ASPEN GROUP LIMITED
ABN 50 004 160 927

ASPEN PROPERTY TRUST
ARSN 104 807 767

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

Appendix 4D
For the period ended
31 December 2015

Results for announcement to the market

Details of reporting periods:

Current period	31 December 2015
Corresponding period	31 December 2014

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount $'000
Revenue from continuing operations	up	42.07%	to	26,990
Profit after tax	up	132.84%	to	5,986
Profit after tax attributable to securityholders of Aspen Group	up	137.71%	to	5,503
Operating Profit before tax	down	27.29%	to	3,914

Dividends/Distributions

Combined

31 December 2015		31 December 2014	
Cents per Stapled Security	Total $ '000	Cents per Stapled Security	Total $ '000
4.6	5,208	4.5	5,114

Aspen Property Trust

31 December 2015				31 December 2014			
Period	Cents per Unit	Total $ '000	Deferred tax %	Period	Cents per Unit	Total $ '000	Deferred tax %
Jul – Dec 15	4.6	5,208		Jul – Dec 14	4.5	5,114	
	4.6	5,208	0.0%		4.5	5,114	100.0%

Aspen Group Limited

31 December 2015				31 December 2014			
Period	Cents per Share	Total $ '000	Tax rate for franking credit %	Period	Cents per Share	Total $ '000	Tax rate for franking credit %
Jul – Dec 15	-	-	-	Jul – Dec 14	-	-	-
	-	-			-	-	

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

Interim dividend (December) 31 December 2015

ASPEN GROUP LIMITED

(THE COMPANY)

(ABN: 50 004 160 927)

ASPEN PROPERTY TRUST

(THE TRUST)

(ARSN: 104 807 767)

ASPEN FUNDS MANAGEMENT LIMITED

(AS RESPONSIBLE ENTITY)

(ABN: 104 322 278)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED

31 December 2015

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 December 2015

Interim financial report table of contents

Directors' report

The directors present their report together with the consolidated interim financial statements of Aspen Group comprising Aspen Group Limited ("the Company"), its subsidiaries, Aspen Group's interest in associates, and its stapled entity Aspen Property Trust ("the Trust") and its subsidiaries, which form the Aspen Group ("Aspen Group"), for the period ended 31 December 2015 ("period") and the auditor's review report thereon.

Directors

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

Non – Executive Directors	
Frank Zipfinger	
Hugh Martin	Resigned 14 September 2015
Clive Appleton	
Guy Farrands	
John Carter	
Executive Director	
Clem Salwin	Appointed 1 July 2013

Operating and financial review

Aspen recorded a profit after tax of $5.986 million for the period (1H FY15: loss of $18.229 million) calculated in accordance with International Financial Reporting Standards ("IFRS").

Operating results

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

Operating Profit is determined having regard to principles which include providing clear reconciliation between statutory profit and Operating Profit in the directors' report and financial report, including both positive and negative adjustments, maintaining consistency between reporting periods, and taking into consideration property industry practices.

Directors' Report (continued)

Operating Profit after adjusting for non-controlling interests and management fees as assessed by the directors, for the period was $2.731 million (1H FY15: $5.156 million).

The table below has not been audited by PwC.

	31 December 2015 $ '000	31 December 2014 $ '000
Consolidated statutory net profit / (loss) after tax	**5,986**	**(18,229)**
Specific non-underlying items		
Other income	-	-
Fair value gain on deconsolidation of APPF	17,492	-
Change in fair value of investment properties and PPE	(9,485)	(18,731)
Property expenses	(432)	(214)
Administration and restructuring expenses	(250)	(748)
Financial expenses (mark to market of interest rate swap position)	(1,110)	(1,805)
Other expenses (including transaction and relocation costs)	(4,021)	(3,747)
Change in fair value of assets held for sale	(74)	(1,418)
Share of (profit)/loss of equity accounted investees	-	945
Profit / (loss) from discontinued operations – subsidiary assets held for sale	-	1,702
Loss from discontinued operations	(49)	404
Total specific non-underlying items	**2,071**	**(23,612)**
Tax expense	-	-
Residential / short stay operating profit before tax	6,453	3,961
Resources operating profit before tax	2,439	3,178
Discontinued operations operating profit before tax	2,862	6,052
Other operating loss before tax	(7,840)	(7,808)
Total operating profit before tax	**3,914**	**5,383**
Non-controlling interest adjustments*	(1,183)	(227)
Total operating profit before tax attributable to securityholders of Aspen	**2,731**	**5,156**

*Non-controlling interest adjustments relating to APPF only

Income distributions paid during the period and payable as at 31 December 2015 to Aspen securityholders were as follows:

	Cents per Unit	Total $ '000
Paid during the period		
Final distribution for the previous year	4.5	5,093
Proposed and unpaid at the end of the period		
Interim distribution for the period	4.6	5,208

Directors' Report (continued)

Income distributions paid during the period to APPF securityholders were as follows:

Paid during the period	Cents per Unit	Total $ '000
Monthly Distribution – June	0.329	765
Monthly Distribution – July	0.339	788
Monthly Distribution – August	0.339	788
Monthly Distribution – September	0.328	763
Monthly Distribution – October	0.339	788
	1.673	**3,892**
Proposed and unpaid at the end of the period		
Monthly distribution – November	0.328	763
	0.328	**763**

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

Net asset value ("NAV") is a non-IFRS measure that is determined to present, in the opinion of the directors, the fair value of Aspen's net assets in a way that appropriately reflects the market value of Aspen's net assets.

Net asset value is determined having regard to principles which include providing clear reconciliation between net assets in the Consolidated Balance Sheet and NAV in the Directors' Report, including both positive and negative adjustments, maintaining consistency between reporting periods, and taking into consideration property industry practices.

The table below provides reconciliation between the net assets per the Consolidated Balance Sheet and NAV. The NAV includes the value attributed to goodwill and acquisition costs above its carrying value that exists in respect to Aspen's accommodation parks. Further detail in respect to this reconciliation is outlined in the table below:

	31 December 2015 $ '000s	30 June 2015 $ '000s
Property, plant and equipment per the Consolidated Balance Sheet	35,404	209,794
Investment properties per the Consolidated Balance Sheet	29,000	-
Goodwill per the Consolidated Balance Sheet	14,248	11,953
Carrying value of park properties	78,652	221,747
Fair value of goodwill (relating to properties) above carrying value *	-	5,991
Acquisition costs	1,842	2,435
Adjusted value of park properties	80,494	230,173
Net assets per the Consolidated Balance Sheet	141,579	196,062
Fair value of goodwill (relating to leasehold properties) above carrying value *	-	5,991
Acquisition costs **	1,842	2,435
Non-controlling interests associated with APPF consolidation	-	(55,251)
Non-controlling interests associated with goodwill above carrying value	-	(5,941)
Non-controlling interests associated with APPF acquisition costs	-	(776)
NAV	143,421	142,520
NAV per security	1.27	1.26

** As a result of the classification of the property portfolio as property, plant and equipment and goodwill on properties, Aspen cannot recognise any portion of the fair value of goodwill on properties above acquisition value for statutory reporting purposes. As a result, the fair value in excess of carrying value is not recognised in the Consolidated Balance Sheet. The fair value of goodwill on properties in excess of carrying value is included in determining the NAV of the park properties, which in the opinion of the directors represents the full fair value of the park properties.*

*** The acquisition costs pertain to Aspen's share of transaction costs pertaining to accommodation park acquisitions.*

Directors' Report (continued)

Operating performance

Aspen has three business segments, as outlined below:

ACCOMMODATION RESIDENTIAL / SHORT STAY	RESOURCES	NON CORE
• 2 manufactured housing estates ("MHE") • 1 residential / short stay parks • 1 short stay park • GAV[1] of $39.212 million • Caters to short stay residents (cabins and sites), and permanent residents	• 1 resource park • GAV[1] of $12.000 million • Caters to both corporate resource clients and contractors as well as short stays.	• Spearwood industrial complex (half sold) • 2 resort parks, and 1 short stay park (fully sold and settled) • Development assets (1 of 5 remaining) • GAV[1] of $37.063 million

[1]Gross Asset Value ("GAV") represents carrying value of property, plant and equipment plus acquisition costs relating to transactions.

The above accommodation parks are wholly owned by Aspen Group. In addition, until 23 December 2015, Aspen was manager and a 42.0% owner of Aspen Parks Property Fund ("APPF"). As at 31 December 2015, Aspen has reduced its stake in APPF to 10.1%. APPF has an additional 21 accommodation properties and was consolidated on the Aspen Group balance sheet until 23 December 2015.

Accommodation

Aspen's accommodation business comprises two key business segments:

- Residential / short stay; and
- Resources

The contribution of both of these segments to the operating result is detailed below.

	31 December 2015 $'000	31 December 2014 $'000	Change %
Residential / short stay			
Underlying profit	6,453	3,961	62.9%
Non-underlying items	(1,287)	(842)	(52.8%)
Total residential / short stay	5,166	3,119	65.6%
Resources			
Underlying profit	2,439	3,178	(23.2%)
Non-underlying items	(9,541)	(16,944)	43.7%
Total resources	(7,102)	(13,766)	48.4%
Total accommodation (loss) / profit	(1,936)	(10,647)	81.8%
Non-controlling interest	(3,270)	1,262	(359.1%)
APZ share	**(5,206)**	**(9,385)**	**44.5%**

Residential / short stay

At 31 December 2015, Aspen owned four parks. Two of these are 100% MHE, one is a mixed residential / short stay park, and one is a 100% short stay park.

During the period, Aspen acquired two parks for a combined value of $20.815 million (including acquisition costs). Aspen's wholly owned total residential / short stay assets, as at 31 December 2015, were worth $39.212 million.

Directors' Report (continued)

Aspen was also a 42% owner of APPF until 23 December 2015, at which time Aspen conditionally sold its 42.0% equity interest in, and management agreement with, APPF. Throughout the period, Aspen was the manager of an additional 17 residential / short stay parks worth $162.409 million when including unrecognised goodwill.

During the period, Aspen commenced $1.082 million of value enhancing works on its wholly owned parks, with $0.400 million being incurred during the period. Through its investment in APPF until 23 December 2015, Aspen commenced a further $5.574 million of value enhancing works, with $2.006 million being incurred during the period. Of the $2.006 million spent, $1.191 was allocated to the Dubbo Parklands property, Dubbo NSW. Value enhancing works are aimed at generating additional revenue through increasing either accommodation capacity or improving the amenity of residents or visitors at a number of parks.

a) Underlying earnings

Aspen's operating profit from residential / short stay parks during the period was $6.453 million (1H FY15: $3.961 million), a 62.9% increase against the prior period. This increase was primarily driven by earnings generated by two acquisitions during the period, as well as the acquisition of Mandurah Gardens, which settled on 29 June 2015, and consolidating APPF over five months of the period (three months consolidation in 1H FY15).

b) Non underlying earnings

Aspen had a non-underlying loss of $1.287 million (1H FY15: $0.842 million) within the residential / short stay segment. The non-underlying transactions were primarily driven by acquisition costs ($1.116 million) of which $0.760 million have been included in NAV as at 31 December 2015.

Resources

At 31 December 2015, Aspen held one resource park on its balance sheet, being Aspen Karratha Village. During the period, Aspen secured a further two year lease extension at Aspen Karratha Village from its sole tenant, extending the lease term to January 2018. This lease secures 83% occupancy within this resource park.

Throughout the period, Aspen managed / owned, through its position in APPF, an additional four resource parks with a value of $19.942 million.

During the period, Aspen continued to experience softening in demand for accommodation from users in the resources industry, as further weakness in commodity prices continue to impact resource companies operating in the north-west region of Western Australia. This is reflected in a value decline of 46% on Aspen Karratha Village (to $12.000 million) from the 30 June 2015 portfolio carrying value of $22.000 million.

a) Underlying earnings

Aspen's operating profit from resource parks during the period was $2.439 million (1H FY15: $3.178 million), a 23.2% reduction against the prior period, primarily driven by reduction in room tariffs.

b) Non-underlying items

Aspen had a total non-underlying loss of $9.541 million (1H FY15: $16.944 million) within the resource segment. The non-underlying items were predominantly attributed to net changes in the fair value of Aspen Karratha Village (a devaluation of $10.000 million).

Non-core

During the period, Aspen recorded an operating profit of $2.862 million (1H FY15: $6.052 million) and a non-underlying loss of $0.500 million (1H FY15: gain of $0.856 million). The reduction in underlying earnings primarily reflects the settlement of the APPF resort-style properties, and the settlement of three of Aspen's commercial/industrial properties during both last year and the current period.

Directors' Report (continued)

Industrial

At 31 December 2015, the industrial property portfolio consists of one remaining property (Spearwood South) at balance date. Net income from this industrial asset during the period was $1.440 million.

Development

At 31 December 2015, Aspen had $8.063 million of development assets remaining. Of these, $2.525 million were contracted for sale.

During the period, Aspen continued the wind up of three of the five development syndicates. As Aspen Development Fund No 1 Ltd sold its remaining land during the period, this entity is scheduled to commence a wind up during 2H FY16.

Aspen Whitsunday Shores Pty Ltd is now the sole remaining syndicate continuing to hold land assets, and upon the sale and settlement of its land assets, this syndicate will also commence a process to wind up.

Capital management

Until the sale of its interests in APPF on 23 December 2015, Aspen had two debt facilities. One of these pertained singularly to Aspen, with the other was held by APPF.

At 31 December 2015, Aspen's sole debt facility was drawn to $6.000 million (30 June 2015: $142.525 million), versus a limit of $60.000 million. This debt facility was repaid subsequent to period end.

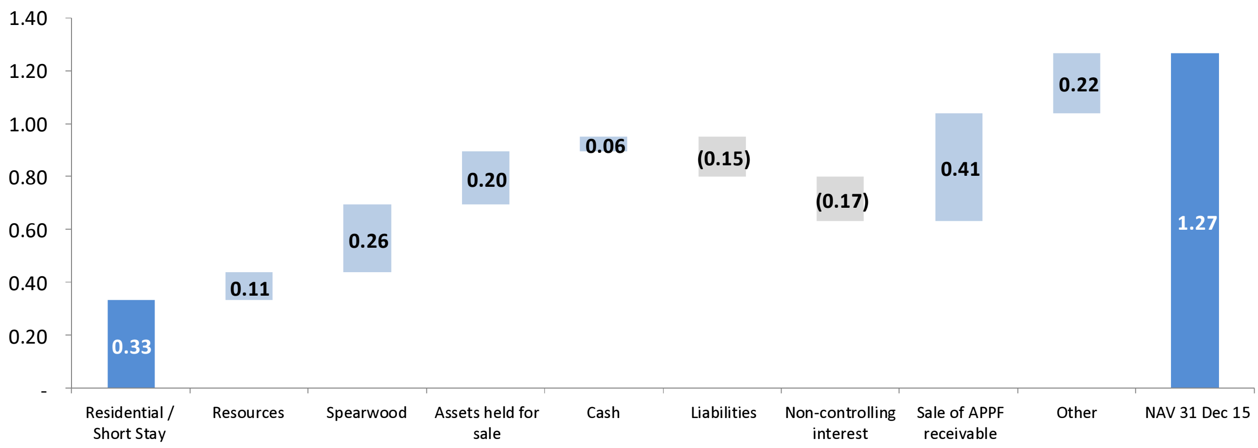
As at 31 December 2015 and at the date of signing this report, Aspen is not compliant with its banking covenants. Aspen did not obtain financier consent to the sale of Aspen's management rights to, and equity in, APPF and as such the financier has the right to amend or terminate the facility.

Aspen's gearing is nil at 31 December 2015 which has decreased from 35.2% at 30 June 2015, primarily due to the deconsolidation and subsequent sale of Aspen's investment in APPF.

Financial position

The NAV of Aspen at 31 December 2015 is $1.27 per security (30 June 2015: $1.26 per security).

The following diagram outlines the key components of the NAV assessed as at 31 December 2015:



Directors' Report (continued)

Assets

Total assets have decreased by $203.885 million to $158.543 million during the period and investment property together with property, plant and equipment have decreased by $145.390 million, which includes the transfer of Spearwood South from assets held for sale to investment property. Key movements to Aspen's gross assets during the period include:

- De-consolidation of APPF (decrease of $125.030 million which is comprised of the deconsolidation of APPF assets less fair value recognition of investment in associate);
- Settlement of assets held for sale (decrease in assets of $69.171 million);
- Acquisition of new accommodation parks (increase of $20.815 million); and
- Downward revaluation of Aspen Karratha Village (decrease of $10.000 million).

Liabilities

Total liabilities decreased by $149.401 to $16.964 million during the period, and interest bearing loans and borrowings have decreased by $136.221 million to $5.670 million. These are primarily a result of Aspen's de-consolidation, and subsequent sale, of its interests in APPF.

Equity

Total equity decreased by $54.484 million during the period, primarily as a result of the removal of non-controlling interests of $53.678 million from Aspen's de-consolidation of APPF.

Likely developments

The immediate focus for Aspen is to continue to pursue growth opportunities in the 'value for money' accommodation sector, both in acquisitions of assets and selected development works on existing accommodation parks.

In addition to this, Aspen will continue to progress the sale of its remaining development assets (gross unsold carrying value of $3.732 million).

Safety and environment

No significant accidents or injuries were recorded during the period in respect to Aspen employees.

There were no significant environmental issues during, or subsequent to, the period.

Significant changes in the state of affairs

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

Principal activities

The principal activities of Aspen during the period were to focus on the value for money accommodation sector, and to complete the divestment of its remaining non-core assets.

Other than as disclosed above, there was no significant change in the nature of the activities of Aspen during the period.

Events subsequent to reporting date

The following material events have occurred between the reporting date and the date of this report:

- On 11 January 2016, Aspen received $46.283 million of proceeds from the sale of its 31.92% equity in APPF, which was classified as a receivable at 31 December 2015;
- On 15 January 2016 Aspen repaid $6.000 million of its debt facility, with no debt outstanding at the date of signing this report;
- On 5 February 2016, Aspen received $5.000 million for terminating its management agreement with APPF, which had a nil goodwill carrying value on Aspen's balance sheet as at 31 December 2015;
- On 22 February 2016, Aspen received $14.576 million for its remaining interest in APPF, which was classified as an asset held for sale at 31 December 2015; and
- On 23 February 2016, Aspen signed a conditional heads of agreement with Mill Hill Capital in respect to pursuing a proposal for:
    - Aspen to acquire the Edward Baillie Capital Hotel & Leisure Fund portfolio of four hotel / motel properties with food, beverage and gaming activities;
    - Appoint John Carter (currently a non-executive director of Aspen) and David Dixon as Joint Chief Executive Officers of Aspen; and to
    - Undertake an off-market buyback of up to 25% of Aspen securities.

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

Auditor's independence declaration under Section 307C of the *Corporations Act 2001*

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11 and forms part of the Directors' Report.

Rounding off

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

Signed in accordance with a resolution of the directors made pursuant to Sec 298(2) of the *Corporations Act 2001*.

On behalf of the directors of AGL and AFM

Clem Salwin

Managing Director

SYDNEY, 23 February 2016

pwc

Auditor's Independence Declaration

As lead auditor for the review of Aspen Group Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

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

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

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

JA Dunning
Partner
PricewaterhouseCoopers

Sydney
23 February 2016

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aspen Group Limited which comprises the condensed consolidated balance sheet as at 31 December 2015, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Aspen Group Limited group (the consolidated entity). The consolidated entity comprises both Aspen Group Limited (the company) and the entities it controlled during that half-year, including Aspen Property Trust (the Trust) and the entities it controlled during that half year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Aspen Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

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

PricewaterhouseCoopers

PricewaterhouseCoopers

JA Dunning

JA Dunning
Partner

Sydney
23 February 2016

Interim Financial Statements Contents

Condensed consolidated statement of profit or loss

for the period ended 31 December 2015

	Note	31 December 2015 $'000	31 December 2014 $'000
Continuing operations			
Revenue	1	**26,990**	18,997
Cost of sales	2	**(13,736)**	(8,899)
Gross profit		**13,254**	10,098
Expenses			
Administration expenses	2	**(8,508)**	(11,386)
Property depreciation, fair value adjustments and other	2	**(13,482)**	(18,481)
Total expenses		**(21,990)**	(29,867)
Other income		**1**	-
Fair value gain on deconsolidation of APPF	14	**17,492**	-
Share of profits of associates		**-**	452
		17,493	452
Earnings before interest and income tax expense (EBIT)		**8,757**	(19,317)
Finance income	2	**88**	277
Finance costs	2	**(3,468)**	(4,269)
Profit / (loss) before income tax		**5,377**	(23,309)
Income tax expense	2	**-**	-
Profit / (loss) from continuing operations		**5,377**	(23,309)
Discontinued operations			
Profit for the period from discontinued operations	15	**609**	5,080
Profit / (loss) for the period		**5,986**	(18,229)
Profit / (loss) attributable to ordinary equity holders of the parent entity		**5,503**	(14,594)
Profit / (loss) attributable to non-controlling interest		**483**	(3,635)
Profit / (loss) for the period		**5,986**	(18,229)
Earnings per security (EPS) attributable to ordinary equity holders of the parent entity from continuing operations		**Cents**	Cents
Basic earnings per security	9	**4.783**	(16.479)
Diluted earnings per security	9	**4.700**	(16.479)
Earnings per security attributable to ordinary equity holders of the parent entity			
Basic earnings per security	9	**4.862**	(12.528)
Diluted earnings per security	9	**4.777**	(12.528)

The above condensed consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

Condensed consolidated statement of comprehensive income

for the period ended 31 December 2015

	Note	31 December 2015 $'000	31 December 2014 $'000
Profit / (loss) for the period		**5,986**	(18,229)
Other comprehensive income / (expenses)			
Items that may be reclassified to profit or loss:			
Loss on non-controlling interest from withdrawal offer		**-**	(547)
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		**324**	2,346
Total comprehensive income / (loss) for the period, net of tax		**6,310**	(16,430)
Total comprehensive income / (loss) for the period from:			
Continuing operations		**5,701**	(21,510)
Discontinued operations		**609**	5,080
		6,310	(16,430)
Total comprehensive profit / (loss) for the period attributable to:			
Ordinary equity holders of the parent entity		**5,639**	(12,478)
Non-controlling interest		**671**	(3,952)
		6,310	(16,430)

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

Condensed consolidated balance sheet

as at 31 December 2015

	Note	**31 December 2015 $'000**	30 June 2015 $'000
Assets			
Current assets			
Cash and cash equivalents		**1,351**	18,237
Restricted cash at bank		**5,008**	5,013
Trade and other receivables		**3,194**	4,950
Proceeds receivable from disposal of interest in APPF		**46,283**	-
Current tax asset		**-**	592
Assets classified as held for sale	5	**22,639**	108,485
Inventories		**830**	692
Other		**-**	2,051
Total current assets		**79,305**	140,020
Non-current assets			
Associate		**37**	37
Property, plant and equipment	3	**35,406**	209,794
Investment properties	4	**29,000**	-
Intangible asset - goodwill	13	**14,248**	11,953
Other		**547**	624
Total non-current assets		**79,238**	222,408
Total assets		**158,543**	362,428
Liabilities			
Current liabilities			
Trade and other payables		**8,023**	15,810
Liabilities classified as held for sale	6	**41**	602
Interest bearing loans and borrowings	10	**5,670**	33,070
Provisions		**3,230**	5,244
Derivative financial liability		**-**	1,392
Total current liabilities		**16,964**	56,118
Non-current liabilities			
Interest bearing loans and borrowings	10	**-**	108,821
Derivative financial liability		**-**	1,427
Total non-current liabilities		**-**	110,248
Total liabilities		**16,964**	166,366
Net assets		**141,579**	196,062
Equity			
Equity attributable to equity holders of the parent entity			
Issued capital	8	**514,532**	514,473
Reserves	8	**-**	2,660
Accumulated losses		**(353,716)**	(357,179)
Total equity attributable to equity holders of the parent entity		**160,816**	159,954
Non-controlling interest	16	**(19,237)**	36,108
Total equity		**141,579**	196,062

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Condensed consolidated cash flow statement

for the period ended 31 December 2015

	Note	**31 December 2015 $'000**	31 December 2014 $'000
Cash flows from / (used in) operating activities			
Receipts from customers		**36,130**	35,054
Payments to suppliers and employees		**(31,464)**	(29,759)
Dividends and distributions received from associates		**1**	209
Interest received		**138**	277
Borrowing costs		**(2,049)**	(2,770)
Income tax received		**556**	-
Net cash flows from operating activities		**3,312**	3,011
Cash flows from / (used in) investing activities			
Proceeds from sale of investment properties		**-**	20,581
Proceeds from sale of assets held for sale, net of selling costs		**71,807**	5,497
Proceeds from third party loan repayment		**-**	3,000
Proceeds from director's loan repayment		**-**	2,150
Acquisition of property, plant and equipment and goodwill, including acquisition costs		**(23,507)**	(9,434)
Acquisition of subsidiary, net of cash acquired		**(49)**	(33,570)
Cash received from / (invested in) term deposits and restricted funds		**2,005**	(2,821)
Net cash flows from / (used in) investing activities		**50,256**	(14,597)
Cash flows from / (used in) financing activities			
Proceeds from borrowings		**9,300**	41,444
Repayment of borrowings		**(69,800)**	(13,000)
Settlement of interest rate swaps cancelled		**(1,367)**	-
Payments for securities buy-back		**-**	(8,528)
Distributions paid to equity holders of the parent entity		**(5,076)**	(4,797)
Payment for securities bought back from non-controlling interest		**-**	(6,000)
Payment of equity securities issue costs		**(7)**	(105)
Distribution paid to non-controlling interest		**(2,258)**	(1,439)
Net cash flows from / (used in) financing activities		**(69,208)**	7,575
Net (decrease) / increase in cash and cash equivalents		**(15,640)**	(4,011)
Cash and cash equivalents at beginning of period		**19,784**	43,627
Less: cash derecognised on deconsolidation of APPF	14	**(1,303)**	-
Less: cash included in assets of disposal group held for sale		**(1,490)**	(299)
Cash and cash equivalents at end of period		**1,351**	39,317

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the period ended 31 December 2015

	Attributable to equity holders of the parent entity					
CONSOLIDATED	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2014	523,031	(1,465)	(1,423)	(320,777)	(19,667)	179,699
Net loss for the period	-	-	-	(14,594)	(3,635)	(18,229)
Revaluation of property, plant & equipment	-	-	2,346	-	-	2,346
Effect of withdrawal offer of APPF	-	-	-	(230)	(317)	(547)
Other comprehensive income / (expense)	-	-	2,346	(230)	(317)	(1,799)
Total comprehensive income / (loss) for the period	-	-	2,346	(14,824)	(3,952)	(16,430)
Transfer to accumulated losses	-	1,465	1,423	(2,888)	-	-
Issue of stapled securities	83	-	-	-	-	83
Security based compensation	-	-	-	206	-	206
Acquisition of non-controlling interest	-	-	-	-	(1,438)	(1,438)
Effect of securities buy-back, net of tax	(8,633)	-	-	-	-	(8,633)
Effect of consolidation of APPF	-	-	-	-	70,290	70,290
Effect of withdrawal offer of APPF	-	-	-	-	(5,453)	(5,453)
Distributions to securityholders of the parent entity	-	-	-	(5,114)	-	(5,114)
Balance at 31 December 2014	514,481	-	2,346	(343,397)	39,780	213,210
Balance at 1 July 2015	514,473	-	2,660	(357,179)	36,108	196,062
Net profit for the period	-	-	-	5,503	483	5,986
Revaluation of property, plant & equipment			136	-	188	324
Total comprehensive income for the period	-	-	136	5,503	671	6,310
Transfer to accumulated loss	-	-	(2,796)	2,796	-	-
Issue of stapled securities	59	-	-	-	-	59
Purchase of securities by parent entity	-	-	-	-	(49)	(49)
Effect of deconsolidation of APPF	-	-	-	-	(53,678)	(53,678)
Equity costs	-	-	-	-	(7)	(7)
Security based compensation	-	-	-	372	-	372
Distributions to securityholders of the parent entity	-	-	-	(5,208)	(2,282)	(7,490)
Balance at 31 December 2015	514,532	-	-	(353,716)	(19,237)	141,579

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Aspen was established for the purpose of facilitating a joint quotation of the Trust and the Company and their controlled entities on the ASX. The Trust, the Company and their controlled entities are domiciled in Australia. The address of Aspen's registered office is Level 18, 9 Hunter Street, Sydney, New South Wales 2000. The Deed of the Trust and the Constitution of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal and that unit holders and shareholders be identical.

The condensed consolidated financial statements of Aspen as at and for the period ended 31 December 2015 comprise the Company and the Trust along with their subsidiaries and their interests in associates and jointly controlled entities. Aspen is a for-profit entity and is primarily involved in investment in the 'value for money' accommodation sector.

The condensed consolidated interim financial statements do not include all information required for full annual financial statements prepared in accordance with Australian Accounting Standards ("AAS"), and should be read in conjunction with the consolidated annual financial statements of Aspen as at and for the year ended 30 June 2015. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of Aspen since the last annual consolidated financial statements as at and for the year ended 30 June 2015.

Except as noted within this interim financial report, the accounting policies applied by Aspen in these condensed consolidated interim financial statements are consistent with those applied by Aspen in its consolidated financial statements as at and for the year ended 30 June 2015.

The condensed consolidated interim financial statements were authorised for issue by the Board on 23 February 2016.

The condensed consolidated interim financial statements are general purpose consolidated financial statements which:

- have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the AASB.
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
- has been prepared on a historical cost basis, except for derivative financial instruments, available for sale financial instruments, investment property, assets held for sale, assets of disposal group held for sale, assets of discontinued operations held for sale, certain classes of property, plant and equipment and share-based payments.
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Class Order 98/100;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of Aspen and effective for reporting periods beginning on or after 1 July 2015. Refer to note 20 for further details; and
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

Key judgements and estimates

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

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Information about judgements, estimates and assumptions that have a significant effect on the condensed consolidated financial statements are found in the following notes:

Note 3:	Property, plant and equipment	Page 24
Note 12:	Business combinations	Page 30
Note 13:	Goodwill	Page 31

Comparative information

Where necessary, prior period comparative information has been reclassified to achieve consistency in disclosure with current period amounts and other disclosures. This includes operations that have been transferred to or from discontinuing operations in the current period as the comparative period profit or loss figures for those operations have also been reclassified to achieve consistency.

The material reclassification that has occurred during the period pertains to Spearwood South, which was reclassified to continuing operations from discontinued operations. Refer to note 5 for further details.

Financial Position

During the period ended 31 December 2015 Aspen recorded a profit after tax of $5.986 million (1H FY15: loss of $18.229 million). At 31 December 2015 Aspen had net assets of $141.579 million (30 June 2015: $196.063 million), cash reserves of $6.359 million (30 June 2015: $23.250 million) and current assets exceeded current liabilities by $62.341 million (30 June 2015: $83.902 million).

The consolidated interim financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

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

Operating segments

Aspen has three operating segments as detailed below, which hold different asset classes and offer different products and services and are based on Aspen's management reporting and oversight.

Internal management reports on each of these segments are reviewed on at a least a monthly basis by the executive management team, representing the chief operating decision makers. Segment results and assets include items directly attributable to the operating segments as well as those that can be allocated on a reasonable basis.

The following details the three operating and reporting segments, namely residential/short stay, resource, and non-core in addition to the other segment:

- Residential / short stay – this segment includes income and expenses relating to 2 MHE and 2 mixed use accommodation parks. These properties cater to permanent and short stay residents.

  In addition, this segment includes an allocation of earnings associated with Aspen's cornerstone investment in, and funds management of APPF, as it relates to APPF's 17 mixed use parks. With the deconsolidation of APPF on 9 December 2015, earnings from the 17 APPF mixed use accommodation assets were no longer reported in this segment.
- Resources – this segment includes income and expenses relating to Aspen's 1 resource accommodation park, being Aspen Karratha Village. This property primarily caters to one corporate resource client.

  In addition, this segment includes an allocation of earnings associated with Aspen's cornerstone investment in, and funds management of APPF, as it relates to APPF's 4 resource accommodation parks. With the deconsolidation of APPF on 9 December 2015, earnings from the 4 APPF resource parks were no longer reported in this segment.
- Non-core – this segment includes income and expenses relating to discontinued development assets and resort / short stay parks, continuing Spearwood South industrial property, and any other activities deemed non-core by the Board.

  Details of assets within the discontinued operations segment are included in the Operating and Financial Review within this financial report. In addition, this segment includes an allocation of earnings associated with Aspen's cornerstone investment in and funds management of APPF as it relates to the resort accommodation assets which were settled during the period.
- Other – this segment includes income and expenses that is not allocated to an operating segment. This includes corporate overheads, interest revenue and interest expenses. In addition, this segment includes the gain on deconsolidation of APPF on 9 December 2015.

Geographical segments

Aspen is Australian based, and as such has its current operating activities spread throughout Australia. There are no other geographical segments.

	Residential / short stay		Resources		Non-core		Other		Consolidated	
	31 Dec 2015	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014	**31 Dec 2015**	31 Dec 2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment revenue [1]	16,965	9,444	8,134	7,659	6,047	16,725	-	-	**31,146**	33,828
Operating EBIT [2]	6,453	3,961	2,439	3,178	2,900	6,039	(5,613)	(5,613)	**6,179**	7,565
Finance income	-	-	-	-	2	13	88	264	**90**	277
Finance costs	-	-	-	-	(40)	-	(2,315)	(2,459)	**(2,355)**	(2,459)
Profit / (loss) before income tax	6,453	3,961	2,439	3,178	2,862	6,052	(7,840)	(7,808)	**3,914**	5,383
Non-underlying items [3]	(1,287)	(842)	(9,541)	(16,944)	(500)	856	13,400	(6,682)	**2,072**	(23,612)
Income tax benefit / (expense)	-	-	-	-	-	-	-	-	**-**	-
Profit / (loss) after tax	5,166	3,119	(7,102)	(13,766)	2,362	6,908	5,560	(14,490)	**5,986**	(18,229)

[1] *All segment revenues are derived from external customers.*
[2] *Operating EBIT represents earnings before interest and tax excluding non-underlying items.*
[3] *Non-underlying items include depreciation, gains and losses on fair value movements and disposals, and non-recurring items which are not part of ordinary operating performance.*

Notes to the condensed consolidated interim financial statements

for the period ended 31 December 2015

1. Revenue

	31 December 2015 $'000	31 December 2014 $'000
Rental income from investment property	**1,890**	6,896
Revenue from accommodation parks	**24,814**	11,444
Fund management fees from associates	**194**	657
Net income from development activities	**92**	-
Revenue	**26,990**	18,997

Impact of the consolidation and deconsolidation of the Aspen Parks Property Fund

On 10 October 2014, Aspen consolidated APPF following Aspen's participation and underwriting of the APPF entitlement offer. The consolidation of APPF has resulted in the inclusion of revenue from accommodation parks and the removal of management fees relating to APPF from the date of consolidation by Aspen.

On 9 December 2015, Aspen deconsolidated APPF when it was deemed Aspen had lost control of APPF. Refer to Note 14 for further details.

Reclassification of investment property

At 30 June 2015, Aspen reclassified its investment property portfolio, which at that date solely comprised Aspen Karratha Village, to PPE. This was on the basis that given Aspen's strategic focus was to focus on the value for money accommodation sector, the Board considered that the intent of its holding of accommodation assets was no longer solely to generate passive rental income and capital returns, but also to provide accommodation services.

At 31 December 2015, Aspen reclassified the Spearwood South property from assets held for sale to investment property, which reflects the Board's intent not to sell the property with the next twelve months.

2. Expenses

Cost of sales

	31 December 2015 $'000	31 December 2014 $'000
Cost of sales from investment property	**295**	2,395
Cost of sales from accommodation parks	**8,062**	3,507
Direct employee benefits expenses	**5,379**	2,996
Cost of sales	**13,736**	8,899

Administration expenses

Salary and wages	**3,806**	3,795
Superannuation	**234**	168
Share based payment expenses	**372**	206
Less: employee benefits expenses capitalised	**(187)**	-
Occupancy costs	**293**	427
Restructuring and relocation costs	**(120)**	3,151
Net loss on disposal of fixtures included in property & plant & equipment	**-**	1,183
Transaction costs	**2,198**	-
Corporate depreciation	**83**	135
Corporate and fund administration costs	**1,616**	1,732
Other expenses	**213**	589
Administration expenses	**8,508**	11,386

Property depreciation, fair value adjustments and other

Acquisition costs	**1,166**	617
Depreciation expense	**2,831**	1,901
Fair value adjustment of investment property	**-**	12,000
Fair value adjustment of PPE	**9,485**	4,930
Fair value adjustment on obtaining control of an associate	**-**	(967)
Property depreciation, fair value Adjustments and other	**13,482**	18,481

Finance costs

	31 December 2015 $'000	31 December 2014 $'000
Interest – bank deposits	**88**	264
Interest – related party	**-**	13
Finance income	**88**	277
Interest and borrowing costs – loan and borrowings	**2,358**	2,440
Change in fair value of interest rate swap	**1,110**	1,829
Finance costs	**3,468**	4,269

Income tax expense

Aspen has a nil income tax expense for the period ended 31 December 2015 as it has unrecognised carried forward tax losses in excess of taxable profits generated during the period.

3. Property, plant and equipment

	Land $'000	Buildings and cabins $'000	Leasehold improvements $'000	Plant and equipment $'000	Corporate assets $'000	Total $'000
At 30 June 2015						
Cost or valuation	40,054	100,235	23,509	57,085	592	221,475
Accumulated depreciation and impairment	(7,446)	(1,387)	(351)	(2,224)	(273)	(11,681)
Net book amount	32,608	98,848	23,158	54,861	319	**209,794**
Period ended 31 December 2015						
Opening net book amount	32,608	123,587	23,158	30,122	319	**209,794**
Disposals and write-offs	-	-	-	-	-	-
Additions	9,200	1,476	70	2,987	24	13,757
Depreciation	-	(1,279)	(186)	(1,389)	(59)	(2,913)
Revaluation gains / (losses)	-	(8,676)	147	(632)	-	(9,161)
Transfer from / (to) goodwill	860	(2,487)	-	(1,016)	-	(2,643)
Reclassification	5,240	(4,864)	-	(376)	-	-
Deconsolidation of APPF	(23,508)	(99,388)	(23,189)	(27,343)	-	(173,428)
Net book amount	24,400	8,369	-	2,353	284	**35,406**
At 31 December 2015						
Cost	24,400	8,499	-	2,706	343	35,948
Accumulated depreciation and impairment	-	(130)	-	(353)	(59)	(542)
Net carrying amount	24,400	8,369	-	2,353	284	**35,406**

Valuation of assets

Independent valuations were commissioned for 3 properties in the portfolio during the period. The balance 2 properties that were not revalued during the period were acquired during the prior financial year, and independent valuations were received on these 2 properties immediately prior to acquisition.

As a result of the independent valuations received, as well as the use of directors valuations where applicable on recent acquisitions, there was a downward movement of $10.000 million in the portfolio carrying value. This downward movement was solely related to the independent revaluation of Aspen Karratha Village, where a carrying value of $12.000 million was adopted (30 June 2015: $22.000 million).

Level 3 fair value

The fair value measurement of PPE of $35.406 million (30 June 2015: $209.794 million) has been categorised as a Level 3 fair value based on the unobservable inputs to the valuation technique used.

The carrying amount table above shows the reconciliation from the opening balance to the closing balance for Level 3 fair values.

Segment	Percentage of portfolio revalued during the period	Total of latest independent valuation * $'000	Total carrying value (1) $'000
Mixed use	40%	37,370	37,370
Resource	100%	12,000 – 17,000	12,000
Other (corporate assets)	-	-	284
Total	60%	**49,370 – 54,370**	**49,654**

(1) The carrying values outlined in the above table include goodwill of $14.248 million as outlined in Note 13, however exclude any acquisition costs which are included in Aspen's NAV as calculated on page 5 of the directors report.

* Aspen Karratha Village valuation

Due to the continued weakness within the resources sector in which this accommodation property operates, the very low level of any comparable sales in the market, and the general uncertainty on the future outlook, Aspen commissioned two independent valuations on Aspen Karratha Village.

One of the independent valuers was the incumbent valuer, with the other valuer not having valued Aspen Karratha Village since 2009. The two independent valuations received were $17.000 million from the incumbent valuer, and $12.000 million from the other valuer.

Both valuations consider the value of Aspen Karratha Village on the same basis, which is allowing for the lease to January 2018, and separately on a post January 2018 lease basis as well.

Given the significant and continuing general uncertainty in the resources sector, the Board has adopted a carrying value of $12.000 million, in line with the lower independent valuation received.

The Board considers that there remains considerable subjectivity on the forecast performance of Aspen Karratha Village, and that this is reflected in the two independent opinions of valuation received, and the material differences that exist between both valuations.

An overview of the key assumptions used within the two independent valuations, on a post-January 2018 lease basis, is as follows.

	Independent valuation 1	Independent valuation 2
Occupancy (%)	35%	35% - 65%
Average daily room rate (ex primary tenant) ($)	$187	$160
Capitalisation rate (%)	16%	15%
Average cost margin (%)	68%	69%
Independent valuation ($'000)	12,000	17,000

Given the subjectivity that exists within the forecast performance of Aspen Karratha Village as part of the Board's consideration, sensitivities have been conducted on the lower valuation, to analyse the impact that varying occupancy levels and lower cost bases would have on the valuation (assuming all other assumptions remain constant). The outcome of modelling these sensitivities is outlined as follows.

	Independent valuation	Sensitivities			
Occupancy rate (%)	35%	40%	45%	50%	55%
Potential valuation ($'000)	12,000	13,200	14,300	15,500	16,600
Net operating profit margin (%)	32%	35%	40%	45%	50%
Potential valuation ($'000)	12,000	12,700	13,600	14,800	16,300

4. Investment property

	31 December 2015 $'000	30 June 2014 $'000
Net carrying amount at 1 July	-	38,500
Additions	-	107
Fair value loss	-	(16,607)
Transfers to property, plant & equipment	-	(22,000)
Transfer in from assets held for sale*	**29,000**	-
Investment property	**29,000**	-

* Refer Note 5 for details.

All investment property forms part of the non-core segment.

5. Assets classified as held for sale

	Non-core assets classified as held for sale	Investment in APPF held for sale	Assets of disposal group held for sale	Discontinued operations' assets classified as held for sale	Assets classified as held for sale
	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2014	2,792	-	24,554	87,809	115,155
Additions	-	-	1,817	12,517	14,334
Disposals	(376)	-	(18,547)	(20,297)	(39,220)
Transfers in	-	-	-	24,210	24,210
Transfers out	(416)	-	-	-	(416)
Other movements	-	-	(1,354)	-	(1,354)
Fair value adjustments	525	-	1,973	(6,722)	(4,224)
Closing balance at 30 June 2015 and opening balance at 1 July 2015	2,525	-	8,443	97,517	108,485
Additions	-	-	324	893	1,217
Disposals	-	-	(3,212)	(69,496)	(72,708)
Transfers in	-	14,576	-	-	14,576
Transfers out	-	-	-	(29,000)	(29,000)
Other movements	-	-	(17)	160	143
Fair value adjustments	-	-	-	(74)	(74)
Closing balance at 31 December	**2,525**	**14,576**	**5,538**	**-**	**22,639**

During the period, Aspen (through its managed fund, APPF) settled the sale of its two resort parks, as well as one short stay park. As all three parks are located in the north-west region of Western Australia forming a geographical segment, these were reclassified during the 30 June 2015 reporting period as a discontinued operation, and form part of Aspen's non-core segment.

In addition, during FY14, Aspen had classified its industrial portfolio as a discontinued operation. During the period, Aspen settled the sale of Spearwood North. At 31 December 2015 the Spearwood South property, with a carrying value of $29.000 million, was transferred out of assets held for sale, reflecting the Board's intent not to sell the property with the next twelve months.

Disposal groups held for sale includes all assets and liabilities pertaining to development syndicates consolidated by Aspen. These development syndicates have all made resolutions to sell all of their remaining assets and liabilities, and to complete an orderly wind up. At 31 December 2015, three of the five development syndicates were in liquidation. Refer to page 8 of the directors report for further details on these development syndicates.

All assets held for sale form part of the non-core segment.

6. Liabilities classified as held for sale

	Non-core liabilities classified as held for sale	Liabilities of disposal group held for sale	Discontinued operations' liabilities classified as held for sale	Liabilities classified as held for sale
	$'000	$'000	$'000	$'000
Opening balance at 1 July 2014	-	3,913	19,306	23,219
Other movements	-	(3,311)	-	(3,311)
Transfers out	-	-	(19,306)	(19,306)
Closing balance at 30 June 2015 and opening balance at 1 July 2015	-	602	-	602
Other movements		**(561)**	**-**	**(561)**
Closing balance at 31 December 2015	**-**	**41**	**-**	**41**

7. Distributions

	Aspen securityholders			
	Cents per security		Total amount	
	31 December 2015 Cents	31 December 2014 Cents	31 December 2015 $'000	31 December 2014 $'000
Paid during the period				
Final distribution for the previous year	**4.5**	4.0	**5,093**	4,775
Proposed and unpaid at the end of the period				
Interim distribution for the period	**4.6**	4.5	**5,208**	5,035

Aspen's distributions policy considers taxable income of the Trust, operating profits, stay in business capital requirements and forecast cash flows.

	APPF securityholders			
	Cents per security		Total amount	
	31 December 2015 Cents	31 December 2014 Cents	31 December 2015 $'000	31 December 2014 $'000
Paid during the period				
Monthly Distribution – June	**0.329**	-	**765**	-
Monthly Distribution – July	**0.339**	-	**788**	-
Monthly Distribution – August	**0.339**	-	**788**	-
Monthly Distribution – September	**0.328**	-	**763**	-
Monthly Distribution – October	**0.339**	0.340	**788**	829
Monthly Distribution – November	**-**	0.329	**-**	803
	1.673	0.669	**3,892**	1,632
Proposed and unpaid at the end of the period				
Monthly Distribution – November	**0.328**	-	**763**	-
Monthly Distribution – December	**-**	0.340	**-**	790
	0.328	0.340	**763**	790

APPF was deconsolidated from 9 December 2015. The November 2015 distribution payable was derecognised at this date.

8. Equity and reserves

Movement in stapled securities	Stapled Securities '000 units	Stapled Securities $'000
At 1 July 2014	**119,948**	**523,031**
Issue of stapled securities	65	83
Buy-back of stapled securities	(6,852)	(8,641)
At 30 June 2015 and 1 July 2015	113,161	514,473
Issue of stapled securities	46	59
At 31 December 2015	**113,207**	**514,532**

The nature of Aspen's contributed equity

Aspen does not have an authorised capital nor par value in respect of its issued stapled securities. Holders of stapled securities are entitled to receive dividends and distributions as declared from time to time and are entitled to one vote per stapled security at securityholder meetings. The liability of a member is limited to any remaining unpaid amount in relation to a member's subscription for securities.

Reserves	Available for sale reserve $'000	Equity accounted investee – share of other comprehensive income $'000	Revaluation reserve $'000	Total Reserves $'000
At 1 July 2014	(9)	(1,414)	-	(1,423)
Transfer to retained losses	9	1,414	-	1,423
Revaluation of property, plant and equipment, net of tax	-	-	2,660	2,660
At 30 June 2015 and 1 July 2015	-	-	2,660	2,660
Transfer to retained losses	-	-	(2,796)	(2,796)
Revaluation of property, plant and equipment, net of tax	-	-	136	136
At 31 December 2015	-	-	-	-

9. Earnings per stapled security

	31 December 2015	31 December 2014
Profit / (loss) for the period attributable to ordinary equity holders of the parent entity ($ '000)	**5,503**	(14,594)
Basic weighted average number of stapled securities (No. '000)	**113,184**	116,495
Diluted weighted average number of stapled securities (No. '000)	**115,188**	118,215
EPS from total operations:		
Basic earnings per stapled security (cents per security)	**4.862**	(12.528)
Diluted earnings per stapled security (cents per security) *	**4.777**	(12.528)
EPS from continuing operations:		
Basic earnings per stapled security (cents per security)	**4.783**	(16.479)
Diluted earnings per stapled security (cents per security) *	**4.700**	(16.479)
EPS from discontinuing operations:		
Basic earnings per stapled security (cents per security)	**0.079**	3.952
Diluted earnings per stapled security (cents per security)	**0.078**	3.894

* *Potential ordinary securities are only considered dilutive if loss per security increases on conversion to ordinary securities.*

Calculation of earnings per stapled security

Basic earnings per stapled security

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

Diluted earnings per stapled security

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

10. Interest bearing loans and borrowings

	31 December 2015 $'000	30 June 2015 $'000
Current		
Secured debt facilities	**6,000**	33,070
Deferred finance costs[1]	**(330)**	-
	5,670	33,070
Non-current		
Secured debt facilities	**-**	109,455
Deferred finance costs[1]	**-**	(634)
	-	108,821
Total interest-bearing loans and borrowings	**5,670**	141,891

[1] *Deferred finance costs are costs associated with the establishment of debt facilities with the financiers. The capitalised costs are being amortised over the life of the facility.*

Funding activities

Aspen had two debt facilities during the period.

One debt facility, with a total limit of $65.000 million (inclusive of a $5.000 million facility for working capital and bank guarantees), is applicable to Aspen Group. This debt facility is secured by first ranking registered real property mortgages over Aspen Group's properties, as well as a fixed and floating charge over Aspen Group.

The second debt facility, with a total limit of $95.000 million (inclusive of a $5.000 million facility for working capital and bank guarantees), is applicable to APPF. This debt facility limit was reduced from $115.000 million to $95.000 million during the period. The APPF debt facility is secured by first ranking registered real property mortgages over APPF's properties, as well as a fixed and floating charge over APPF. As APPF was deconsolidated on 9 December 2015, this debt facility is no longer included within Aspen's interest bearing loans and borrowings from the date of deconsolidation.

Terms and debt repayment schedule

		Face value 31 December 2015 $'000	Carrying value 31 December 2015 $'000	Face value 30 June 2015 $'000	Carrying value 30 June 2015 $'000
Secured	Maturity				
Aspen Group debt facility	Sep 2017	**6,000**	**6,000**	35,100	35,100
APPF debt facility	Sep 2017	**-**	**-**	107,425	107,425
		6,000	**6,000**	142,525	142,525

While the Aspen Group debt facility has a maturity date of September 2017, this debt facility has been classified as current on the basis that Aspen did not obtain financier consent to the sale of Aspen's management rights, and equity, in APPF. As consent was not obtained, the financier has the right to amend or terminate the facility at its discretion. As disclosed in note 18, this debt facility was fully repaid subsequent to 31 December 2015, from proceeds from the sale of Aspen's interests in APPF.

Aspen's financier also has an encumbrance over the sale proceeds from the sale of Aspen's interests in APPF to the value of its outstanding debt of $6.000 million. This encumbrance was extinguished on 15 January 2016 when Aspen repaid the debt facility in full.

Aspen Group securityholders have not provided any guarantees or in respect to the APPF debt facility.

11. Financial risk management

Financial risk management

Aspen Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 30 June 2015.

Liquidity risk

Nature of the risk

Liquidity risk is the risk that Aspen will not be able to meet its financial obligations as they fall due. Aspen is exposed to liquidity risk primarily due to its capital management policies, which view debt as an element of Aspen's capital structure.

Liquidity risk management

Liquidity risk is managed by monitoring cash flow requirements on at least a monthly basis to ensure that Aspen will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses and to optimise its cash return on investments. Aspen endeavours to maintain funding flexibility by keeping committed credit lines available with a variety of counterparties. Surplus funds are, where possible, paid against debt, or invested in instruments that are tradeable in highly liquid markets with highly rated counterparties.

	31 December 2015 $'000	30 June 2015 $'000
Financing facilities		
Secured debt facilities	**60,000**	170,000
Bank overdraft and guarantees	**5,000**	10,000
	65,000	180,000
Facilities used at balance date		
Secured debt facilities	**6,000**	142,525
Bank guarantees	**1,564**	1,464
	7,564	143,989
Facilities unused at balance date		
Secured debt facilities	**54,000**	27,475
Bank overdraft and guarantees	**3,436**	8,536
	57,436	36,011

Fair values

The carrying amounts and estimated fair values of all Aspen's financial instruments recognised in the financial statements are materially the same.

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The carrying amount of cash is considered as the fair value due to the liquid nature of these assets.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to approximate their fair values.

Interest-bearing liabilities

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held or based on discounting expected future cash flows at market rates.

Other financial assets / liabilities

The fair values of derivatives, corporate bonds, term deposits held at fair value and borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs. The fair values of loan notes and other financial assets have been calculated using market interest rates.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Subsequent changes in the fair value are recognised immediately in profit or loss. Aspen does not hold any derivatives which are designated as a hedging instrument.

Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that Aspen commits itself to purchase or sell the asset.

Valuation of financial instruments

For financial instruments measured and carried at fair value, Aspen uses the following to categorise the method used:

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

Aspen has an established control framework with respect to the measurement of fair values. This includes finance staff that have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and that report directly to the CFO.

These finance staff regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or external valuations is used to measure fair values, then the finance staff assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of accounting standards, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation matters are reported to the Aspen Audit Committee.

Aspen's financial instruments valued using market observable inputs (Level 2) with the exception of available for sale financial assets at fair value (level 3) that were valued at $0.417 million (30 June 2015: $0.431 million).

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during period (1H FY15: nil).

The following table shows a reconciliation of movements in Aspen's financial instruments classified as Level 3 within the fair value hierarchy for the periods ended 31 December 2015 and year ended 30 June 2015:

	31 December 2015 $'000	30 June 2015 $'000
Opening Balance at 1 July	431	807
Total gains or losses		
In profit or loss	(14)	(376)
Disposals	-	-
Closing Balance	417	431

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

12. Business combinations

Acquisition of business – accommodation properties

During the period, Aspen acquired two accommodation properties:

- Tomago Village Van Park on 19 August 2015;
- Adelaide Caravan Park on 21 October 2015.

These acquisitions included the tangible assets of the park properties as well as the existing park businesses and as a result, these transactions are accounted for as business combinations.

The fair values at acquisition date of identifiable assets and liabilities have been determined on a provisional basis as external consultant reports on the value of PPE have not been finalised for all properties acquired during the period.

Goodwill calculations	**$'000**
Consideration transferred	**19,750**
Less: fair value of identifiable net assets	**(11,145)**
Goodwill	**8,605**

The goodwill is mainly attributable to the value of the existing businesses, and which is in excess of PPE.

	$'000
Consideration transferred	
Cash – acquisition of accommodation properties	**18,850**
Deferred consideration	**900**
	19,750
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	**11,146**
	11,146

Revenue and profit contribution

The accommodation properties acquired during the period contributed revenues of $0.913 million and a net profit of $0.554 million to Aspen for the period from settlement of each accommodation property to 31 December 2015.

13. Goodwill

	31 December 2015 $'000	30 June 2015 $'000
Opening	11,953	-
Additions	8,605	11,953
Transfers	2,643	-
Deconsolidation of APPF	(8,953)	-
	14,248	11,953

Goodwill - additions

The business combinations of two park acquisitions, as disclosed in note 12, resulted in the acquisition of $8.605 million of goodwill.

Goodwill - transfers

The finalisation of value allocations relating to the business combinations during the year ended 30 June 2015 resulted in transfers of $2.643 million from property, plant and equipment. The finalisation of value allocations was based on external consultant reports received during the period.

14. Loss of control of subsidiaries

On 9 December 2015, Aspen was notified that Discovery Holiday Parks ("Discovery") had reached an ownership interest of 43.88% in Aspen Parks Property Fund (APPF), resulting from its unconditional cash takeover offer, which exceeded Aspen Group's interest of 42.02% at this date. This entitled Discovery to more voting power than Aspen Group and it was determined that Aspen Group no longer controlled APPF from this date, in accordance with applicable accounting standards.

Aspen Group deconsolidated APPF from 9 December 2015, and accounted for its interest as an investment in an associate from this date. In accordance with accounting standards, Aspen Group is required to remeasure its interest in APPF on deconsolidation at fair value. The fair value of the investment in associate was measured at $0.6233 per security, being the Discovery takeover offer price of $0.63 per security less distributions received which are to be deducted from proceeds from the sale of Aspen Group's interest in APPF to Discovery.

On 23 December 2015, Aspen Group entered into a conditional agreement to accept Discovery's takeover offer under which part of its interest in APPF, representing 32.92% of APPF securities, was sold on that date. Aspen Group had retained a 10.10% interest in APPF, which was contracted to be sold to Discovery following conditions of the agreement being satisfied and termination of Aspen Group's management rights in APPF. The remaining interest is accounted for as held for sale from 23 December 2015. As disclosed in note 18, Aspen settled this remaining interest to Discovery subsequent to period end.

Details of assets and liabilities derecognised and the gain on re-measurement of the retained interest in APPF are detailed as follows:

	9 December 2015
Derecognition of APPF assets and liabilities, net of consolidation adjustments	**$'000**
Current assets	
Cash and cash equivalents	1,303
Trade and other receivables	1,610
Inventories	611
Non-current assets	
Intangible asset - goodwill	8,953
Property, plant and equipment	173,428
Other	54
Total assets	185,959
Current liabilities	
Trade and other payables	8,470
Provisions	2,022
Derivative financial liability	847
Non-current liabilities	
Interest-bearing loans and borrowings	75,790
Derivative financial liability	1,715
Total liabilities	88,844
Net assets derecognised	**97,115**
Less: non-controlling interest share of net assets	(53,678)
APZ share of net assets derecognised	**43,437**
Gain on remeasurement of retained interest in associate at fair value	17,492
Initial recognition of investment in associate (APPF)	**60,929**

Sale and retained interest in APPF	
Sale of 32.92% holding in APPF on 23 December 2015	**(46,283)**
Provision for selling costs	**(70)**
Retained interest in APPF of 10.1%, held for sale at 31 December 2015	**14,576**

APPF entities deconsolidated resulting from loss of control:

	Ownership interest	
	31 December 2015	9 December 2015
Entities deconsolidated from 9 December 2015	**%**	%
Aspen Parks Property Management Limited	**10**	42
Aspen Gateway Travel Pty Ltd	**10**	42
Aspen Tourist Parks Pty Ltd	**10**	42
Aspen Monkey Mia Trust	**10**	42
Aspen Parks Property Trust	**10**	42
Aspen Shark Bay Airport Pty Ltd	**10**	42
Shark Bay Airport Trust	**10**	42

15. Discontinued operations

	Disposal groups held for sale		Non-core and accommodation operations held for sale		Total discontinued operations	
	31 December 2015 $'000	31 December 2014 $'000	31 December 2015 $'000	31 December 2014 $'000	31 December 2015 $'000	31 December 2014 $'000
Results of discontinued operations						
Revenue	2	1,480	4,156	8,916	4,158	10,396
Expenses	(115)	(1,498)	(3,232)	(4,459)	(3,347)	(5,957)
Profit / (loss) before income tax	(113)	(18)	924	4,457	811	4,439
(Loss) / gain on disposal after income tax	(81)	200	(47)	373	(128)	573
Net change in fair value	-	1,487	(74)	(1,419)	(74)	68
Profit / (loss) after tax from discontinued operations	(194)	1,669	803	3,411	609	5,080

	December 2015 $'000	June 2015 $'000	December 2015 $'000	June 2015 $'000	December 2015 $'000	June 2015 $'000
Assets and liabilities of discontinued operations						
Assets						
Cash and cash equivalents	1,490	1,547	-	-	1,490	1,547
Trade and other receivables	275	225	-	-	275	225
Properties held for sale	3,766	6,654	-	97,517	3,766	104,171
Prepayments and other assets	7	17	-	-	7	17
Total assets	5,538	8,443	-	97,517	5,538	105,960
Liabilities						
Trade and other payables	40	189	-	-	40	189
Deferred consideration	1	413	-	-	1	413
Total liabilities	41	602	-	-	41	602
Net assets	5,497	7,841	-	97,517	5,497	105,358

Disposal group held of sale

Aspen has a number of its development subsidiaries classified as a disposal group held for sale. At 31 December 2015, this primarily comprises AWSS.

The disposal group held for sale also includes $1.490 million of cash, which is restricted from use until the wind up of these entities is finalised by an external liquidator. On finalisation of wind up, this cash will be paid to Aspen, and will be available for use.

Non-core and accommodation operations held for sale

This operation was deemed discontinued during the year ended 30 June 2014.

16. Non-controlling interests

	ADF	AWSS	ADPF	FBSV	ADLL	APPF	Total
NCI percentage as at 31 December 2015	**24.9%**	**45.9%**	**-**	**54.6%**	**56.8%**	**-**	
Year ended 30 June 2015	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening balance at 1 July 2014	(15,492)	(2,894)	(12)	927	(2,196)	-	(19,667)
Share of comprehensive income / (expense)	429	(32)	12	(7)	121	(5,136)	(4,613)
Distribution to non-controlling interest	-	-	-	-	-	(4,116)	(4,116)
Effect of consolidation of APPF	-	-	-	-	-	70,290	70,290
Share buy back	-	-	-	-	-	(16)	(16)
Withdrawal offer impact on non-controlling interest	-	-	-	-	-	(5,453)	(5,453)
Loss on withdrawal offer	-	-	-	-	-	(317)	(317)
Closing balance at 30 June 2015 and opening balance at 1 July 2015	(15,063)	(2,926)	-	920	(2,075)	55,252	36,108
Share of comprehensive income / (expense)	6	(99)	-	-	-	764	671
Distribution to non-controlling interest	-	-	-	-	-	(2,282)	(2,282)
Purchase of equity by parent	-	-	-	-	-	(49)	(49)
Equity costs	-	-	-	-	-	(7)	(7)
Effect of deconsolidation of APPF	-	-	-	-	-	(53,678)	(53,678)
Closing balance at 31 December 2015	**(15,057)**	**(3,025)**	**-**	**920**	**(2,075)**	**-**	**(19,237)**

Non-controlling interests – consolidation and deconsolidation of APPF

On 10 October 2014, Aspen acquired control of APPF and has subsequently consolidated APPF. The consolidation of APPF resulted in the creation of NCI.

On 9 December 2015, Aspen lost control of APPF and has deconsolidated APPF from this date, which has resulted in derecognition of the NCI related to APPF. Refer to note 14 for further details.

Loss on withdrawal offer

In December 2014 APPF bought back 11.478 million securities, for cash consideration of $6.000 million. At the time of the buy-back, the net identifiable assets of APPF were $0.48 per unit, a value of $5.453 million for the 11.478 million securities withdrawn. Therefore, a loss on buy-back of $0.547 million has been recognised, being the excess cash consideration above the value of the securities bought back.

An amount of $0.317 million was allocated to non-controlling interest of the total loss of $0.547 million, with the balance of the loss allocated to securityholders of Aspen.

Negative non-controlling interests

Aspen has recognised NCI for AWSS, ADF and ADLL as at 31 December 2015 even though these NCI's are negative. AWSS, ADF and ADLL are limited companies, and there is no ability for Aspen to recoup the negative equity attributed to NCI's.

17. Commitments and Contingencies

The following material contingent liabilities exist at 31 December 2015.

	31 December 2015 $'000	30 June 2015 $'000
Contingent liabilities		
Defect maintenance periods	**3,061**	3,061
Tenant fitout incentives received	**903**	1,411
Finance facility bonds	**100**	-
	4,064	4,472
Contingent assets		
Management rights (iv)	**5,000**	-
	5,000	-
Operating lease commitments		
Group as lessee (i)		
Within 1 year	**1,586**	3,239
Greater than 1 year but not more than 5 years	**7,094**	11,000
More than 5 years	**981**	6,662
	9,661	20,901
Group as lessor (ii)		
Within one year	**8,458**	7,480
Greater than 1 year but not more than 5 years	**18,203**	20,471
More than 5 years	**-**	-
	26,661	27,951
Capital commitments *(iii)*		
Contracted by not provided for an payable:		
Within 1 year	**-**	1,055
Greater than one year but not more than five	**-**	-
	-	1,055
Other expenditure commitments		
Bank guarantees issued to third parties	**1,564**	1,464
Insurance bond guarantees	**2,500**	3,008
Other guarantees	**288**	-
	4,352	4,472

(i) Aspen leases various offices under non-cancellable operating leases. In addition, Aspen leases properties, under non-cancellable leases, on which it operates accommodation businesses. Operating lease expense for the period was $0.808 million (1H FY15: $0.744 million).

(ii) Relates to leases of investment properties.

(iii) Comprises commitments to expenditure on PPE.

(iv) In accordance with the conditional agreement on 23 December 2015, Aspen has received $5.000 million on 5 February 2016 from Discovery to terminate its management rights following conditions of the agreement being satisfied.

Other than the above, Aspen Group is not aware of any material contingent liabilities existing at 31 December 2015 or at the date of completion of these condensed consolidated interim condensed financial statements.

18. Subsequent events

The following material events have occurred between the reporting date and the date of this report:

- On 11 January 2016, Aspen Received $46.283 million of proceeds from the sale of its 31.92% equity in APPF, which was classified as a receivable at 31 December 2015.
- On 15 January 2016 Aspen repaid $6.000 million of its debt facility, with no debt outstanding at the date of signing this report.
- On 5 February 2016, Aspen received $5.000 million for terminating its management agreement with APPF, which had a nil intangible asset carrying value on Aspen's balance sheet as at 31 December 2015;
- On 22 February 2016, Aspen received $14.576 million for its remaining interest in APPF, which was classified as an asset held for sale at 31 December 2015; and
- On 23 February 2016, Aspen signed a conditional heads of agreement with Mill Hill Capital in respect to pursuing a proposal for:
  - Aspen to acquire the Edward Baillie Capital Hotel & Leisure Fund portfolio of four hotel / motel properties with food, beverage and gaming activities;
  - Appoint John Carter (currently a non-executive director of Aspen) and David Dixon as Joint Chief Executive Officers of Aspen; and to
  - Undertake an off-market buyback of up to 25% of Aspen securities.

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

19. Related party transactions

As disclosed in note 18, Aspen has subsequent to period end signed a conditional heads of agreement with Mill Hill Capital in respect to the potential acquisition of property and a business related to John Carter, a non-executive director of Aspen.

No income or expense has occurred in respect to this potential transaction during the period.

With the exception of the above, arrangements with related parties are consistent with those disclosed in the financial report for the year ended 30 June 2015.

20. Other accounting policies

(a) New and amended standards adopted from 1st July 2015

All new and amended accounting policies and measurement bases have been adopted in this report for the period ended 31 December 2015. There has been no change to the group's accounting policies and are consistent with those disclosed in the Annual Report for the year ended 30 June 2015.

(a) New and amended standards and interpretations issued but not yet effective

The following standards, amendments to standards and interpretations are relevant to current operations. They are available for early adoption but have not been applied by Aspen in this financial report.

IFRS 16 Leases will require Aspen to recognise a lease asset, and corresponding lease liability, on its balance sheet for operating leases for which it is the lessee from 1 July 2019. This primarily pertains to Aspen's lease of corporate office space.

Aspen is continuing to assess the impact of this standard, however it is not practicle to quantify the impact on the financial statements at the application date, as any quantification would be subject to the leases existing at that date, which is not guaranteed to occur.

Aspen is assessing the impact of the other standards, amendments to standards and interpretations in the table below, but does not anticipate any significant impact from the adoption of these future standards.

Reference	Description	Application of Standard	Application by Group
AASB 9 *Financial Instruments* AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) and AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)	AASB 9 includes requirements for the classification and measurement of financial assets and was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements aim to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 *Financial Instruments: Recognition and Measurement*. It also includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.	1 January 2018	1 July 2018
AASB 15 Revenue from contracts with customers AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. A new five-step process must be applied before revenue can be recognised: • Identify contracts with customers • Identify the separate performance obligations • Determine the transaction price of the contract • Allocate the transaction price to each of the separate performance obligations, and • Recognise the revenue as each performance obligation is satisfied. Key changes to current practice are: • Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. • Revenue must be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal. • The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at some point in time at the end of a contract may have to be recognised over the contract term and vice versa. • There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few. • As with any new standard, there are also increased disclosures. Entities will have a choice of full retrospective application, or prospective application with additional disclosures.	1 January 2018	30 June 2018

IFRS 16 Leases	The new standard was issued by the IASB in January 2016. The AASB will meet in February 2016 to consider adoption on the standard in Australia. The standard substantially changes accounting for operating leases by lessees, requiring recognition of the leased asset and lease liability on the balance sheet. Key features of the new standard are: • Elimination of classification of leases as either operating leases or finance leases for a lessee • The recognition of lease assets and liabilities on the balance sheet, initially measured at present value of unavoidable future lease payments • Recognise depreciation of lease assets and interest on lease liabilities on the income statement over the lease term • Separation of the total amount of cash paid into a principal portion and interest in the cash flow statement • Short-term leases (less than twelve months) and leases of low-value assets (such as personal computers) are exempt from the requirements Entities will have a choice of full retrospective application, or alternatively not restate comparative information but recognise the cumulative effect of initial application as an adjustment to opening equity at the date of initial application.	1 January 2019	1 July 2019

Directors' Declaration

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

   (a) the condensed consolidated interim financial statements and notes on pages 14 to 36, 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 31 December 2015 and of its performance for the financial period ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*; and other mandatory professional reporting requirements.

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

2. The directors have been given the declaration required by Section 295A of the *Corporations Act 2001* from the CEO and CFO for the period ended 31 December 2015.

3. The directors draw attention to the notes to the condensed consolidated interim financial statements, which includes statement of compliance with *International Financial Reporting Standards* as issued by the *International Accounting Standards Board*.

Signed in accordance with a resolution of the directors.

Clem Salwin

Managing Director

SYDNEY, 23 February 2016