Rule 4.2A

Appendix 4D

1. Half yearly report

Name of entity

Treasury Group Limited

ABN:	39 006 708 792

Report for the half-year ended	31 December 2013
Previous corresponding period is the financial year ended and half year ended	30 June 2013 31 December 2012

2. Results for announcement to the market

				A$'000s
Revenues *(item 2.1)**	~~up~~/down	55%	to	1,030
Profit (loss) after tax attributable to members (*item 2.2*)	up/~~down~~	12%	to	6,754
Net profit (loss) for the period attributable to members *(item 2.3)*	up/~~down~~	12%	to	6,754

** Does not include the share of profits from Jointly Controlled Entities and Associates. Profits from Jointly Controlled Entities and Associates was $7.4M*

Dividends *(item 2.4)*

It is proposed to pay an interim fully franked dividend of 23.00 cents per share.

Payment Date: 27 March 2014

Record date for determining entitlements to the dividend *(item 2.5)*	6 March 2014

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

The Group generated a net profit attributable to members of Treasury Group Ltd of $6,753,550 for the six months ended 31December 2013. This compares with a net profit attributable to members of Treasury Group Ltd of $6,027,459 reported for the corresponding period ended 31 December 2012.

The underlying profit of the group as reported in the 31 December 2013 half year report has increased compared to the 31 December 2012 half year result due to one-off items as shown in the table below:

	CONSOLIDATED	
	2013	2012
	$	$
Net profit for the half year	**6,753,550**	6,027,459
Add back:		
- Impairment of goodwill	**252,764**	-
- Net (gain)/ Loss on disposal of available for sale investments	**-**	(396,296)
- Settlement fee from PRV restructure	**-**	(500,000)
- Legal, tax and consulting expenses	**202,648**	278,643
- Employee and restructuring costs	**-**	140,000
Underlying profit	**7,208,962**	5,549,806

During the half year ended 31 December 2013, TRG wrote off the residual goodwill in relation to AR Capital.

During the period, TRG incurred an abnormally high level of legal, tax and consulting fees in relation to business development opportunities.

Revenues were significantly lower from the previous corresponding period due mainly to the fact that the Company received a one-off fee in relation to the management of Premium Investors Ltd (a listed investment company) in December 2012.

For the details, please refer to the attached Financial Report for the 6 months period ended 31 December 2013.

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	277¢	258¢

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	N/A
Date(s) of gain of control *(item 4.2)*	N/A

Loss of control of entities

Name of entities *(item 4.1)*	N/A
Date(s) of loss of control *(item 4.2)*	N/A.
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 4.3).*	N/A.
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	N/A.

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Final dividend – year ended 30 June 2013	25 September 2013	5,306,274
Interim dividend – year ended 30 June 2014	27 March 2014	5,306,274

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Interim dividend:	Current period	23.00¢	100%	-¢
	Previous period	17.00¢	100%	-¢

Interim dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	5,306	3,922
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	5,306	3,922

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	N/A

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	% Securities held
Investors Mutual Limited	47
IML Investment Partners Pty Limited	40
Orion Asset Management (Aust) Pty Ltd	42
RARE Infrastructure Ltd	40
RARE IP Trust	40
Celeste Funds Management Limited	39
Octis Asset Management Pte Ltd	20
Aubrey Capital Management Ltd[1]	0
Freehold Investment Management[2]	0

[1] Treasury Group Limited acquired convertible preference shares which could entitle TRG to convert into 22.2% of its ordinary capital.

[2] Evergreen Capital Partners was merged with Freehold Investment Management (FIM). As a result of the merger, TRG holds first options in FIM which, upon conversion, will deliver an equity interest of 30% on a fully diluted basis. These options are exercisable at the election of Treasury Group into one new ordinary share each. The second option which dilutes the 30% to 15% holding is redeemable at FIM's election for nominal consideration upon the occurrence of a trigger event.

During the half year, Treasury Group Ltd sold its equity investment in Treasury Asia Asset Management. There was no abnormal gain or loss in relation to the price received.

Aggregate share of profits (losses) of associates and joint venture entities *(where material)*

Group's share of associates' and joint venture entities':	6mths to 31 Dec 2013 $	6mths to 31 Dec 2012 $
Profit (loss) before tax	12,567,226	9,233,132
Income tax	(2,865,811)	(1,829,093)
Net profit (loss) after tax	9,701,415	7,404,039
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	9,701,415	7,404,039

8. The information provided in the Appendix 4D is based on the interim financial report (attached), which has been prepared in accordance with Australian accounting standards *(item 8)*.

9. The interim financial report is not subject to audit dispute or qualification.
(item 9)

Periodic Disclosure Requirements Compliance Statement

1 An interim report for the half-year ended 31 December 2013 is provided with the Appendix 4D information.

2 The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.

3 Except where noted in the report, the interim report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2013, except mandatory changes under the Australian equivalents to International Financial Reporting Standards (A-IFRS).

4 The Appendix 4D information gives a true and fair view of the matters disclosed in the interim financial report.

5 The Appendix 4D information is based on the interim financial report, which has been subject to review.

6 The audit report or review by the auditor is provided with the interim financial report.

Sign here: .... Date: 25 February 2014
(Company Secretary)

Print name: Reema Ramswarup

Treasury Group Ltd

A.B.N. 39 006 708 792

Half-Year Condensed Financial Report

For the Half-Year Ended 31 December 2013

Contents

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

DIRECTORS

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

Name

Mr M. Fitzpatrick (Chairman)

Mr A. McGill (Managing Director and CEO), appointed 30 August 2013

Mr P. Kennedy (Non-executive Director)

Mr R. Hayes (Non-executive Director)

Ms M. Donnelly (Non-executive Director)

REVIEW AND RESULTS OF OPERATIONS

The principal activity of the Group for the period was the provision of funds management services to institutions, master funds and wraps, retail investors and private clients through Investors Mutual Limited, Orion Asset Management Pty Ltd, Global Value Investors Ltd, RARE Infrastructure Ltd, Celeste Funds Management Limited, Evergreen Capital Partners, Freehold Investment Management, Octis Asset Management Pte Ltd, Aubrey Capital Management Ltd and Treasury Asia Asset Management Ltd (sold on 31 October 2013).

The Group generated a net profit attributable to members of Treasury Group Ltd of $ 6,753,550 for the six months ended 31 December 2013. This compares with a net profit attributable to members of Treasury Group Ltd of $6,027,459 reported for the corresponding period ended 31 December 2012. The underlying profit of the Group as reported in the 31 December 2013 half year report had increased compared to the 31 December 2012 half year result due to the following one-off items as shown in the table below:

	CONSOLIDATED	
	2013	2012
	$	$
Net profit attributable to members of the parent	**6,753,550**	6,027,459
Add back:		
- Impairment of goodwill	**252,764**	-
- Net gain on disposal of available-for-sale investments	**-**	(396,296)
- Settlement fee from PRV restructure	**-**	(500,000)
- Legal, tax and consulting expenses	**202,648**	278,643
- Employee and restructuring costs	**-**	140,000
Underlying profit	**7,208,962**	5,549,806

Basic and diluted earnings per share have increased from 26.13 cents per share to 29.27 cents per share for the six months ended 31 December 2013.

On 7 August 2013, Mr. Andrew Howard was appointed as Chief Investment Officer of Treasury Group Ltd.

On 30 August 2013, Mr. Andrew McGill was appointed as Managing Director of Treasury Group Ltd.

On 31 October 2013, Treasury Group Ltd completed the sale of its loan assets and 43.96% equity holding in Treasury Asia Asset Management (TAAM) to Nikko Asset Management International (Nikko). TRG sold loans and equity holdings for the respective book values.

On 13 November 2013, Freehold Investment Management (FIM) and Evergreen Capital Partners (Evergreen) successfully completed a merger with FIM as the surviving entity. Under the new structure, Evergreen shareholders sold their shares in Evergreen in return for equity securities (shares and options) in FIM. Following the transaction, FIM owns 100% of the issued capital in Evergreen. As a consequence of the merger, TRG holds first options in FIM which, upon conversion, will deliver an equity interest of 30% on a fully diluted basis. These options are exercisable at the election of Treasury Group into one new ordinary share each. The second option which dilutes the 30% to 15% holding is redeemable at FIM's election for nominal consideration upon the occurrence of a trigger event.

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (Cont)

On 2 December 2013, the Board of Orion Asset Management decided to restructure its Australian Equities fund management business. Orion ceased to provide funds management services to institutional clients and several members of Orion's investment management team exited the business. Subsequently, Orion had reached an agreement with Fidante Partners Ltd, the responsible entity of Orion Australian Share Fund for retail clients that Orion will cease to manage the fund by end of January 2014. Orion's alliance with Trilogy Global Advisors has remained unchanged.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 3 February 2014, Treasury Group Ltd redeemed 2.4m units from the Aubrey Global Conviction Fund for $3.3m. This had a cost base of $2.4m. On the same day, Treasury Group Ltd reinvested $2.3m in the same Fund.

On 25 February 2014, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2013. The total amount of the dividend is $5,306,274 which represents a fully franked dividend of 23 cents per share. The dividend has not been provided for in the 31 December 2013 half year financial statements and will be recognised in subsequent financial reports.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration in relation to the half year review is provided with this report on Page 5.

Signed in accordance with a resolution of the Directors made pursuant to 306(3) of the Corporations Act 2001.

M. Fitzpatrick
Chairman
25 February 2014

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Treasury Group Ltd
Level 14, 39 Martin Place
Sydney NSW 2000

25 February 2014

Dear Directors

Treasury Group Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Treasury Group Ltd.

As lead audit partner for the review of the condensed financial statements of Treasury Group Ltd for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit and Loss
for the half-year ended 31 December 2013

	Notes	CONSOLIDATED Half-year ended 31 December 2013 $	Half-year ended 31 December 2012 $
Revenues	3(a)	**1,029,571**	**2,292,851**
Net gain on investments	3(b)	**-**	**396,296**
Salaries and employee benefits expenses	3(c)	**(1,814,053)**	**(1,974,540)**
Other expenses	3(d)	**(1,846,817)**	**(2,086,012)**
Share of net profits of equity accounted investments	3(e)	**9,701,415**	**7,404,039**
PROFIT BEFORE INCOME TAX		**7,070,116**	**6,032,634**
Income tax expense		**(308,576)**	**-**
PROFIT FOR THE PERIOD		**6,761,540**	**6,032,634**
ATTRIBUTABLE TO:			
NON-CONTROLLING INTEREST		**7,990**	**5,175**
MEMBERS OF THE PARENT		**6,753,550**	**6,027,459**
Earnings per share (cents per share) for profit attributable to the ordinary equity holders of the parent:			
• Basic earnings per share	10	**29.27**	**26.13**
• Diluted earnings per share	10	**29.27**	**26.13**
Interim franked dividends per share (cents per share)	9(c)	**23.00**	**17.00**

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

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2013

	Notes	CONSOLIDATED Half-year ended 31 December 2013 $	Half-year ended 31 December 2012 $
PROFIT FOR THE PERIOD		**6,761,540**	6,032,634
Other comprehensive income			
Items that may be reclassified to profit and loss			
Reversal of previous revaluation of available-for-sale investments sold during the period		-	672,181
Income tax relating to items that may be reclassified		-	(201,654)
Total items that may be reclassified		-	470,527
Net unrealised gains/(losses) on available-for-sale investments taken to equity		**1,272,506**	191,396
Income tax relating to items not reclassified		**(381,752)**	(57,419)
Share of after-tax gain on available-for-sale investments of jointly controlled entity		**170,950**	73,096
		1,061,704	207,073
Other comprehensive income for the period (net of tax)		**1,061,704**	677,600
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**7,823,244**	6,710,234
ATTRIBUTABLE TO:			
NON-CONTROLLING INTEREST		**7,990**	5,175
MEMBERS OF THE PARENT		**7,815,254**	6,705,059

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

Condensed Consolidated Statement of Financial Position
as at 31 December 2013

	Notes	CONSOLIDATED	
		As at 31 December 2013 $	As at 30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents	4	**13,967,391**	12,116,947
Trade and other receivables	5	**4,434,124**	7,578,686
Other assets		**256,180**	175,232
TOTAL CURRENT ASSETS		**18,657,695**	19,870,865
NON-CURRENT ASSETS			
Trade and other receivables		**723,958**	723,958
Available-for-sale investments	6	**12,553,117**	9,893,255
Loans and other receivables	7	**1,918,656**	3,629,539
Deferred tax assets		**2,058,856**	2,760,114
Investments accounted for under the equity method		**30,698,557**	30,633,054
Plant and equipment		**74,648**	70,270
Intangible assets		**14,752**	18,440
Goodwill		**-**	252,764
TOTAL NON-CURRENT ASSETS		**48,042,544**	47,981,394
TOTAL ASSETS		**66,700,239**	67,852,259
CURRENT LIABILITIES			
Trade and other payables		**2,512,536**	5,861,982
Provisions		**194,473**	213,202
Financial liability		**-**	600,000
TOTAL CURRENT LIABILITIES		**2,707,009**	6,675,184
NON-CURRENT LIABILITIES			
Provisions		**186,325**	99,650
TOTAL NON-CURRENT LIABILITIES		**186,325**	99,650
TOTAL LIABILITIES		**2,893,334**	6,774,834
NET ASSETS		**63,806,905**	61,077,425
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	11	**29,594,265**	29,594,265
Reserves		**5,098,159**	3,823,945
Retained earnings		**29,090,295**	27,643,019
Non-controlling interest		**24,186**	16,196
TOTAL EQUITY		**63,806,905**	61,077,425

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2013

Consolidated

	Note	Ordinary Shares	Share options reserve	Net unrealised gains reserve	Retained earnings	**Non-Controlling interest**	**Total**
		$	$	$	$	**$**	**$**
AT 1 JULY 2013		**29,594,265**	**3,447,286**	**376,659**	**27,643,019**	**16,196**	**61,077,425**
Total comprehensive income for the period		-	-	1,061,704	6,753,550	**7,990**	**7,823,244**
Share-based payments		-	212,510	-	-	-	**212,510**
Dividends paid	9(b)	-	-	-	(5,306,274)	-	**(5,306,274)**
AT 31 DECEMBER 2013		**29,594,265**	**3,659,796**	**1,438,363**	**29,090,295**	**24,186**	**63,806,905**

	Note	Ordinary Shares	Share options reserve	Net unrealised gains reserve	Retained earnings	**Non-Controlling interest**	**Total**
		$	$	$	$	$	**$**
AT 1 JULY 2012		29,594,265	3,073,807	(542,846)	25,788,684	2,471	57,916,381
Total comprehensive income for the period		-	-	677,600	6,027,459	5,175	6,710,234
Share-based payments		-	185,258	-	-	-	185,258
Dividends paid	9(b)	-	-	-	(4,614,152)	-	(4,614,152)
AT 31 DECEMBER 2012		**29,594,265**	**3,259,065**	**134,754**	**27,201,991**	**7,646**	**60,197,721**

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2013

	Notes	CONSOLIDATED Half-year ended 31 December 2013 $	Half-year ended 31 December 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**7,011,650**	**4,442,057**
Payments to suppliers and employees		**(10,600,006)**	**(7,911,131)**
Dividends and distributions received		**8,490,329**	**7,230,634**
Interest received		**283,057**	**515,826**
NET CASH FLOWS FROM OPERATING ACTIVITIES		**5,185,030**	**4,277,386**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(15,224)**	**(10,609)**
Purchase of available-for-sale investments		**-**	**(4,500,000)**
Purchase of share in jointly controlled entity		**-**	**(225,395)**
Proceeds from disposal of available-for-sale investments		**-**	**7,562,073**
Proceeds from sale of jointly controlled entity		**285,384**	**-**
Repayment of loan by jointly controlled entities		**1,701,528**	**125,000**
NET CASH FLOWS FROM INVESTING ACTIVITIES		**1,971,688**	**2,951,069**
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity dividends paid on ordinary shares		**(5,306,274)**	(4,614,152)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		**(5,306,274)**	(4,614,152)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,850,444**	**2,614,303**
Cash and cash equivalents at the beginning of the period		**12,116,947**	**8,194,805**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**13,967,391**	**10,809,108**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Selected Notes to the Half-Year Financial Statements

For the half-year ended 31 December 2013

1. CORPORATE INFORMATION

The condensed consolidated financial report of Treasury Group Ltd for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Directors on 25 February 2014. Treasury Group Ltd is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose condensed consolidated financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value, financial assets comprising convertible notes and shares held for trading, which are designated at fair value through profit and loss, and loans and receivables, which are measured at amortised cost.

The half-year condensed consolidated financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year condensed consolidated financial report should be read in conjunction with the annual report for the year ended 30 June 2013 and considered together with any public announcements made by Treasury Group Ltd during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

The financial report is presented in Australian dollars.

All other accounting policies applied are consistent with the most recent annual financial report for the year ended 30 June 2013 including the accounting policy for the equity-settled shared based payments which applies to the performance rights issued during the period.

(b) Compliance with IFRS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'

AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

The Directors of the Company made an assessment as the date of the initial application of AASB 10 (i.e. 1 July 2013) as to whether or not the Group has control over associates accounted for under the new standard. The outcome of this assessment was that there was no change in control as a result of the application of AASB 10.

Impact of the application of AASB 11

AASB 11 replaces AASB 131 'Interests in Joint Ventures' and the guidance contained in a related interpretation, Interpretation 113 'Jointly Controlled Entities – Non-Monetary Contributions by Venturers', has been incorporated in AASB 128 (as revised in 2011). AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, AASB 131 'Interests in Joint Ventures' contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under AASB 131 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expense incurred jointly). Each joint operation accounts for the assets and, liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The Directors of the Company have reviewed and assessed the Group's investments for compliance with AASB 11 and noted no impact on the financial reporting of currently held investments.

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However this did not result in any changes to the half year model report.

Impact of the application of AASB 13

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements. AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 119

In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time. AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits.

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of AASB 119 are replaced with a 'net interest' amount under AASB 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

These changes have had no impact on the financial reporting of Treasury Group.

Impact of the application of AASB 2012-2 'Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 134

The Group had also applied the amendment of AASB 134. This standard requires to disclose a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature of the change.

These changes have had no impact on the financial reporting of Treasury Group.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

	CONSOLIDATED	
	Half Year ended 31 December 2013 $	Half Year ended 31 December 2012 $
3. REVENUE AND EXPENSES		
(a) Revenues		
Fund management fees	**192,757**	1,011,623
Service fees	**568,851**	986,337
Interest income	**267,963**	294,891
	1,029,571	2,292,851
(b) Gains on investments		
Net gain on disposal of available-for-sale investments	**-**	396,296
	-	396,296
(c) Salaries and employee benefits expenses		
Salaries and employee benefits	**1,601,543**	1,789,282
Share-based payment expense arising from equity-settled share-based payment transactions	**212,510**	185,258
	1,814,053	1,974,540
(d) Other expenses		
Depreciation and Amortisation:		
Software	**3,688**	7,958
Furniture & fittings	**873**	1,116
Office equipment	**9,280**	13,683
Leasehold improvements	**692**	1,152
	14,533	23,909
Other expenses:		
Accounting & audit fees	**119,453**	113,275
Consulting fees & IT charges	**399,544**	378,072
Directors' fees (non-executives)	**205,196**	241,023
Insurance charges	**76,055**	145,752
Legal & compliance fees	**146,619**	226,209
Marketing & communication expenses	**53,388**	96,442
Operating lease rental – minimum lease payments	**161,303**	289,271
Travel & accommodation costs	**141,755**	117,614
Payroll tax	**66,166**	105,567
Subscriptions and training expenses	**80,647**	131,707
Impairment of goodwill	**252,764**	-
Fund administration fee expenses	**-**	20,646
Other	**129,393**	196,525
	1,832,284	2,062,103
Total other expenses	**1,846,817**	2,086,012
(e) Share of net profits of equity accounted investments		
Share of net profits from operations	**9,701,415**	7,404,039
	9,701,415	7,404,039

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

4. NOTES TO THE STATEMENT OF CASH FLOWS

For the purpose of the cash flow statement, cash and cash equivalents are comprised of the following:

	31 DECEMBER 2013	30 JUNE 2013
Cash at bank and on hand	**13,967,391**	12,116,947
	13,967,391	12,116,947

5. TRADE AND OTHER RECEIVABLES (CURRENT)

	31 DECEMBER 2013 $	30 JUNE 2013 $
Trade and other receivables	**2,373,695**	4,835,029
Sundry receivables	**14,157**	2,664
Other receivables	**19,826**	79,091
Related party receivables		
- jointly controlled entities - dividends	**1,180,500**	2,136,708
- others	**845,946**	525,194
	4,434,124	7,578,686

6. AVAILABLE-FOR-SALE INVESTMENTS

	31 DECEMBER 2013 $	30 JUNE 2013 $
Investment in Octis Asia Pacific Fund Limited*	**6,069,553**	5,921,032
Investment in Aubrey Conviction Fund*	**3,415,234**	2,647,168
Aubrey Capital Management convertible preference shares**	**1,679,875**	1,323,955
Investment in Freehold Investment Management – Options***	**1,387,355**	-
Unlisted shares in other corporations	**1,100**	1,100
	12,553,117	9,893,255

* These investments represent seed capital to assist in the growth and marketing of these products.

** Whilst classified as an available-for-sale to satisfy the definition under the accounting standards, the Board views this as a long term holding investment. The acquisition price of these securities was $1,314,073. The change in fair value reflects movements in fair value between reporting periods, including foreign exchange rates.

*** Whilst classified as an available-for-sale to satisfy the definition under the accounting standards , the Board views this as a long term investment. The valuation of these investments was based on the carrying value of the investment in Evergreen which was converted to equity in FIM.

The fair value of the unlisted available-for-sale investments is based on the current unit price of the investments which is determined by the value of the underlying investments on the unit trust.

6. AVAILABLE-FOR-SALE INVESTMENTS (Cont)

a. The following table gives an information about how the fair values of the financial assets of the Group is determined:

Financial assets/financial liabilities	Fair values at		Fair value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input
	31 December 2013	30 June 2013				
Available for-sale Investments	9,485,887	8,569,300	Level 2	The fair value of the unlisted available-for-sale investments is based on the current market price of the unit trusts which is determined by fair value of the underlying investments.	N/A	N/A
Available for-sale Investments	3,067,230	1,323,230	Level 3	Discounted cash flow. Future cash flows are determined based on current Funds under management of the business using various growth rates discounted at 18%.	18% discount rate Long term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries.	The higher the discount rate, the lower the fair value. The higher the growth rate, the higher the fair value.

There were no transfers between Level 2 and 3 during the period.

b. Reconciliation of Level 3 fair value measurements of financial assets

	31 December 2013
	Available for-sale – Level 3
Opening balance, 30 June 2013	**1,323,955**
Acquisition of option in FIM	**1,387,355**
Revaluation of convertible preference shares	**355,920**
At 31 December 2013	**3,067,230**

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

6. AVAILABLE-FOR-SALE INVESTMENTS (Cont)

	30 June 2013
	Available for- sale – Level 3
Opening balance, 31 December 2012	870,151
Revaluation of convertible preference shares	453,804
At 30 June 2013	1,323,955

	31 DECEMBER 2013	30 JUNE 2013
	$	$
7. LOANS AND OTHER RECEIVABLES (NON-CURRENT)		
Loan receivables due from:		
Jointly controlled entities	**1,918,656**	3,629,539
	1,918,656	3,629,539

(a) Loans

On 31 October 2013, Nikko bought from Treasury Group all loans and receivables due from TAAM. The balance of the loan receivable as at 31 December 2013 represent the subordinated loan to RARE Infrastructure Ltd.

The non-current loans to jointly controlled entities are subordinated to all other creditors as a condition of their Australian Financial Services Licences as agreed with the Australian Securities and Investments Commission (ASIC). Interest rates on the loans are fixed at between 6.5% and 7.5%.

	31 DECEMBER 2013	30 JUNE 2013
	$	$
8. FINANCIAL LIABILITY		
Financial Liability	-	600,000
	-	600,000

As a result of the merger between FIM and Evergreen, the contingent liability of $600,000 to Evergreen was extinguished as at 31 December 2013.

	Half Year ended 31 December 2013 $	Half Year ended 31 December 2012 $
9. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES		
Dividends paid or provided for in the current and comparative periods by Treasury Group Ltd are:		
(a) Dividends proposed and recognised as a liability		
Fully franked dividends	-	-
(b) Dividends paid during the half-year		
Final fully franked dividends (23 cents per share) (2012: 20 cents per share)	**5,306,274**	4,614,152
(c) Interim dividends proposed and not recognised as a liability*		
Interim fully franked dividends (23 cents per share) (2012: 17 cents per share)	**5,306,274**	3,922,028

* Calculation based on the ordinary shares on issue as at 31 January 2014 (2012: 31 January 2013)

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

	Half Year ended 31 December 2013 $	Half Year ended 31 December 2012 $
10. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent	**6,753,550**	6,027,459
Weighted average number of ordinary shares used in calculating basic earnings per share	**23,070,755**	23,070,755
Effect of dilutive securities		
Dilutive effect of potential ordinary shares – performance rights/share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**23,070,755**	23,070,755

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	31 DECEMBER 2013 $	30 JUNE 2013 $
11. CONTRIBUTED EQUITY		
(a) Ordinary shares		
Ordinary shares	**29,594,265**	29,594,265
Fully paid ordinary shares carry one vote per share and carry the right to receive dividends		

(b) **Movement in ordinary shares on issue**	Number	$
At 1 January 2013	**23,070,755**	29,594,265
At 30 June 2013	**23,070,755**	29,594,265
At 31 December 2013	**23,070,755**	29,594,265

(c) Capital management

The Company's capital management policies focus on ordinary share capital. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders.

Management is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders or conduct share buybacks.

During the half year ended 31 December 2013, management paid dividends of $5,306,274 (2012: $4,614,152). Directors anticipate maintaining a dividend payout ratio over a medium term of at least 60%-80% of underlying profit in a normal year subject to future acquisitions.

The Group does not have any external borrowings.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

11. CONTRIBUTED EQUITY (Cont)

On 7 August 2013, Treasury Group Ltd issued 100,000 performance rights which have a vesting date of 7 August 2016 (2012: 39,007 granted on 1 July 2012 which have a vesting date of 1 July 2015) to executives and certain employees as part of their long term incentives. The performance rights on issue were valued based on the valuation made by RSM Bird Cameron using a hybrid monte-carlo/binomial option pricing model on the performance rights that were issued on 1 July 2012. The value of each right was $1.64. There were no performance rights that lapsed during the half year (2012: $163,892). Total value of outstanding performance rights is $1,298,657 amortised over three years from the grant date. The amount of performance rights amortisation expense for the period was $212,510 (2012:$185,258).

12. SEGMENT INFORMATION

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is specifically focused on the profit after tax earned by each business within the Group. Therefore the Group's reportable segments under AASB 8 are included in the table below.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's results by reportable operating segment:

	Consolidated	
Segment profit after tax for the period	Half Year ended 31 December 2013 $	Half Year ended 31 December 2012 $
Outsourcing and trustee services	**(105,596)**	621,262
Australian equities	**4,306,688**	3,776,780
Alternative equities	**5,534,601**	3,627,259
	9,735,692	8,025,301
Central administration costs and directors' salaries	**(2,974,153)**	(1,992,667)
Total per statement of profit and loss	**6,761,540**	6,032,634

Segment net assets for the period	Half Year ended 31 December 2013 $	30 JUNE 2013 $
Outsourcing and trustee services	**5,881,881**	5,960,548
Australian equities	**12,634,180**	11,850,754
Alternative equities	**7,740,191**	6,712,478
	26,256,252	24,523,780
Central administration	**37,550,653**	36,553,645
Total per Statement of Financial Position	**63,806,905**	**61,077,425**

Other than Australia, no country represents more than 10% of revenue of Treasury Group Ltd and its jointly controlled entities. No individual customer represents more than 10% of revenue of Treasury Group Ltd and its jointly controlled entities.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2013

13. EVENTS AFTER THE BALANCE SHEET DATE

On 3 February 2014, Treasury Group Ltd redeemed 2.4m units from the Aubrey Global Conviction Fund for $3.3m. This had a cost base of $2.4m. On the same day, Treasury Group Ltd reinvested $2.3m in the same Fund.

On 25 February 2014, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2013. The total amount of the dividend is $5,306,274 which represents a fully franked dividend of 23 cents per share. The dividend has not been provided for in the 31 December 2013 half year financial statements and will be recognised in subsequent financial reports.

Directors' Declaration

In accordance with a resolution of the Directors of Treasury Group Ltd made pursuant to s303(5) of the Corporations Act 2001, I state that:

In the opinion of the Directors:

(a) the condensed financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:

  (i) giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date of the Consolidated Entity; and

  (ii) complying with Accounting Standard AASB 134 '*Interim Financial Reporting*' and the Corporations Regulations 2001; and

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

On behalf of the Board

M. Fitzpatrick
Chairman

25 February 2014

Deloitte.

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Independent Auditor's Review Report to the members of Treasury Group Ltd

We have reviewed the accompanying half-year condensed financial report of Treasury Group Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit and loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 gives a true and fair view and 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 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 2013 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 Treasury Group Ltd, 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.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Treasury Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 condensed financial report of Treasury Group Ltd 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 2013 and of its performance for the half-year ended on that date; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants
Sydney, 25 February 2014