Sunland Group Limited

ABN 65 063 429 532

Annual report
for the year ended 30 June 2015

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Annual report - 30 June 2015

Contents

Directors	Dr Soheil Abedian *Executive Director (Chairman)* Mr Sahba Abedian *Managing Director* Mr Ron Eames, Non-Executive Director Mr Craig Carracher, Non-Executive Director Mr Christopher Freeman, Non-Executive Director
Secretary	Mr Grant Harrison
Principal registered office in Australia	Registered office/ principal place of business Suite 2602, "One One One Eagle Street" Level 26, 111 Eagle Street Brisbane Qld 4000 Australia Telephone 07 3456 5700 Gold Coast Royal Pines Marina Precinct Benowa Qld 4217 Telephone 07 5564 3700 Facsimile 07 5564 3777 Melbourne Suite 0101, Level 1 4 Riverside Quay Southbank VIC 3006 Telephone 03 9825 4700 Facsimile 03 9825 4777 Sydney Suite 1703A 1 Bligh Street Sydney NSW 2000 Telephone 02 9210 2100
Share register	Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 1300 655 149 (Australia) (+612) 8280 7917 Overseas
Auditor	Ernst & Young Level 51 111 Eagle Street Brisbane Qld 4000
Solicitors	Holding Redlich Level 1 300 Queen Street Brisbane Qld 4000
Bankers	ANZ Banking Group Ltd Level 20 111 Eagle Street Brisbane Qld 4000 Westpac Banking Corporation 260 Queen Street Brisbane Qld 4000
Website	www.sunlandgroup.com.au

	2015	2014	2013	2012	2011
Financial Position ($ millions)					
Shareholders' Equity	357.8	349.5	352.9	345.0	343.5
Total Assets	505.3	470.6	440.7	508.0	801.0
Cash	26.2	14.7	29.3	31.1	48.8
Financial Performance ($ millions)					
Total Revenues	289.0	187.9	189.3	211.0	256.1
Statutory profit/(loss) after tax	30.1	14.2	13.6	14.5	21.4
Market Performance					
Market capitalisation at balance date ($ millions)	325.1	277.9	262.1	179.6	136.1
Share price at balance date ($)	1.79	1.56	1.41	0.93	0.62
Key Measures					
Basic earnings per share (cents)	16.9	8.0	7.2	7.2	9.3
Net tangible assets per share ($)	2.01	1.96	1.87	1.79	1.55
Gearing					
- (debt/equity)	32%	24%	3%	11%	16%
- (debt/assets)	22%	18%	4%	8%	7%
Interest cover (times) (i)	7.8	6.8	4.8	7.6	7.6
Return on equity	8%	4%	4%	4%	6%
Fully franked ordinary dividend per share (cents) (ii)	10.0	4.0	2.0	-	-

(i) Interest cover is calculated by dividing Earnings before interest and tax and depreciation by finance costs.

(ii) Dividend payment reflects dividends declared during the year.

Corporate Governance Statement

This statement reports against the 3rd edition of the ASX Corporate Governance Council Principles and Recommendations (ASX Principles). Sunland recognises that good corporate governance is about doing the right things for the shareholders and other stakeholders in the business. It extends beyond compliance with regulations and penetrates deep within the organisation. At the core is a sound culture that allows the principles of good corporate governance to thrive.

Throughout the year, the Board, through the Audit and Risk Committee, has continued to manage and focus on existing and emerging corporate governance issues. Sunland Group Limited's corporate governance practices were in place throughout the year ended 30 June 2015 and were compliant with the Council's principles and recommendations except where noted below.

This Corporate Governance Statement is current as at 26 August 2015 and was approved by the Board on 25 August 2015. The statement is available on the Company's website at www.sunlandgroup.com.au.

The following governance-related documents referenced in this Corporate Governance Statement can be found on the Company's website at http://investors.sunlandgroup.com.au/Investor-Relation/ :

1. Company Charters
- Board Charter
- Audit and Risk Committee Charter

2. Company Policies and Procedures
- Diversity Policy
- Security Trading Policy
- Code of Conduct
- External Communications Policy
- Gender Equality indicators (published under the *Workplace Gender Equality Act 2012 (Cth)*)

1 Lay solid foundations for management and oversight

Role of the Board

The Board Charter of the Company deals with the composition, duties and responsibilities of the Board. The Board of Directors is pivotal in the relationship between shareholders and management and the roles and responsibilities of the Board underpin corporate governance. Sunland's Board provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be identified, assessed and managed. The Board's responsibilities include:
- strategic guidance and effective oversight of management;
- contribution to, and approval of, the corporate and business strategy of the Group including setting performance objectives, monitoring implementation of the strategy and overseeing major capital expenditure and acquisitions;
- monitoring financial performance including preparation of financial reports and liaison with auditors;
- monitoring the respective roles and responsibilities of Board members, the Company Secretary and senior executives, reviewing key executive and Board remuneration and ensuring a formal and transparent Board nomination process;
- appointment, and assessment of the performance of the Executive Directors;
- ensuring that material business risks have been identified and appropriate controls and procedures implemented; and
- assessing diversity across the organisation.

Each director has access to the Company Secretary who is accountable to the Board. The Company Secretary is responsible for matters that ensure the proper functioning of the board and its committees, monitoring board and committee policies, the timely issue of board papers, accurate recording of minutes of meetings and other administrative duties that support the board and its directors.

1 Lay solid foundations for management and oversight (continued)

Delegation of Board Authority

The entrepreneurial and day to day activities of the Group are formally delegated by the Board to the Managing Director and Executive Committee. The Board's role is to monitor and measure the activities carried out by the management team. The Management team are responsible for supporting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board.

Diversity

Sunland recognises that a diverse workforce is a competitive advantage and that the Company's success is the result of the quality and skills of its people. The Diversity Policy is designed to support the Company's commitment to diversity and sets out the responsibilities of the Board, senior management and other employees in relation to diversity. The Company seeks to achieve:

- A diverse and skilled workforce;
- A workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- A work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- Awareness by all staff of their rights and responsibilities with regard to fairness; and
- Equality of remuneration commensurate with duties and responsibilities of like roles.

Diversity is encouraged across Sunland's workforce and directors and executives are committed to increasing diversity amongst the Company's employees. The Company's objective is to move towards females comprising 50% of its General and Senior Management employees.

The table below outlines the proportion of women and men employed by the Company as at 30 June 2015:

Employment category	Number of employees		Diversity percentage
Data	Male	Female	(% male to total)
Executive management	5	0	100%
General and senior managers	9	3	75%
Other management	20	3	87%
Administrative and trade	57	20	77%
Total employees	**91**	**26**	**78%**

There is currently no female representation on the board of the Company.

Executive management report directly to the Managing Director. General and Senior Managers report to Executive Management and also indirectly to the Managing Director.

1 Lay solid foundations for management and oversight (continued)

Appointment and Induction
Each Director is provided with a formal appointment letter setting out the key terms and conditions of their appointment. Any new directors appointed are also provided with an induction, including key documents and discussions with key personnel. Appropriate checks are conducted prior to the appointment of new directors and shareholders are provided with sufficient information regarding directors at the Company's Annual General Meeting to assist with the election of directors.

In addition all senior executives are provided with formal appointment letters, which include expectations of their role, term of appointment, termination entitlements and rights and responsibilities. On appointment, all senior executives are provided with an induction program to allow them to participate fully in the decision making and management of the company as soon as possible.
The Board, with the assistance of the Company Secretary, is responsible for implementing an effective training and education program for all new and existing Directors.

Performance and Evaluation of the Board and Executives
Oversight of Executive and Board performance is conducted by the directors. The Chair has the overall responsibility for evaluating the Board, Board Committees, and individual Directors. The process employed by the Chair for evaluating the performance may involve meeting with individual Directors, roundtable discussions with the entire Board and ongoing observation and discussion. Performance evaluation of the Board is undertaken at intervals deemed appropriate by the Chair and was undertaken in accordance with this process during the year ended 30 June 2015.

The development of individual talent and outstanding personal performance requires leadership and effective supporting frameworks. Sunland's people development system is based on clear goal setting, honest career development discussions and ongoing feedback about performance. Sunland supports a balanced approach which rewards Group accomplishments and recognises individual initiative and exceptional effort. Continual achievement discussion not only sets the forthcoming year's objectives, but is also an appraisal of the achievement of objectives for the previous year. Performance evaluation of the Managing Director and other senior executives is undertaken annually and was undertaken in accordance with this process during the year ended 30 June 2015.

2 Structure the Board to add value

The Group governance arrangements are summarised in the chart below.

Sunland Group Governance

Sunland Group Board

Managing Director

Audit and Risk Committee
Ron Eames (Chair)
Craig Carracher
Chris Freeman

Governance and Operations

Assurances	**Policies**	**Procedures**
External audit	Constitution	Executive Committee
Project reviews	Board Charter	National Meetings
Compliance	Committee Charters	Project Control Groups
	Employment contracts and	Strategic Risk Meetings
	Code of Conduct	Financial Certification
	Risk Management	Quarterly Compliance
	Security Trading	Monthly Finance Review
	Privacy	Personnel Induction
	Finance and Accounting	OH&S Manuals
	Human Resources	Site Induction
	OH&S	Disaster Recovery

Board Composition

The Board composition ensures a balance of diversification - by skills and experience as well as geographically. Sunland's Board structure comprises three non-executive Directors (all of whom are independent) and two executive Directors. The Directors consider that this composition of the Board comprising a majority of non-Executive Directors has an appropriate mix of skills and expertise and provides effective direction for the Group.

The Board has not established a specific committee for the nomination and remuneration responsibilities of the directors as these are dealt with at board level on a consultative basis. The independent non-Executive Directors lead discussions in respect to the remuneration of the executive directors.

The names, skills and experiences of the Directors and the period they have held office, during the financial year, and as at the date of this Statement, are set out in the directors' report. A summary is included in the table below:

Board Members

The Directors of the Company in office at the date of this statement are set out below:

Director	Independent	Appointed
Executive Directors		
Mr Sahba Abedian	No	January 2001
Mr Soheil Abedian	No	March 1994
Non-Executive Directors		
Mr Ron Eames	Yes	March 2006
Mr Craig Carracher	Yes	July 2010
Mr Chris Freeman	Yes	January 2015

2 Structure the Board to add value (continued)

Directors' skills and experiences

A list of the skills and experiences held by the directors is included below. These skills and experiences are drawn upon by the Board as a whole in discharging its obligations effectively, challenging management at the project and corporate levels of the Company's operations, managing risks and also implementing the Group's strategy:
- Property development industry;
- Legal and legislative framework;
- Town planning and approval requirements across the Group's geographic locations;
- Financial acumen and exposure to financial reports;
- Market and economic forces and trends relevant to the development process;
- Construction and delivery risks and requirements;
- Occupational health and safety;
- Project and corporate funding;
- Capital raising - equity and debt markets;
- Listed entity reporting and governance regime; and
- Experiences with other directorships and executive management responsibilities.

Directors' independence

The Board comprises a majority of independent Directors. The independence of Directors is reviewed by the Board, either annually, or when changes to interests are disclosed. A determination of the independence of non-executive Directors is based on the Board's ongoing assessment of whether that Director is free of any material business or other relationship that could reasonably be considered to interfere with the exercise of their independent judgement.

In assessing the independence of a Director, the Board will have regard to the guidelines contained in the Corporate Governance ASX Principles and Recommendations. Failure to meet one of these guidelines does not automatically mean that the Director is not independent. The Board will consider all relevant facts and circumstances when making its decision.

During the year Mr Ron Eames has been a partner of Holding Redlich, which is a national law firm utilised by the Group from time to time. There are, however, a number of law firms that provide legal advisory services to Sunland Group so the firm is not the exclusive provider of legal services to Sunland Group. Legal services provided by Holding Redlich are on normal commercial terms and conditions through various partners depending on the area of law that advice is sought. Holding Redlich has advised that the materiality assessed by the Board in relation to percentage of revenue generated by Sunland Group is not breached. Directors confirm the materiality in relation to expenses of Sunland Group is not breached. The Board therefore considers that, having regard to Mr Eames' limited direct advice to Sunland Group, the amount of fees paid to Holding Redlich and the varied nature of the services provided, Holding Redlich is not a material professional adviser for the purposes of independence, and Mr Eames is therefore an independent director.

The Chairman

The Chairman, Mr Soheil Abedian, is an executive Director. Mr Abedian is the founder of Sunland Group, who has vast experience in the property industry and the business operations of the Sunland Group. Mr Abedian, as Chairman, plays a crucial role in ensuring the Board works effectively and responsibly and therefore at this stage the Board has assessed that it is appropriate to have Mr Abedian in the position of executive Chairman.

The Board will continue to review the value of having an executive Chairman to ensure this structure is the most appropriate for the Company.

2 Structure the Board to add value (continued)

Separation of duties

The roles of the Chairman and Managing Director are not exercised by the same individual, with Dr Soheil Abedian being Chairman and Mr Sahba Abedian, Managing Director. Whilst both have executive directorships, there is a clear distinction of duties with the Chairman being responsible for guiding the Board in its duties. The Managing Director, along with the Executive Management team, is responsible for the day to day management of the Group's business activities.

Induction programme and professional development

The Group follows an induction programme to introduce new directors to the company that assists in their understanding of the company's operations, policies and culture. The Board also encourages directors to undertake ongoing external training and professional development. Directors may seek independent advice at the Company's expense through the Chair and the advice obtained is made available to the Board.

The Board has also set guidelines for declaring and dealing with potential conflicts of interest which include declaring any relevant interests as required under the law and ASX listing rules. Where conflict exists, matters are generally assessed by the board with the respective director not being present and/or abstaining from voting at a meeting during these considerations.

Sunland's Board Charter expands on these matters in more detail and is available on the Group's website as detailed above.

3 Act ethically and responsibly

Sunland recognises that its reputation is one of the most important aspects of its business and strives to ensure directors, officers and all staff conduct themselves in accordance with the appropriate laws and legislation, and also in a manner that is ethical and responsible, and act with integrity by respecting the rights and interests of those with which we deal, and in the communities in which we operate.

Various policies have been put in place to enforce these requirements and these are summarised below:

Code of Coduct

A Code of Conduct applies to all employees of the Group. The Code of Conduct forms part of employment contracts and sets out the principles which all directors and employees are expected to uphold in order to promote the interests of the Group and its shareholders. In addition, Directors, management and staff are expected to comply with the performance duties outlined in their respective schedule of duties, policies regarding internet and email use, policies and guidelines in relation to the Privacy Act, SPAM Act and relevant workplace health and safety legislation. The Code of Conduct is available on the Group's website.

Security Trading Policy

The Group has a Security Trading Policy which is available on the website. The policy deals with security trading of the directors and other relevant personnel in respect to formal trading windows and prohibitions on trading. The Policy includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity-based remuneration plan.

4 Safeguard integrity in corporate reporting

Audit and Risk Committee

The Company has established an Audit and Risk Committee that comprises all independent directors and is chaired by Mr Ron Eames, an independent director who is not the chairman of the Company. The committee comprised two members for the first half of the current financial year until the appointment of Mr Chris Freeman in January 2015. Mr Freeman joined the Audit and Risk Committee upon his appointment as director. Members of the Audit and Risk Committee as at 30 June 2015 are:
• Mr Ron Eames
• Mr Craig Carracher
• Mr Chris Freeman

The qualifications and experiences of the members are included in the directors' report, together with a record of meetings held and attended by those members during the year. Meetings are generally held with the Group's external auditors, the Chief Financial Officer and other personnel as requested by the committee, although members of the committee are free to meet with any member of the staff of the Group. The Chairman also meets separately with the external auditor independently from Sunland personnel from time to time.

The Charter of the Audit and Risk Committee is available on the Company's web site.

Declaration by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer are responsible for providing periodic updates to the Board on the financial performance of the Group. Management accounts are prepared for review by the board and other stakeholders in accordance with accounting standards and present a true and fair view of the Company's operations and financial position progressively during the year.

In respect to the half-year and annual financial statements, the Managing Director and the Chief Financial Officer provide a declaration in accordance with section 295A of the Corporations Act 2001 (Cth) and the statement under recommendation 4.2 of the ASX Principles.

For the financial year ended 30 June 2015, the Managing Director and Chief Financial Officer provided the Board with declarations that, in their opinion, the financial records of the entity had been properly maintained, that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the entity, and that the opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.

The approved financial reports are published in accordance with the law and appropriate listing rules, through the Company's web site, as well as in electronic format and/or hard copy to the Company's shareholders as required. The financials are also presented to Members at the Company's Annual General Meeting where the Company's external auditor is in attendance to answer any questions by Members that are relevant in respect to the audit of the approved financial reports.

5 Make timely and balanced disclosure

The Company has in place an External Communications Policy to ensure timely and balanced disclosure in respect to the Company's operations. The policy deals with the continuous disclosure obligations under Listing Rule 3.1 where information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities, is disclosed to the market through the ASX announcement portal. In addition, the policy also deals with how Sunland personnel are required to deal with potentially price sensitive information, appropriate authority for communications with Sunland's shareholders and other stakeholders such as the media, retail and institutional investors through brokers and analysts and the broader community generally.

The External Communications Policy is available on the Company's website.

6 Respect the rights of security holders

The External Communications Policy extends to ensure that shareholders are informed of all major developments affecting the Group. Information is communicated to shareholders through the annual report, the half-yearly report, announcements made to the ASX, separate media releases, notices of annual general meetings, the Annual General Meeting and the Company's website www.sunlandgroup.com.au, which has a dedicated investor relations section containing corporate governance information as recommended by the Corporate Governance Principals. Sunland also communicates frequently via the media on projects and in regard to financial updates as appropriate.

The Group also actively encourages two way communications with the investment community through its interaction with brokers and shareholders. Company presentations are published through the Group's web site and questions from the investment community and security holders are welcomed. Questions of the Group's results and operations can be made through email located also at the web site through the "contact us" link.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's direction, strategy and goals. In particular, shareholders are responsible for voting on the appointment/re-election of Directors. Shareholders also have the opportunity to ask questions leading up to or at the Annual General Meeting and to meet the Board and Senior Executives in person. Shareholders who are unable to attend the Annual General Meeting are encouraged to vote on resolutions, or make comments and submit questions on the management of the Company prior to the Annual General Meeting where those questions will be read and answered by the Board. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the Annual General Meeting.

The Group utilises Link Market Services' Registry Services to facilitate the delivery of reports and announcements to shareholders. Sunland encourages the use of electronic communications and shareholders are given the option of receiving Company material in print or electronically. Shareholders can contact Link Market Services at any time for information regarding their shareholdings.

7 Recognise and manage risk

The Board has implemented an Audit and Risk Committee to assist the Board in identifying and managing risk, maintaining the reliability and integrity of the financial reports, appointing and maintaining the independence of the external auditor and reviewing internal control systems and risk management framework of the Company.

Section 4 of this Corporate Governance Statement contains details regarding the Audit and Risk Committee.

The Committee has established a Risk Management Policy and Framework to assist in identifying and managing operational and corporate risks of the Group, which are reviewed annually and were reviewed during the year ended 30 June 2015. Operational risks are monitored, managed and reported from the "ground level" of each development project in consultation between development mangers, local and state government officers and external consultants as required. Project reporting is conducted monthly and material matters escalated through to executive management and the Audit and Risk Committee to the Board where material risks are evident. Monthly financial reviews of feasibility changes are also conducted internally and independently of the development managers with changes reported through the same channels as project matters.

A review of the Risk Management Framework and Policy has been conducted for this period and the Committee believes the framework and risk management systems to be sound, and the Company continues to have an effective framework to identify and manage risk. The Company does not retain a separate internal audit function. The Board believes this is appropriate, taking into account the systems and processes that are in place, the conduct of the external audit and the specific advice sought by management where a transaction has an element of complexity that is not usually experienced.

Senior Management fulfils the internal audit function within the Company and is responsible for identifying relevant business risks, designing controls to manage those risks and ensuring the relevant controls are appropriately implemented. Senior Management monitors the adequacy of the risk management system and reports to the Audit and Risk Committee on a regular basis. The internal audit function comprises:

- Regular review and testing of the adequacy of controls for risk identified as in the higher range;
- Management confirmation on a periodic basis that the assessment of identified risks and their controls remain appropriate; and
- Identification of any new risks or enhanced controls that may be required.

The Audit and Risk Committee has primary responsibility for oversight and monitoring of the internal audit function and risk management generally. Responsibilities include:

- Oversight of the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for regular assessment of the efficiency and effectiveness of those systems;
- Regular review and amendment of the Company's risk register, which summarises key identified risks, the likelihood of their occurrence and potential impact, in addition to the controls implemented to reduce or mitigate those risks.

The external auditors, in addition to their own control reviews, assess detail of the more complex transactions as part of their overall assessment of the Company's risk profile.

Sunland's business operations require a high degree of interaction with all levels of Government in respect to legislative procedures, and also the community expectations in the areas of economic, environmental and social sustainability. Sunland does not take on any significant environmental risks that are unable to be managed within the group's delivery expectations. The Company's philosophy of "Art is Architecture" is the basis for the projects that are created by the Group and to this end attempts to be at the forefront of design in order to meet the social and environmental expectations of the communities in which we operate. Appropriate advice from consultants assist in implementing management plans to monitor and mitigate these risks and it is not considered that Sunland has a material exposure to economic, environment or social sustainability risks.

8 Remunerate fairly and responsibly

The objective of Sunland's remuneration practices is to attract, retain and appropriately reward the personnel required to achieve both short term and long term success. The Company's policy is to remunerate Non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for Non-executive Directors is not linked to individual performance. The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-executive Directors is subject to approval by shareholders. There are no termination or retirement benefits for Non-executive Directors other than for superannuation entitlements. There are no equity based remuneration plans available to Non-executive Directors.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team and as such the Board does not have a specific remuneration committee. Protocols are set such that individual directors are not present when their remuneration arrangements are discussed and approved by the Board to ensure conflict is managed appropriately.

Directors also assess the appropriateness of the nature and amount of emoluments of executive management on a periodic basis by reference to relevant employment market conditions and the remuneration framework with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Sunland has undertaken to reward the executive management team through a remuneration framework consisting of a fixed annual remuneration package complemented by long term incentive programs provided through discretionary trusts operated independently of Sunland's board of directors. There is no short term incentive program in place as this is not consistent with Sunland's long term focus or its normal business cycle. There is no share based remuneration arrangement with any individuals employed by the Group.

Further details on the remuneration framework is available in the Remuneration Report section of the Directors' Report.

Directors' report

The Directors present their report together with the financial report of Sunland Group Limited and its controlled entities (Sunland or the Group), for the year ended 30 June 2015 and the independent audit report thereon.

Directors

The names and details of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Dr Soheil Abedian

Chairman (Executive Director) - Director since March 1994.

Dip Arch Masters Degree in Architecture with Honours (University of Graz, Austria), Aged 66.
Honorary Professor Griffith University (Business School - Gold Coast)
Adjunct Professor Bond University (Architecture School)
Doctorate of Bond University

Dr Soheil Abedian was educated in Graz, Austria and moved to Queensland's Gold Coast in 1983 where he co-founded Sunland Group to develop luxury housing projects. He has over 30 years' experience in architectural design, construction and project management across a wide range of developments.

Sahba Abedian

Managing Director - Director since January 2001.

LLB (Bond University), Aged 39.

Mr Sahba Abedian is a qualified lawyer and was admitted into the Supreme Court of Queensland in 1998 as a solicitor. He joined Sunland Group in April 1998 as legal counsel/company secretary. In January 2000, he established the Group's Victorian operations and is now the Managing Director of the Group.

Ron Eames

Non-Executive Director - Director since March 2006.

LLB (Queensland University of Technology), Aged 58.

Mr Eames is a partner in the Brisbane offices of law firm Holding Redlich and brings to the role more than 25 years' experience in the legal sector, specialising in front-end project work and project structured financing in the energy, resource, construction and tourism industries. Mr Eames is a member of the Australian Institute of Company Directors. He is the chair of Sunland's audit and risk committee.

Craig Carracher

Non-Executive Director - Director since July 2010.

LLB (Sydney), University Medal; BCL, Oxon, 1st Class Hons, Aged 49.

Mr Carracher has extensive transactional and management experience, having spent much of the past decade living and working in Asia as Managing Partner of a leading Australian law firm, Group General Counsel for Consolidated Press Holdings Limited, and CEO of its Asian private equity interests. Craig is Managing Director of a pan Asian private equity firm, Telopea Capital Partners and a Director of Scape Student Living Australia. He is a member of Sunland's audit and risk committee.

Directors (continued)

Chris Freeman AM

Non-Executive Director - Director since January 2015.

Bachelor of Commerce (University of Queensland), aged 70.

Mr Freeman has significant company directorship experience in Australia and abroad in the property and finance sectors. His former roles include Director of Watpac Limited from 2011 and subsequent appointment as Chairman of Watpac from 2012 until 2014.

Mr Freeman also held the position of Chairman, Development for Queensland, United Kingdom and United Arab Emirates at Mirvac Limited. In addition to his extensive property development experience, he has held responsibility at an executive management level in the banking and finance sectors operating in the property, corporate and agri-business industries. Mr Freeman is also a Fellow of the Australian Institute of Company Directors.

In June 2009, Mr Freeman was awarded a Member in the General Division of the Order of Australia (AM) for his contribution to the property development industry, the arts and other cultural affairs.

He is a member of Sunland's audit and risk committee.

Company Secretary

Grant Harrison

Company Secretary - Secretary since December 2003.

Associate Diploma Business (Accounting), MDIA, Aged 48.

Mr Harrison joined Sunland Group in 2000, following 16 years in the banking sector with Westpac specialising in commercial, property and corporate finance transactions. Mr Harrison was appointed Chief Financial Officer in December 2004. He is a Graduate of the Australian Institute of Company Directors.

Director's Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings	
	Number Attended	Number Held	Number Attended	Number Held
Mr Sahba Abedian	7	8	-	-
Dr Soheil Abedian	7	8	-	-
Mr Ron Eames	7	8	2	2
Mr Craig Carracher	7	8	2	2
Mr Chris Freeman	5	5	1	1

Principal Activities

Sunland Group Limited is a company limited by shares that is incorporated and domiciled in Australia. The principal activities of the consolidated entity is residential property development and construction. The Group conducts these activities through its two core business segments of “Residential Housing and Urban Development” and “Multi-Storey” developments. The Residential Housing and Urban Development segment comprises medium density integrated housing developments and land subdivision. The Multi-Storey segment comprises medium-rise projects generally between five and 15 storeys, and high-rise developments above 15 storeys. The delivery of Sunland’s projects are completed by specialist in-house teams experienced in land acquisition and project feasibility analysis, design, project management, construction, and sales and marketing. The vertically integrated structure of the Group ensures the efficient delivery of projects to achieve Sunland’s desired project returns.

There was no significant change in the principal activities of the Group.

Consolidated Result

The consolidated profit after income tax for the year attributable to members of Sunland Group Limited was $30.1 million, an increase of 111% on the previous year’s result (2014: $14.3 million).

This result is attributable to the strong performance of Sunland’s residential developments across Queensland, New South Wales and Victoria, together with strategic site sales in Melbourne and Sydney for the redeployment of capital to key growth areas in south-east Queensland. The improved result is also attributed to increased development margins across Sunland’s portfolio and an increase in settlement values, reflecting improving consumer confidence and market conditions in the Group’s core operating regions of Melbourne, Sydney and south-east Queensland.

Operating and Financial Review

Operating and Financial Highlights

- Net profit after tax of $30.1 million, exceeding guidance of $28 million.
- The Group declared fully franked dividends totaling 10 cents per share which included a special dividend of 6 cents per share. These dividends were all paid during the period.
- Strong balance sheet capacity, with $26.2 million in cash and $107.0 million in undrawn working capital lines.
- Surplus cash and increased gearing is being utilised to replenish and deliver the Group’s development portfolio.
- The Group acquired $82 million in new sites across the portfolio. A further $29 million in site acquisitions in Sydney and Brisbane are due to settle during the first half of the 2016 financial year.
- Basic earnings per share of 16.9 cents (2014: 8.0 cents) representing growth of 111%.
- Gearing remains at conservative levels, with 22% debt to assets and 32% debt to equity.
- Development margin across the portfolio represents a return on costs of 29%.
- Strategic asset sales in Melbourne and Sydney totalling $90.1 million enabled capital to be redeployed to key growth areas in south-east Queensland and boosted profit and dividend returns for the year.
- Construction of the luxury Abian tower in Brisbane is progressing to podium level, with the project almost entirely sold.
- Strong forecast cash flow generated from existing projects.
- Net tangible assets per share increased to $2.01 (2014: $1.96).

Group Development Portfolio

Sunland’s national development pipeline comprises 6,010 land, housing and multi-storey products with a total end value of $3.7 billion, providing a healthy portfolio of premium quality projects to be delivered over the next three to five years. Sunland continued to replenish and grow its development portfolio during the period, with new site acquisitions totaling $82 million and an additional $29 million of acquisitions committed to settle during the first half of the 2016 financial year. These strategic acquisitions have bolstered the Group’s core segments of Residential Housing and Urban Development, and Multi-Storey projects, providing an additional yield of 1,772 allotments with an end gross realisation of $1.1 billion.

Operating and Financial Highlights (continued)

As at 30 June 2015, Sunland had 17 active projects in Queensland, New South Wales and Victoria. These projects include land, housing and multi-storey projects at various points in their delivery cycle. Housing projects such as Peninsula Residences and Concourse Villas (QLD), The Parc (NSW), and Whyte and Carré (VIC) have contributed to revenue through settlements this financial year.

The Group's multi-storey portfolio will become more active and make a greater contribution to earnings as markets continue to improve, concept designs and approvals are finalised, and projects are launched. Sunland has focused on boosting contributions from this segment with the reintroduction of medium-rise projects such as Marina Residences (completed), Palm Beach and The Lakes. Marina Residences contributed revenue for the multi-storey segment of $29.4 million this period. These medium-rise projects will continue to contribute significantly to Group earnings, particularly through the Palm Beach and The Lakes projects. In addition, forecast contributions from Sunland's high-rise projects will be significant, commencing with Abian which is anticipated during FY17 (depending on timing of completion and settlements) and then from the Grace on Coronation, Mariner's Cove and Labrador projects which are pending final approvals from the respective authorities. The Group's Residential Housing and Urban Development segment continues to deliver through various stages of each project, supporting underlying earnings and cash flow.

Sunland is actively monitoring the market for opportunities to further increase its portfolio, with a specific focus on emerging growth markets in south-east Queensland, and also in the Sydney and Melbourne markets where there are still favourable off market opportunities available, providing they meet Sunland's development criteria.

Group operating activities

Development Activities

Sunland's development activities continued to generate strong earnings for the Group during the 2015 financial year. Sales volume increased by 20% and sales value increased by 31% in FY15. The Group completed 754 sales to the value of $509 million during the 2015 financial year (2014: 629 sales to the value $389 million). Some of this growth is attributed to ongoing sales at the luxury Abian high-rise development in Brisbane, which is almost entirely sold. The Group also experienced price growth as new projects were launched. Contracted presales for projects that have been released across the development portfolio total 763 as at 30 June 2015, with a combined value of $572 million.

A number of multi-storey projects are currently in the pipeline, with the Group's luxury Abian residential tower in the Brisbane CBD now almost at podium level. Multi-storey projects in the preliminary design and approval stages include Labrador (high-rise), Mariner's Cove (high-rise) and Palm Beach (medium-rise) on the Gold Coast. The Grace on Coronation project has been approved by Brisbane City Council, however Sunland is dealing with an appeal against the approval that may delay the launch, which was anticipated to be October 2015. These multi-level projects will not generate revenue until the projects are completed and settled. Sunland is focused on finalising the design and approvals for these projects in order to release them to the market and achieve the presales required for funding and commencement of construction.

The Group generated revenue from its property sales of $279.7 million from 387 settlements (2014: $178.0 million from 446 settlements). This value includes the revenue of $90.1 million generated from project sales in Melbourne and Sydney. Settlement volumes were down slightly from the previous period due to these strategic site sales, however despite this, the value of settlements across the balance of the group's development portfolio still increased 7%. Major contributors from the housing portfolio include Concourse Villas, Royal Pines and The Glades (QLD), The Parc (NSW), and Whyte (VIC). Land subdivision developments contributing to revenue included Bushland Beach (QLD).

The Residential Housing and Urban Development segment achieved a development margin (return on cost) for the period of 30%, with the overall development margin from the Group's activities at 29% for the period (excluding marketing costs, which are expensed ahead of recognising revenue - refer Segment Report). This is well above the Group's development policy of achieving a 20% return on cost.

Operating and Financial Highlights (continued)

A material contribution was attributed to the sale of project sites in Melbourne and Sydney, which was a strategic decision by the Board to reallocate capital to key growth regions in south-east Queensland. Gross revenue of $90.1 million was achieved from the sales. The allocation of funds assisted in the acquisition of the 42 hectare master planned development site for The Lakes, which will be a major contributor to the group's revenues across urban development, medium density housing and medium rise projects in the coming years.

<u>Other Group Operations</u>

Project Services operations provided a modest contribution during the period and are related to the management of projects by Sunland of its joint ventures and other projects that are partially owned. The projects that contributed during the period are limited to Sanctuary Cove and Sunland Diversified Land Fund No2 and the level of activity will vary as these projects are delivered. Sunland sold its interests in the Sunland Diversified Land Fund No 2 during the period, although the Group continues to own the funds management company to take advantage of any future fund management opportunities that may avail.

During the 2015 financial year Sunland made arrangements to finalise payment of the legal costs awarded against it in respect of the trial conducted in the Victorian Supreme Court and subsequent appeal to the Victorian Court of Appeal. All costs incurred and provisioned are now expensed and the matter is at an end.

A claim (proceeding number 982/15) has been made against Sunland and some of its Directors and officers by Mr Marcus Ramon Lee. There is an application to strike out Mr Lee's claim and there is an order from the Court that Sunland, its Directors and officers, are not required to file a defense for the time being. If Sunland, its Directors and officers are ever required to file a defense they will do so. At this point in the proceedings, and given the current application and orders of the Court, the Board of Directors have determined that there is no provision or contingent liability to be reported in respect to this matter.

Capital Management and Dividends

Directors declared and paid a total of 10 cents per share fully franked for the period. This was in the form of an interim payment of 2 cents per share, bringing forward a final dividend of 2 cents and also a special dividend of 6 cents per share. The special dividend of 6 cents was declared following the sale of sites in Melbourne and Sydney resulting in an upgrade of the profit guidance from $20 million to $28 million during the year.

The Group intends to pay fully franked dividends of between 40% and 50% of net operating earnings as a dividend payment policy.

During the 2015 financial year Sunland increased the use of its debt facilities to fund the Group's increased development activities, particularly in relation to the acquisition of various multi-storey projects. The Abian residential tower project in the Brisbane CBD is funded by debt facilities of $132 million and funding has commenced to complete the construction. There is an appetite from Australia's lending institutions to support clients with a strong track record in delivery of projects.

Sunland's capital management strategy remains focused on enhancing operational efficiencies across the business and reducing risk through product and geographic diversification. The Group will also continue to manage its capital base by utilising various structures that spread the project and funding risks associated with various developments.

Group Vision and Future Outlook

Sunland's vision is to create long-term, sustainable value for its shareholders and residential communities by continuously striving for excellence and innovation in the design and delivery of its development portfolio. The Group's enduring commitment to architectural excellence, partnered with forward thinking urban design and fundamental human values, is widely recognised and has received industry accolades for its contribution to Australia's architectural landscape. Importantly, it has also left an enduring legacy for future generations - the creation of vibrant communities and unique, enriched environments.

Operating and Financial Highlights (continued)

Sunland remains in a good position to achieve this vision. The Group's $3.7 billion portfolio is strategically diversified across its core activities of medium density housing, urban development, and high-rise and medium-rise projects and is well positioned to benefit from the improving market conditions in Sydney, Melbourne and south-east Queensland. After several years of capital management, consolidation and portfolio replenishment, Sunland is now in an established phase of delivery with up to 15 projects scheduled to be launched, or under construction, during the 2015-16 financial year. This increased focus on delivery, combined with the size, value and geographic diversification of Sunland's projects, provides strong earnings visibility in the medium-term.

Alongside Sunland's sales and delivery program is a steadfast commitment to sustainable portfolio replenishment. Sunland's growth strategy is both organic and opportunistic, focusing on premium quality sites in emerging and established growth markets, with natural and built amenity. In the 2016 financial year the Group will continue to actively monitor the market for new opportunities to increase its development pipeline in strong-performing markets, particularly in south-east Queensland, and also Sydney and Melbourne. The Sydney and Melbourne markets continue to offer value for off-market, infill acquisitions where Sunland's quality home designs and craftsmanship generally offers a premium alternative to our competitors. These sites will continue to be a focus as the Group reviews growth opportunities in the year ahead. Sunland's growth strategy is both organic and opportunistic, focusing on premium quality sites in emerging and established growth markets, with natural and built amenity.

Significant Changes in the State of Affairs

In the opinion of Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the year under review not otherwise disclosed in this report or the consolidated financial report.

Environmental Regulation and Performance

The consolidated entity's operations are subject to environmental regulations under both Commonwealth and State legislation in relation to its property development activities. The Directors are not aware of any significant breaches during the period covered by this report.

Likely Developments and Expected Results

Directors continue to be mindful of enhancing shareholder return and the Group's dividend payment policy will assist in achieving that goal. The Company must continue with its strategy of replenishing the portfolio across key locations in south-east Queensland, New South Wales and Victoria to continue and enhance operations. Existing projects will be delivered and the cash generated from these, together with the capacity provided by the Group's debt lines, will support this strategy. Sunland has a number of projects and other opportunities in hand which provide the foundation for future operations of the Group.

Director's Interests

The relevant interest of each director in the shares and options over such shares of the Company, as notified by the Directors to the Australian Securities Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares
Dr Soheil Abedian	46,436,348 *
Mr Sahba Abedian	7,520,000
Mr Craig Carracher	14,000
Mr Ron Eames	30,000
Mr Chris Freeman	100,000

* In addition to this holding, parties related to this director hold 833,000 shares.

There are no options held by directors over unissued ordinary shares of the Company.

Indemnification and Insurance of Officers

Since the end of the previous year the Company has paid insurance premiums in respect of Directors and Officers Liability and Company Reimbursement insurance, for all Directors, officers and certain employees, Directors of subsidiary companies, Directors and officers who have retired or relinquished their position prior to the inception of or during the policy period, and Directors who may be appointed during the policy period. The insurance cover also extends to outside directorships held by insured persons for the purpose of representing Sunland.

Under Sunland's constitution Directors and officers are entitled to be indemnified out of the assets of the Company against certain losses incurred in relation to the completion of their duties. During the period certain costs incurred by various Directors and officers in respect to claims have been paid on behalf of those Directors and officers under the Constitution's indemnity provisions.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Remuneration Report (Audited)

This Remuneration Report sets out the Group's remuneration framework for key management personnel. It demonstrates the links between the performance of the Group and the individuals' remuneration and discloses the remuneration arrangements, any equity holdings, loans and other transactions for key management personnel. This report meets the disclosure requirements of the Corporations Act 2001.

Remuneration Philosophy

The objective of Sunland's Executive Remuneration practices is to attract, retain and appropriately reward the executive talent required to achieve both short-term and long-term success.

The maintenance of a strong, talented and stable executive management team is a high priority for Sunland. Each executive has been personally selected due to their proven abilities and many have worked closely with the Group in the past.

Sunland has undertaken to reward the executive management team through a remuneration framework consisting of a fixed annual remuneration package complemented by long-term incentive programs provided through discretionary trusts operated independently of Sunland's Board of Directors. The long-term incentive programs extend to all eligible employees of the company as detailed below.

There is no short-term incentive program in place as this is not consistent with Sunland's long-term focus or its normal business cycle.

The principles of the framework incorporate:

- Providing competitive remuneration packages relative to market;
- Linking executive remuneration to shareholder value;
- Establishing objectives for regional, divisional and individual performance;
- Maintaining a strong focus on both teamwork and individual performance; and
- Encouraging long term tenures with Sunland.

Review of Remuneration Framework

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. Directors assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and the remuneration framework with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Management Team.

Details of Key Management Personnel

Key management personnel including Directors and executives have authority and responsibility for planning, directing and controlling the activities of the Company and Group. These are the following personnel as at 30 June 2015:

Directors
Mr Sahba Abedian, Managing Director
Dr Soheil Abedian, Chairman (executive)
Mr Ron Eames, Director (non-executive)
Mr Craig Carracher, Director (non-executive)
Mr Christopher Freeman, Director (non-executive)

Officers
Mr Grant Harrison, Company Secretary and Chief Financial Officer

An Executive Management Team, which includes Executive Directors and the Chief Financial Officer, is tasked with executing the Group's strategies and objectives set by the Board. Only those members disclosed above are considered to meet the key management personnel criteria. From 1 July 2014, David McMahon and David Brown, who are also members of the Executive Management Team, ceased to meet the criteria set by Australian Accounting Standards for key management personnel. There were no changes of key management personnel after reporting date and the date the financial report was authorised for issue.

Long Term Incentives ('LTI')

Objectives

The objective of the LTI plan is to reward personnel in a manner that:

- Aligns remuneration with the creation of shareholder wealth;
- Encourages long term tenures with the Group;
- Provides for the future retirement benefit of employees; and
- Allows the Group to retain executives and other personnel.

A LTI plan was approved by Directors on 15 June 2011. The Program has been established through a discretionary trust deed which is operated independently from Sunland's Board by a Trustee appointed by the Eligible Employees. The purpose of the discretionary trust is to provide eligible termination payments to Eligible Employees. Eligible Employees are not restricted to senior management personnel and include Executive Directors. An employee's eligibility to participate in the Program is tested periodically and various criteria must be met, such as minimum continuous service (generally three years) and satisfactory employment performance. Funds are contributed to the discretionary trust annually at the discretion of the Board and are invested by the Trustee of the discretionary trust on behalf of the Eligible Employees. Distributions to Eligible Employees are also made at the discretion of the Trustee. Directors have historically assessed the contribution in September each year and have paid up to 1% of net profit after tax. A contribution of $142,500 was made by Sunland during the period (FY14: Nil).

During the 2014 Annual General Meeting, the members of Sunland voted in favour of issuing 3,500,000 shares (issue price $1.70), funded through an interest free loan provided by Sunland, to establish an additional LTI for certain core employees who have contributed significantly to the Company during the course of their employment. The plan is known as the Sunland Employee Retirement Fund (SERF), which is a discretionary trust that holds the issued shares for the benefit of Eligible Employees. Directors must approve Eligible Employees who maybe full-time or part-time employees, however Directors are excluded. Under the rules of the Fund, the Trustee may nominate an Eligible Employee for a payment from the SERF upon their retirement from the company and having been an employee of the company for a period of 10 years. Where the SERF is to make a payment to an Eligible Employee upon their retirement, the SERF will sell Sunland shares and apply the proceeds firstly to repay the interest free loan and surplus funds (above the original issue price per share) will be paid to the retiring employee as a trust distribution. If at the time the market price of the shares do not exceed the issue price then there would be no distribution.

Non-Executive Director Remuneration

Objective

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

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate level of remuneration shall be determined by a meeting of members. The latest determination was at the Annual General Meeting held on 28 November 2005 when shareholders approved an aggregate remuneration for non-executive Directors of $500,000.

Non-Executive Director Remuneration (continued)

In accordance with the Constitution, the aggregate remuneration sum is to be divided among them in such proportion and manner as the Directors agree and, in default of agreement, equally. If a director performs extra services or makes special exertions in relation to the affairs of the Company, they may be entitled to a special remuneration, either in addition to or as a substitution for that director's remuneration. In addition to this, the Directors may decide to pay a pension or lump sum payment in respect of past services, for those Directors who have died or otherwise have ceased to hold office.

Executive Director Remuneration

Objective

Remuneration for the Managing Director (Mr Sahba Abedian) and the Executive Chairman (Dr Soheil Abedian) is designed to:

- Ensure the pursuit of the Group's long term growth within an appropriate control framework;
- Demonstrate a clear relationship between executive director performance and remuneration; and
- Ensure total remuneration is competitive by market standards and provides sufficient and reasonable rewards for the time and effort required in these roles.

Structure

The remuneration structure for the Managing Director and Executive Chairman consists of:

- A base salary; and
- The grant of long-term incentives through the LTI plan where eligibility criteria are met.

No bonuses or other short-term incentives are paid to Executive Directors as these are not consistent with the Group's long-term growth focus and the Group's business cycle. The terms of employment of Executive Directors are consistent with those of the Executive and details are advised below.

None of the Executive Directors are employed under a contract linked to the performance of the Company.

Executive Remuneration

Objective

The Group's executive reward structure is designed to:

- Ensure the pursuit of the Group's long term growth within an appropriate control framework;
- Demonstrate a clear relationship between key executive performance and remuneration; and
- Provide sufficient and reasonable rewards to ensure the Group attracts and retains suitably qualified and experienced people for key roles.

Structure

The remuneration structure for the Executive consists of:

- A base salary; and
- The grant of long term incentives through the LTI plan.

No salary bonuses or other short-term salary incentives are generally paid to Executives as these are not consistent with the Group's long-term growth focus and the Group's business cycle.

Executive Remuneration (continued)

All Executives, including the Executive Directors have employment contracts with no fixed end date. Any executive may resign from their position and thus terminate their contract by giving 4 weeks written notice. The Company may terminate the employment agreement by giving 4 weeks written notice or providing payment in lieu of the notice period. The Company may terminate the contract at any time if serious misconduct has occurred. On termination any eligibility to the LTI plan will immediately be forfeited.

None of the Executives are employed under a contract linked to the performance of the Company.

Compensation of key management personnel (KMP)

Remuneration of KMP is detailed in the following table:

		Short-term	Post-employment	
		Salary & Fees	Superannuation	Total
Non-Executive Directors				
Ron Eames	**2015**	**70,396**	**6,888**	**77,284**
	2014	45,870	4,245	50,115
Craig Carracher	**2015**	**70,396**	**6,888**	**77,284**
	2014	45,870	4,245	50,115
Chris Freeman	**2015**	**36,530**	**3,470**	**40,000**
	2014	-	-	-
Sub-Total Non-Executive Directors	**2015**	**177,322**	**17,246**	**194,568**
	2014	91,740	8,490	100,230
Executive Directors				
Sahba Abedian	**2015**	**726,592**	**18,783**	**745,375**
	2014	723,506	17,775	741,281
Soheil Abedian	**2015**	**732,225**	**17,775**	**750,000**
	2014	732,225	17,775	750,000
Other Key Management Personnel (Group)				
Grant Harrison	**2015**	**281,217**	**18,783**	**300,000**
	2014	258,530	17,775	276,305
David McMahon (until 30 June 2014)	**2015**	**-**	**-**	**-**
	2014	282,225	17,775	300,000
David Brown (until 30 June 2014)	**2015**	**-**	**-**	**-**
	2014	282,225	17,775	300,000
Total Key Management Personnel Compensation (Group)	**2015**	**1,917,356**	**72,587**	**1,989,943**
	2014	2,370,451	97,365	2,467,816

Dr Soheil Abedian salary sacrificed the sum of $750,000 to the Abedian Foundation (FY14: $725,000).

Shareholdings of Key Management Personnel

Shares held by key management personnel and their related parties in Sunland Group Limited is as follows. No shares have been granted as part of remuneration and no options have been issued or exercised.

	Balance 1 July 2014	Net changes	Balance 30 June 2015
Directors			
Ron Eames	30,000	-	30,000
Soheil Abedian *	46,533,000	736,348	47,269,348
Sahba Abedian	7,520,000	-	7,520,000
Craig Carracher	14,000	-	14,000
Chris Freeman	-	100,000	100,000
* Inclusion of related party holding of 833,000 shares			
Officers			
Grant Harrison	659,178	-	659,178
Total	54,756,178	836,348	55,592,526

Group performance

In considering the Group's performance and benefits for shareholder wealth, the Directors have regard to the following indices in respect of the current financial year and the previous four financial years:

	2015	**2014**	**2013**	**2012**	**2011**
Basic Earnings Per Share	16.9c	8.0c	7.2c	7.2c	9.3c
Earnings Per Share growth (%)	111%	11.1%	2.8%	(22.6%)	45.3%
Security price – at 30 June	$1.79	$1.56	$1.41	$0.93	$0.62
Change in security price (%)	14.7%	10.6%	51.6%	51.2%	(9.6%)
Dividend per share declared (fully franked)	10.0c	4.0c	2.0c	0.0c	0.0c
Dividend per share growth (%)	150%	100%	N/A	N/A	N/A
Net Tangible Assets per share	$2.01	$1.96	$1.87	$1.79	$1.55
Change in Net Tangible Assets (%)	2.6%	4.8%	15.5%	11.5%	15.8%

The Group continues to focus its energies on strengthening its financial position, enhancing shareholder value and growing its development revenue streams.

Compensation options

During this financial year no options over the share capital of Sunland Group Limited were granted as equity compensation to any Directors or Executives.

Rounding

The Company is of a kind 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.

Non-Audit Services

Non-audit services were provided by the entity's auditor, Ernst & Young, as disclosed in the notes to the financial statements. The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that audit independence was not compromised.

Audit Independence and Non-Audit Services

The Directors received the following declaration from the auditor of Sunland Group Limited and forms part of the Director's Report for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors.

Mr Sahba Abedian
Managing Director
Dated this 26 August 2015

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Auditor's Independence Declaration to the Directors of Sunland Group Limited

In relation to our audit of the financial report of Sunland Group Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Alison de Groot
Partner
26 August 2015

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

	Notes	**2015 $'000**	2014 $'000
Revenue from the sale of properties		**279,747**	178,025
Revenue from project services		**2,310**	2,573
Other revenue from operations	3(a)	**6,907**	7,394
Total Revenues		**288,964**	187,992
Other income/(expense)	3(b)	**(154)**	8,630
Share of profits/(losses) of associates		**-**	(1,763)
Changes in inventories and work in progress	3(c)	**(219,200)**	(146,294)
Cost of project services		**(1,829)**	(2,330)
Cost of other operations		**(3,865)**	(4,256)
Employee benefits expense		**(11,080)**	(8,430)
Depreciation and amortisation expense		**(1,057)**	(1,038)
Administration and other expenses	3(d)	**(7,135)**	(13,836)
Profit/(loss) before income tax		**44,644**	18,675
Income tax benefit/(expense)	4	**(14,586)**	(4,425)
Net profit/(loss) attributable to members of Sunland Group Limited		**30,058**	14,250
Total comprehensive income attributable to members of Sunland Group Limited		**30,058**	14,250
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Group:			
Basic earnings per share	5	**16.9**	8.0
Diluted earnings per share	5	**16.9**	8.0

	Notes	**2015 $'000**	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**26,238**	14,657
Trade and other receivables	9	**3,330**	19,105
Inventories	6	**104,253**	135,671
Current tax receivables	4	**-**	3,534
Other current assets		**1,094**	2,709
Total current assets		**134,915**	175,676
Non-current assets			
Receivables	9	**347**	301
Inventories	6	**340,920**	284,870
Property, plant and equipment		**4,192**	4,891
Investment properties	10	**24,970**	4,586
Investments accounted for using the equity method		**-**	232
Total non-current assets		**370,429**	294,880
Total assets		**505,344**	470,556
LIABILITIES			
Current liabilities			
Trade and other payables	11	**13,580**	18,040
Interest bearing liabilities	14	**6,676**	33,078
Current tax liabilities	4	**4,216**	-
Provisions	12	**4,573**	9,361
Other current liabilities		**431**	560
Total current liabilities		**29,476**	61,039
Non-current liabilities			
Trade and other payables	11	**2,000**	2,000
Interest bearing liabilities	14	**106,655**	51,268
Deferred tax liabilities	4	**8,374**	6,511
Provisions	12	**414**	248
Other non-current liabilities		**604**	-
Total non-current liabilities		**118,047**	60,027
Total liabilities		**147,523**	121,066
Net assets		**357,821**	349,490
EQUITY			
Issued capital	18	**195,662**	195,662
Retained earnings		**162,159**	153,828
Capital and reserves attributable to owners of Sunland Group Limited		**357,821**	349,490
Total equity		**357,821**	349,490

	Notes	**2015 $'000**	2014 $'000
Cash flows from operating activities			
Cash receipts from operations		**321,910**	194,120
Cash payments to suppliers and employees		**(284,392)**	(259,459)
Interest received		**550**	598
Interest and other finance costs paid		**(7,909)**	(5,771)
Income taxes (paid)/refunded		**(4,972)**	(5,115)
Net cash inflow (outflow) from operating activities	8	**25,187**	(75,627)
Cash flows from investing activities			
Cash paid on acquisition of property, plant and equipment		**(1,215)**	(2,797)
Payments for investment property		**(20,509)**	-
Proceeds from the sale of property, plant and equipment		**-**	310
Repayments of loans by third parties		**789**	3,248
Proceeds from sale of subsidiary		**-**	3
Cash paid on acquisition of debt instrument		**-**	(7,000)
Proceeds from sale of debt instrument		**-**	11,543
Proceeds on sale of associate		**70**	-
Net cash (outflow) inflow from investing activities		**(20,865)**	5,307
Cash flows from financing activities			
Proceeds from borrowings		**43,469**	72,789
Repayment of borrowings		**(14,483)**	-
Purchase of shares through share buy-back		**-**	(10,020)
Payment of share buy-back costs		**-**	(8)
Dividends paid to company's shareholders	17	**(21,727)**	(7,124)
Net cash inflow from financing activities		**7,259**	55,637
Net increase (decrease) in cash and cash equivalents		**11,581**	(14,683)
Cash and cash equivalents at the beginning of the financial year		**14,657**	29,340
Cash and cash equivalents at end of period	7	**26,238**	14,657

		Attributable to owners of Sunland Group Limited			
	Notes	**Ordinary shares $'000**	**Share Option Reserve $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 July 2013		205,688	6,779	139,923	352,390
Profit for the year as reported in the 2014 financial statements		-	-	14,250	14,250
Total comprehensive income for the period		**-**	**-**	**14,250**	**14,250**
Transactions with owners in their capacity as owners:					
Transfer of share option reserve		-	(6,779)	6,779	-
Dividends provided for or paid	17	-	-	(7,124)	(7,124)
Share buy-back		(10,020)	-	-	(10,020)
Transaction costs of share buy-back		(6)	-	-	(6)
Balance at 30 June 2014		**195,662**	**-**	**153,828**	**349,490**
Balance at 1 July 2014		195,662	-	153,828	349,490
Total equity at the beginning of the financial year		**195,662**	**-**	**153,828**	**349,490**
Profit for the year as reported in the 2015 financial statements		-	-	30,058	30,058
Total comprehensive income for the period		**-**	**-**	**30,058**	**30,058**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	17	-	-	(21,727)	(21,727)
Shares issued	18	5,950	-	-	5,950
Treasury shares	18	(5,950)	-	-	(5,950)
Balance at 30 June 2015		**195,662**	**-**	**162,159**	**357,821**

1 Segment Information

Operating Segments

30 June 2015	**Land & Housing $'000**	**Multistorey Australia $'000**	**Other $'000**	**Consolidated $'000**
Revenue				
Revenue recognised from operations	250,359	29,402	8,653	288,414
Interest revenue				550
Total operating revenue				**288,964**
Development costs incurred in delivery				
Finance costs expensed	(6,286)	(480)	-	(6,766)
Other development costs expensed	(186,833)	(23,996)	(5,858)	(216,687)
Total development costs	(193,119)	(24,476)	(5,858)	(223,453)
Segment result - development return	**57,240**	**4,926**	**2,795**	**64,961**
Return on development costs	30%	20%		29%
Other transactions during the year				
Marketing	(3,988)	(1,219)	-	(5,207)
Adjustments for impairment and warranties	1,284	4,000	-	5,284
Loss on sale of associate				(154)
Interest revenue				550
Unallocated corporate expenses				(20,790)
Profit from ordinary activities before tax				44,644
Income tax expense				(14,586)
Net profit for the year				**30,058**
Depreciation and amortisation*	198	-	118	316
Assets				
Segment assets	278,468	160,020	36,048	474,536
Investment in associate				-
Unallocated corporate assets				30,808
Consolidated total assets				**505,344**
Liabilities				
Segment liabilities	(102,616)	(25,512)	(846)	(128,974)
Unallocated corporate liabilities				(18,549)
Consolidated total liabilities				**(147,523)**

* Depreciation of $741,000 is included within unallocated corporate expenses.

1 Segment Information (continued)

Operating Segments

30 June 2014	**Land & Housing $'000**	**Multistorey Australia $'000**	**Other $'000**	**Consolidated $'000**
Revenue				
Revenue recognised from operations	163,252	14,773	9,369	187,394
Interest revenue				598
Total operating revenue				**187,992**
Development costs incurred in delivery				
Finance costs expensed	(3,157)	(220)	(19)	(3,396)
Other development costs expensed	(124,752)	(12,594)	(7,624)	(144,970)
Total development costs	(127,909)	(12,814)	(7,643)	(148,366)
Segment result - development return	**35,343**	**1,959**	**1,726**	**39,028**
Return on development costs	28%	15%		27%
Other transactions during the year				
Marketing	(2,238)	(2,130)	-	(4,368)
Adjustments for impairment and warranties	(1,202)	-	-	(1,202)
Gain on sale of subsidiary				1,888
Gain on sale of debt instrument				4,543
Gain on debt forgiveness				2,034
Loss on sale of PPE				(10)
Share of net profit/(loss) from associate				(1,763)
Net gain/(loss) on foreign exchange				175
Interest revenue				598
Unallocated corporate expenses				(22,248)
Profit from ordinary activities before tax				18,675
Income tax expense				(4,425)
Net profit for the year				**14,250**
Depreciation and amortisation*	-	442	17	459
Assets				
Segment assets	324,740	111,967	10,554	447,261
Investment in associate				232
Unallocated corporate assets				23,063
Consolidated total assets				**470,556**
Liabilities				
Segment liabilities	76,866	27,317	202	104,385
Unallocated corporate liabilities				16,681
Consolidated total liabilities				**121,066**

* Depreciation of $579,000 is included within unallocated corporate expenses.

The consolidated entity comprises the following main segments:-
- Land and Housing - development and sale of land (urban development) and medium density housing products
- Multistorey - development and sale of medium rise projects (generally between five and fifteen stories) and high rise projects (above fifteen stories).

Management approaches and manages project acquisitions and feasibilities using primarily a “return on cost” methodology with a target of 20% return on development costs. Development costs include land, consultants, construction costs, statutory charges and finance costs required to deliver the project. These costs are capitalised for accounting and expensed as revenue is generated through the settlements of a project as it is progressively completed, usually on a staged basis.

Marketing costs are managed separately and are generally expensed for accounting, ahead of recognising revenue from a project. This can distort the reported return on projects and each segment, especially where projects (which are mostly staged) are delivered over multiple reporting periods. Operating segment disclosures therefore separate marketing and other one off costs expensed during a reporting period in order to assess the consistency of returns on development costs associated with the projects and each segment.

Refer to note 25 for the group’s accounting policy on operating segments.

Contents of the notes to the consolidated financial statements

2 Basis of preparation

These financial statements of Sunland Group Limited are the consolidated financial statements of the parent and its controlled entities ("Group") for the year ended 30 June 2015 authorised for issue in accordance with a resolution of Directors on 26 August 2015. The Directors have the power to amend and reissue the financial statements.

Sunland Group Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The Group's registered office and principal place of business is:

Sunland Group Limited
Suite 2602, "One One One Eagle Street"
Level 26, 111 Eagle Street
Brisbane Qld 4000

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Sunland Group. Information is considered relevant and material if:

- It is significant in size or nature;
- It is important in understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It is important to the Group's future performance.

The notes are organised into the following sections:
- Financial Performance;
- Financial Position;
- Capital structure; and
- Other notes.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The operating cycle of the business varies depending on each operating segment of the Group. Once appropriate development approvals are obtained for a project, the delivery cycle will differ with each segment. It may be less than 12 months for housing construction and staged land subdivision projects. Multi story developments span greater than 12 months and depend upon the construction time of a project, usually between 12 months and 36 months.

The principal accounting policies adopted in the preparation of these consolidated financial statements are presented throughout the report. These policies have been consistently applied to all the years presented.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Sunland Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Financial Performance

3 Revenue and expenses

(a) Other revenues

	2015 $'000	2014 $'000
Rental income	**3,612**	2,605
Interest received	**550**	598
Other revenue	**2,745**	4,191
	6,907	7,394

(b) Other income

Net gain/(loss) of foreign exchange	**-**	175
Net gain on sale of subsidiary *	**-**	1,888
Net gain/(loss) on disposal of associate	**(154)**	-
Net gain/(loss) on disposal of property, plant and equipment	**-**	(10)
Net gain on debt forgiveness^	**-**	2,034
Net gain on sale of debt instrument **	**-**	4,543
	(154)	8,630

* In the prior year, the Group exited the balance of its Dubai exposure resulting in a $1,888,000 profit contribution.

** In the prior year, the net gain on the sale of debt instrument resulted from the repayment of the instrument following the sale of the security for the Waterline Estate, Redland Bay, Brisbane.

^ In the prior year, the outstanding balance of a non-recourse loan payable by the Group was forgiven by the lender, Sunland Diversified Land Fund No. 2, which was an associate and was sold during the financial year.

(c) Change in inventories of finished goods and work in progress

Costs of goods sold	**217,718**	141,419
Finance costs	**6,766**	3,377
Net realisable value of inventory adjustments/(gain)	**(5,284)**	1,498
	219,200	146,294

During the period, the net realisable value of inventory adjustments included the reversal of a $4,000,000 provision against land held in inventory. The reversal of this provision was as a result of a change in property market conditions and the Group's planned approach to realise the value of the property through its development.

(d) Administration and other expenses

Legal expenses	**1,752**	10,041
Other administration expenses	**5,383**	3,795
Total administration and other expenses	**7,135**	13,836

3 Revenue and expenses (continued)

(d) Administration and other expenses (continued)

Legal expenses incurred during the prior period relate primarily to costs incurred in respect of the trial, appeal and cost order against Sunland associated with the Supreme Court of Victoria concerning Sunland's claim of misrepresentation. These proceedings and costs associated with them is now fully settled. Refer to note 12(b) for further information. Legal expenses incurred during the current financial period are primarily associated with Sunland's defense of claims made against various Officers of the Company. The Officers have claimed indemnity under the Company's Constitution.

(e) Revenue recognition accounting policy

The Group recognises revenue when the amount of revenue is received, or where receivable, it can be reliably measured, is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and expenses are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the expense.

Revenue is recognised for the major business activities as follows:

(i) Sale of properties

Revenue is recognised when the significant risks and rewards of ownership and effective control of the properties have passed from the Group to the buyer. This is generally considered to be at settlement for the sale of the goods. Where settlement has not occurred, the significant risks and rewards of ownership and effective control of the goods may have passed from the Group once the contract has become unconditional, approvals are received from local authorities, and it is probable that settlement will occur in the immediate future. The related receivable is recognised in the settlement receivables on accrued revenue account. No revenue is recognised if there are significant uncertainties regarding recovery of consideration due, or if there is a risk of there being continuing management involvement to the degree usually associated with ownership of the project.

(ii) Forfeited deposits

Where deposits are forfeited on pre-completion contracts due to purchaser default, revenue is recognised as income in the period in which it is received.

(iii) Revenue from other operations

Rendering of services

Revenue from project services and other services rendered by the Group is recognised when the service is rendered and the revenue is receivable.

Interest income

Interest income is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental Income

Rental income is accounted for on a straight-line basis over the lease term.

Sale of debt instrument

Revenue is recognised on the sale of a debt instrument held for trading in the near term as a financial asset designated upon initial recognition at fair value through profit and loss.

(iv) Cost of goods sold and net realisable value adjustments

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised.

3 Revenue and expenses (continued)

(e) Revenue recognition accounting policy (continued)

Adjustments to the net realisable value of inventory are recorded within the change in inventories of finished goods and work in progress account in profit and loss. Net realisable value is determined in accordance with the accounting policy in note 6.

4 Income tax expense

(a) Income tax expense

	2015 $'000	2014 $'000
Current income tax expense	**11,229**	3,737
Deferred income tax expense	**1,864**	1,080
Adjustments to current tax of prior periods	**1,493**	(392)
	14,586	4,425
Income tax expense is attributable to:		
Profit from continuing operations	**14,586**	4,425

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2015	2014
Profit from continuing operations before income tax expense	**44,644**	18,675
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	**13,393**	5,603
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other	**(300)**	385
Other expenditure not allowable for income tax purposes	**-**	5
Gain on deconsolidation of Dubai JV not assessed from income tax	**-**	(566)
Gain on debt forgiveness SDLF#2 not assessable for income tax	**-**	(610)
Adjustment in respect of current income tax of previous years	**1,493**	(392)
Income tax expense/(benefit)	**14,586**	4,425

(c) Consolidated deferred income tax

	Statement of financial position		Statement of comprehensive income	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Deferred tax liabilities				
Items deductible for tax but capitalised for accounting	**(11,870)**	**(10,778)**	**1,092**	**1,793**
Income not currently assessable for tax	**(833)**	**(433)**	**400**	**(435)**
	(12,703)	**(11,211)**		
Deferred tax assets				
Warranty provision not immediately deductible for tax	**777**	**1,829**	**1,052**	**(1,264)**
Other provisions not immediately deductible for tax	**2,824**	**1,293**	**(1,531)**	**(594)**
Expenses not immediately deductible for tax	**728**	**1,224**	**496**	**318**
Share issue costs	**-**	**-**		**17**
Tax on unrealised accounting profit	**-**	**-**		**663**
Tax losses acquired	**-**	**355**	**355**	**-**
	4,329	**4,701**		
Total deferred tax	**(8,374)**	**(6,510)**		
Deferred income tax			**1,864**	**1,080**

4 Income tax expense (continued)

(d) Tax consolidation

Sunland Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect 1 from July 2003. Sunland Group Limited is the head entity of the tax consolidated group.

Tax losses carried forward

The Group has revenue based tax losses of $nil (2014: $1,224,483) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group has capital tax losses of $31,104,322 (2014: $39,857,833) that are available for offsetting against future capital gains of the Group that are not recognised as deferred tax assets under the basis it is not considered probable of recovery. These tax losses have no expiry date.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. Current and deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each year.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Sunland Group Limited. The Group has applied the modified separate taxpayer within a group approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

(e) Income tax accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the Australian company tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Australia where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax is recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group offsets deferred and current tax assets and liabilities as there exists a legally enforceable right to offset them and the Group intends to settle on a net basis.

5 Earnings per share

(a) Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	2015	2014
	$'000	$'000
Net profit for basic and diluted earnings	**30,058**	14,250
Weighted average number of shares used as the denominator for the calculation of basic earnings per share		
Ordinary shares	**178,144**	178,208
Number used for the calculation of diluted earnings per share	**178,144**	178,208
Earnings per share (cents per share)	**16.9**	8.0

(b) Earnings per share accounting policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

There were no dilutive interests in the current or comparative periods.

Financial Position

6 Inventories

	2015 $'000	2014 $'000
Current		
Development costs for land held for development and sale	**104,877**	136,821
Net realisable value provision	**(624)**	(1,150)
	104,253	135,671
Non-current		
Development costs for land held for development and sale	**340,920**	290,645
Net realisable value provision	**-**	(5,775)
	340,920	284,870

During the period, borrowing costs of $7,909,000 (2014:$5,752,000) were capitalised into inventory. At balance date, inventory includes capitalised interest of $11,542,000 (2014: $10,397,000).

(a) Inventories accounting policy

Inventories are measured at the lower of cost and net realisable value. Development costs include land, the cost of acquiring the land, consultants, construction, holding and finance costs incurred from when the land is acquired until the project is fully developed and sold.

Deposits paid for the acquisition of inventories are classified as inventories.

(ii) Net realisable value of inventories

The Group periodically assesses whether inventory is held at the lower of cost or net realisable value. The Group makes an estimate of net realisable value at least at each reporting period. Where the carrying amount of inventory exceeds its net realisable value, a provision is raised to reduce its value to net realisable value. Items that have a net realisable value provision are tested for possible reversal of the provision whenever events or changes in circumstances indicate that the impairment may have reversed.

The net realisable value is based on estimated selling price (net of selling costs and GST) less costs of inventories, including costs incurred and costs to complete in the ordinary course of business. This assessment reflects current market assessments and previous experience. It is also based on management's intentions in the planned manner of disposal of the asset, either through development and sale or disposal as is.

7 Cash and cash equivalents

	2015 $'000	2014 $'000
Cash	**26,238**	14,657

Cash at bank earns interest at fixed or floating rates based on daily bank deposit rates.

8 Reconciliation of profit after income tax to net cash inflow from operating activities

	2015 $'000	2014 $'000
Profit for the period	**30,058**	14,250
Depreciation and amortisation	**1,057**	1,038
Net loss/(gain) on debt forgiveness	**-**	(2,034)
Net loss/(gain) on disposal of property, plant and equipment	**-**	10
Net loss/(gain) on disposal of subsidiary	**-**	(1,888)
Net loss/(gain) on disposal of debt	**-**	(4,543)
Net loss/(gain) on disposal of associate	**154**	-
Amounts set aside to provisions	**-**	1,750
Impairment/(reversal) of land and receivables	**-**	1,498
Loss/(profit) from associate	**-**	1,763
Net cash provided by operating activities before change in assets and liabilities	**31,269**	11,844
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**33,781**	(1,502)
(Increase)/decrease in inventories	**(15,317)**	(97,993)
(Decrease)/increase in trade and other payables	**(32,095)**	15,735
(Decrease)/increase in other liabilities	**-**	(648)
(Decrease)/increase in provision for income taxes payable	**9,428**	(1,772)
(Decrease)/increase in deferred tax liabilities	**152**	(1,080)
(Decrease)/increase in other provisions	**(4,296)**	-
(Increase)/decrease in prepayments	**2,265**	1,725
(Decrease)/increase in property deposits	**-**	(1,936)
Net cash inflow (outflow) from operating activities	**25,187**	(75,627)

(a) Cash and cash equivalents accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are presented on a gross basis, with the exception of the working capital facilities that receive settlement deposits, which are available to be drawn down to fund development. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows. The comparative period has been adjusted to reflect this presentation.

9 Trade and other receivables

	2015 $'000	2014 $'000
Current		
Development receivables	**613**	2,776
Amounts receivable from joint operations	**2,048**	1,443
Settlement receivables on accrued revenue	**-**	12,582
	2,661	16,801
Loans to third parties	**160**	1,351
Amounts receivable from associates	**-**	86
Other receivables	**509**	867
	3,330	19,105
Non-current		
Loans to third parties	**127**	81
Amounts receivable from joint operations	**220**	220
	347	301

(a) Risk exposure

The maximum exposure to credit risk at reporting date is carrying value of each class of receivable.

(b) Trade and other receivables accounting policy

Trade receivables generally have 30-day terms and are recognised and carried at original invoice amount less a provision for any uncollectible debts. The recoverability is assessed at reporting date and specific provision is made for any doubtful accounts. Bad debts are written off when identified.

Receivables are stated inclusive of the amount of GST receivable. The net amount of GST receivable or payable to the taxation authority is included with other receivables or payables in the consolidated statement of financial position depending if it is an asset or liability.

(c) Loans and receivables accounting policy

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

10 Investment properties

	2015	2014
	$'000	$'000
At cost		
Gross carrying amount	**25,484**	4,983
Accumulated depreciation	**(514)**	(397)
Closing balance at 30 June	**24,970**	4,586

The Group has no restrictions on the ability to realise its investment properties and no contractual obligations to either purchase, construct or develop its investment properties or for repairs, maintenance and enhancements.

Opening balance	**4,586**	4,728
Additions	**20,509**	8
Depreciation	**(125)**	(150)
Closing balance	**24,970**	4,586

On 29 May 2015, the Group acquired a retail investment property and land zoned for a retail development as a part of the acquisition of The Lakes property on the Gold Coast for $20,509,000. A portion of this acquisition is currently undeveloped. It is the Group's intention to develop this land into a retail investment property which the Group will operate.

Using current prices in an active market for similar properties, the Group used a Director's valuation process to estimate the fair market value of the investment properties. The value was determined to be $24,970,000 (2014: $4,600,000) (level 3). The Director's valuation considers rental income streams, income capitalisation rates and comparable property values. The Lakes investment property was acquired on 29 May 2015 in an arm's length transaction between two willing parties. The directors have considered this in their assessment of fair value. Transaction costs on the acquisition during the period did not form part of the fair value estimate. No independent valuations were sought by the Group on the investment properties held.

(a) Investment properties

Investment properties are measured initially at cost, comprising purchase price and any directly attributable transaction costs. The carrying amount includes additions which represent the cost of replacing part of an existing investment property at the time that cost is incurred. Any parts that are replaced are derecognised.

Where an investment property is developed, cost includes cost of construction incurred up to the point where the asset is complete, which is the point at which it is capable of being operated as intended. Depreciation is then applied from this date.

The costs of day-to-day servicing of an investment property are recognised as an expense as incurred. Subsequent to initial recognition depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset. The useful life ranges from 5 to 40 years.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when and only when there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when there is a change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

11 Trade and other payables

Current	2015 $'000	2014 $'000
Trade creditors	**13,204**	11,820
Other creditor and construction accruals	**376**	6,220
	13,580	18,040

Non-current		
Other creditors	**2,000**	2,000
	2,000	2,000

Trade creditors are non-interest bearing and are normally settled on a 30 to 60 day term.

(a) Trade and other payables accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Payables are stated inclusive of GST.

12 Provisions

Current liabilities		
Employee benefits	**1,961**	1,534
Warranties (a)	**2,590**	6,077
Legal claim (b)	**22**	1,750
	4,573	9,361

Non-current liabilities		
Employee benefits	**74**	63
Make good provision	**340**	185
	414	248

(a) Warranty costs

Provision is made for the estimated warranty claims in respect of property sold which are still under warranty at the end of the reporting period. In determining the level of provision required to warranty provisions the Group has made judgements in respect of the expected performance of the product, number of customers who will actually use the warranty provision and how often, and the costs of fulfilling the performance of the warranty. Historical claims experience and current knowledge of the performance of products has been used in determining this provision.

12 Provisions (continued)

(b) Legal claim

The Group initiates and defends legal actions to protect its rights and remedies against what the Group deems as wrongful acts and claims against it. These actions are considered with the benefits of advice from its legal advisors and costs are expensed as incurred during these actions.

In previous financial periods, the Group provided for Respondents' costs awarded against Sunland in respect to the trial conducted in the Victorian Supreme Court and the Court of Appeal. The provision is now fully utilised.

(c) Movements in provisions

Movements in each material class of provision during the financial year

2015	**Warranties $'000**	**Legal claim $'000**
Carrying amount at the start of the year	6,077	1,750
Additional provisions	2,142	706
Amounts used	(5,629)	(2,434)
Carrying amount at end of period	2,590	22

(d) Provisions accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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 the 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. In the circumstance where the insurance proceeds will not be received by the Group but will represent a reduction in the Group's liability, the insurance receivable is recognised as a reduction in the provision. 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 discounted using a current pre-tax rate that reflects the risks specific to the provision.

(i) Warranty provision

The liability for warranty expenses is recognised and measured as the present value of future payments to be made in respect of warranty work in relation to products that have been sold up to reporting date. Consideration is given to expected future costs in fulfilling the performance. Expected future payments are discounted using market yields at the reporting date that closely estimate future cashflows.

(e) Employee benefits accounting policy

(i) Short-term obligations

Liabilities for wages and salaries, non-monetary benefits, annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period. This is measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as a provision.

12 Provisions (continued)

(e) Employee benefits accounting policy (continued)

(ii) Other long-term employee benefit obligations

The liabilities which are not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. It is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on Australian high quality corporate bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash flows. In the prior period, national government bonds yields were applied in discounting the expected future payments and the impact of the change in bond rates was not material to the value of the provision.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

13 Contingencies

(a) Contingent liabilities

(i) Guarantees - Accommodation and performance

Performance guarantees for maintenance and uncompleted works have been provided to local councils and government authorities in respect of property development projects undertaken by wholly owned subsidiaries of $17,063,021 (2014: $7,163,202). These are generally supported by bank guarantees or other surety products provided by the Group.

The Group, as a participant in a development agreement provides an accommodation guarantee amounting to 50% of a landowners borrowings in relation to the development. The accommodation guarantee is not supported by any surety product provided by the Group. This loan is solely in the name of the landowner and was repaid during the year. As at 30 June 2015, Sunland's 50% accommodation guarantee is $nil (30 June 2014: $712,887).

Capital Structure

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide return for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain an optimal capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or adjust leverage against the projects through debt.

The Group has a modest approach to debt against its inventory managing leverage against its land and medium density housing developments, historically at below 50%. The multi-storey projects are typically for a longer term and debt is therefore more fully utilised to develop these projects. The Group mitigates various project risks on a per project basis in order to attain a greater leverage.

14 Interest bearing liabilities

	2015 $'000	2014 $'000
Current		
Secured		
Interest bearing bank loans	**6,676**	33,078
Total secured current interest bearing liabilities	**6,676**	33,078
Non-current		
Secured		
Interest bearing bank loans	**106,655**	51,268
Total secured non-current interest bearing liabilities	**106,655**	51,268

(a) Fair value

The carrying value of the Group’s current and non-current borrowings approximates their fair value due to the current interest rate approximating the market rate.

(b) Assets pledged as security

Australian bank loans are secured by first registered mortgages over various development properties and investment properties held by the consolidated entity, fixed and floating charges over the assets and undertaking of controlled entities, guarantees by the Company and a guarantee and indemnity of each member of the Sunland Group Master Finance Agreement.

The weighted average effective interest rate at balance date was 4.45% (2014: 5.40%) on facility limits of $348,500,000 (2014: $202,137,000) and drawn down facilities of $114,712,000 (2014: 85,041,000).

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2015 $'000	2014 $'000
First mortgage		
Inventories	**433,939**	412,164
Investment properties	**24,747**	4,586
	458,686	416,750

14 Interest bearing liabilities (continued)

(c) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loan agreements.

(d) Borrowings accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(e) Finance costs accounting policy

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Inventory is a qualifying asset and all borrowings are attributable to qualifying assets.

15 Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting year. The facilities have been split into "working capital" facilities and "project specific" facilities. The working capital facilities are available to the Group on a come and go basis. The undrawn amount of the project specific facilities are available progressively for the purpose of delivering the projects they are funding:

	2015 $'000	2014 $'000
Working capital facilities available	**213,600**	156,000
Facilities utilised at balance date	**(102,357)**	(51,904)
Bank guarantees (i)	**(4,252)**	(4,344)
Available working capital facilities not utilised at balance date	**106,991**	99,752
Project specific facilities available	**147,900**	46,137
Facilities utilised at balance date	**(12,355)**	(33,137)
Available project specific facilities not utilised at balance date	**135,545**	13,000

(i) In the current period, $4,252,000 (2014: $4,344,416) provided as bank guarantees have reduced the working capital loan facilities available.

Pre-paid borrowing costs included in the carrying value of interest bearing bank loans under the effective interest method explains the difference between the facilities utilised at balance date and the carrying value of bank loans.

The terms of the extended facilities entered into during the current year have terms which are similar to facilities already held by Sunland at the end of the previous financial year. The weighted average maturity profile for the facilities with a fixed tenor is 34 months. The terms of the project specific facilities generally reflect usual project specific term for facilities of this nature and have a tenor that is sufficient for the programed delivery of the projects they are funding.

(a) Interest Rate Risk

At balance date, the Group had the following exposure to changes in variable interest rates for classes of financial assets and liabilities:

Financial assets		
Cash	**26,238**	14,657
Financial liabilities		
Interest bearing liabilities	**(113,331)**	(84,346)
Net exposure	**(87,093)**	(69,689)

The Group's policy in regards to interest rate hedging is dependent upon the purpose of the funding for short or long term development projects. The Group had no interest rate hedging products in place at balance date.

Project specific funding

The project life of residential housing developments and urban development is normally short which limits the exposure the Group has to changes in interest rates. As a result, these exposures are not normally hedged.

15 Financing arrangements (continued)

(a) Interest Rate Risk (continued)

The project life for multi-storey developments is longer than residential housing developments however the highest debt exposure on these developments is at completion when settlements are anticipated and repayment sources are known. The Group would use interest rate hedging products to minimise the periods where significant mismatch is predicted.

During the period, the group purchased an option which provides the right to enter into an interest rate swap to swap floating interest payments to fixed interest payments for a period of two years for $50 million of principle. The option expires in November 2015 and has an immaterial value at balance date.

16 Commitments

(a) Contractual commitments

Controlled entities within the Group have entered into land acquisition contracts in the normal course of business which will settle subsequent to year end for a total value net of the deposit paid of $26,212,500 (2014: $18,340,000).

Sunland has operating lease commitments of $2,774,000 (2014: $4,020,000) for offices over a four year period.

17 Dividends

(a) Declared and paid during the year

	2015 $'000	2014 $'000
Dividends on ordinary shares:		
Declared previous year and paid this year		
Final franked dividend: 2.0 cents per share (2014: 2.0 cents per share)	**3,563**	3,562
Declared and paid this year		
Interim franked dividend: 2.0 cents paid on 27 March 2015 (2014: 2.0 cents per share)	**3,633**	3,562
Special dividend: 6.0 cents, paid on 29 May 2015 (2014: nil)	**10,898**	-
Final dividend: 2.0 cents, paid on 25 June 2015 (2014: nil)	**3,633**	-
	18,164	3,562

(b) Proposed and not recognised as a liability

Dividends on ordinary shares:		
Final franked dividends 2015: nil cents (2014: 2.0 cents)	**-**	3,563

The final dividend of 2.0 cents per share was paid on 25 June 2015, earlier than the Group's usual practice of paying the final dividend subsequent to the release of the financial statements.

(c) Franked dividends

The amount of franking credits available for the subsequent financial year are:

17 Dividends (continued)

(c) Franked dividends (continued)

Franking credits available for subsequent reporting periods based on a tax rate of 30% (2014 - 30%)	**71,120**	71,268
Franking credits that will arise from the payment or reduce with the refund of income tax for amounts on balance sheet as at the end of the financial year	**4,216**	(3,534)
Franking credits that will reduce with the payment of dividends declared after balance date but not held as a liability on the balance sheet	**-**	(1,527)
	75,336	66,207

(d) Dividends accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised, on or before the end of the reporting period but not distributed at the end of the reporting period.

18 Contributed equity

(a) Movements in ordinary share capital

Date	Details	Number of shares	$'000
1 July 2013	Opening balance	185,851,810	205,688
	Share buy-back	(7,707,587)	(10,020)
	Less: Transactions costs of buy-back (tax effected)	-	(6)
30 June 2014	Balance	178,144,223	195,662
	Shares issued	3,500,000	5,950
	Treasury shares	(3,500,000)	(5,950)
30 June 2015	Balance	178,144,223	195,662

Treasury shares refer to those shares issued to SEIF Pty Limited as trustee for the Sunland Employee Retirement Fund (“SERF”) in accordance with shareholders’ approval of Item 4 of the Notice of Meeting tabled at Sunland’s Annual General Meeting 6 November 2014. The shares are fully paid ordinary shares in the capital of the company and rank equally with all other existing shares from the date issued. Under the accounting standards, Sunland is deemed to control SERF and the shares (and associated transactions) are eliminated on consolidation, thereby deducting these issued shares from issued capital whilst held by the Trustee. As these shares are deemed not to have been issued by the consolidated entity, they are not included in Sunland’s disclosures associated with net tangible assets, earnings per share and statements regarding the gross value of dividends, unless transacted by SERF outside the group. No gain or loss on treasury shares is recognised in profit and loss. Upon disposal, any gain will be recognised to a component of equity.

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. Shares have no par value.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

The Company's Constitution is available on the website.

(c) Options

At 30 June 2015, no options (2014: nil) were outstanding over unissued ordinary shares of the Group.

18 Contributed equity (continued)

(d) Share buy-back

There were no share buy-back and cancellation during the year ended 30 June 2015. During the prior year, the Group purchased and cancelled 7,707,587 (4.33%) ordinary shares on-market. The buy-back and cancellation were approved by Shareholders at the 2012 year annual general meeting. The shares were acquired at a price of $1.30 per share in a single transaction on 3 July 2013.

(e) Contributed equity accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Group purchases the Group's equity instruments, for example as the result of a share buy-back or a share based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Sunland Group Limited.

Other

19 Controlled entities

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following material subsidiaries:

Name of entity	**Country of incorporation**	**Equity holding** **2015** **%**	2014 %
Abian Residences Pty Ltd	Australia	**100**	100
Carlyndale Pty Limited	Australia	**100**	100
Dalestan Pty Limited	Australia	**100**	100
Loxwood Pty Limited	Australia	**100**	100
Mantina Pty Limited	Australia	**100**	100
Mystonia Pty Limited	Australia	**100**	100
Royal Pines Resort Realty Pty Limited	Australia	**100**	100
Scottsland Pty Limited	Australia	**100**	100
Sunland Capital Pty Limited	Australia	**100**	100
Sunland Constructions (Abian) Pty Ltd	Australia	**100**	100
Sunland Constructions (QLD) Pty Limited	Australia	**100**	100
Sunland Constructions (VIC) Pty Limited	Australia	**100**	100
Sunland Corporate Management Pty Ltd	Australia	**100**	100
Sunland Developments No 5 Pty Limited	Australia	**100**	100
Sunland Developments No 6 Pty Limited	Australia	**100**	100
Sunland Developments No 7 Pty Limited	Australia	**100**	100
Sunland Developments No 8 Pty Limited	Australia	**100**	100
Sunland Developments No 9 Pty Limited	Australia	**100**	100
Sunland Developments No 10 Pty Limited	Australia	**100**	100
Sunland Developments No 11 Pty Limited	Australia	**100**	100
Sunland Developments No 13 Pty Limited	Australia	**100**	100
Sunland Developments No 15 Pty Limited	Australia	**100**	100
Sunland Developments No 16 Pty Limited	Australia	**100**	100
Sunland Developments No 17 Pty Limited	Australia	**100**	100
Sunland Developments No 19 Pty Limited	Australia	**100**	100
Sunland Developments No 21 Pty Limited	Australia	**100**	100
Sunland Developments No 22 Pty Limited	Australia	**100**	100
Sunland Developments No 23 Pty Limited	Australia	**100**	100
Sunland Developments No 25 Pty Limited	Australia	**100**	100
Sunland Developments No 26 Pty Limited	Australia	**100**	100
Sunland Funds Management Limited	Australia	**100**	100
Sunland Group (Oasis) Pty Limited	Australia	**100**	100
Sunland Group Project Management Pty Limited	Australia	**100**	100
Sunland Group (QLD) Pty Limited	Australia	**100**	100
Sunland Homes Pty Limited	Australia	**100**	100
Sunland Resources Pty Limited	Australia	**100**	100
SDG Constructions Pty Ltd	Australia	**100**	100
SDG Robina Management Pty Limited	Australia	**100**	100
SDG Robina Pty Limited	Australia	**100**	100
Whittsvilla Pty Limited	Australia	**100**	100

19 Controlled entities (continued)

(a) Significant investments in subsidiaries (continued)

(b) Acquisition/disposal of controlled entities

During the financial year, control was assumed over SERF (refer note 18(a) for details). There were no material entities disposed of during the 2015 year. In the comparative period, there were no material entities acquired, and the material disposals are presented below:

	Date Control Ceased	Company's remaining interest %
2014		
These were jointly controlled:		
Sunland Waterfront (BVI) Limited	24 November 2013	-
Waterfront Development (BVI) Limited	24 November 2013	-
Sunland Nur Limited	24 November 2013	-
These were controlled:		
Sunland Development Dubai (BVI) Limited	24 November 2013	-
Sunland International BFJV (BVI) Limited	24 November 2013	-
Sunland DWF (BVI) Limited	24 November 2013	-
Sunland CV (BVI) Limited	24 November 2013	-

The net assets at the date of disposal of the jointly controlled and controlled subsidiaries which were the Dubai holding entities disclosed above was $1,887,958.

(c) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of the financial year. Control is achieved when the Group has:

- Power over the investee (i.e. existing rights that give it current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

19 Controlled entities (continued)

(c) Principles of consolidation (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders or the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

20 Related party transactions

(a) Key management personnel

Any transactions with Directors, director related entities, other Key Management Personnel and their related entities, including the acquisition of products and services, are carried out in the ordinary course of business and on terms no more favourable than those which it is reasonable to expect the Group would have adopted in an arms length transaction.

During the prior year, the Group launched its Abian Apartment development in Brisbane. Apartments were offered to various purchasers and Sunland employee's for a 5% discount to the original list price. The discount was not at a detriment to the Group as the normal commercial commission forecast to be paid by the Group on external sales was up to 6%.

In the prior year, Directors and Key Management Personnel and close family members of Directors and Key Management Personnel purchased three apartments in the Abian development for a combined total list price of $4,435,000. During this financial year, one of these personnel upgraded their purchase to a higher value apartment by rescinding the original contract and entering into a new contract. As a result, the combined total list price of the purchases is now $4,525,000. The terms and conditions of the new contract are the same as those entered into in the prior year.

(b) Terms and conditions

Sales to related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Sunland management regards the above described discount as arm's length as the discount reflects a reasonable commission saving being passed onto the purchaser.

21 Key management personnel disclosures

Key management personnel

Directors
Directors were in office for the entire period except where noted.

Mr Sahba Abedian Managing Director
Mr Soheil Abedian Chairman (executive)
Mr Ron Eames Director (non-executive)
Mr Craig Carracher Director (non-executive)
Mr Christopher Freeman Director (non-executive) from 12 January 2015

21 Key management personnel disclosures (continued)

Key management personnel
Mr Grant Harrison Company Secretary & Chief Financial Officer

The following were key management personnel for the previous period however ceased to meet the criteria for key management personnel effective 1 July 2014:
Mr David McMahon Executive Manager of Communities
Mr David Brown Executive Development Manager

There were no changes of key management personnel between reporting date and the date the financial report was authorised for issue.

(a) Key management personnel compensation

	2015	2014
	$	$
Short-term employee benefits	**1,917,356**	2,370,451
Post-employment benefits (superannuation guarantee)	**72,587**	97,365
	1,989,943	2,467,816

Detailed remuneration disclosures are provided in the remuneration report.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings of key management personnel

The numbers of shares in the Group held during the financial year by each Director of Sunland Group Limited and other key management personnel of the Group, including their personally related parties, are 55,592,526 (2014: 56,544,735). There were no shares granted during the reporting period (2014: nil) as compensation.

(c) Loans to key management personnel

There were no loans provided to key management personnel during the financial year.

(d) Indemnity payouts to key management personnel

Under the Company's constitution, directors and officers are entitled to be indemnified out of the assets of the Company against certain losses incurred in relation to the execution of their duties. During the period, the Company granted indemnity to various directors and officers and those costs are expensed as incurred.

(e) Other transactions with key management personnel

There were no other transactions with key management personnel.

22 Remuneration of auditors

During the period, the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

Ernst & Young

	30 June 2015 $	30 June 2014 $
Amounts received or due and receivable by Ernst & Young:		
Audit and review of financial statements	**209,250**	200,000
Total remuneration for audit and other assurance services	**209,250**	200,000
Taxation services		
Tax compliance services	**118,281**	60,840
Income tax advice	**75,273**	286,246
Total remuneration for taxation services	**193,554**	347,086
Other services		
Accounting advice services	**67,500**	51,080
Total remuneration for other services	**67,500**	51,080
Total remuneration	**470,304**	598,166

It is the Group policy to employ Ernst & Young on assignments additional to their statutory audit duties where Ernst & Young expertise and experience with the Group are important. These assignments are principally tax advice and accounting advice, or where Ernst & Young is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for major consulting projects.

23 Financial risk management

The Group’s principal financial instruments comprise receivables, payables, bank loans and cash.

The Group manages its exposure to key financial risks, including interest rate, liquidity and credit risk, in accordance with the Group’s financial risk management framework. The Board has overall responsibility for the establishment and oversight of the risk management framework. The objective of the policy is to support the delivery of the Group’s financial targets whilst protecting future financial security.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls, and to monitor risks and adherence to limits.

The Group’s Audit and Risk Committee oversees how management monitors compliance with the Group’s risk management framework and reviews the adequacy of the framework in relation to the risks faced by the Group. Management undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

The main risks arising from the Group’s financial instruments are interest rate risk, liquidity risk and credit risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts. Credit risk is managed through thorough due diligence of counterparties and ensuring there is no significant concentration of credit risk.

23 Financial risk management (continued)

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meets its financial obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of project specific bank loans for multi storey projects and committed revolving credit lines utilised to finance land and medium density development projects. The project specific facilities will operate in line with the development programme of each multi storey project. The revolving credit lines available are as follows:

- A 3-year evergreen facility of $153.6 million expiring 29 July 2018; and
- A 2-year evergreen facility of $60 million expiring 30 November 2017.

Facilities are reviewed by the lender annually for compliance with facility terms and covenants.

Maturities of consolidated financial assets and financial liabilities

The tables below analyse the Group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative instruments.

The amounts disclosed in the table are the contractual undiscounted cash flows. Where the impact of the discounting is not significant on balances due within 12 months, the amounts disclosed equal their carrying balances.

Maturity analysis of consolidated financial assets and financial liabilities

At 30 June 2015	Less than 1 year $'000	1 - 2 years $'000	Between 2 and 5 years $'000	Total $'000
Financial assets				
Cash assets	26,238	-	-	26,238
Receivables	3,330	347	-	3,677
	29,568	347	-	29,915
Financial liabilities				
Payables	13,419	-	2,000	15,419
Bank loans	11,056	8,447	112,466	131,969
	24,475	8,447	114,466	147,388
Net maturity	5,093	(8,100)	(114,466)	(117,473)

23 Financial risk management (continued)

(a) Liquidity risk (continued)

At 30 June 2014	Less than 1 year $'000	1 - 2 years $'000	Between 2 and 5 years $'000	Total $'000
Financial assets				
Cash assets	14,657	-	-	14,657
Receivables	19,105	-	301	19,406
	33,762	-	301	34,063
Financial liabilities				
Payables	18,040	-	2,000	20,040
Bank loans	38,304	9,576	45,558	93,438
	56,344	9,576	47,558	113,478
Net maturity	(22,582)	(9,576)	(47,257)	(79,415)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and receivables. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

Receivables primarily take the form of:

- Loans to unrelated parties that may be provided in the consideration for development rights over land;
- Contracts over the sale of developed product; and
- Where obligations under contracts of sale of developed product have not been fulfilled

The Group's exposure to credit risk arises from the potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. In respect to loans to unrelated parties and receivables, the credit risk is mitigated by the Group controlling the development site/product and taking appropriate security to protect its position.

In respect to contracts for the sale of product in Australia, purchasers of lots or apartments off-the-plan are required to make a deposit on signing of the contract with the balance to be paid when the lots or land is released to the customer. The deposit held is generally 10% of the contract price.

The Group's exposures at balance date are addressed in each applicable note.

The Group does not use credit derivatives to offset credit exposures.

24 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity, Sunland Group Limited, show the following aggregate amounts:

	2015 $'000	2014 $'000
Balance sheet		
Current assets	**21,186**	12,857
Non-current assets	**284,446**	69,479
Total assets	**305,632**	82,336
Current liabilities	**13,235**	2,218
Non-current liabilities	**212**	4,290
Total liabilities	**13,447**	6,508
Net assets	**292,185**	75,828
Shareholders' equity		
Issued capital	**201,612**	195,662
Retained earnings	**90,573**	(119,834)
Total Equity	**292,185**	75,828
Profit or loss for the year	**232,134**	(81,750)
Total comprehensive income	**232,134**	(81,750)

The parent entity has bank guarantees for uncompleted works and contingent liabilities as described in Note 13.

The parent entity profit was derived from intercompany dividends and other transactions with subsidiaries.

25 Segment reporting accounting policy

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same group), whose operating results are regularly reviewed by the entity's 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. This may include start up operations which are yet to earn revenues. Management will also consider 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.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments are identified based on the manner in which the product is sold and the nature of the services provided. Discrete financial information about each of these operating segments is reported to the Managing Director on at least a monthly basis.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

25 Segment reporting accounting policy (continued)

• Nature of the products and services,
• Nature of the production processes,
• Type or class of customer for the products and services,
• Methods used to distribute the products or provide the services, and if applicable
• Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 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”. It is the Group’s policy that if items of revenue and expense are not allocated to operating segments, then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believes would be inconsistent.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:
- Legal fees
- Employee benefits expenses
- Group corporate marketing expenses
- Accounting and audit fees
- Office administration expenses and outgoings
- Tax balances

Inter-segment pricing is determined on an arm’s length basis in a manner similar to transactions to third parties.

Segment results, being development return, assets and liabilities include items directly attributed to a segment as well as those that can be allocated on a reasonable basis. Segment revenue, expenses and results include transfers between business segments, these are eliminated on consolidation. Unallocated items mainly comprise corporate assets and expenses.

26 Fair value measurements

(a) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

26 Fair value measurements (continued)

(a) Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The Group does not have any financial instruments measured at fair value. The fair value of cash, trade and other payables and trade and other receivables approximate their carrying values, largely due to the short-term maturities of these instruments.

(b) Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

27 Impairment of assets accounting policy

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, or when annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

28 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and beyond. The Group's assessment of the impact of these new standards and interpretations is set out below.

Reference	Standard	Application date of standard	Impact on Group financial report	Application date commencing for the Group
AASB 9	*Financial Instruments*	1 January 2018	No assessment made as at 30 June 2015.	1 July 2018
AASB 2014-3	*Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]*	1 January 2016	No material impact expected as a result of an absence of material joint arrangements currently.	1 July 2016
IFRS 15	*Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS15 Revenue from Contracts with Customers, which replaces IAS 11 Contruction Contracts, IAS 18 Revenue and related interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Contruction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entitiy expects to be entitled in exchange for those goods or services by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. The AASB issued the Australian equivalent of IFRS 15, being AASB 15 in December 2014. Currently, these standards are effective for annual reporting periods commencing on or after 1 January 2017, Early application is permitted*	1 January 2017	No assessment made as at 30 June 2015.	1 July 2017

In accordance with a resolution of the directors of Sunland Group Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 26 to 62 are in accordance with the *Corporations Act 2001*, including:
    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
    (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

Mr Sahba Abedian
Managing Director

Dated this 26 August 2015.

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Independent auditor's report to the members of Sunland Group Limited

Report on the financial report

We have audited the accompanying financial report of Sunland Group Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement 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 the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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 have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

a. the financial report of Sunland Group Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Sunland Group Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Alison de Groot

Alison de Groot
Partner
Brisbane
26 August 2015

The Shareholder information set out below was applicable as at 24th August 2015.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security Ordinary shares	
Holding	**Number of holders**	**Shares**
1 - 1000	1,012	453,353
1,001 - 5,000	1,428	3,885,768
5,001 - 10,000	554	4,263,664
10,001 - 100,000	557	13,816,405
100,001 and over	87	159,225,030
	3,638	181,644,220

There were no options held at 24th August 2015.

B. Equity security holders

Twenty largest quoted equity security holders

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

Name	**Ordinary shares**	
	Number held	**Percentage of issued shares**
Havannah Pty Limited	29,250,000	16.10
JP Morgan Nominees Australia Limited	17,423,263	9.59
Pacific Development Corporation Pty Limited	17,186,348	9.46
Citicorp Nominees Pty Limited	13,465,067	7.41
HSBC Custody Nominees (Australia) Limited	13,162,364	7.25
National Nominees Limited	11,158,975	6.14
RBC Investor Services Australia Nominees Pty Ltd	5,936,531	3.27
Citicorp Nominees Pty Ltd	4,460,595	2.46
Lloyds & Casanove Investment Partners Limited	4,000,000	2.20
RBC Investor Services Australia Nominees Pty Ltd	3,727,621	2.05
Sahba Abedian	3,657,510	2.01
SEIF Pty Limited	3,500,000	1.93
BNP Paribas Noms Pty Ltd	3,231,749	1.78
Mr Sahba Abedian	3,145,032	1.73
Rainham Pty Limited	2,821,875	1.55
HSBC Custody Nominees (Australia) Limited	1,180,092	0.65
R & M Corporation Pty Ltd	1,103,125	0.61
Brispot Nominees Pty Ltd	1,010,954	0.56
Mrs Julia Craike	912,296	0.50
Mrs Anne Jamieson	833,000	0.46
	141,166,397	77.71

C. Substantial holders

Substantial holders in the company are set out below:

	Number held
Havannah Pty Limited	29,250,000
JP Morgan Nominees Australia Limited	17,423,263
Pacific Development Corporation Pty Ltd	17,186,348
Citicorp Nominees Pty Limited	13,465,067
HSBC Custody Nominees (Australia) Pty Ltd	13,162,364

D. Voting rights

There were 3,638 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares are set out in Article 5.8 and 5.9 of The Company's Articles of Association. The articles indicate that:

(a) at a meeting of members each member entitled to vote may vote in person or by proxy or attorney; and
(b) on a show of hands every member present has one vote, and on a poll every member present in person or by proxy or attorney has one vote for each ordinary share the member holds.

E. On-market buy back

During the current year, the Company did not undertake any share buy-back programs.

F. Non-marketable parcel of securities

Holders holding less than a marketable parcel of securities (based on the closing market price as at 24th August 2015) was 35,628 securities for 435 holders.