Financial Officer have provided these declarations to the Board for the 2014 financial year.

REMUNERATION REPORT

The remuneration report is set out on pages 12 to 17.

ETHICAL STANDARDS

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of Trinity Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

CONFLICT OF INTEREST

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of Trinity Group. The Board has developed procedures to assist Directors to disclose potential conflicts of interest. Where the Board believes that a significant conflict exists for a Director on a Board matter, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of Director related entity transactions with Trinity Group are set out in note 25 of the Notes to the Financial Statements.

THE CODE OF CONDUCT

Trinity Group expects Directors, senior management and employees to act in accordance with the conduct requirements. The objectives of the conduct requirements are to:

- align the behaviour of the Board and management by maintaining appropriate core Group values and objectives;
- fulfil responsibilities to securityholders by delivering securityholder value;
- ensure the usefulness of financial information by maintaining appropriate accounting policies and practices and disclosure;
- fulfil responsibilities to clients, customers and tenants by maintaining high standards of product quality, service standards, commitments to fair value and safety;
- support employment practices such as occupational health and safety, employment opportunity, the level and structure of remuneration and conflict resolution;
- underpin responsibilities to the community, such as environmental protection policies, supporting community activities and sponsorships and donations;
- underpin responsibilities to the individual, such as privacy, use of privileged or confidential information and conflict resolution;
- ensure compliance with legislation;
- eliminate conflicts of interest;
- minimise corporate opportunities such as preventing Directors and key executives from taking advantage of proprietary information or position for personal gain;
- maintain confidentiality of corporate information;
- promote fair dealing;
- provide protection and proper use of Trinity Group's assets; and
- encourage reporting of unethical behaviour.

TRADING IN TRINITY GROUP'S SECURITIES BY DIRECTORS AND EMPLOYEES

The Board has adopted a Securities Trading Policy, the key elements of which are:

- approval of trading windows by the Chairman of the Board. They may be during the four week period beginning after:
  (1) the release of the Trinity Group's half-year results and annual results to the Australian Securities Exchange;
  (2) the annual general meeting;
  (3) the release of a prospectus, product disclosure document or other regulated document; or
  (4) for any other period declared by the Chairman of the Board;
- restriction on dealing in the securities whilst in possession of price sensitive information not yet released to the market;
- raising the awareness of legal prohibitions including transactions with colleagues and external advisers;
- requiring details to be provided of intended trading in Trinity Group's securities;
- requiring details to be provided of the subsequent confirmation of the trade; and
- identification of processes for unusual circumstances where discretions may be exercised in cases such as financial hardship.

The policy also details the insider trading provisions of the *Corporations Act 2001* and the prohibition on hedging unvested options.

A copy of the policy is available on Trinity Group's website.

CONTINUOUS DISCLOSURE POLICY

Matters which could be expected to have a material effect on the price or value of Trinity Group securities must be disclosed in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

Trinity Group has in place a Continuous Disclosure Policy and processes to ensure that all material matters which may potentially require disclosure are promptly identified and reported to the Board. The Chief Executive Officer and the Company Secretary, as appropriate, are responsible for interpreting Trinity Group's policy and where necessary informing the Board of any relevant matters. All directors, senior executives, employees and senior consultants of Trinity Group are provided with the Continuous Disclosure Policy and are aware of their obligations as set out therein.

In conjunction with the Board, the Chief Executive Officer and the Company Secretary are primarily responsible for communications with the ASX and for ensuring that such information is not released to any person until the ASX has confirmed its release to the market.

COMMUNICATION WITH SECURITYHOLDERS

The Board provides securityholders with information in accordance with Trinity Group's Continuous Disclosure Policy which, as outlined previously, includes identifying matters that may have a material effect on the price or value of Trinity Group securities, notifying them to the ASX, posting them on the website and issuing media releases.

In addition to the continuous disclosure processes outlined in the Continuous Disclosure Policy, Trinity Group communicates with securityholders as follows:

- the annual report is distributed to all securityholders (unless a securityholder has specifically requested not to receive the document), including relevant information about the operations of Trinity Group during the year, changes in the state of affairs and details of future developments;
- the half-yearly report contains summarised financial information and a review of the operations of Trinity Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX and is sent to any securityholder who requests it;
- proposed major changes in Trinity Group which may impact on security ownership rights are submitted to a vote of securityholders;

- all announcements made to the market and related information (including information provided to analysts or the media during briefings) are placed on Trinity Group's website after they are released to the ASX;
- the full texts of notices of meetings and associated explanatory material are released to the ASX and placed on Trinity Group's website; and
- the external financial auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by Trinity Group and the independence of the auditor in relation to the conduct of the audit.

All of the above information is made available on Trinity Group's website within one day of public release.

Copies of the Constitutions are available to any securityholder on request.

The Board encourages full participation of securityholders at the annual general meeting to ensure a high level of accountability and identification with Trinity Group's strategy and goals. Important issues are presented to the securityholders as single resolutions. The securityholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and securities to Directors, the Remuneration report and changes to the Constitution.

Information relating to Trinity Group's corporate governance is available upon request and on Trinity Group's website.

DIVERSITY POLICY

In accordance with the ASX Principles, Trinity Group has established a Diversity Policy.

Trinity Group's Diversity Policy focuses on:

- workplace diversity – where all individuals should be treated fairly and with respect, and should have equal access to work opportunities; and
- gender diversity – which requires the Board and senior management to take diversity into account during the recruitment process for all positions within the business, including Board positions.

The policy provides for the Trinity Group Board to be responsible for:

- establishing measurable objectives for achieving gender diversity;
- assessing annually both the objectives and the progress in achieving them; and
- reporting annually on the above from 1 July 2011 as far as practicable in accordance with the ASX Principles.

The proportion of women in Trinity Group at 30 June 2014 was as follows:

- Board of directors – 0% (0/3);
- Other key management personnel – 67% (2/3); and
- Other employees – 100% (5/5).

The Board is satisfied with current levels of female participation at different levels in the organisation as well as the business practices in place to promote diversity and equality in the workplace which includes providing flexible working arrangements, an inclusive workplace culture and recruitment practices should they be required in the future.

As a result, and given the small size of Trinity Group's Board and workforce, as well as the scale of Trinity Group's operations, the Board has not set measurable objectives for achieving gender diversity. Measurable objectives will be addressed if the business structure changes in the future.

END OF CORPORATE GOVERNANCE REPORT – UNAUDITED.

Statements of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2014

	Notes	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Revenue and other income					
Rental income and recoverable outgoings – investment properties		5,129	5,996	5,147	6,010
Revenue from Cumberland Lorne Resort assets					
- Rental income		527	1,761	-	-
- Management fees from resort operation		-	1,457	-	-
- Sale of apartments		3,687	9,512	-	-
Revenue from rendering services		83	-	-	-
Interest	8	480	756	321	304
Other revenue and other income		38	2	-	-
Total revenue and other income	4	9,944	19,484	5,468	6,314
Expenses					
Property expenses and outgoings – investment properties		(1,147)	(1,125)	(1,170)	(1,125)
Expenses relating to Cumberland Lorne Resort assets					
- Property expenses and outgoings		(408)	(576)	-	-
- Resort operation costs		-	(2,252)	-	-
- Cost of sale of apartments		(3,238)	(10,922)	-	-
Employee related expenses		(1,538)	(1,319)	-	-
Administration and overhead costs	7	(853)	(858)	(115)	(217)
Doubtful debts – trade and other receivables		40	(40)	1,148	(10,846)
Responsible entity fees		-	-	(511)	(568)
Depreciation and amortisation		(13)	(47)	-	-
Finance costs	8	(1,896)	(2,217)	(1,886)	(2,188)
Other expenses	7	(537)	(823)	(412)	(430)
Share of net loss of equity accounted associates	15	-	(4)	-	-
Fair value net gain / (loss) from investment properties	16	1,144	(754)	1,144	(754)
Write down of inventory to net realisable value		(1,095)	(3,042)	-	-
Net change in fair value of derivative financial instruments		66	63	66	63
Total expenses		(9,475)	(23,916)	(1,736)	(16,065)
Profit / (loss) before tax		469	(4,432)	3,732	(9,751)
Income tax (expense) / benefit		-	-	-	-
Net profit / (loss) for the year		469	(4,432)	3,732	(9,751)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		469	(4,432)	3,732	(9,751)
Profit / (loss) for the year attributable to:					
Members of the parent		(2,649)	(6,043)	-	-
Unitholders of the Trust		3,118	1,611	3,732	(9,751)
Profit / (loss) for the year		469	(4,432)	3,732	(9,751)
Total comprehensive income attributable to:					
Members of the parent		(2,649)	(6,043)	-	-
Unitholders of the Trust		3,118	1,611	3,732	(9,751)
Total comprehensive income / (loss) for the year		469	(4,432)	3,732	(9,751)
Earnings per stapled security					
Basic / diluted earnings / (loss) per stapled security (cents)	9	0.3	(2.6)	n/a	n/a
Basic / diluted earnings / (loss) per unit (cents)	9	n/a	n/a	2.6	(5.7)

The above Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position
As at 30 June 2014

	Notes	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Current assets					
Cash and cash equivalents	33	17,397	15,110	13,520	7,874
Trade and other receivables	11	207	115	55	46
Non-current assets held for sale	14	-	8,305	-	8,305
Inventory	12	2,053	2,808	-	-
Other assets	13	532	540	438	441
Total current assets		20,189	26,878	14,013	16,666
Non-current assets					
Trade and other receivables	11	290	645	9,967	9,813
Equity accounted investments	15	-	-	-	-
Investment properties	16	58,773	55,575	58,773	55,575
Inventory	12	3,850	7,171	-	-
Property, plant and equipment		39	35	-	-
Intangible assets		4	-	-	-
Other assets	13	782	1,045	782	1,045
Total non-current assets		63,738	64,471	69,522	66,433
Total assets		83,927	91,349	83,535	83,099
Current liabilities					
Trade and other payables	17	851	1,270	663	1,095
Derivative financial instruments	18	28	-	28	-
Employee benefits		73	42	-	-
Total current liabilities		952	1,312	691	1,095
Non-current liabilities					
Trade and other payables	17	15	38	15	38
Interest bearing loans and borrowings	18	31,548	37,517	31,548	32,878
Derivative financial instruments	18	-	94	-	94
Total non-current liabilities		31,563	37,649	31,563	33,010
Total liabilities		32,515	38,961	32,254	34,105
Net assets		51,412	52,388	51,281	48,994
Equity					
Equity attributable to members of the Company					
Contributed equity	20	43,965	43,965	-	-
Reserves		-	-	-	-
Accumulated losses		(67,919)	(65,270)	-	-
		(23,954)	(21,305)	-	-
Equity attributable to unitholders of the Trust					
Contributed equity	20	237,056	238,701	237,056	238,701
Reserves	22	200	-	200	-
Deficiency	21	(161,890)	(165,008)	(185,975)	(189,707)
		75,366	73,693	51,281	48,994
Total equity		51,412	52,388	51,281	48,994

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

	Notes	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		7,509	10,246	6,867	6,348
Cash payments in the course of operations		(5,546)	(7,544)	(3,292)	(2,349)
Interest received		486	792	333	346
Interest and finance costs paid		(1,864)	(2,139)	(1,822)	(2,110)
Net cash from operating activities	33(b)	585	1,355	2,086	2,235
Cash flows from investing activities					
Payments for investment properties and assets held for sale		(1,019)	(943)	(1,019)	(943)
Proceeds from sale of investment properties		6,825	7,700	6,825	7,700
Payments for capitalised development costs		(115)	(1,339)	-	-
Proceeds from sale of inventory		3,737	9,512	-	-
Payments for property, plant and equipment		(20)	(23)	-	-
Proceeds from sale of subsidiary		-	(686)	-	-
Loans repaid by related entities		-	-	5,460	9,464
Loans advanced to related entities		-	-	-	(2,166)
Distributions / dividends received		-	18	-	-
Net cash from investing activities		9,408	14,239	11,266	14,055
Cash flows from financing activities					
Payments for security buyback		(1,640)	(15,000)	(1,640)	(15,000)
Proceeds from exercise of options		-	135	-	110
Transaction costs on security buyback and exercise of options		(14)	(146)	(14)	(123)
Proceeds from sale of ESOP securities		-	25	-	21
Capital distribution paid		-	(4,488)	-	(4,488)
Repayment of borrowings		(6,015)	(8,508)	(6,015)	(1,508)
Payments for loan establishment costs		(37)	(8)	(37)	(8)
Net cash used in financing activities		(7,706)	(27,990)	(7,706)	(20,996)
Net increase / (decrease) in cash and cash equivalents		2,287	(12,396)	5,646	(4,706)
Cash and cash equivalents at beginning of the year		15,110	27,506	7,874	12,580
Cash and cash equivalents at the end of the year	33(a)	17,397	15,110	13,520	7,874

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

TRINITY GROUP CONSOLIDATED

	Attributable to members of the Company				Attributable to unitholders of the Trust				
	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Total equity $'000
At 1 July 2013	43,965	-	(65,270)	(21,305)	238,701	-	(165,008)	73,693	52,388
Loss for the year attributable to members of the Company	-	-	(2,649)	(2,649)	-	-	-	-	(2,649)
Profit for the year attributable to unitholders of the Trust	-	-	-	-	-	-	3,118	3,118	3,118
Total comprehensive income for the year	-	-	(2,649)	(2,649)	-	-	3,118	3,118	469
Transactions with members recorded directly in equity:									
Security buyback	-	-	-	-	(1,639)	-	-	(1,639)	(1,639)
Employee share options – value of employee services	-	-	-	-	-	200	-	200	200
Transaction costs on security buyback	-	-	-	-	(6)	-	-	(6)	(6)
Total changes in equity as a result of transactions with members	-	-	-	-	(1,645)	200	-	(1,445)	(1,445)
At 30 June 2014	43,965	-	(67,919)	(23,954)	237,056	200	(161,890)	75,366	51,412
At 1 July 2012	43,999	(41)	(59,227)	(15,269)	258,422	(237)	(166,619)	91,566	76,297
Loss for the year attributable to members of the Company	-	-	(6,043)	(6,043)	-	-	-	-	(6,043)
Profit for the year attributable to unitholders of the Trust	-	-	-	-	-	-	1,611	1,611	1,611
Total comprehensive income for the year	-	-	(6,043)	(6,043)	-	-	1,611	1,611	(4,432)
Transactions with members recorded directly in equity:									
Security buyback	-	-	-	-	(15,000)	-	-	(15,000)	(15,000)
Exercise of options	35	(10)	-	25	135	(25)	-	110	135
Transaction costs on security buyback, exercise of options and capital distribution	(22)	-	-	(22)	(127)	-	-	(127)	(149)
Disposal of ESOP securities	(47)	51	-	4	(241)	262	-	21	25
Capital distribution	-	-	-	-	(4,488)	-	-	(4,488)	(4,488)
Total changes in equity as a result of transactions with members	(34)	41	-	7	(19,721)	237	-	(19,484)	(19,477)
At 30 June 2013	43,965	-	(65,270)	(21,305)	238,701	-	(165,008)	73,693	52,388

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

TRINITY STAPLED TRUST CONSOLIDATED	CONTRIBUTED EQUITY	DEFICIENCY	RESERVES	TOTAL
	$'000	$'000	$'000	$'000
At 1 July 2013	238,701	(189,707)	-	48,994
Profit for the year attributable to unitholders	-	3,732	-	3,732
Total comprehensive income for the year	-	3,732	-	3,732
Transactions with members recorded directly in equity:				
Security buyback	(1,639)	-	-	(1,639)
Employee share options – value of employee services	-	-	200	200
Transaction costs on security buyback	(6)	-	-	(6)
Total changes in equity as a result of transactions with members	(1,645)	-	200	(1,445)
At 30 June 2014	237,056	(185,975)	200	51,281

TRINITY STAPLED TRUST CONSOLIDATED	CONTRIBUTED EQUITY	DEFICIENCY	RESERVES	TOTAL
	$'000	$'000	$'000	$'000
At 1 July 2012				
Profit / (loss) for the year attributable to unitholders	258,422	(179,956)	(237)	78,229
Total comprehensive income for the year attributable to members	-	(9,751)	-	(9,751)
Transactions with members recorded directly in equity:				
Security buyback	(15,000)	-	-	(15,000)
Exercise of options	135	-	(25)	110
Transaction costs on security buyback, exercise of options and capital distribution	(127)	-	-	(127)
Disposal of ESOP securities	(241)	-	262	21
Capital distribution	(4,488)	-	-	(4,488)
Total changes in equity as a result of transactions with members	(19,721)	-	237	(19,484)
At 30 June 2013	238,701	(189,707)	-	48,994

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report includes separate financial statements for:

(i) Trinity Group ("Trinity Group"), consisting of Trinity Limited and Trinity Stapled Trust ("the Scheme") and their controlled entities. Trinity Limited has been deemed the parent entity of Trinity Stapled Trust; and

(ii) Trinity Stapled Trust, consisting of Trinity Stapled Trust and its controlled entities ("the Trust").

Trinity Investment Management Limited ("the Responsible Entity") is the Responsible Entity of the Scheme. The relationship of the Responsible Entity with the Scheme is governed by the terms and conditions specified in the Constitution.

Trinity Limited is a company domiciled in Australia. Its registered office and principal place of business is:

Level 1
88 Creek Street
Brisbane QLD 4000

The financial report was authorised for issue by the directors of Trinity Limited and Trinity Investment Management Limited on 28 August 2014.

a. BASIS OF PREPARATION

This report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of Trinity Group and the Trust comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). Trinity Group and the Trust are for-profit entities for the purpose of preparing the financial statements.

These financial statements have been prepared under the historical cost convention, except for the following:

- derivative financial instruments are measured at fair value
- non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell (excluding investment property held for sale)
- investment properties are measured at fair value
- inventory is measured at lower of cost or net realisable value
- employee share based payments arrangements are measured at fair value

The methods used to measure fair values are discussed further in note 2.

The financial report is presented in Australian Dollars.

b. CHANGES TO PRESENTATION – CLASSIFICATION OF REVENUE AND EXPENSES

This financial report includes in the Statements of Profit or Loss and Other Comprehensive Income a detailed breakdown of Trinity Group's revenue and expenses. Trinity Group believes that this will provide securityholders with more relevant information than previously presented in relation to its operations and is in line with common practice in the sector in which Trinity Group operates. Comparative information has been reclassified accordingly. No changes have been made to the classifications shown in the Statements of Financial Position, Statements of Cash Flows, or Statements of Changes in Equity.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. COMPARATIVES

Where necessary, including as outlined in 1(b) above, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

d. PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entities only.

The financial information for the parent entities, Trinity Limited and Trinity Stapled Trust disclosed in note 35 has been prepared on the same basis as the consolidated financial statements except as set out below.

CONTROLLED ENTITIES

Investments in controlled entities are carried in the parent entity's Statement of Financial Position at the lower of cost and recoverable amount. Dividends and distributions are brought to account in profit or loss when they are declared by the controlled entities.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURE ENTITIES

In the parent entity's Financial Statements, investments in associates and joint venture entities are carried at the lower of cost and recoverable amount. Dividends/distributions receivable are recognised in the parent entity's profit or loss.

e. PRINCIPLES OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trinity Group and the Trust as at 30 June 2014 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which Trinity Group and the Trust has control. Trinity Group or the Trust controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to Trinity Group or the Trust. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Associates are all entities over which Trinity Group or the Trust has significant influence but not control or joint control. Jointly controlled entities are those entities over whose activities Trinity Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for in the consolidated financial statements using the equity method and are carried initially at cost. Trinity Group's investment includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Under this method, Trinity Group's and the Trust's share of the equity accounted investees' net profit after tax is recognised in the consolidated statement of profit or loss and other comprehensive income, and the share of movements in reserves is recognised in reserves in the consolidated statement of financial position. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Distributions and dividends receivable reduce the carrying amount of the investment.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. REVENUE RECOGNITION

PROPERTY RENTAL INCOME

Rental income arising on investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. When Trinity Group or the Trust provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

INCOME FROM RENDERING OF SERVICES

Revenue from the rendering of a service is recognised upon the delivery of the service.

Responsible Entity fees are charged in accordance with the Constitution of the relevant trust and are brought to account on an accruals basis and, if not received at balance date, are reflected as receivables.

Other fees are charged to the relevant Trusts in accordance with their Constitutions and are brought to account on an accruals basis and, if not received at balance date, are reflected as receivables.

DIVIDEND/DISTRIBUTION INCOME

Dividend and distribution income is recognised when declared.

INTEREST INCOME

Interest income is recognised on an accruals basis and if not received at balance date, is reflected in the statement of financial position as a receivable.

SALE OF INVENTORY

Revenue from the sale of inventory is recognised when settlement has occurred, the significant risks and rewards of ownership have passed to the buyer and there is a valid sales contract.

g. NET GAIN OR LOSS ON THE SALE OF NON-CURRENT ASSETS

The net gain or loss on the sale of non-current assets is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually when a contract for the sale becomes unconditional.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

h. FINANCE COSTS

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangements of borrowings and finance charges in respect of finance leases.

Interest payments in respect of financial instruments classified as liabilities are included in finance costs, unless the interest relates to qualifying assets, in which case the costs are capitalised as borrowing costs.

Loan establishment costs are offset against financial liabilities under the effective interest rate method and amortised over the term of the facility to which they relate.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. INCOME TAX

TRUSTS

Under current income tax legislation, the Trusts are not liable for Australian income tax, provided their taxable income and taxable realised gains are fully distributed to securityholders each financial year. The Trusts fully distribute their distributable income, calculated in accordance with their Constitution and applicable taxation legislation, to the securityholders who are presently entitled to the income under the Constitution.

Realised capital losses are not distributed to securityholders but are retained in the Trusts to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses the excess is distributed to securityholders unless the excess is reduced to nil by any revenue losses.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the differences relating to investments in subsidiaries to the extent that it is probable that it will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

TAX CONSOLIDATION

Trinity Limited and its wholly owned controlled entities have elected to form a tax consolidation group with effect from 14 October 2004. The head entity, Trinity Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Trinity Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. These deferred tax assets are only recognised to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Assets and liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in Trinity Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority are classified as operating cash flows.

k. EARNINGS PER SECURITY

Earnings per security ("EPS") is calculated by dividing the net profit attributable to securityholders for the reporting period, after excluding any costs of servicing equity, by the weighted average number of securities and dilutive potential securities.

l. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are generally due to be settled 30 days after the period to which they relate.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that an entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is recognised in profit or loss.

m. NON-CURRENT ASSETS HELD FOR SALE (OTHER THAN INVESTMENT PROPERTY AND AVAILABLE FOR SALE FINANCIAL ASSETS)

Upon initial classification as held for sale, non-current assets are recognised at the lower of carrying value and fair value less costs to sell.

n. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. For development properties, cost includes the cost of acquisition, development and holding costs, such as borrowing costs, rates and taxes and is net of any income received in relation to the development property. Holding costs incurred after completion of development are expensed. For properties held for resale, income earned and holding costs incurred are recognised in profit or loss. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

CURRENT AND NON-CURRENT INVENTORY ASSETS

Inventory is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, Trinity Group's normal operating cycle;
- it is held primarily for the purpose of being traded; and
- it is expected to be realised within twelve months after the reporting date.

All other inventory is classified as non-current.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. INVESTMENT PROPERTIES

Investment properties are properties which are held for the purpose of producing rental income, capital appreciation, or both.

Investment properties are initially recognised at cost including acquisition costs. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in profit or loss in the period. Fair value is determined from market based evidence, by an appraisal undertaken by a professionally qualified valuer with experience in the location and category of the investment property. External independent valuations are commissioned at least once per annum. Internal valuations are undertaken with reference to current market conditions and available information for those investment properties not externally valued at each reporting date.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in profit or loss in the year of derecognition.

Investment property held for sale is classified within non-current assets held for sale, and is carried at fair value as the measurement provisions of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* do not apply to investment properties.

p. PROPERTY, PLANT AND EQUIPMENT

Office fixtures, fittings and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Trinity Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Office fixtures, fittings and equipment are depreciated using a straight-line method over their estimated useful lives, taking into account estimated residual values.

Assets are depreciated from the date of acquisition and depreciation rates and methods are reviewed annually for appropriateness.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These are included in profit or loss.

The estimated useful lives in the current and comparative periods are as follows:

Furniture and fittings	6-20 years
Computer equipment	3-5 years

q. INTANGIBLE ASSETS

Costs incurred in acquiring software, that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and services. Amortisation is calculated on a straight-line basis over periods generally ranging from 3-5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. IMPAIRMENT OF ASSETS

FINANCIAL ASSETS

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset previously recognised in equity is transferred to profit or loss. Any impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

NON-FINANCIAL ASSETS

The carrying amounts of Trinity Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Except for goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short term deposits, generally with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

t. BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Trinity Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, Trinity Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

u. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to Trinity Group or the Trust prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

v. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the entity becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Statement of Financial Position when the obligation specified in the contract is discharged or expires.

Financial assets or liabilities classified as held for trading are measured at fair value through profit or loss. Upon initial recognition a financial asset or financial liability is designated at fair value through profit or loss except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as Loans and Receivables. Loans and Receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.

w. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are held to hedge interest rate risk exposures. Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition any changes in fair value at each balance date are recognised in profit or loss.

x. INTEREST BEARING LIABILITIES

Interest bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis and as well as through the amortisation process.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

y. EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

OTHER LONG TERM EMPLOYEE BENEFITS

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

SHARE BASED PAYMENTS

The fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of security options for which the related service and non-marketing vesting conditions are met.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Trinity Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z. PROVISIONS

Provisions are recognised when Trinity Group or the Trust has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Trinity Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

DIVIDENDS AND DISTRIBUTIONS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. A provision is made for the amount of any distribution payable under the Trust's Constitution but not distributed at balance date.

aa. CONTRIBUTED EQUITY

Ordinary units and shares are classified as equity. Transaction costs arising on the issue of equity instruments are recognised directly in equity (net of tax) subject to the extent of proceeds received and are otherwise expensed.

bb. OPERATING LEASE PAYMENTS

Payments required under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived for the leased property.

LEASE INCENTIVES

Incentives may be provided to lessees to enter into an operating lease. These incentives may be in the form of cash, rent free periods or lessee owned fitouts. They are amortised over the term of the lease as a reduction of rental income on a straight-line basis. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

cc. SEGMENT INFORMATION

An operating segment is a component of Trinity Group or the Trust that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other entities within the group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management also considers other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Trinity Group and the Trust aggregates two or more operating segments when they have similar economic characteristics. Operating segments that meet the quantitative criteria as prescribed by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

dd. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

SIGNIFICANT ACCOUNTING JUDGEMENTS

In the process of applying Trinity Group's and the Trust's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

OPERATING LEASE COMMITMENTS – AS LESSOR

Trinity Group and the Trust have entered into property leases on its investment property portfolio. Trinity Group and the Trust have determined that they retain all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

FAIR VALUE MEASUREMENT HIERARCHY

Trinity Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or the liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the assets or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3, is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

ESTIMATES OF FAIR VALUE OF INVESTMENT PROPERTIES AND NET REALISABLE VALUE OF INVENTORY

The best evidence of fair value or net realisable value is current prices in an active market for similar investment properties or inventory. Where such information is not available, Trinity Group determines a property's value within a range of reasonable fair value or net realisable value estimates. In making its judgment, Trinity Group considers information from a variety of sources including:

(a) Current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;

(b) Recent prices of similar properties in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

(c) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the term of any existing lease and other contracts, and where possible, from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows; and

(d) Capitalised income projections based upon a property's estimated net market income, which is assumed to be a level annuity in perpetuity and capitalisation rate derived from analysis of market evidence. Reversions associated with short term leasing risks/costs incentives and capital expenditure may be deducted from the capitalised net income figure.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

dd. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

ASSUMPTIONS UNDERLYING MANAGEMENT'S ESTIMATES OF FAIR VALUE

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

Trends during the past year in property fundamentals across Australia reflect the strengthening of New South Wales and Victorian economies whilst Queensland and Western Australia have been affected by depressed mining conditions. Rising unemployment, new stock supply, depressed business confidence and a worsening demand for office space in latter two markets have resulted in increased vacancies and leasing incentives. Despite the pressure on property income in Queensland and Western Australia, the investment market across Australia has been buoyant with capital transactions reaching record levels since the Global Financial Crisis due to sustained low cost of debt and increased market liquidity. Current pricing of property assets reflect a compression of capitalisation rates, particularly for good quality properties.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at balance date, the ongoing market volatility outlined above means that if investment property is sold in the future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements. Refer to note 16 for the assumptions included in the valuations underlying management's assessment of fair value of investment property as at 30 June 2014.

ASSUMPTIONS UNDERLYING MANAGEMENT'S ESTIMATES OF NET REALISABLE VALUE

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The best evidence of net realisable value is given by current prices in an active market for similar property in the same location and condition.

The net realisable value of inventory has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of net realisable value as at balance date, ongoing market volatility means that if inventory is sold in the future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the net realisable value recorded in the financial statements. Refer to note 12 for the carrying value of inventory as at 30 June 2014.

ee. FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities, and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

For the 2014 financial year, Trinity Group did not have any financial guarantee contracts that were required to be recognised in the financial statements (2013: nil).

ff. NEW STANDARDS ADOPTED

Trinity Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013. When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the entity, its impact is described below.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ff. NEW STANDARDS ADOPTED (CONTINUED)

(i) AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 Consolidation – Special Purpose Entities. Under the new principles, an entity must control one or more other entities to present consolidated financial statements. An entity will control another when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To provide clarity on the revised definition of control in AASB 10, specifically whether a stapled entity is able to control another, ASIC has revised Class Order 13/1050, which will continue to allow stapled entities to prepare consolidated financial statements for the year. As such, Trinity Group has relied on that Class Order to prepare consolidated financial statements for the year. The amounts attributable to non-controlling interests, being those in the Trust, are set out in the Statement of Financial Position on page 31.

The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127 *Consolidated and Separate Financial Statements*. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

(ii) AASB 11 Joint Arrangements (AASB11)

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Trinity Group does not have any joint arrangements and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 11 *Joint Arrangements*.

(iii) AASB 119 Employee benefits

Trinity Group has applied AASB 119 *Employee Benefits* and its consequential amendments from 1 July 2013. The standard changed the definition of short term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Other new standards that are applicable for the first time for the 30 June 2014 financial report are AASB 13 *Fair Value Measurement*, AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities and AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. These standards have introduced new disclosures but did not affect Trinity Group's accounting policies or any of the amounts recognised in the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

gg. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. Trinity Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9: Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 *Financial Instruments: Recognition and Measurement*). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Trinity Group will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed.

IFRS 15 Revenue from Contracts with Customers

This standard establishes a single revenue recognition framework and supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue*, Interpretation 13 *Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers*, and Interpretation 131 *Revenue – Barter Transaction Involving Advertising Services*. This standard is applicable to annual reporting periods beginning on or after 1 January 2017, with early adoption permitted once approved by the AASB in Australia. Under the new standard, an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Hence, the revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently in IAS 18 *Revenue*. This new standard requires the use of either method using retrospective application to each reporting period in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, or retrospective application with the cumulative effect of initially applying IFRS 15 recognised directly in equity. The Trinity Group is currently assessing the impact of this standard.

hh. ROUNDING OF AMOUNTS

The financial report of Trinity Group and the Trust has been prepared in accordance with Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

2. DETERMINATION OF FAIR VALUES

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. INVESTMENT PROPERTIES

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued or an appropriately experienced internal appraiser, values Trinity Group's and the Trust's investment property portfolio. For valuations performed by both internal and external valuers, fair values are determined using the capitalisation of net passing income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same locations as Trinity Group's and the Trust's investment properties.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

b. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less allowance for doubtful debts. The carrying value less an impairment allowance is assumed to approximate their fair values due to their short term nature. The fair value of other non-current receivables is estimated as the present value of future cash flows, discounted at the market rate of interest.

DERIVATIVES

The fair value of interest rate swaps is based on broker quotes and these can be tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

d. NON-DERIVATIVE FINANCIAL LIABILITIES

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

e. SHARE BASED PAYMENT TRANSACTIONS

The fair value of employee security options is measured using the Black-Scholes model. Measurement inputs include security price on measurement date, exercise price of the options, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the option and expected distributions.

3. FINANCIAL RISK MANAGEMENT

OVERVIEW

Trinity Group and the Trust have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about Trinity Group's and the Trust's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework including the development and monitoring of risk management policies.

Risk management policies are established to identify and analyse the risks faced by Trinity Group and the Trust, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Trinity Group's and the Trust's activities. Trinity Group and the Trust, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

CREDIT RISK

Credit risk is the risk of financial loss to Trinity Group and/or the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Trinity Group's and the Trust's receivables from customers and amounts due from the leasing of premises in accordance with lease agreements with property tenants.

TRADE AND OTHER RECEIVABLES

Trinity Group's and the Trust's exposure to credit risk is influenced mainly by the individual characteristic of each customer or tenant. Trinity Group and the Trust have a diverse range of customers and tenants and therefore there is no significant concentration of credit risk with any single counterparty or group of counterparties.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before Trinity Group does business with them. Trinity Group and the Trust request bank guarantees or security deposits from new tenants in order to secure the premises and tenants are invoiced monthly in advance. Ongoing checks are performed by management to ensure settlement terms detailed in individual contracts are adhered to.

Trinity Group and the Trust have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

CASH AND CASH EQUIVALENTS

Deposits of cash are only held with Board-approved banks and financial institutions.

LIQUIDITY RISK

Liquidity risk is the risk that Trinity Group and/or the Trust will not be able to meet its financial obligations as they fall due. Trinity Group's and the Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Trinity Group's or the Trust's reputation.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

Trinity Group and the Trust have liquidity risk management policies, which assists in monitoring cash flow requirements. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the option to raise funds through the issue of new stapled securities.

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates will affect Trinity Group's and/or the Trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

INTEREST RATE RISK

Trinity Group has a policy of minimising its exposure to changes in interest rates on borrowings by ensuring that some borrowings are on a fixed rate basis. This may be achieved by entering into interest rate swaps or fixed rate bills. Trinity Group currently has $16 million or 50.6% of debt hedged. This level of hedging is monitored and reviewed regularly in light of Trinity Group's strategy at any given time.

PRICE RISK

Trinity Group's exposure to equities security price risk is minimal.

Equity securities risk arises from investments in equity securities. To limit this risk, Trinity Group diversifies its investments in accordance with limits set by the Board. The price risk in respect of unlisted securities is immaterial in terms of possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The Board of Directors monitors the return on capital, which Trinity Group defines as net operating income divided by total securityholders' equity, excluding non-controlling interests and the net tangible asset value per security.

Trinity Group and the Trust assess the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan.

Gearing is a measure used to monitor levels of debt capital used by the business to fund its operations. This ratio is calculated as net interest bearing liabilities divided by total tangible assets (less cash and cash equivalents).

The gearing ratios for Trinity Group at 30 June 2014 and 30 June 2013 were 21.3% and 29.4% respectively.

Trinity Group and the Trust has a strong focus on capital management and completed the last of several major initiatives during the year. Trinity Group and the Trust are not subject to externally imposed capital requirements.

4. REVENUE AND OTHER INCOME FROM CONTINUING ACTIVITIES

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Revenue				
Rent (including outgoings recovered)	5,656	7,757	5,147	6,010
Rendering of services	83	1,457	-	-
	5,739	9,214	5,147	6,010
Other revenue / income				
Revenue from sale of Lorne apartments	3,687	9,512	-	-
Other revenue	38	2	-	-
	3,725	9,514	-	-
Finance income				
Interest	480	756	321	304
Total revenue and other income from continuing activities	9,944	19,484	5,468	6,314

5. CUMBERLAND LORNE RESORT REVENUE AND EXPENSES

During the 2014 year Trinity Group sold 8 apartments at the Cumberland Lorne Resort in Lorne, Victoria. The sale of these apartments resulted in an overall gain on sale of $0.449 million after transaction costs.

During the 2013 year Trinity Group sold:

(i) a significant part of its investment at the Cumberland Lorne Resort in Lorne, Victoria. The sale included 23 apartments, the resort conference centre and resort manager's apartment. These components of the transaction, which were classified as inventory for accounting purposes, resulted in a loss on sale of $1.603 million after transaction costs;

(ii) Trinity Resort Management Pty Ltd (a controlled entity), which owned the Cumberland Lorne Resort management rights, resulting in a loss on sale of $0.355 million after transaction costs. Refer to note 7 for further details; and

(iii) an additional 2 apartments at the Cumberland Lorne Resort resulting in a gain on sale of $0.193 million after transaction costs.

As a result of the above transactions, there were no resort management fees or resort operation costs during the 2014 year (2013: $1.457 million and $2.252 million respectively). The transaction also caused Trinity Group's apartment rental income and associated property expenses and outgoings to be lower in the 2014 year.

Cost of sales of apartments is the carrying value of apartments at the Cumberland Lorne Resort that were sold by Trinity Group during the relevant year, together with sale transaction costs.

6. DOUBTFUL DEBTS – TRADE AND OTHER RECEIVABLES

The Trust's provision for doubtful debts primarily relates to loans provided to entities within Trinity Group. Based on the underlying net asset value of these entities it is not probable that the Trust will recover the full amount. As they are intra-group transactions, these loans eliminate upon presentation of Trinity Group's consolidated result. During the year, the Trust reduced the amount of an intra-group loan provision that had been raised previously, resulting in a net gain of $1.108 million (2013: an expense of $10.846 million).

Refer to note 11 for further details.

7. OTHER EXPENSES

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Classified by nature				
Administration and overhead costs				
Accounting and audit	119	102	49	43
Rent	17	-	-	-
Consultancy and legal fees	323	320	46	128
Management and administration expenses	394	436	20	46
Total administration and overhead costs	853	858	115	217
Other expenses				
Repayment of performance fees [1]	125	-	-	-
Loss on sale of property, plant and equipment	-	38	-	-
Loss on sale of investment properties	412	430	412	430
Loss on sale of subsidiary [2]	-	355	-	-
Total other expenses	537	823	412	430

1 During the year, in accordance with indemnities provided for in the contract of sale for the Trinity Funds Management Limited business in April 2012, Trinity Group repaid performance fees received from Trinity Opportunistic Property Fund No 1 in 2007 and 2008 to LaSalle Investment Management. Trinity Group does not expect to repay any other fees previously received.

2 On 30 April 2013 Trinity Group sold the management company that owned the management rights for the Cumberland Lorne Resort in Lorne, Victoria for $0.250 million plus the net tangible assets of the business. The net effect of this transaction was a loss on sale of $0.355 million after transaction costs.

8. FINANCE INCOME AND EXPENSE

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Finance income				
Bank deposits	475	755	319	303
Loans and receivables	5	1	2	1
Finance income	480	756	321	304
Finance expenses				
Interest paid and payable to third parties	(1,866)	(2,858)	(1,824)	(2,076)
Amortisation of finance costs	(83)	(112)	(62)	(112)
Less:				
Finance expenses capitalised to property developments included in inventory [1]	53	753	-	-
Finance expenses	(1,896)	(2,217)	(1,886)	(2,188)
Net finance income / (expense)	(1,416)	(1,461)	(1,565)	(1,884)

1 Interest was capitalised at a weighted average of 6.7% (2013: 7.0%)

9. EARNINGS PER STAPLED SECURITY

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Earnings used in calculating earnings per stapled security				
Net profit / (loss) after tax attributable to securityholders	469	(4,432)	3,732	(9,751)
	Number $'000	Number $'000	Number $'000	Number $'000
Weighted average number of ordinary securities for basic earnings per security	143,866	169,760	143,866	169,760
Effect of dilution	-	-	-	-
Adjusted weighted average number of ordinary securities for diluted earnings per security	143,866	169,760	143,866	169,760
	Cents	Cents	Cents	Cents
Basic earnings per stapled security	0.3	(2.6)	2.6	(5.7)
Diluted earnings per stapled security	0.3	(2.6)	2.6	(5.7)

For the year ended 30 June 2014, 7,500,000 options granted to key management personnel were considered to be potential ordinary stapled securities. These options have not been included in the determination of diluted earnings per stapled security because they are 'out of the money' so are not currently considered to be dilutive. There have been no other dilutive transactions involving ordinary stapled securities or potential ordinary stapled securities since the reporting date and before the completion of these financial statements.

For the year ended 30 June 2013, there were no dilutive transactions to be included in the diluted earnings per security calculation.

There have been no issues of ordinary securities between the reporting date and the date of this report.

10. TAXATION

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Income tax expense				
Current tax expense	-	-	-	-
Deferred tax	-	-	-	-
Total income tax expense	-	-	-	-
Reconciliation of income tax expense to prima facie tax payable				
Profit / (loss) before income tax	469	(4,432)	3,732	(9,751)
Tax (expense) / benefit at the statutory tax rate of 30%	(141)	1,330	(1,220)	2,925
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:				
Non-assessable / (non-deductible) net trust income	787	316	1,220	(2,925)
Net non-deductible items	(62)	(57)	-	-
Other expenses	(104)	(40)	-	-
Over provision recognised in prior year	(4)	-	-	-
Current year tax losses and temporary differences for which no deferred tax asset was recognised	(476)	(1,549)	-	-
Total income tax expense	-	-	-	-
Deferred tax assets and liabilities				
Deferred tax assets				
Tax losses carried forward [1]	31,051	30,296	-	-
Provisions, accruals, employee entitlements, accrued expenditure and share issue expenses not currently deductible	4,941	5,440	-	-
	35,992	35,736	-	-
Deferred tax liabilities				
Other	4	18	-	-
	4	18	-	-
Net deferred tax assets	35,988	35,718	-	-
Deferred tax assets not recognised	(35,988)	(35,718)	-	-
Net recognised deferred tax asset / (liability)	-	-	-	-
Unrecognised deferred tax assets				
Deductible temporary differences [2]	4,937	5,422	-	-
Tax losses	31,051	30,296	-	-
	35,988	35,718	-	-

10. TAXATION (CONTINUED)

The deductible temporary differences and tax losses do not expire under current tax legislation.

1 Deferred tax asset for tax losses carried forward (tax effected) as at 30 June 2014 includes capital losses of $22.065 million (2013: $21.961 million) which are available to be utilised only against future capital gains with the balance of tax losses of $8.986 million (2013: $8.335 million) relating to revenue losses.

2 A deferred tax asset attributable to temporary differences of $4.941 million (2013: $5.440 million) has not been recognised because as at 30 June 2014, Trinity Group has taken the view that until Trinity Group has acquired or established businesses with sustainable profits it is not probable that future taxable profit will be available against which they can be realised. This view will be reassessed at each balance date in light of progress made against Trinity Group's growth strategy.

At 30 June 2014, there is no recognised or unrecognised deferred income tax liability (2013: $nil) for taxes that would be payable on the unremitted earnings of Trinity Group's subsidiaries, as Trinity Group has no liability for additional taxation should such amounts be remitted.

11. TRADE AND OTHER RECEIVABLES

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
Trade receivables	55	30	50	30
Sundry receivables	135	102	-	40
Less: Allowance for doubtful debts	-	(40)	-	(40)
Accrued income	17	23	5	16
Loans – other	-	-	-	-
Total current	207	115	55	46
Non-current				
Receivable – straight-lining of rental income	290	645	290	645
Loans to entities in Trinity Group				
Trinity Limited	-	-	67,328	64,114
Less: Allowance for impairment	-	-	(60,613)	(60,784)
Trinity Holdings No. 2 Pty Ltd	-	-	26,991	26,991
Less: Allowance for impairment	-	-	(26,991)	(26,991)
Trinity Lorne Resort Pty Ltd	-	-	2,962	6,775
Less: Allowance for impairment	-	-	-	(937)
Total non-current	290	645	9,967	9,813

a. TERMS AND CONDITIONS

Terms and conditions relating to the above financial instruments are as follows:

- Trade receivables are non-interest bearing and generally on 30 day terms;
- Sundry receivables are non-interest bearing and generally have repayment terms of between 30 and 90 days;
- Accrued income includes accrued interest income and other amounts that are non-interest bearing and unless provided for will convert to trade receivables within 30 days; and
- details of terms and conditions of related party receivables are set out in note 25.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

b. FUTURE MINIMUM LEASE RECEIVABLES

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Future minimum lease repayments to the Trust under current leases from tenants are:				
Within one year	5,460	5,342	5,460	5,342
Later than one year and no later than five years	14,400	15,732	14,400	15,732
Later than five years	9,494	11,776	9,494	11,776
	29,354	32,850	29,354	32,850

Future lease commitments receivable have not been included in the Statement of Financial Position. Revenue is recognised by the Trust in the Statement of Profit or Loss and Other Comprehensive Income by allocating minimum payments on a straight-line basis.

12. INVENTORY

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Current				
Property held for sale - Cumberland Lorne Resort [1]	2,053	2,808	-	-
Total current	2,053	2,808	-	-
Non-current				
Property under development - San Remo [2]	3,850	4,800	-	-
Property held for sale - Cumberland Lorne Resort [1]	-	2,371	-	-
Total non-current	3,850	7,171	-	-

1 As at 30 June 2014, Trinity Group owned 7 apartments at the Cumberland Lorne Resort (2013: 15 apartments). As at the date of this report, contracts of sale for 2 of these apartments have been entered into. One was entered into during the 2014 financial year and one was entered into subsequent to year end. Settlement is expected in September 2014 and October 2014. Trinity Group's intention is to sell the remaining 5 apartments individually, within the next 12 months. The value of apartments expected to be sold within the next 12 months is reassessed at each balance date.

2 Value uplift opportunities, including rezoning, are being pursued for the rural land located at San Remo, Victoria. The net realisable value of this property decreased during the 2014 year based on a valuation provided by a registered independent valuer.

The carrying amount of inventory pledged as security for liabilities is $5.903 million (2013: $9.979 million). The properties are subject to first registered mortgages to the National Australia Bank. See note 18 for further information.

13. OTHER ASSETS

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Current				
Prepayments	128	111	34	12
Lease incentives	404	429	404	429
Total current	532	540	438	441
Non-current				
Lease incentives	782	1,045	782	1,045
Total non-current	782	1,045	782	1,045

14. NON-CURRENT ASSETS HELD FOR SALE

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Investment properties held for sale	-	8,305	-	8,305
	-	8,305	-	8,305

At 30 June 2013, 13 Compark Circuit, Mulgrave and 937 transferable site areas (known as TSAs) attached to Trinity Place were being held for sale and were valued at $6.900 million and $1.405 million respectively.

13 Compark Circuit was sold during the 2014 year resulting in a loss of $0.412 million after transactions costs.

The TSA's were under option for $1.405 million at 30 June 2013. The option lapsed during the 2014 year and the fair value of the TSAs has been reclassified to investment property as shown in note 16.

These properties are included in the property investment segment (see note 24).

15. EQUITY ACCOUNTED INVESTMENTS

INDIVIDUALLY IMMATERIAL INVESTMENTS

Trinity Group had a 50% interest in the joint venture stapled entities Trinity Funds Management Services Pty Ltd and TFMS Unit Trust. These entities previously provided funds management services and other property related services to Trinity Group and Trinity Funds Management Limited for various property trusts. The entities were wound up and deregistered in the 2014 year.

The interest in the joint venture entities has been accounted for using the equity method of accounting. The following table illustrates summarised information of the investment, which is considered to be an individually immaterial interest in a joint venture entity:

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Aggregate carrying amount of individually immaterial joint venture entities	-	-	-	-
Aggregate amounts of Trinity Group's share of:				
Profit/(loss) from continuing operations	-	(4)	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(4)	-	-

16. INVESTMENT PROPERTIES

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Investment properties at fair value	58,473	55,575	58,473	55,575
Movements in investment properties:				
Balance at beginning of financial year	55,575	69,914	55,575	69,914
Additions [1]	649	839	649	839
Disposals [2]	-	(7,524)	-	(7,524)
Classified as held for sale – transfers in / (out)	1,405	(6,900)	1,405	(6,900)
Net gain / (loss) from fair value movements	1,144	(754)	1,144	(754)
Balance at end of financial year	58,773	55,575	58,773	55,575

1 Additions relate to capital expenditure incurred during the reporting period.

2 15 Compark Circuit, Mulgrave was sold in April 2013.

Fair value is determined by either a registered independent valuer or an appropriately experienced internal appraiser (refer note 1 and 2 for further details regarding accounting policy for investment property).

Details of investment properties are as follows:

Property	Acquisition Date	Book Value 30 June 2014 $'000	Book Value 30 June 2013 $'000	Independent Valuation Date	Independent Valuation Amount $'000	Capitalisation Rate %	Average Lease Duration	Valuer
Commercial								
Trinity Place, QLD[1]	21/12/2006	34,350	32,800	30/06/2014	34,350	8.25%	2.8 years	m3 property
Trinity Place, QLD - TSAs[1]	21/12/2006	1,700[2]	394[2]	30/06/2014	1,700	n/a	n/a	m3 property
13 Compark Circuit VIC[1, 3]	31/01/2005	-	6,900	30/06/2013	6,900	9.25%	-	CBRE
Industrial								
Rivergate Centre, QLD[1]	28/02/2007	24,200	24,500	30/06/2014	24,200	7.5%	8.9 years	m3 property
Total investment properties (including amounts classified in other assets and receivables)		60,250	64,594					
Less amounts classified as:								
Investment properties held for sale		-	(6,900)					
Other assets – lease incentives		(1,187)	(1,474)					
Trade and other receivables – straight-lining of operating lease rental income		(290)	(645)					
Total investment properties		58,773	55,575					

1 100% ownership interest.

2 The 30 June 2014 book value relates to 1,134 transferable site areas (TSAs) owned by Trinity Group. The 30 June 2013 book value related to 197 TSAs that were not under option. Refer to note 14 for further details.

3 13 Compark Circuit, Mulgrave was sold in March 2014.

17. TRADE AND OTHER PAYABLES

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
Trade payables	281	487	221	441
Other payables	278	369	245	348
Accrued expenses	166	259	70	151
Rent received in advance	126	155	127	155
Total current	851	1,270	663	1,095
Non-current				
Other payables	15	38	15	38
Total non-current	15	38	15	38

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

18. INTEREST BEARING LOANS AND BORROWINGS

Non-Current				
Bank bills – secured	31,591	32,946	31,591	32,946
Bank loans – secured	-	4,660	-	-
Borrowing costs net of amortisation	(43)	(89)	(43)	(68)
	31,548	37,517	31,548	32,878

As at 30 June 2014, Trinity Group has access to an aggregated facility with National Australia Bank with a fully drawn limit of $31.591 million (2013: limit of $37.606 million). A reallocation of debt within Trinity Group occurred in August 2013. The reallocation was a non-cash transaction and whilst borrowings in the Trust increased, overall Trinity Group borrowings remained the same. The facility was extended in December 2013 for 12 months and now expires on 31 October 2015. The facility is secured by:

- a first registered mortgage over all of the investment properties of Trinity Stapled Trust and Trinity Prime Industrial Trust;
- a first registered mortgage over the real property held by San Remo Project Pty Ltd and Trinity Lorne Resort Pty Ltd; and
- a general security agreement over the whole of the assets of Trinity Limited, Trinity Stapled Trust, Trinity Prime Industrial Trust, Trinity Lorne Resort Pty Ltd and San Remo Project Pty Ltd.

Trinity Group's facility as at 30 June 2014 contained the following covenants:

- minimum aggregated property finance interest cover ratio to be 1.5 times (2013: 1.5 times) at all times and to be tested half yearly;
- a maximum aggregated property finance loan to value ratio of 50.8% (2013: 50.8%) with allowance to a further limit of 55% for adverse valuation movements, with no redraw of facilities available; and
- minimum of 34.7% (2013: 34.7%) of debt to be hedged at all times.

As at 30 June 2014 Trinity Group is in compliance with the above covenants.

At 30 June 2014, Trinity Limited held a loan facility with Trinity Stapled Trust on 5 year terms and with an interest rate of 0% (2013: 0%). Loan transactions arise due to Trinity Group treasury policies and the effect of stapling.

Derivative financial instruments

Trinity Group manages its cash flow interest rate risk by using floating to fixed rate interest rate derivatives. In August 2012, Trinity Group entered into an interest rate swap with a face value of $16.0 million and expiry date of 31 October 2014. The fair value of the interest rate swap was $28,040 at 30 June 2014 (2013: $94,062). Refer to note 27 for further details on the fair value of the swap.

18. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Trinity Group and the Trust have access to the following lines of credit as at 30 June 2014:

	TRINITY GROUP CONSOLIDATED		TRINITY STAPLED TRUST CONSOLIDATED	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Total facilities available				
Bill acceptance facility	31,591	32,946	31,591	32,946
Secured loans	-	4,660	-	-
	31,591	37,606	31,591	32,946
Facilities utilised at reporting date				
Bill acceptance facility	31,591	32,946	31,591	32,946
Secured loans	-	4,660	-	-
	31,591	37,606	31,591	32,946
Facilities not utilised at reporting date				
Bill acceptance facility	-	-	-	-
Secured loans	-	-	-	-
	-	-	-	-

19. DISTRIBUTIONS / DIVIDENDS

Details of dividends and distributions proposed or being paid are:

	CENTS PER SECURITY	TOTAL AMOUNT $'000	DATE OF PAYMENT	FRANKED TAX RATE	% FRANKED
2014					
Dividends / distributions recognised in the current year					
NIL	-	-	-	30%	-
2013					
Dividends / distributions recognised in the current year					
NIL	-	-	-	30%	-

	2014	2013
	$'000	$'000
Dividend Franking Credit		
Balance of franking account at year end	265	265

20. CONTRIBUTED EQUITY

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Ordinary stapled securities – fully paid	281,021	282,666	237,056	238,701

The shares and stapled securities do not have a par value. Under the terms of the Stapling Agreement, one ordinary share and one unit were issued to each securityholder. Ordinary securities entitle the holder to participate in dividends and the proceeds on a winding up of Trinity Group in proportion to the number of and amounts paid on the shares held.

The basis of allocation of any issue prices, withdrawal prices or associated costs between the stapled entities is determined in accordance with Trinity Stapled Trust's constitution and the Stapling Deed.

2014 During the financial year the following movements in ordinary issued securities occurred:	Trinity Group Consolidated No. of units	Trinity Group Consolidated $'000	Trinity Stapled Trust Consolidated No. of units	Trinity Stapled Trust Consolidated $'000
Contributed equity attributable to members of the Company				
On issue at 1 July 2013	149,598,535	43,965	-	-
Security buyback[1]	(6,381,569)	-	-	-
On issue at 30 June 2014	143,216,966	43,965	-	-
Contributed equity attributable to members of the Trust				
On issue at 1 July 2013	149,598,535	238,701	149,598,535	238,701
Security buyback[1]	(6,381,569)	(1,639)	(6,381,569)	(1,639)
Transaction costs on security buyback	-	(6)	-	(6)
On issue at 30 June 2014	143,216,966	237,056	143,216,966	237,056
Total contributed equity attributable to securityholders		281,021		237,056

1 An on-market buyback of up to 14,959,854 securities (10% of securities on issue at that time) was approved by members on 19 June 2013. In July and August 2013, Trinity Group bought back 6,381,569 securities at cost of $1.640 million. The securities were acquired at an average price of $0.257, with prices ranging from $0.255 to $0.260. The buyback was funded from the Trust.

20. CONTRIBUTED EQUITY (CONTINUED)

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
2013	**No. of units**	**$'000**	**No. of units**	**$'000**
During the financial year the following movements in ordinary issued securities occurred:				
Contributed equity attributable to members of the Company				
On issue at 1 July 2012	197,235,631	43,999	-	-
Security buyback [1]	(48,387,096)	-	-	-
Issue of securities on the exercise of options	750,000	35	-	-
Transfer from share based payments reserve	-	(47)	-	-
Transaction costs on security buyback, capital distribution and exercise of options	-	(22)	-	-
On issue at 30 June 2013	149,598,535	43,965	-	-
Contributed equity attributable to members of the Trust				
On issue at 1 July 2012	197,235,631	258,422	197,235,631	258,422
Security buyback [1]	(48,387,096)	(15,000)	(48,387,096)	(15,000)
Capital Distribution [2]	-	(4,488)	-	(4,488)
Issue of securities on the exercise of options	750,000	135	750,000	135
Transfer from share based payments reserve	-	(241)	-	(241)
Transaction costs on security buyback, capital distribution and exercise of options	-	(127)	-	(127)
On issue at 30 June 2013	149,598,535	238,701	149,598,535	238,701
Total contributed equity attributable to securityholders		282,666		238,701

1 As part of Trinity Group's capital management initiatives an off-market buyback was approved by members on 19 October 2012 and in December 2012 Trinity Group bought back the maximum 48,387,096 securities at a price of $0.31 per security. The buyback was funded by the Trust.

2 On 7 June 2013 a capital distribution of $0.03 per security was paid to all securityholders wholly from the capital of the Trust.

21. DEFICIENCY OF THE TRUST

	Trinity Stapled Trust Consolidated	
	2014	**2013**
	$'000	**$'000**
Balance at beginning of the year	(189,707)	(179,956)
Transfer from reserves	-	-
Profit / (loss) attributable to members of the Trust	3,732	(9,751)
Balance at end of year	(185,975)	(189,707)

22. RESERVES

	Trinity Group Consolidated 2014 $'000	2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	2013 $'000
Shared based payments reserve	200	-	200	-
	200	-	200	-

Share based payment reserve

The share based payment reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of stapled securities issued to employees
- the issue of stapled securities held by Trinity Group employee share scheme to employees.

Movement in reserves

SHARE BASED PAYMENTS RESERVE	Trinity Group Consolidated 2014 $'000	2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	2013 $'000
Balance at 1 July	-	(278)	-	(237)
Options granted / (exercised)	200	(35)	200	(25)
Disposal of ESOP securities	-	313	-	262
Change in fair value	-	-	-	-
Balance at 30 June	200	-	200	-

There were no other movements in reserves in 2014 and 2013.

23. CONTROLLED ENTITIES

	Country of incorporation / formation	Ownership interest 2014	2013
Entities controlled by Trinity Limited (parent entity)		%	%
Trinity Investment Management Limited	Australia	100	100
Trinity Capital Management Limited	Australia	100	100
Trinity Holdings No 2 Pty Ltd	Australia	100	100
Trinity Land Trust [1]	Australia	100	100
San Remo Project Pty Ltd [2]	Australia	100	100
Trinity Lorne Resort Pty Ltd	Australia	100	100
Trinity ESOP Pty Ltd [3]	Australia	-	100
Trinity Stapled Securities Plan Trust [3]	Australia	-	-
ENTITIES CONTROLLED BY TRINITY STAPLED TRUST (HEAD ENTITY WITHIN THE TRUST) [4]			
Trinity Prime Industrial Trust	Australia	100	100
Trinity Capital Fund No. 1	Australia	100	-

1 Investment is held by Trinity Holdings No 2 Pty Ltd

2 Investment is held by Trinity Land Trust

3 Entities have been wound up or deregistered

4 The Trinity Stapled Trust units are stapled to the shares of the parent entity

ENTITIES OVER WHICH CONTROL HAS BEEN LOST

On 30 April 2013 Trinity Lorne Resort Pty Ltd sold its interest in Trinity Resort Management Pty Ltd for $0.250 million plus the value of the net tangible assets. Further details of the net accounting impact of the transaction are outlined in note 5.

24. OPERATING SEGMENTS

TRINITY GROUP CONSOLIDATED

Trinity Group comprises the following reporting segments, as reviewed by executive management (the chief operating decision makers). The following summary describes the operations in each of Trinity Group's operating segments:

OPERATING SEGMENTS	PRODUCTS / SERVICES
Funds management	Establishment and management of property investment vehicles
Property investment	Investment in and management of income producing properties (Trinity Place, 13 Compark Circuit and Rivergate Centre)
Property held as inventory	Properties acquired for re-sale or development activities (Cumberland Lorne Resort apartments and San Remo)

Property held as inventory is a separate reporting segment due to the nature of the assets included in the segment and Trinity Group's current strategy in relation to those assets. In prior periods, these properties formed part of the property investment segment.

Investments in managed funds and Investments in TFML / TFMS Group were separate reporting segments in previous reporting periods but are no longer considered to be so due to cessation of operations.

TRINITY STAPLED TRUST CONSOLIDATED

The Trust operates in predominantly one operating segment being property investment.

The accounting policies of Trinity Group, as described in note 1, have been applied consistently across all operating segments. Transactions between operating segments occur on an arms length basis.

24. OPERATING SEGMENTS (CONTINUED)

TRINITY GROUP YEAR ENDED 30 JUNE 2014	FUNDS MANAGEMENT $'000	PROPERTY INVESTMENT $'000	PROPERTY HELD AS INVENTORY $'000	OTHER $'000	TOTAL $'000
Segment revenue and other income					
External revenue	120	5,681	4,214	-	10,015
Inter-segment revenue	533	17	-	(550)	-
Interest revenue	155	321	4	-	480
Total segment revenue and other income	808	6,019	4,218	(550)	10,495
Segment expenses					
Property expenses and outgoings	-	(1,170)	-	23	(1,147)
Employee related expenses	(1,338)	-	-	-	(1,338)
Administration and overhead costs	(736)	(115)	(2)	-	(853)
Inter-segment expenses	(16)	(511)	-	527	-
Doubtful debts – trade and other receivables	-	40	-	-	40
Finance costs	(1)	(1,824)	(9)	-	(1,834)
Other costs, including Lorne	(125)	-	(3,646)	-	(3,771)
Total segment expenses	(2,216)	(3,580)	(3,657)	550	(8,903)
Segment net profit / (loss) before tax	(1,408)	2,439	561	-	1,592
Reconciliation to reported profit / (loss)					
Fair value adjustments / (write downs)					
- Investment properties	-	1,144	-	-	1,144
- Inventory	-	-	(1,095)	-	(1,095)
- Derivative financial instruments	-	66	-	-	66
Total fair value adjustments / (write downs)	-	1,210	(1,095)	-	115
Non-cash expenses - property investment					
- Straight-line lease income	-	(354)	-	-	(354)
- Lease incentive and lease cost amortisation	-	(197)	-	-	(197)
Total non-cash expenses - property investment	-	(551)	-	-	(551)
Non-cash income/(expenses) - other					
- Loss on sale of investment properties	-	(412)	-	-	(412)
- Amortisation of finance costs	-	(62)	-	-	(62)
- Depreciation and amortisation	(13)	-	-	-	(13)
- Employee options expense	(200)	-	-	-	(200)
- Doubtful debts – intra-group loans	-	1,108	-	(1,108)	-
Total non-cash income/(expenses) - other	(213)	634	-	(1,108)	(687)
Income tax benefit/(expense)	125	-	(125)	-	-
Total adjustments	(88)	1,293	(1,220)	(1,108)	(1,123)
Profit / (loss) for the year	(1,496)	3,732	(659)	(1,108)	469
Segment assets and liabilities					
Segment assets	7,284	83,535	10,879	(17,771)	83,927
Segment asset increases for the year:					
- Capital expenditure	-	649	145	-	794
Included in segment assets are:					
- Equity accounted associates	-	-	-	-	-
Segment liabilities	(67,662)	(32,254)	(18,885)	86,286	(32,515)

24. OPERATING SEGMENTS (CONTINUED)

TRINITY GROUP YEAR ENDED 30 JUNE 2013	FUNDS MANAGEMENT	PROPERTY INVESTMENT	PROPERTY HELD AS INVENTORY	OTHER	TOTAL
	$'000	$'000	$'000	$'000	$'000
Segment revenue and other income					
External revenue	-	5,828	3,866	-	9,694
Inter-segment revenue	572	12	768	(1,352)	-
Interest revenue	438	304	14	-	756
Total segment revenue and other income	1,010	6,144	4,648	(1,352)	10,450
Segment expenses					
Property expenses and outgoings	-	(1,125)	-	-	(1,125)
Employee related expenses	(1,319)	-	-	-	(1,319)
Administration and overhead costs	(636)	(217)	(5)	-	(858)
Inter-segment expenses	(97)	(568)	(687)	1,352	-
Doubtful debts – trade and other receivables	-	(40)	-	-	(40)
Finance costs	(1)	(2,076)	(28)	-	(2,105)
Other costs, including Lorne	-	-	(3,283)	-	(3,283)
Total segment expenses	(2,053)	(4,026)	(4,003)	1,352	(8,730)
Segment net profit / (loss) before tax	(1,043)	2,118	645	-	1,720
Reconciliation to reported profit / (loss)					
Fair value adjustments / (write downs)					
- Investment properties	-	(754)	-	-	(754)
- Inventory	-	-	(3,042)	-	(3,042)
- Derivative financial instruments	-	63	-	-	63
Total fair value adjustments / (write downs)	-	(691)	(3,042)	-	(3,733)
Non-cash income / (expenses) - property investment					
- Straight-line lease income	-	198	-	-	198
- Lease incentive and lease cost amortisation	-	(28)	-	-	(28)
Total non-cash income / (expenses) - property investment	-	170	-	-	170
Non-cash income / (expenses) - other					
- Loss on sale of investment properties	-	(430)	-	-	(430)
- Loss on sale of Cumberland Lorne Resort assets	-	-	(1,996)	-	(1,996)
- Amortisation of finance costs	-	(112)	-	-	(112)
- Depreciation and amortisation	(13)	-	(34)	-	(47)
- Employee options expense	-	-	-	-	-
- Share of net loss of equity accounted associates	(4)	-	-	-	(4)
- Doubtful debts – intra-group loans	-	(10,806)	-	10,806	-
Total non-cash income / (expenses) - other	(17)	(11,348)	(2,030)	10,806	(2,589)
Income tax benefit / (expense)	(1,393)	-	1,393	-	-
Total adjustments	(1,410)	(11,869)	(3,679)	10,806	(6,152)
Profit / (loss) for the year	(2,453)	(9,751)	(3,034)	10,806	(4,432)
Segment assets and liabilities					
Segment assets	2,476	83,099	15,105	(9,331)	91,349
Segment asset increases for the year:					
- Capital expenditure	-	860	-	5	865
Included in segment assets are:					
- Equity accounted associates	-	-	-	-	-
Segment liabilities	(64,350)	(34,105)	(22,574)	82,068	(38,961)

24. OPERATING SEGMENTS (CONTINUED)

RECONCILIATION OF SEGMENT REVENUE TO TOTAL REVENUE AND OTHER INCOME

Segment revenue and other income reconciles to total revenue and other income as follows:

	TRINITY GROUP CONSOLIDATED	
	2014	2013
	$'000	$'000
Total segment revenue and other income	10,495	10,450
Reconciliation to reported revenue and other income		
Straight-line lease income	(354)	198
Lease incentive amortisation	(197)	(28)
Revenue from Cumberland Lorne Resort assets – sale of apartments	-	8,864
Total revenue and other income	9,944	19,484

REVENUE BY GEOGRAPHICAL REGION

Trinity Group operates in Australia only. The amount of revenue from external customers in Australia is $10.015 million (2013: $9.694 million).

ASSETS BY GEOGRAPHICAL REGION

All of Trinity Group's assets are in Australia. The total of non-current assets other than financial instruments and deferred tax assets located in Australia is $63.738 million (2013: $64.471 million).

25. RELATED PARTY DISCLOSURES

RELATED PARTY DISCLOSURES FOR THE TRUST

RESPONSIBLE ENTITY

The Responsible Entity of Trinity Stapled Trust is Trinity Investment Management Limited (ABN 47 137 565 149). Trinity Investment Management Limited also acts as trustee of Trinity Prime Industrial Trust.

RESPONSIBLE ENTITY FEES

Set out below are the fees paid or payable by the Trust to the Responsible Entity during the year:

	2014	2013
	$	$
Management fees – Trinity Investment Management Limited (subsidiary of Trinity Limited)	510,561	568,093
At balance date, there was $nil owing to the Responsible Entity (2013: $nil).		
Other transactions and agreements with related parties		
Set out below are the fees paid or payable by the Trust to associated entities during the year:		
Property management and facilities management services – Trinity Limited	22,058	-
At balance date, there was $nil owing to the associated entity (2013: $nil).		

25. RELATED PARTY DISCLOSURES (CONTINUED)

RELATED PARTY DISCLOSURES FOR THE TRUST (CONTINUED)

Other transactions and agreements with related parties (continued)

	2014 $	2013 $
Fees for rent of business premises and outgoings received during the year by the Trust from:		
Trinity Limited	15,976	12,433
mCap Pty Ltd – director related entity of Mr C Morton[1]	4,509	-
IEV Corporation Pty Ltd – director related entity of Mr C Morton[2]	28,923	51,567

1 In January 2014 the Trust entered into a month-to-month licence agreement with mCap Pty Ltd a company wholly owned by interests associated with Christopher Morton. The licence agreement is based on normal market rates and payable under normal payment terms. At balance date, there was $nil (2013: $nil) owing from mCap Pty Ltd to the Trust.

2 During the 2012 financial year the Trust entered into a 2 year commercial lease agreement with a company 50% owned by interests associated with Christopher Morton. The lease agreement was based on normal market rates and payable under normal payment terms. The lease agreement was terminated in January 2014. At balance date, there was $nil (2013: $164) owing from IEV Corporation Pty Ltd to the Trust.

Trinity Capital Fund No 1 is a wholly owned subsidiary of Trinity Stapled Trust. Trinity Capital Fund No 1 is a registered managed investment scheme, the responsible entity of which is Trinity Capital Management Limited. No fees were paid or payable by the Trust to Trinity Capital Management Limited during the 2014 year.

LOANS TO RELATED ENTITIES

As at 30 June 2014, the Trust is owed $67.328 million from Trinity Limited (2013: $64.114 million). Trinity Stapled Trust advanced funds to Trinity Limited on no fixed terms and interest free (2013: 0% pa). An impairment allowance of $60.613 million (2013: $60.784 million) has been recognised in relation to this receivable.

As at 30 June 2014, the Trust is owed $26.991 million from Trinity Holdings No. 2 Pty Ltd (2013: $26.991 million). Trinity Stapled Trust advanced funds to Trinity Holdings No. 2 Pty Ltd on no fixed terms and interest free (2013: 0% pa). An impairment allowance of $26.991 million (2013: $26.991 million) has been recognised in relation to this receivable.

As at 30 June 2014, the Trust is owed $2.962 million from Trinity Lorne Resort Pty Ltd (2013: $6.775 million). Trinity Stapled Trust advanced funds to Trinity Lorne Resort Pty Ltd on no fixed terms and interest free (2013: 0% pa). At balance date no impairment allowance (2013: $0.937 million) has been recognised in relation to this receivable.

25. RELATED PARTY DISCLOSURES (CONTINUED)

RELATED PARTY DISCLOSURES FOR TRINITY GROUP

TRANSACTIONS INVOLVING THE RESPONSIBLE ENTITY

Trinity Investment Management Limited, a member of Trinity Group, acts as responsible entity for Trinity Stapled Trust and acts as the trustee of Trinity Prime Industrial Trust. Trinity Stapled Trust and Trinity Prime Industrial Trust are both members of Trinity Group.

Trinity Capital Management Limited, a member of Trinity Group, acts as responsible entity for Trinity Capital Fund No 1 which is also a member of Trinity Group.

	2014 $	2013 $
Fees for management and administration were received during the year by Trinity Investment Management Limited from:		
Trinity Stapled Trust	314,561	374,093
Trinity Prime Industrial Trust	196,000	194,000

Trinity Capital Management Limited did not receive any fees for management and administration from Trinity Capital Fund No 1 during the year.

Other transactions and agreements with related parties

Fees for rent of business premises paid during the year by Trinity Limited to:		
Trinity Stapled Trust	15,976	12,433

Fees for copy and printing services were received during the year by Trinity Limited from a director related entity:

	DIRECTORS RELATED		
IEV Corporation Pty Ltd	Mr C Morton	-	2,015

At balance date, there was $nil (2013: $nil) owing from IEV Corporation Pty Ltd to Trinity Limited.

Professional fees were paid during the year by Trinity Group to a director related entity:

	DIRECTORS RELATED		
Fees for legal advice (including disbursements) - McCullough Robertson	Mr B Heading	86,216	144,498

Mr Heading is Senior Partner of McCullough Robertson Lawyers. All services were provided on arm’s length terms. At balance date, there was $41,981 (2013: $1,730) owing to McCullough Robertson Lawyers.

25. RELATED PARTY DISCLOSURES (CONTINUED)

RELATED PARTY DISCLOSURES FOR TRINITY GROUP (CONTINUED)

KEY MANAGEMENT PERSONNEL

The names and positions held by key management personnel in Trinity Group and Trinity Investment Management Limited (the Responsible Entity of the Trust) during the year to 30 June 2014 were:

Current Directors	
Brett Heading	Chairman
Christopher Morton	Deputy Chairman and Chief Executive Officer
Richard Friend	Non-Executive Director
Current Senior Executives	
Bevan Towning	Chief Investment Officer
Janita Robba	Joint Chief Financial Officer and Joint Company Secretary
Laura Fanning	Joint Chief Financial Officer and Joint Company Secretary

Under the provisions of AASB 124 *Related Party Disclosures* there are no further employees or other members of the organisation who would fit the definition of key management personnel.

The Trust does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Trust and this is considered the key management personnel.

No compensation is paid to directors or any of the key management personnel of the Responsible Entity by the Trust.

The key management personnel compensation included in Employee related expenses in the Statement of Profit or Loss and other Comprehensive Income is as follows:

	TRINITY GROUP CONSOLIDATED	
	2014	2013
	$	$
Short term employee benefits (including salaries and directors fees)	820,214	749,174
Post employment benefits	55,230	46,819
Long term benefits	-	-
Termination benefits	-	216,667
Share based payments	200,700	-
Total	1,076,144	1,012,660

Individual Directors and other key management personnel compensation disclosures

Information regarding compensation paid to individual Directors and other key management personnel is provided in the remuneration report section of the Directors' report.

26. FINANCIAL INSTRUMENTS

Financial instruments comprise cash and cash equivalents, trade and other receivables, available for sale financial assets, trade and other payables, interest bearing loans and borrowings and derivatives.

Credit risk

The carrying amount of Trinity Group's financial assets represents the maximum credit exposure. Trade receivables as disclosed below are generally aged on 30 day terms. Trinity Group's maximum exposure to credit risk at the reporting date was:

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Carrying amount				
Cash and cash equivalents	17,397	15,110	13,520	7,874
Trade receivables	55	30	50	30
Other receivables	135	62	-	-
Related entity loans	-	-	9,677	9,168

Impairment losses - trade receivables

As at 30 June 2014, no trade receivables were impaired and provided for (2013: nil). An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

Movements in the allowance for impairment of trade receivables are as follows:

Balance at 1 July	-	-	-	-
Allowance for impairment recognised during the year	-	-	-	-
Receivables written off during the year as uncollectible	-	-	-	-
Balance as at 30 June	-	-	-	-

The creation and release of the allowance for impaired trade receivables has been included in Doubtful debts – trade and other receivables in the Statement of Profit or Loss and Other Comprehensive Income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The balance of trade receivables at reporting date was:

1 month or less	45	25	40	25
2 to 3 months	10	5	10	5
4 months or more	-	-	-	-
	55	30	50	30

As at 30 June 2014, certain trade receivables relating to rental income were past due. They are considered recoverable and therefore not impaired.

The following receivables have also been impaired as at 30 June 2014:

Other receivables	-	40	-	40
Allowance for impairment	-	(40)	-	(40)
Group entity loans	-	-	97,281	97,880
Allowance for impairment	-	-	(87,604)	(88,712)
	-	-	9,677	9,168

For Group entity loans, an impairment gain of $1.108 million (2013: impairment loss of $10.806 million) has been recognised by the Trust during the financial year. There have been no other movements in the allowance for impairment. Based on the underlying net asset value of the relevant Group entities, it is not probable that the Trust will recover the full amount. Group entity loans are not secured and are considered non-current.

No receivables, with the exception of those mentioned above, contain impaired assets or are past due. The majority of the other balances will be received within 1-2 months.

26. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The following are the contractual maturities of financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The following table reflects all contractual maturities of financial liabilities including principal and estimated interest cash flows calculated based on conditions existing at balance date. The amounts disclosed in the table are the contractual undiscounted cash flows.

CONTRACTUAL MATURITIES

TRINITY GROUP CONSOLIDATED 30 JUNE 2014 NON-DERIVATIVE FINANCIAL LIABILITIES	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	LESS THAN 6 MONTHS $'000	6 – 12 MONTHS $'000	1 – 2 YEARS $'000	2 – 5 YEARS $'000
Interest bearing liabilities						
Variable rate – non-current	31,548	33,238	734	729	31,775	-
Trade and other payables	627	627	627	-	-	-
Derivative financial instruments						
Interest rate swaps	28	28	28	-	-	-
30 JUNE 2013						
NON-DERIVATIVE FINANCIAL LIABILITIES						
Interest bearing liabilities						
Variable rate – non-current	37,517	39,881	1,004	996	37,881	-
Trade and other payables	918	918	779	139	-	-
Derivative financial instruments						
Interest rate swaps	94	94	-	-	94	-

TRINITY STAPLED TRUST CONSOLIDATED 30 JUNE 2014 NON-DERIVATIVE FINANCIAL LIABILITIES	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	LESS THAN 6 MONTHS $'000	6 – 12 MONTHS $'000	1 – 2 YEARS $'000	2 – 5 YEARS $'000
Interest bearing liabilities						
Variable rate – non-current	31,548	33,238	734	729	31,775	-
Trade and other payables	435	435	435	-	-	-
Derivative financial instruments						
Interest rate swaps	28	28	28	-	-	-
30 JUNE 2013						
NON-DERIVATIVE FINANCIAL LIABILITIES						
Interest bearing liabilities						
Variable rate – non-current	32,878	39,855	978	996	37,881	-
Trade and other payables	744	744	605	139	-	-
Derivative financial instruments						
Interest rate swaps	94	94	-	-	94	-

26. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk. All financial instruments are subject to market risk; however, the required market risk quantitative disclosures are restricted to the sensitivity of profit and loss and equity to changes in market risks. The following disclosures therefore focus on accounting (as opposed to economic) sensitivity and exclude interest rate risk arising on fixed rate financial loans and receivables.

Interest rates over the twelve month period were analysed and sensitivities determined to show the effect on profit if the interest rates at reporting date had been 50 basis points higher or lower with all other variables held constant. The level of sensitivity was considered reasonable given the current level of both short term and long term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at balance date on both financial liabilities and assets.

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	Net profit / Equity	Net profit / Equity	Net profit / Equity	Net profit / Equity
	$'000	$'000	$'000	$'000
Interest rates increase by 50bps	(90)	(112)	(90)	(125)
Interest rates decrease by 50bps	90	112	90	125

27. FAIR VALUE MEASUREMENT

The carrying values of Trinity Group's financial assets and financial liabilities approximate their fair values as at 30 June 2014.

Fair value hierarchy

The following table analyses assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that Trinity Group can assess at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Trinity Group Consolidated and Trinity Stapled Trust Consolidated 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment properties	-	-	58,473	58,473
Total assets	-	-	58,473	58,473
Liabilities				
Derivative financial instruments	-	28	-	28
Total liabilities	-	28	-	28

27. FAIR VALUE MEASUREMENT (CONTINUED)

TRINITY GROUP CONSOLIDATED AND TRINITY STAPLED TRUST CONSOLIDATED	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
30 JUNE 2013	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Current assets held for sale	-	-	8,305	8,305
Investment properties	-	-	55,575	55,575
Total assets	-	-	63,880	63,880
Liabilities				
Derivative financial instruments	-	94	-	94
Total liabilities	-	94	-	94

There were no transfers between levels during the financial year.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Investment properties have been valued based on similar assets, location and market conditions.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

TRINITY GROUP CONSOLIDATED AND TRINITY STAPLED TRUST CONSOLIDATED	NON-CURRENT ASSETS HELD FOR SALE	INVESTMENT PROPERTIES	TOTAL
	$'000	$'000	$'000
Balance at 1 July 2012	1,406	69,914	71,320
Gains / (losses) recognised in other comprehensive income	-	(754)	(754)
Classified as held for sale – transfers in / (out)	6,899	(6,899)	-
Additions	-	838	838
Disposals	-	(7,524)	(7,524)
Balance at 30 June 2013	8,305	55,575	63,880
Gains / (losses) recognised in other comprehensive income	(412)	844	432
Classified as held for sale – transfers in / (out)	(1,406)	1,406	-
Additions	-	648	648
Disposals	(6,487)	-	(6,487)
Balance at 30 June 2014	-	58,473	58,473

27. FAIR VALUE MEASUREMENT (CONTINUED)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

DESCRIPTION	UNOBSERVABLE INPUTS	RANGE OF INPUTS	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT INCREASE IN INPUT	SIGNIFICANT DECREASE IN INPUT
Investment properties and Non-current assets held for sale	Net passing rent and Gross / net market rent	$135/m^2 - $843/m^2	Increase	Decrease
	Market rental growth	2.81% - 3.87%	Increase	Decrease
	Let up periods	6 – 12 months	Decrease	Increase
	Core capitalisation rate	7.50% - 8.25%	Decrease	Increase
	Terminal yield	7.75% - 8.75%	Decrease	Increase
	Discount rate	8.25% - 10.00%	Decrease	Increase

Generally, a change in the assumption made for the adopted capitalisation rate is accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate forms part of the income capitalisation approach and the adopted terminal yield forms part of the discounted cash flow approach. The mid-point of the two valuations is then adopted.

When calculating the income capitalisation approach, the net market rent has a strong interrelationship with the adopted capitalisation rate given the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. An increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially have an offsetting impact on a property's fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. A directionally opposite change in the net market rent and the adopted capitalisation rate could potentially magnify the impact on a property's fair value.

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value given the discount rate will determine the rate in which the terminal value is discounted to the present value.

An increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially have an offsetting impact on a property's fair value. The same can be said for a decrease (tightening) in the discount rate and an increase (softening) in the adopted terminal yield. A directionally similar change in the adopted discount rate and the adopted terminal yield could potentially magnify the impact on a property's fair value.

For all investment properties, the current use equates the highest and best use.

28. SHARE BASED PAYMENTS

Employee share schemes

Trinity Group previously operated two employee stapled securities schemes. The schemes were the Trinity Exempt Employee Stapled Securities Plan and Trinity Deferred Employee Stapled Securities Plan. The schemes were operated through the Trinity Stapled Securities Plan Trust, the trustee of which was Trinity ESOP Pty Ltd, a wholly owned subsidiary of Trinity Limited.

The schemes had been inactive since 2009 and all securities previously issued under both schemes had vested. On that basis the Board determined during the 2013 year that the schemes would be terminated. In the 2014 year, Trinity Stapled Securities Plan Trust was wound up and Trinity ESOP Pty Ltd was deregistered.

Options granted to key management personnel

Trinity Group has granted options to acquire stapled securities to key management personnel as part of their employment agreements. The terms and conditions of the grant were as follows:

GRANT DATE / EMPLOYEES ENTITLED	NUMBER OF OPTIONS	EXERCISE PRICE	VESTING CONDITIONS	CONTRACTUAL LIFE OF OPTIONS	EXPIRY DATE
Options granted to Christopher Morton on 21 August 2009 [1]	4,750,000	$0.18	Nil – vested on 21 August 2009	5 years	30 June 2014
Options granted to Bevan Towning on 25 November 2013 [2]	7,500,000	$0.35 or $0.40[3]	Nil – vested on 25 November 2013	4.5 years	30 June 2018

1 These options were granted at no cost to the recipient and as at 30 June 2013, all 4.75 million options had been exercised. The value of the options granted was $0.2 million and this was recorded as an expense in the 2011 year. All options were settled by the physical delivery of stapled securities.

2 These options were granted at no cost to the recipient and as at 30 June 2014, none of the options had been exercised. The value of the options granted was $0.2 million and this was recorded as an expense in the 2014 year. All options are to be settled by the physical delivery of stapled securities.

3 The exercise price will increase to $0.40 should certain termination events occur.

The assumptions underlying the Black Scholes model used to value the fair value of the options granted and vested were as follows:

EXERCISE PRICE	GRANT DATE	FAIR VALUE AT GRANT DATE	MARKET SHARE PRICE	EXPECTED VOLATILITY	OPTION LIFE	EXPECTED DIVIDENDS	RISK FREE INTEREST RATE
$0.18	21 August 2009	$0.0464	$0.078	26.54%	1,774 days	Nil	5.43%
$0.35 or $0.40	25 November 2013	$0.0268	$0.27	30.00%	1,678 days	7.8%	3.77%

The market price used has been adjusted due to the escrow conditions attaching to the options.

28. SHARE BASED PAYMENTS (CONTINUED)

The following table illustrates the number and movements in security options during the year:

	Number of options 2014	Weighted average exercise price 2014	Number of options 2013	Weighted average exercise price 2013
		$		$
Outstanding at beginning of year	-	-	750,000	0.18
Granted during the year[2]	7,500,000	0.35	-	-
Exercised during the year[1]	-	-	(750,000)	0.18
Outstanding at year end[2]	7,500,000	0.35	-	-

1 The volume weighted average security price on the date of exercise of these options in 2013 was $0.27.

2 The exercise price will increase to $0.40 should certain termination events occur. The weighted average contractual life at 30 June 2014 was 4 years.

29. COMMITMENTS FOR EXPENDITURE

	Trinity Group Consolidated 2014	2013	Trinity Stapled Trust Consolidated 2014	2013
	$'000	$'000	$'000	$'000
Operating lease commitments				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	24	5	-	-
One to two years	5	-	-	-

Operating lease commitments include contracted amounts for office in Sydney and office equipment under non-cancellable operating leases expiring within the next two years.

30. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date Trinity Group entered into a contract of sale for an apartment at Cumberland Lorne Resort, at a profit to carrying value, which is scheduled to settle in September 2014.

There have been no other significant events since balance date which may affect either the operations of Trinity Group or the results of those operations or the state of affairs of Trinity Group, which have not been disclosed already in this report.

31. CONTINGENT ASSETS AND LIABILITIES

Trinity Group and the Trust are unaware of any contingent assets or contingent liabilities as at 30 June 2014.

32. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of Trinity Group:

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$	$	$	$
Audit services				
In accordance with the *Corporations Act 2001*:				
Audit and review of financial reports	76,373	62,688	29,500	27,500
Audit of compliance plans	13,056	4,500	9,056	4,500
Other non-audit services				
Property outgoings audit	3,000	2,500	3,000	2,000
General accounting advice	3,640	950	-	-
	96,069	70,638	41,556	34,000

33. NOTES TO THE STATEMENT OF CASH FLOWS

	Trinity Group Consolidated		Trinity Stapled Trust Consolidated	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
(a) Cash and cash equivalents				
Cash at bank and on hand	17,397	15,110	13,520	7,874

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and short term deposits, generally with an original maturity of three months or less.

As at 30 June 2014, the following funds are not available to Trinity Group to be used in its ordinary course of business:

- $0.475 million is being held by Trinity Investment Management Limited as security for its Australian Financial Services Licence.
- $0.150 million is being held by Trinity Capital Management Limited as security for its Australian Financial Services Licence.

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

	Trinity Group Consolidated 2014 $'000	Trinity Group Consolidated 2013 $'000	Trinity Stapled Trust Consolidated 2014 $'000	Trinity Stapled Trust Consolidated 2013 $'000
Operating profit / (loss) after income tax	469	(4,432)	3,732	(9,751)
Non-cash items:				
Movement in allowance for doubtful debts	(40)	40	(1,148)	10,846
Fair value movement in investment properties	(1,144)	754	(1,144)	754
Fair value movement in derivative financial instruments	(66)	(63)	(66)	(63)
Amortisation expense	1	24	-	-
Depreciation expense	12	22	-	-
Loss on sale of property, plant and equipment	-	38	-	-
Write down of inventory to net realisable value	1,095	3,042	-	-
Loss on sale of subsidiary	-	315	-	-
Loss / (gain) on sale of inventory	(561)	793	-	-
Loss on sale of investment properties	75	269	75	269
Share of loss of associated entity	-	4	-	-
Equity security based payment transactions	200	-	-	-
Amortised borrowing costs	62	112	62	112
Changes in operating assets and liabilities:				
Decrease / (increase) in trade and other receivables	449	69	631	(245)
Decrease / (increase) in other assets	(49)	62	(22)	7
Increase / (decrease) in trade and other payables	50	332	(34)	306
Decrease / (increase) in provisions	32	(26)	-	-
Net cash provided by operating activities	585	1,355	2,086	2,235

34. NET TANGIBLE ASSETS

	Trinity Group Consolidated 2014	Trinity Group Consolidated 2013	Trinity Stapled Trust Consolidated 2014	Trinity Stapled Trust Consolidated 2013
Reconciliation of net tangible assets				
Net assets $'000	51,412	52,388	51,281	48,994
Intangible assets $'000	(4)	-	-	-
Net tangible assets $'000	51,408	52,388	51,281	48,994
Securities issued – '000	143,217	149,599	143,217	149,599
Net tangible asset backing (book value) per security ($)	0.359	0.350	0.358	0.327

35. PARENT ENTITY INFORMATION

	Trinity Limited Parent 2014 $'000	Trinity Limited Parent 2013 $'000	Trinity Stapled Trust Parent 2014 $'000	Trinity Stapled Trust Parent 2013 $'000
Information relating to Trinity Limited and Trinity Stapled Trust				
(a) Summary financial information				
Current assets	2,580	5,938	13,936	16,496
Total assets	11,926	7,112	74,118	78,052
Current liabilities	259	174	624	1,038
Total liabilities	72,410	69,225	22,536	29,058
Issued shares / units	43,965	43,965	237,056	238,701
Accumulated losses / deficiency	(104,449)	(106,078)	(185,675)	(189,707)
Share based payment reserve	-	-	200	-
Total equity	(60,484)	(62,113)	51,582	48,994
Profit / (loss) of the parent entity	1,629	(12,309)	4,032	(9,751)
Total comprehensive loss of the parent entity	1,629	(12,309)	4,032	(9,751)

(b) Guarantees

Trinity Limited and Trinity Stapled Trust have guaranteed the debt facilities provided to Trinity Group by National Australia Bank.

During the 2012 financial year, Trinity Limited and Trinity Stapled Trust provided guarantees in relation to the extensive vendor warranties and indemnities provided to LaSalle Investment Management in relation to the sale of Trinity Funds Management Limited, certain assets of the Trinity Funds Management Services Group and the Trinity Property Trust units.

During the 2013 financial year, Trinity Limited provided guarantees in relation to the vendor warranties and indemnities provided to Michael O'Brien Catering Pty Limited in relation to the sale of Trinity Resort Management Pty Ltd.

(c) Contingent liabilities

Trinity Limited and Trinity Stapled Trust have no contingent liabilities.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014

The directors of Trinity Limited and Trinity Investment Management Limited as Responsible Entity for Trinity Stapled Trust declare that:

(a) In the Directors' opinion the attached financial statements and the Remuneration Report in the Directors Report are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of Trinity Group's and the Trust's consolidated financial position as at 30 June 2014 and of their consolidated performance, for the financial year ended on that date; and

   (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.

(b) The financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in note 1; and

(c) There are reasonable grounds to believe that Trinity Group and the Trust will be able to pay their debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Chief Executive Officer and Joint Chief Financial Officers for the financial year ended 30 June 2014.

Signed in accordance with resolutions of the Boards of Directors of Trinity Limited and Trinity Investment Management Limited.

Brett Heading
Chairman

Dated this 28th day of August 2014

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INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Trinity Group

Report on the Financial Report

Trinity Group ("Trinity Group") comprises both Trinity Limited ("The Parent") and the entities it controlled during the financial year, and Trinity Stapled Trust and the entities it controlled during the financial year ("The Trust").

We have audited the accompanying financial report of Trinity Group, which comprises the statements of financial position as at 30 June 2014, the statements profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of both Trinity Limited and Trinity Investment Management Limited as Responsible Entity for Trinity Stapled Trust.

Directors' Responsibility for the Financial Report

The directors of the Parent Entity and the directors of Trinity Investment Management Limited as Responsible Entity for Trinity Stapled Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of both Trinity Limited and Trinity Investment Management Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Trinity Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Trinity Group's and the Trust's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2014. The directors of the Parent Entity and the directors of Trinity Investment Management Limited as Responsible Entity for Trinity Stapled Trust are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Trinity Group for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO

K L Colyer

K L Colyer
Director

Brisbane, 28 August 2014

SECURITYHOLDER INFORMATION AS AT 19 AUGUST 2014

SECURITYHOLDERS

The names of the 20 largest holders of quoted equity securities are listed below:

SECURITYHOLDER	NUMBER OF STAPLED SECURITIES HELD	PERCENTAGE OF ISSUED STAPLED SECURITIES
Kingsley Developments Pty Ltd	22,118,029	15.44
Lochinvar Pastoral Company Pty Ltd <CA Morton Super Fund A/C>	20,434,496	14.27
mCap Pty Ltd <The Frandola Family A/C>	13,846,386	9.67
Aust Executor Trustees Ltd <Lanyon Aust Value Fund>	9,382,652	6.55
Sir John Allan Stewart Pidgeon	9,000,000	6.28
BNP Paribas Noms Pty Ltd <DRP>	7,838,141	5.47
Mercantile Investment Company Ltd	6,237,289	4.36
Jesmond Capital Pty Ltd <Lochmort Family A/C>	4,750,000	3.32
HSBC Custody Nominees (Australia) Limited	3,913,447	2.73
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	2,968,297	2.07
McNeil Nominees Pty Limited	1,949,252	1.36
Berne No 132 Nominees Pty Ltd <52293 A/C>	1,500,000	1.05
JP Morgan Nominees Australia Limited	1,342,014	0.94
Horrie Pty Ltd	1,122,649	0.78
Worldwide Finances Holding Pty Limited	1,037,453	0.72
Mr Donald Gordon Mackenzie & Mrs Gwenneth Edna Mackenzie	1,036,140	0.72
J J N A Super Pty Ltd <Chatterton Family Super A/C>	1,000,000	0.70
Treasure Island Hire Boat Company Pty Ltd <Staff Super Fund Account>	1,000,000	0.70
Mercantile Investment Company Ltd	907,969	0.63
Mrs Louise Jayne Maggacis	850,000	0.59
Worldwide Finances Holding Pty Limited <The Arijambi S/F A/C>	845,746	0.59

DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity securityholders by size of holding:

RANGE	NUMBER OF HOLDERS	NUMBER OF STAPLED SECURITIES
1 to 1,000	160	51,044
1,001 to 5,000	199	607,965
5,001 to 10,000	165	1,306,620
10,001 to 50,000	341	8,102,794
50,001 to 100,000	86	6,632,784
100,001 and Over	72	126,515,759
Total	**1,023**	**143,216,966**

The number of securityholders holding less than a marketable parcel is 213.

SUBSTANTIAL SECURITYHOLDERS

The names of substantial securityholders who have notified the company in accordance with Part 6C.1 of the Corporations Act 2001 as at 19 August 2014 are:

HOLDER	NO.	PERCENTAGE
Lochinvar Pastoral Company Pty Ltd and associated entities	39,030,882	27.25
Kingsley Developments Pty Ltd and associated entities	31,118,029	20.9
Mercantile Investment Company Ltd	9,094,510	6.4
Aust Executor Trustees Ltd <Lanyon Aust Value Fund>	9,082,652	6.34
AMP Limited and its related bodies corporate	7,838,141	5.47