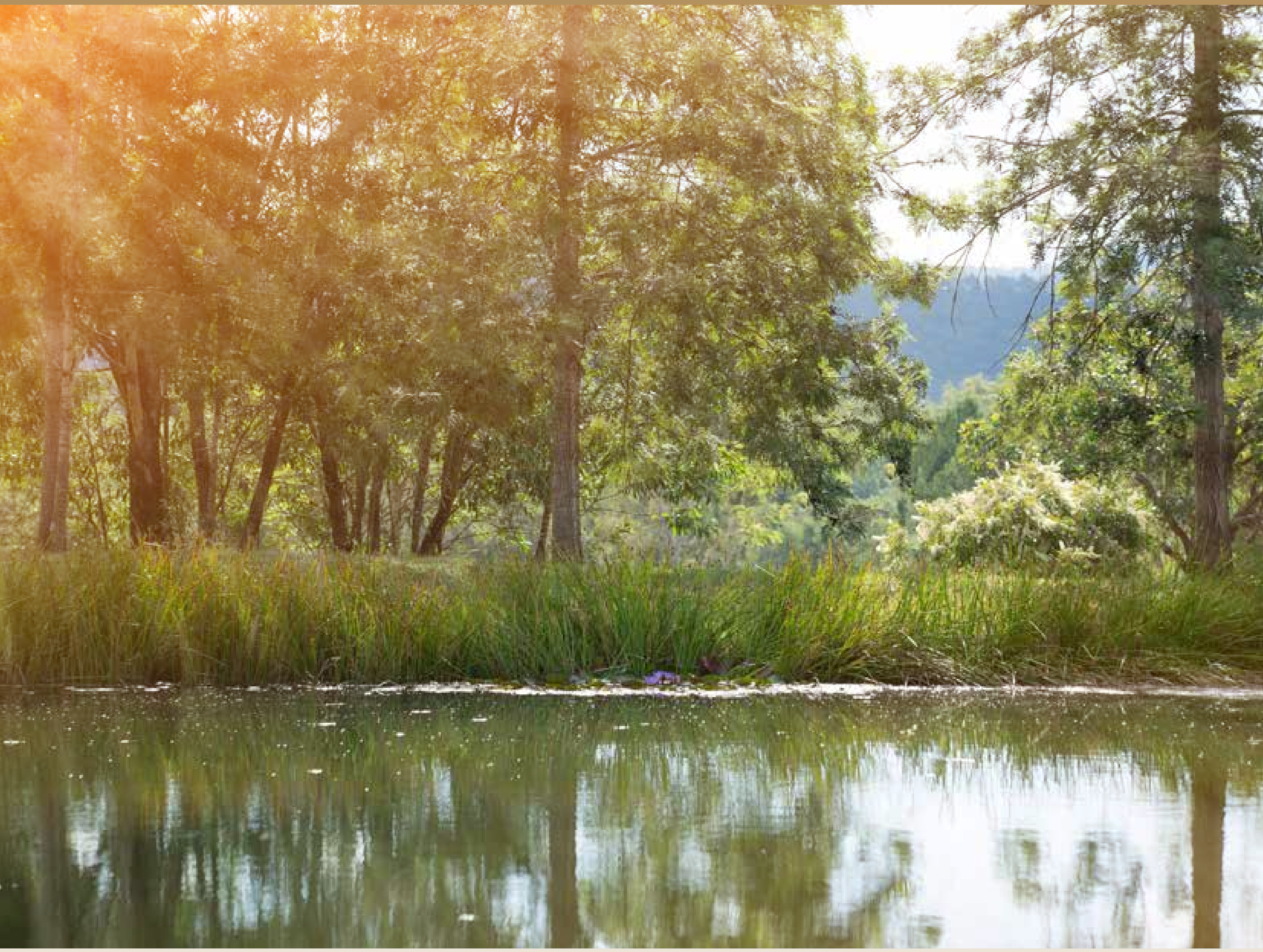

FINANCIAL REPORT 2015

SHINE CORPORATE LIMITED

ABN 93 162 817 905

CONTENTS

CORPORATE GOVERNANCE STATEMENT

The objective of the Board of Directors of Shine Corporate Limited ("the Board") is to create and deliver long-term shareholder value through a range of diversified damages based litigation services, both in terms of service offerings and geographical reach. Whilst each area of Shine Corporate Limited's ("the Group") business activities holds significant value and makes a substantial contribution towards achieving the Board's objective, management of the synergies arising from the interrelations between the various business activities is critical to achieving the objective of creating and delivering long-term shareholder value.

The Board considers there to be an unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness among and between the Board members, management, employees, clients and suppliers.

Shine Corporate Limited and its subsidiaries operate as a single economic entity with a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic group.

Shine Corporate Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the March 2014 amendments) as well as current standards of best practice for the entire financial year ended 30 June 2015.

BOARD COMPOSITION

The Board comprises five directors, four of whom (including the Chair) are non-executive and meet the Board's criteria to be considered independent. Stephen Roche is a non-executive director but is not independent as a result of his material shareholding. The names of the non-executive/independent directors are:

- Tony Bellas
- Carolyn Barker AM
- Greg Moynihan

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. For a director to be considered independent, they must meet all of the following materiality thresholds:

- not hold, either directly or indirectly through a related person or entity, more than 10% of the company's outstanding shares;
- not benefit, either directly or through a related person or entity, from any sales to or purchases from the company or any of its related entities; and
- derive no income, either directly or indirectly through a related person or entity, from a contract with the company or any of its related entities.

A complete listing of the Board directors for the year ended 30 June 2015, along with their biographical details, is provided in the Directors' Report. There have been no changes to the composition of the Board during the year.

The Board considers that the current Board composition reflects an appropriate balance between executive and non-executive directors that promotes both the generation of shareholder value and effective governance.

The Board also considers that the current Board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value.

Notwithstanding the fact that the Board considers its current composition to be appropriate, it has in place an active program for assessing whether individual directors and the Board as a whole have the skills and knowledge necessary to discharge their responsibilities in accordance with the Board's governance arrangements. Any deficiencies identified by this program can be addressed in a number of ways, including training and the employment of specialist staff. Details of the skills, expertise and experience of each director are provided in the Directors' Report.

ETHICAL STANDARDS

The Board is committed to its core governance values of integrity, respect, trust and openness among and between Board members, management, employees, clients and suppliers. These values are enshrined in the Board's Code of Conduct Policy, which is available at www.shine.com.au.

The Code of Conduct policy requires all directors, management and employees to at all times:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with both the letter and spirit of the law;
- encourage the reporting and investigation of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure that the Board's core governance values are not compromised in any decisions the Board makes.

DIVERSITY POLICY

The Group is committed to complying with the diversity recommendations published by the ASX and promoting diversity amongst employees, consultants and senior management, and has adopted a policy in relation to diversity.

The Group defines diversity to include, but not be limited to, gender, age, ethnicity and cultural background.

This Diversity Policy adopted by the Board outlines the Group's commitment to fostering a corporate culture that embraces diversity and provides a process for the Board to determine measurable objectives and procedures to implement and report against to achieve its diversity goals.

Shine's Remuneration Committee is responsible for implementing the Diversity Policy, setting the Group's measurable objectives and benchmarks for achieving diversity and reporting to the Board on compliance with the Diversity Policy. At present:

- the Board is comprised of 20% women;
- the management team 50%; and
- the staff 76%

The Diversity Policy is available on the Group's website at www.shine.com.au.

SHARE OWNERSHIP AND SHARE TRADING POLICY

Details of directors' individual shareholdings in Shine Corporate Limited are provided in the Remuneration Report.

A Securities Trading Policy has been adopted by the Board to provide guidance to the Board, employees and other stakeholders of the Group, where they are contemplating dealing in the Group's securities or entities with whom the Group may have dealings. The Securities Trading Policy is designed to ensure that any trading in the Group's securities is in accordance with the law and minimises the possibility of misperceptions arising in relation to directors' and employees' dealings in the Group's securities or securities of other entities.

Any non-compliance with the Securities Trading Policy will be regarded as an act of serious misconduct. The Securities Trading Policy is available on the Group's website at www.shine.com.au.

BOARD COMMITTEES

To facilitate achieving its objectives, the Board has established three sub-committees comprising Board members, the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee. Each of these committees has a formal charter that outlines the committee's roles and responsibilities, and the authorities delegated to it by the Board. Copies of these terms of reference are available on the Group's website at www.shine.com.au.

AUDIT AND RISK COMMITTEE

The role of the Audit and Risk Management Committee is to oversee the structure and management systems associated with the financial reporting function that ensure the integrity of the Group's financial statements. Specifically, the Audit and Risk Management Committee oversees:

- the appointment, independence, performance and remuneration of the external auditor;
- the integrity of the audit process;
- the effectiveness of the internal controls;
- the effectiveness of the risk management processes and controls; and
- compliance with applicable regulatory requirements.

The Audit and Risk Management Committee comprises the three non-executive/independent directors. Consistent with the ASX's Corporate Governance Principles and Recommendations, the Chair of the Audit and Risk Management Committee, Gregory Moynihan, is independent and does not hold the position of Chair of the Board. The remaining members of the Committee are Carolyn Barker AM and Tony Bellas.

The names and qualifications of the Audit and Risk Management Committee members and their attendance at meetings of the committee are included in the Directors' Report.

NOMINATION COMMITTEE

The role of the Nomination Committee is to provide advice and make recommendations to the Board to ensure that it is comprised of individuals who are best able to discharge the responsibilities of Directors, having regard to the law and the highest standards of governance by:

- assessing the skills required by the Board;
- from time to time assessing the extent to which the required skills are represented on the Board;
- establishing processes for the review of the individual Directors and the Chairman specifically, and the Board as a whole;
- establishing processes for the identification of suitable candidates for appointment to the Board as additional members or to succeed existing members and reviewing Board succession plans;
- reviewing and reporting, at least annually, on the relative proportion of women and men on the Board;
- making recommendations to the Board on Directors' appointments or Board and Committee structure.

A copy of the Board's policies and procedures for the selection, nomination and appointment of new directors, and the re-election of incumbent directors, is available from the website www.shine.com.au.

The Nomination Committee comprises all five of the directors.

The names and qualifications of the Nomination Committee members and their attendance at meetings of the committee are included in the Directors' Report.

REMUNERATION COMMITTEE

The role of the Remuneration Committee is to assist the Board in the general application of the remuneration policy. In doing so, the Remuneration Committee is responsible for:

- developing remuneration policies for directors and Key Management Personnel ("KMP"), with the assistance of independent external consultants;
- reviewing KMP remuneration packages annually and, based on these reviews, making recommendations to the Board on remuneration levels for KMP;
- assisting the Chair in reviewing Managing Director ("MD") performance biannually and reporting to the Board on that performance; and
- making recommendations to facilitate compliance with the Diversity Policy.

CORPORATE GOVERNANCE STATEMENT (CONT)

A copy of the Committee's charter is available from the website www.shine.com.au.

The Remuneration Committee comprises the three non-executive/independent directors and Stephen Roche.

The names and qualifications of the Remuneration Committee members and their attendance at meetings of the committee are included in the Directors' Report.

PERFORMANCE EVALUATION

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a combination of internal peer review and externally facilitated evaluation processes. The Board also formally reviews its governance arrangements on a similar basis annually.

The performance of the MD is assessed by the Remuneration Committee with each KMP assessed by the MD and endorsed by the Remuneration Committee.

BOARD ROLES AND RESPONSIBILITIES

The Board is accountable to the shareholders for creating and delivering shareholder value through governance of the Group's business activities. The discharge of these responsibilities is facilitated by the Board delivering to shareholders timely and balanced disclosures about the Group's performance.

As a part of its corporate governance arrangements, the Board has established a strategy for engaging and communicating with shareholders that includes:

- regular meetings with institutional shareholders;
- reporting to all shareholders; and
- actively encouraging shareholders to attend and participate in the Group's annual general meeting.

The Board is accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board's broad function is to:

- chart strategy and set financial targets for the Group;
- monitor the implementation and execution of strategy and performance against financial targets;
- appoint and oversee the performance of executive management, and generally to take an effective leadership role in relation to the Group; and
- set risk parameters within which the Group operates and manage risk in accordance with those settings.

Authority in certain areas is specifically reserved to the Board – consistent with its function as outlined above. These areas include:

- determining the Board's composition;
- oversight of the Group;
- appointing and removing the MD and assessing the performance of the MD;
- where appropriate, ratifying the appointment and the removal of members of the management team;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- approving and formulating Group strategy and policy;
- monitoring the management team's implementation of strategy;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments;
- approving and monitoring financial and other reporting;
- performance of investment and treasury function; and
- monitoring industry developments relevant to the Group and its business.

A key component of the Board's governance framework is the requirement for all Directors to demonstrate honesty, integrity and preparedness to critically evaluate all aspects of the Group's operations. Inherent is the expectation that Directors:

- commit the necessary time and energy to fulfil their responsibilities as Directors; and
- place the interests of the Group before their personal interests.

The Chair is responsible for ensuring individual directors, the Board as a whole and KMP comply with both the letter and spirit of the Board's governance framework. The responsibilities of the Chair are discharged in a number of ways:

- setting agendas in collaboration with other directors and KMP;
- encouraging critical evaluation and debate among directors;
- managing Board meetings to ensure that all critical matters are given sufficient attention; and
- communicating with stakeholders as and when required.

Independent directors have the right to seek independent professional advice on any matter connected with the discharge of their responsibilities as directors at the Group's expense. Written approval must be obtained from the Chair prior to incurring any expense on behalf of the Group.

SHAREHOLDER RIGHTS

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. The Board actively encourages shareholders to attend and participate in the Annual General Meetings of Shine Corporate Limited, to lodge questions to the Board and/or the MD, and are able to appoint proxies.

RISK MANAGEMENT

The Board considers identification and management of key risks associated with the business as vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the Group's business activities include:

- conflict of duties since the Group's prime duties are to the court and its clients, ahead of shareholders;
- changes in Commonwealth or State legislation;
- falling recoverability of work in progress;
- failure to successfully integrate newly acquired businesses;
- loss or interruption to internal systems;
- loss of key personnel; and
- brand and reputational risks

An assessment of the business's risk profile is undertaken and reviewed by the Board each year, covering all aspects of the business from the operational level through to strategic level risks. The MD has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

In addition to their regular reporting on business risks, risk management and internal control systems, the MD and CFO also provide the Board with written assurance that the Directors' Declaration provided with the annual report is founded on a sound system of risk management and internal control, and that this system is operating effectively in all material respects in relation to the financial reporting risks. This assurance is provided prior to the meeting at which the directors are due to authorise and sign the Group's financial statements.

REMUNERATION POLICY

The remuneration policy sets out a framework for the attraction and retention of high-calibre executives and staff to manage the Group and its business activities.

The amount of remuneration for all KMP for the Group, including all monetary and non-monetary components, is detailed in the Remuneration Report under the heading "Table of Benefits and Payments". All remuneration paid to executives is valued at the cost to the Group and expensed.

Incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, and can recommend changes to the Committee's recommendations.

COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX document, "Principles of Good Corporate Governance and Best Practice Recommendations" (Guidelines) was published by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. The Group's Corporate Governance Charter has been drafted in light of the guidelines.

The Board has assessed the Group's current practice against the third edition of the guidelines and outlines its assessment as follows.

Principles and Recommendations			Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The Board is responsible for overall strategic guidance and corporate governance of the Group. The respective roles and responsibilities of its board and management and those matters reserved to the board are documented and disclosed in the Board Charter which is available on the Company's website.	Complies.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Shine conducts appropriate checks to verify the suitability of candidates considered for nomination to the Board of Directors. Comprehensive biographical information is provided to shareholders in the notices of meetings to enable them to make an informed decision on whether to elect or re-elect a director.	Complies.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	All directors and senior executives have a written agreement setting out the terms of their appointment.	Complies.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The company secretary is accountable to the Board for facilitating the Company's corporate governance processess and the functioning of the Board.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
Principle 1 – Lay solid foundations for management and oversight (continued)			
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them.	Shine has a diversity policy that is disclosed on the Company's website. Performance against the policy is disclosed in the annual report.	Complies.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in	The Board undertakes an evaluation process in July each year to assess its performance. The assessment is conducted by an independent third party consultant. The evaluation has been undertaken for the current reporting period.	Complies.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Each year the Managing Director conducts a formal performance review with the senior executives. These reviews are documented. Performance reviews have been undertaken for the current reporting period.	Complies.
Principle 2 – Structure the Board to add value			
2.1	The board of a listed entity should:(a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	A Nomination Committee has been established with its own charter and consists of all five of the Directors. The charter is available on the Company's website and the number of meetings and attendance by the directors at those meetings is disclosed in the annual financial report each year.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
Principle 2 – Structure the Board to add value (continued)			
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The following skills, knowledge and experience have been identified as those that are required for the effective management of the Shine Group: • Strategy and executive leadership skills • Legal, insurance and service industry experience • Mergers & acquisitions experience • Governance and financial acumen • Innovation and technology • Strategic marketing • Global expansion experience Shine has developed an internal skills matrix identifying the skills and experience of its Board of Directors to identify professional development requirements and to assist the Board when considering its size and composition. The Board currently possesses a good blend of these skills and attributes.	Complies.
2.3	A listed entity should disclose:(a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship that may cause doubt about the independence of the director but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	The Group currently has a five member Board, of which three are independent non-executive directors. Together, the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Group and its business. The date of appointment of each director is disclosed in the annual report and on the Company's website.	Complies.
2.4	A majority of the board of a listed entity should be independent directors.	Three of the five Board members are considered to be independent – Tony Bellas, Carolyn Barker and Greg Moynihan.	Complies.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chairman, Tony Bellas, is an independent non-executive director.	Complies.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	The Company provides all new Directors with a Board Handbook. A policy exists encouraging all Directors to undertake continuing professional development activities each year and to join appropriate professional associations in order to continually develop and enhance their respective levels of industry knowledge, technical knowledge and other skills required to discharge their role effectively.	Complies.
Principle 3 – Promote ethical and responsible decision making			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Shine has a code of conduct for Directors, senior executives and employees, which sets out a framework to enable directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance. The Code of Conduct is available on the Company's website.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
Principle 4 – Safeguard integrity in financial reporting			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	The Group has established an Audit and Risk Management Committee. The Committee is comprised of the three non-executive independent directors and is chaired by an independent non-executive Director. The Charter of the Committee is available on the Company's website along with information on its members. The number of meetings held by the committee and the Directors' attendance at meetings is disclosed each year in the Group's Annual Report.	Complies.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The corporate governance charter requires the chief executive officer and chief financial officer to provide a statement to the board with any financial report to the effect that the Group's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.	Complies.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Group's auditor, EY, attends the AGM each year and is available to answer questions.	Complies.
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Shine has a Continuous Disclosure Policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules. Shine's Continuous Disclosure Policy is published on the Company's website.	Complies.
Principle 6 - Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Shine's website contains extensive information on the Company, its history and business activities and information relevant to investors as set out in the guidelines.	Complies.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Shine conducts regular market briefings including interim and full year results presentations, investor roadshows, briefings and also attends investor conferences in order to facilitate communication with investors and others stakeholders. All presentation material is provided to ASX prior to these events to ensure that all shareholders have timely access to information. Shine aims to ensure that all shareholders are well informed of all major developments affecting the Group.	Complies.

Principles and Recommendations			Comply
Principle 6 - Respect the rights of shareholders (continued)			
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Shareholders are encouraged to attend the Company's Annual General Meeting and to ask questions of Directors. The notice of meeting includes a process to enable shareholders to submit questions to the board and the Company's auditor prior to the meeting.	Complies.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Shine provides its investors the option to receive communications from, and send communications to, the company and the share registry electronically.	Complies.
Principle 7 – Recognise and manage risk			
7.1	The board of a listed entity should have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings	The Group has established an Audit and Risk Management Committee. The Committee is comprised of the three non-executive independent directors and is chaired by an independent non-executive Director. The Charter of the Committee is available on the Company's website along with information on its members. The number of meetings held by the committee and the Directors' attendance at meetings is disclosed each year in the Group's Annual Report.	Complies.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Board is responsible for the oversight and management of risk, including the identification of material business risks on an ongoing basis and will be assisted by the Audit and Risk Management Committee where required. A review of material business risks has been conducted in the current period.	Complies.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Shine does not currently have an internal audit function but is currently in the process of establishing an internal audit and risk management office. Currently the Board requires the Executive Directors and senior management to establish a system of internal control and risk management and to monitor compliance with the Group's published policies and procedures. Reviews of specific areas of risk or control are undertaken by internal or external parties on an ad-hoc basis and by the Company's auditors as required for the Group's audit. Improvements are made where identified to increase the effectiveness of the Group's internal controls.	Complies.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Group's exposure to material business risks, including economic risks, is disclosed in the Directors' Report. The Directors' do believe the Group has any material exposure to environmental or social sustainability risks.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
Principle 8 – Remunerate fairly and responsibly			
8.1	The board of a listed entity should have a remuneration committee which:(1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	The Board has established a Remuneration Committee to assist the board to discharge its responsibilities in relation to remuneration and issues relevant to remuneration policies and practices, including those for senior management and non-executive directors. The Charter of the Committee is available on the Company's website. The Remuneration Committee consists of Greg Moynihan, Tony Bellas and Carolyn Barker AM, all independent directors, plus the Non-Executive director Stephen Roche and is chaired by Carolyn Barker AM who is not chair of the Board. The number of meetings held by the committee and the Directors' attendance at meetings is disclosed each year in the Group's Annual Report.	Complies.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	A remuneration policy has also been adopted by the Company setting out the factors which the Remuneration Committee should consider when setting remuneration. Key factors affecting Director and executive remuneration are disclosed each year in the Remuneration Report which forms part of the Annual Report.	Complies.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Shine does not currently have any equity based remuneration schemes.	Complies.

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Group during the financial year were the operations of legal services throughout Queensland, Victoria, Western Australia, and New South Wales. The Group also has a one third interest in an insurance recovery consulting business located in New Zealand.

No significant changes in the nature of the principal activities occurred during the financial year.

OPERATING AND FINANCIAL REVIEW FOR THE YEAR

The consolidated profit of the Group amounted to 29,628,361 (2014: $22,175,139) after providing for income tax. Further discussion of the Group's operations is provided below.

REVIEW OF OPERATIONS

The Group specialises in damages based plaintiff litigation legal services, primarily relating to personal injury where 78% of the Group's revenue for the financial year ended 30 June 2015 was derived (2014: 85%). The balance of the financial year's revenue was from the expanding emerging practice areas such as professional negligence, class actions, landowner rights and environmental cases.

The Group contains one of the three largest plaintiff litigation firms in Australia, being Shine Lawyers. Whilst the Group and its largest competitors have grown significantly in recent years, the Directors estimate that the market share of the Group and those competitors in the personal legal services industry is still less than 20%. The Group estimates that it holds less than 4% of the personal legal services industry, which equates to no more than 10% of the personal injuries market. With over 12,000 open client matters, the Group does not have any dependencies on key customers.

Revenue has increased by 30% this year (2014: 10%), primarily as a result of acquisitions.

FINANCIAL POSITION

The net assets of the consolidated group have increased by $56,291,636 from 30 June 2014 ($119,898,045) to $176,189,681 in 2015 as a result of the strong operating performance and acquisitions within the Group.

With a cash position at 30 June 2015 of $9,393,350 (2014: $11,004,417) and access to a further $9,732,047 (2014: $13,369,160) from existing unused debt facilities, the Directors believe the Group is in a strong and stable financial position to expand and grow its current operations. In addition, on 16 July 2014 the Group successfully concluded a 1 for 10 rights issue at $1.90 per share, raising a total of $29.45M, primarily to fund the acquisitions of Stephen Browne Personal Injury Lawyers and Emanate Legal.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will seek to continue to grow its business profitably by concentrating on:

Inch Wide Mile Deep Strategy: The Group expects to continue to deepen its 'inch wide mile deep' strategy by growing all areas of its damages based plaintiff litigation business, but with a focus on growing the emerging practice areas at a faster rate than the personal injury practice areas. The Group intends to continue to grow in the future with a balance of organic growth and acquisitions.

In line with this strategy, in August 2015, the Group announced the acquisition of Bradley Bayly, a personal injury litigation firm operating in Western Australia. This acquisition is now complete.

Tort Reform Opportunities: Although tort reform initiatives pose risks for the Group's business, it has considerable experience adapting its business model to regulatory change. Tort reform presents opportunities, particularly in the acquisition of smaller practices which do not have the systems in place to deal with complex regulatory changes.

International Opportunities: Whilst the Directors believe there are ample opportunities for the Group to continue to grow domestically, the Directors will continue to monitor opportunities internationally. With its experience in the Australian legal market and its established systems and processes, the Group considers itself well placed to capitalise on opportunities in the United Kingdom legal market which is currently undergoing reform. Given the Group's relationship with Erin Brockovich, her strong referral base and other opportunities, the Directors have kept a watching brief on the US legal market and will continue to do so in the future. The Group expects Risk Worldwide New Zealand Limited to produce an improved result in the forthcoming year.

Continuous Improvement and the T2 Project: The Group is committed to continuous improvement in its case management systems and processes. The T2 Project is tasked with a number of important business improvement goals, including to increase the level of damages recovered for the Group's clients, reduce the cycle time (the speed with which a matter is brought to a conclusion for clients), improve recoverability of the Group's fees, increase the ratio of fee-earning to non-fee-earning staff in the business, and make the Group's systems and processes increasingly scalable and agile across different geographies.

MATERIAL BUSINESS RISKS

The Group's business is subject to risk factors, both specific to its business activities, and risks of a general nature. The risks the Directors highlight below do not represent all risks associated with the Group, but represent, in the Directors' opinion, the material business risks. These are:

Conflict of Duties: The Group, through its Incorporated Legal Practice Shine Lawyers Pty Ltd ("Shine"), has a paramount duty to the court, first, and then to its clients. Those duties prevail over the Group's duty to shareholders. There may be instances where the Group and its lawyers, in exercising their duties to the court or to the client (or both), act other than in the best interests of shareholders. An example is in settlement negotiations where the Group's duty to its client would be favoured over any short term cash flow or funding needs of the Group's business.

To mitigate this risk, the Group has strong case management systems and processes to identify such conflicts so that they can be avoided or, if not, managed appropriately.

Regulatory Environment: The Group, through its Incorporated Legal Practice Shine Lawyers Pty Ltd, operates in a regulated environment. Its business operations could be adversely affected by actions of State, Territory and Commonwealth governments, including changes in legislation, guidelines and regulations that affect the areas of law in which the Group practises.

To mitigate this risk, senior Shine legal practitioners actively meet with policy makers and participate in stakeholder working groups when reform is being considered in the areas of law in which the Group practises. In addition, the Group's 'inch wide mile deep' strategy of growing all areas of damages based plaintiff litigation, helps to diversify the Group's revenue stream and lessen the impact of individual legislative reform.

WIP Recoverability: because the Group operates on a speculative fee basis and in areas of law where the ultimate recovery of fees is regulated, the recoverability of WIP is a key risk to realising booked revenue. Given the inherent uncertainty associated with determining WIP recoverability, the Group has taken measures to ensure its case management systems and processes are desigend to mitigate the risk of realising booked revenue.

To help mitigate this risk, and as part of the Group's commitment to continuously improve its case management systems and processes, one of the goals of the T2 project is to improve the WIP recoverability of the Group's fees and improve its predictability.

Growth and Integration Risk: There is a risk that the Group may be unable to manage its future growth successfully. Historically, the Group has grown through a combination of organic growth and acquisitions. That growth strategy will continue, and may include new practice areas and geographies. A variety of factors, including unexpected integration issues, might cause future growth to be implemented less successfully than it has in the past.

To mitigate this risk, the Group continually refines its growth criteria to ensure there is strategic alignment, adequate financial return and integration risks considered before expansion opportunities are approved. In addition many acquisitions are subject to earn-outs, where part of the purchase price offered is subject to the delivery of certain KPIs post-acquisition.

Case Management Systems: The Group's business is reliant on its case management systems. Over the next few years, the Group is implementing the T2 Project which is designed to improve efficiencies in its case selection and management. Given the importance of the Group's systems in managing its business processes, any delays, cost overruns or integration issues with the T2 Project could have an adverse effect on the Group's operations and profitability.

To mitigate this risk, the Group has commenced the T2 project, established an appropriate corporate governance framework to oversee the project, and has a considered change management process as part of the project.

Personnel: The Group depends on the talent and experience of its people. In particular, the Group's growth is reliant on attracting and retaining professional fee-earning staff. Should any of its key people or a significant number of other people leave the Group, particularly to work for a competitor, this may have an adverse effect on the Group. It may be difficult to replace them, or to do so in a timely manner or at comparable expense.

To mitigate this risk, the Group has a strong values based culture that is reflected in high staff engagement and retention of its key people. The Group works hard to attract staff closely aligned to its values. The Group attracts, retains and incentivises talent by promoting its values based culture and by providing an environment where individuals and teams are recognised, rewarded and inspired to deliver outcomes for clients. Celebrating successes and milestones is encouraged.

Brand and Reputational Risk: The success of the Group is reliant on its reputation and its prime brand "Shine Lawyers". Anything that diminishes the Group's reputation or its brand could have a significant adverse financial effect on the Group. In particular, the actions of the Group's employees, including breaches of relevant regulations or negligence in the provision of legal advice, could damage the Group's brand and diminish future profitability and growth. As the Group has alliances with high profile individuals, such as Erin Brockovich, any harm to the reputation of those individuals may also negatively impact the Group.

To mitigate this risk, the Group has strong case management systems and processes to identify cases where brand and reputation risk could emerge, particularly through the case selection process where the decision to accept an individual case is made. In addition, the Group undertakes client surveys throughout the life of a case to help identify potential client service shortcomings so that they can be addressed in a timely manner. The Group also has a disciplined public relations process to ensure employees and alliances that speak on behalf of the Group reflect the views of the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year.

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared for payment during the financial year are as follows:

Final 2014 ordinary dividend of 1.75 cents per share paid on 10/10/2014	$3,017,002
Interim 2015 ordinary dividend of 2 cents per share paid on 10/04/2015	$3,448,002
Final 2015 ordinary dividend of 1.75 cents per share recommended by the Directors to be paid on 9/10/2015 out of retained profits at 30 June 2015	$3,024,029

DIRECTORS' REPORT (CONT)

EVENTS AFTER THE REPORTING PERIOD

On 5th August 2015 the Group announced the acquisition of Bradley Bayly. The acquisition was successfully concluded in August 2015 with the purchase of the remaining 75% of the company. The intitial 25% being acquired in June 2015. The total consideration paid and payable is $13.27M. The acquisition will be largely debt funded with a small scrip component of $1M.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulations under the law of the Commonwealth and States.

INFORMATION ON DIRECTORS

TONY BELLAS

Independent Chairman and Non-Executive Director
Appointed 13 March 2013

MBA, BEcon, DipEd, FAIM, MAICD, ASA

Experience

Tony joined Shine in 2013 as independent chairman and non-executive director. He has over 28 years' experience in senior management roles in the public and private sectors. He is currently chairman of ERM Power Limited and Corporate Travel Management Ltd and director of a number of other unlisted companies. Tony was previously Chief Executive of a number of major companies including:

Seymour Group (November 2007 to June 2010) – Queensland's largest private investment and development company;

Ergon Energy Corporation Limited (January 2004 to November 2007) – a Queensland Government Owned Corporation involved in electricity distribution, and

CS Energy Limited (December 2001 to January 2004) – A Queensland Government Owned Corporation involved in base load electricity generation.

Prior to this, Tony had a long career with Queensland Treasury where he reached the position of Deputy Under Treasurer. In that role, Tony had oversight of a number of related Treasury operations including Fiscal Strategy, Office of Government Owned Corporations and Office of State Revenue.

Interest in Shares at date of this report

140,000

Directorships held in other listed entities during the three years prior to the current year

Corporate Travel Management Limited (Sept 2010 – present), ERM Power Limited (Dec 2009 – present)

CAROLYN BARKER AM

Non-Executive Director
Appointed 13 March 2013

BBus, MBA, FAIM

Experience

Carolyn is an experienced CEO and non-executive Director. She joined the Board in 2009 as a non-executive Director and continued as a Director through the IPO in 2013. Her specialty interests as a Director are digital governance, general commercial and people and culture.

Carolyn is CEO of Endeavour Learning Group, the higher education division of the global private education company, Study Group. Endeavour has six campuses in Australia and two in New Zealand, 8,000 students and a comprehensive health and wellness clinic network throughout Australasia.

In her current role she champions complementary medicine and its role in integrative medical practice and preventative care in the context of the broader health and wellness sector. It is believed that the Endeavour Learning Group is the largest tertiary educator of its type in the natural health sector in the world.

Previously, Carolyn was the Chief Executive Officer of the Australian Institute of Management and Founder and Managing Director of TheCyberInstitute Pty Ltd.

Over the decade that Carolyn was with the AIM Group, the organisation grew into a cohesive network of commercially focused divisions, providing education, publishing, online learning and information services to corporate and government clients Australia-wide.

Currently Carolyn is Chair of Brisbane's Transport Advisory Board, a member of Brisbane City Council's Audit Committee and also a director of MIGAS Pty Ltd.

Throughout the 2000's Carolyn was the Chair of The Queensland Orchestra, the Brisbane City Council's Business Advisory Board and Deputy Chair of the Brisbane Powerhouse Centre for the Live Arts.

In 2002, Carolyn was made QUT Business School's Alumni of the Year. In 2005, she was awarded a Member of the Order of Australia (AM) for her service to business and the arts. Carolyn is an Adjunct Professor in Business at Griffith University.

Interest in Shares at date of this report

110,000

Directorships held in other listed entities during the three years prior to the current year

None

DIRECTORS' REPORT (CONT)

GREGORY MOYNIHAN

Non-Executive Director
Appointed 13 March 2013

BCom, Grad Dip SIA, CPA, FFin, MAICD

Experience

Greg Moynihan is a former Chief Executive Officer of Metway Bank Limited. He has also held senior executive positions with Citibank Australia and Suncorp Metway over a range of disciplines including financial and capital management, investment management, corporate strategy and marketing, as well as having primary accountability for business operations covering general insurance, business banking, retail banking and wealth management.

Since leaving Suncorp Metway in 2003, Greg has focused on his commitments as a non-executive company director, as well as pursuing business interests in the investment management and private equity sectors.

Greg is currently a non-executive director of Sunwater Limited (since 2007), Corporate Travel Management Limited (since 2010), and a director of several private companies. He has previously held public company Directorships with Cashcard Australia Ltd, LJ Hooker Ltd, RACQ Insurance Ltd, HFA Limited and Ausenco Limited.

Greg is Chair of the Audit & Risk Management Committee and sits on both the Nomination and Remuneration Committees.

Interest in Shares at date of this report

130,151

Directorships held in other listed entities during the three years prior to the current year

Corporate Travel Management Limited (Sept 2010 – present), Ausenco Limited (2009-2013)

SIMON MORRISON

Managing Director
Appointed 13 March 2013

LLB

Experience

Simon joined Shine in 1988 and became partner in 1995. Simon is a former National President of the Australian Lawyers' Alliance (ALA) and chairs the Alliance's National Workers Compensation Special Interest Group.

He is also a member of the American Association of Justice (formerly the Association of Trial Lawyers of America) and sits on that Association's Board of Governors.

Simon has particular expertise in the field of workers' compensation and is an acknowledged leader at both a state and national level. He has given evidence at numerous Government inquiries and has assisted in drafting legislation and is a regular speaker at national and state conferences in this field.

Simon is currently the Managing Director (MD) of Shine, spearheading the firm's strategic and operational objectives.

He holds a Bachelor of Laws and is a Queensland Law Society Accredited Specialist in Personal Injury law and is admitted to practice in several states in Australia.

Interest in Shares at date of this report

42,639,902

Directorships held in other listed entities during the three years prior to the current year

None

STEPHEN ROCHE

Non-Executive Director
Appointed 13 March 2013, (Non-Executive from 1 July 2014)

LLB, LLM

Experience

Stephen joined Shine in 1981. He is a former Managing Partner of Shine and was among the first solicitors in Queensland to be awarded Specialist Accreditation in Personal Injuries by the Queensland Law Society. Stephen is a Graduate of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management, and an active member of The Executive Connection. He is admitted to practise in various states in Australia and New Zealand. He resigned from his employment position on 1 July 2014, but continues as a non-executive director and consultant. His current role is developing strategic opportunities.

Interest in Shares at date of this report

42,639,902

Directorships held in other listed entities during the three years prior to the current year

None

COMPANY SECRETARIES

Shine Corporate Limited has two joint company secretaries, namely John George, BBus, CPA, FAIM, ACIS and Daniel Wilkie, BA (Accounting & Economics), CA.

John was appointed Company Secretary in 2013 after a period as a non-executive director from 2011. John has worked in a big four accounting firm, at ASIC and corporate advisory in public practice. John is currently a non-executive director of Gladstone Airport Corporation and a trustee of the Bravehearts Endowment Fund.

Daniel joined the Group in 2014 to manage the firm's newly acquired subsidiaries. He was appointed to the role of CFO and Company Secretary in April 2015 following the resignation of Craig Thompson. Daniel commenced his professional career with KPMG and has had extensive experience at senior executive level in a number of listed entities in the Insurance and Finance industries.

Craig Thompson held the position of joint company secretary until his resignation in April 2015.

DIRECTORS' REPORT (CONT)

MEETINGS OF DIRECTORS

During the financial year, the number of meetings held of directors (including committees of directors) and the number of meetings attended by each director are shown in the table at the bottom of this page.

INDEMNIFYING OFFICERS

During or since the end of the financial year, the Group has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- To insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

The total amount of insurance contract premiums paid was $110,943 (2014: $76,870).

INDEMNIFYING AUDITORS

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

OPTIONS

At the date of this report, there are no unissued ordinary shares of Shine Corporate Limited under option.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of any company in the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Ernst & Young for non-audit services provided during the year ended 30 June 2015:

	$
Other assurance services	123,600
Taxation advice and services	45,150
	168,750

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 19 of the Financial Report.

REMUNERATION REPORT (AUDITED)

In accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations, this report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly.

For the purposes of this report, the term "KMP's" includes all directors and the "Executive" roles of the CEO and the CFO.

	Directors' Meetings		Audit and Risk Management		Nominations		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Tony Bellas	12	12	8	8	2	2	4	4
Carolyn Barker AM	12	12	8	8	2	2	4	4
Gregory Moynihan	12	12	8	8	2	2	4	4
Simon Morrison*	12	11	8	7	2	2	4	3
Stephen Roche**	12	12	– **	– **	2	2	4	3

* Simon Morrison is not a member of the Audit and Risk Management Committee or the Remuneration Committee and attends meetings by invitation.

** Stephen Roche is not a member of the Audit and Risk Management Committee.

DIRECTORS' REPORT (CONT)

REMUNERATION POLICY

The Remuneration Report sets out remuneration information for Shine Corporate Limited's non-executive Directors, executive Directors and other Key Management Personnel of the Group.

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is a committee of the Board. The role of the Remuneration Committee is to advise on remuneration and issues relevant to remuneration policies and practices, including for senior executives and Non-executive Directors.

Shine Corporate Limited's Corporate Governance Statement provides further information on the role of this committee.

The Group has not used a remuneration consultant during the year.

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chair's fees are determined independently to the fees of the Non-executive Directors. The Chair is not present at any discussions relating to the determination of his own remuneration.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum amount currently stands at $500,000, which was approved on 22 October 2014.

Non-executive Directors do not receive any performance-based remuneration. All remuneration is fixed and there are no additional fees for being a member of a committee.

Directors' Fees

The current base fees were last reviewed on 25 June 2015 and it was agreed that no increase was to be made.

Executive Remuneration Framework

The objective of the Group's executive reward framework is to ensure reward for performance, and is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward.

The Group's executive remuneration framework is considered to be market competitive and complementary to the reward strategy of the organisation. The key elements of the framework are as follows:

- to attract and retain high calibre executives;
- reward capability and expertise;
- reflect competitive reward for contribution to growth in shareholder wealth;
- provide a clear structure for earning rewards; and
- provide recognition for individual and team contributions.

The current executive remuneration framework has two components, base remuneration and benefits including superannuation. A short term incentive scheme has now been introduced, effective from 1 July 2014.

Fixed Remuneration and Benefits

Base remuneration and benefits are structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits.

Executives are offered a competitive base remuneration package that comprises the fixed component of remuneration and rewards. Base remuneration is reviewed annually, to ensure the executive's remuneration is competitive with the market. There is no guaranteed base remuneration increase included in any executive's contract.

Executives receive benefits which may include motor vehicle benefits.

Superannuation contributions are paid in accordance with relevant government legislation, to employee nominated defined contribution superannuation funds.

Short Term Incentives

A short term incentive plan has been approved and commenced on 1 July 2014. KMPs short term incentives provide for an incentive of up to 50% of total financial remuneration, subject to the achievement of agreed key performance indicators. These key performance indicators are being finalised and will apply from 1 July 2015.

Long Term Incentives

The Remuneration Committee of the Board is investigating a long term incentive plan for key management personnel and senior executives. The CEO's contract provides for a long term incentive of 50% of total financial remuneration, with a commencement date of 1 July 2015, subject to the achievement of agreed hurdles. These hurdles are being finalised and will apply from 1 July 2015.

Performance and Share Rights

The CEO's contract provides for 100,000 performance rights payable on the second anniversary of employment, being 23 March 2017 and calculated as: 100,000 x (share price on the 23 Mar 17 minus share price on 13 February 15).

The CEO's contract also provides for issuance of shares on 23 Mar 17 with the number of shares issued calculated as: $100,000 / share price on 13 Feb 15).

Company performance

For the year to 30 June 2015 there was no link between company performance and executive remuneration. In the year to 30 June 2015, earnings per share were 17.23 cents, dividends paid per share were 3.75 cents (2014: 3.5 cents). Shares in the company closed on 30 June 2015 at $2.46 (2014: $2.45).

DIRECTORS' REPORT (CONT)

Earnings per share for the last three years (since listing) is set out below.

Year	2015	2014	2013
Earnings per share	17.2	14.3	12.3
Dividends per share (cents)	3.75	3.5	1.8

CHANGES IN DIRECTORS AND EXECUTIVES SUBSEQUENT TO YEAR-END

There have been no changes to the Directors or Executives subsequent to the year end.

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2015

The following table of benefits and payments details, in respect to the 2015 financial year, the components of remuneration for each member of KMP of the consolidated group.

Table of Benefits and Payments for the Year Ended 30 June 2015

	Short-term benefits		Long term benefits		Post employment Benefits	TOTAL
	Salary, Fees and Leave	Non Monetary Benefits	Long Service Leave	Incentives	Superannuation	
2015	$	$	$	$	$	$
Non Executive Directors						
Tony Bellas	120,000	–	–	–	11,400	131,400
Carolyn Barker AM	80,000	–	–	–	7,600	87,600
Gregory Moynihan	80,000	–	–	–	7,600	87,600
Stephen Roche*	80,000	–	–	–	7,600	87,600
Sub-Total Non Executive Directors	360,000	–	–	–	34,200	394,200
Executive Directors						
Simon Morrison	429,288	30,028	–	–	25,000	484,316
Other Key Management Personnel						
Courtney Petersen (CEO) Appointed 23/03/15"	161,538	–	–	37,500	15,346	214,384
Craig Thompson (CFO) Resigned 22/04/15	471,847	7,768	–	–	15,261	494,876
Daniel Wilkie (CFO) Appointed 22/04/15	55,695	–	–	–	3,522	59,217
Total KMP	1,478,368	37,795	–	37,500	93,329	1,646,993

	Short-term benefits		Long term benefits		Post employment Benefits	TOTAL
	Salary, Fees and Leave	Non Monetary Benefits	Long Service Leave	Incentives	Superannuation	
2014	$	$	$	$	$	$
Non Executive Directors						
Tony Bellas	120,000	–	–	–	11,100	131,100
Carolyn Barker AM	80,000	–	–	–	7,400	87,400
Gregory Moynihan	80,000	–	–	–	7,400	87,400
Sub-Total Non-Executive Directors	280,000	–	–	–	25,900	305,900
Executive Directors						
Simon Morrison	429,288	29,857	–	–	25,000	484,145
Stephen Roche*	379,288	21,096	–	–	25,000	425,384
Other Key Management Personnel						
Craig Thompson (CFO)	356,353	10,213	–	–	25,000	391,566
Graeme McFadyen (COO) Resigned 28/03/2014	259,337	8,324	–	–	24,125	291,786
Total KMP	1,704,266	69,490	–	–	125,025	1,898,781

The total percentage of performance related remuneration is nil for all KMP, with the exception of the CEO as above.

* Stephen Roche became a non-executive Director effective 1 July 2014 and during the year was also paid $282,893 for consultancy services.

KMP SHAREHOLDINGS

The number of ordinary shares in Shine Corporate Limited held beneficially by each KMP of the Group during the financial year is as follows:

30 June 2015	Balance at beginning of year	Acquired during the year	Disposed during the year	Balance at end of year
Directors				
Tony Bellas	100,000	40,000	–	140,000
Carolyn Barker AM	100,000	10,000	–	110,000
Gregory Moynihan	100,137	30,014	–	130,151
Simon Morrison	50,339,902	300,000	8,000,000	42,639,902
Stephen Roche	50,339,902	300,000	8,000,000	42,639,902
Executives				
Courtney Petersen *	–	–		–
Craig Thompson**	1,074,718	17,472	–	1,092,190
Daniel Wilkie ***	–	–	–	–
	102,054,659	697,486	16,000,000	86,752,145

* Courtney Petersen was appointed as Chief Executive Officer on 23 March 2015

** Craig Thompson resigned from the position of Chief Financial Officer on 22 April 2015

*** Daniel Wilkie was appointed to the position of Chief Financial Officer on 22 April 2015

SUMMARY OF EXECUTIVE CONTRACTUAL ARRANGEMENTS

Remuneration arrangements for all KMP are formalised in employment agreements. Standard KMP termination provisions are as follows:

	Notice Period	Payment in lieu of notice
Resignation		
Executive Directors	6 months	6 months
Non-Executive Directors	None	None
CEO, CFO	6 months	6 months
Termination for cause	None	None
Termination without cause		
Executive Directors	6 months	6 months
Non-Executive Directors	Statutory	Statutory
CEO, CFO	3 months	3 months

TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

During the year rents totalling $827,585 (2014: $537,448) were paid to trusts controlled by Stephen Roche and Simon Morrison. All transactions were on commercial terms.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Simon Morrison
Managing Director

Tony Bellas
Chair

Dated: 27 August 2015

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SHINE CORPORATE LIMITED

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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Auditor's Independence Declaration to the Directors of Shine Corporate Limited

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

Ernst & Young

Ric Roach
Partner
27 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Group	
		2015	2014
	Note	$	$
Continuing operations			
Revenue	4	150,930,754	115,754,205
Less Expenses:			
Employee benefits expense		(68,891,560)	(52,969,923)
Depreciation and amortisation expense	6b	(2,331,130)	(1,820,144)
Finance costs	6a	(1,925,151)	(1,139,388)
Other expenses	5	(37,004,863)	(28,335,808)
Share of net loss of associates and joint venture entities	15,16	(650,203)	–
Profit before income tax		40,127,847	31,488,942
Income tax expense	7	(10,499,486)	(9,313,803)
Net Profit for the year		29,628,361	22,175,139
Total comprehensive income for the year		29,628,361	22,175,139

Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Group:

Basic earnings per share (cents)	11	17.23	14.31
Diluted earnings per share (cents)	11	17.19	14.31

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated Group 2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	9,393,350	11,004,417
Trade and other receivables	13	15,175,778	5,433,189
Income tax receivable		1,116,118	–
Work in progress	14	91,913,016	73,122,967
Unbilled disbursements	14	24,186,287	19,548,656
Other current assets	20	742,230	1,095,058
TOTAL CURRENT ASSETS		142,526,849	110,204,287
NON-CURRENT ASSETS			
Trade and other receivables	13	4,215,752	3,629,274
Work in progress	14	98,744,737	63,792,150
Unbilled disbursements	14	24,418,125	15,551,455
Property, plant and equipment	18	6,642,608	4,577,067
Intangible assets	19	39,525,089	8,942,223
Other non-current assets	20	–	150,622
TOTAL NON-CURRENT ASSETS		173,546,311	96,642,791
TOTAL ASSETS		316,073,160	206,847,078
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	21	26,808,034	16,373,792
Short term borrowings	22	19,963,492	5,044,060
Other current financial liabilities	21	15,035,353	–
Current tax liabilities	23	–	1,020,995
Provisions	24	6,026,411	5,107,732
TOTAL CURRENT LIABILITIES		67,833,290	27,546,579
NON-CURRENT LIABILITIES			
Long term borrowings	22	1,696,937	12,299,849
Other non-current financial liabilities	21	11,190,597	–
Deferred tax liabilities	23	56,469,749	45,328,571
Provisions	24	2,692,906	1,774,034
TOTAL NON-CURRENT LIABILITIES		72,050,189	59,402,454
TOTAL LIABILITIES		139,883,479	86,949,033
NET ASSETS		176,189,681	119,898,045
EQUITY			
Issued capital	25	51,384,958	18,256,679
Retained earnings		124,804,723	101,641,366
TOTAL EQUITY		176,189,681	119,898,045

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Share Capital Ordinary $	Retained Earnings $	Total $
Consolidated Group				
Balance at 1 July 2013		18,256,679	84,891,227	103,147,906
Comprehensive income				
Profit for the year		–	22,175,139	22,175,139
Total comprehensive income for the year		–	22,175,139	22,175,139
Transactions with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	10	–	(5,425,000)	(5,425,000)
Total transactions with owners and other transfers		–	(5,425,000)	(5,425,000)
Balance at 30 June 2014		18,256,679	101,641,366	119,898,045
Balance at 1 July 2014		18,256,679	101,641,366	119,898,045
Comprehensive income				
Profit for the year		–	29,628,361	29,628,361
Total comprehensive income for the year		–	29,628,361	29,628,361
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year		33,128,279	–	33,128,279
Dividends recognised for the year	10	–	(6,465,004)	(6,465,004)
Total transactions with owners and other transfers		33,128,279	(6,465,004)	26,663,275
Balance at 30 June 2015		51,384,958	124,804,723	176,189,681

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated Group	
		2015	2014
	Note	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		134,628,803	101,674,920
Interest received		334,525	234,918
Payments to suppliers and employees		(121,643,875)	(91,129,928)
Finance costs		(1,200,712)	(1,139,388)
Income tax paid		(1,715,465)	1,714,142
Net cash provided by operating activities	29a	10,403,276	11,354,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,978,832)	(1,059,582)
Payment for subsidiary, net of cash acquired		(33,121,623)	–
Costs associated with acquisition of business		(1,399,890)	
Loans to related parties:			
• payments made		(1,236,681)	(755,427)
Acquisition of businesses and purchase of files		(551,409)	(7,186,660)
Purchase of other tangibles		(1,157,156)	–
Net cash used in investing activities		(39,445,591)	(9,001,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		34,055,156	–
Costs of raising equity		(926,876)	–
Proceeds from borrowings		841,940	–
Repayment of borrowings		–	(1,258,781)
Dividends paid	10	(6,465,004)	(5,425,000)
Finance lease principal (repayments)/proceeds		(73,968)	(646,983)
Net cash provided by (used in) financing activities		27,431,248	(7,330,764)
Net increase in cash held		(1,611,067)	(4,977,769)
Cash and cash equivalents at beginning of financial year		11,004,417	15,982,186
Cash and cash equivalents at end of financial year	12	9,393,350	11,004,417

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 CORPORATE INFORMATION

Shine Corporate Limited (the Company or the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The consolidated financial statements of Shine Corporate Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 were authorised for issue on 27 August 2015 in accordance with a resolution of the directors of the company.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements were prepared on a going concern basis. The Group's finance facilities mature in March 2016. The directors are confident, given the advanced discussions with the financier, that the finance facilities will be renewed in due course prior to maturity.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Shine Corporate Limited at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- powers over the investee that give it the ability to direct the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Groups voting rights and potential voting rights.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss. Deferred consideration is a financial liability in accordance with note 2 (i) (iv).

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group generates taxable income.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Shine Corporate Limited and its wholly owned Australian subsidiaries implemented the tax consolidation legislation as af 1 July 2013. The head entity, Shine Corporate Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at reporting date (i.e., the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(d) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Rendering of services

Revenue from the provision of legal services is recognised on an accrual basis in the year in which the legal service is provided and is calculated with reference to the professional staff hours incurred on each matter and on the basis that the stage of completion can be reliably measured. Stage of completion is measured by reference to the time incurred to date as a percentage of the expected time for an outcome to be achieved.

ii) Interest revenue

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

iii) Other revenue, including sundry disbursements are recognised when the right to receive the income has been established.

All revenue is stated net of the amount of goods and services tax (GST)

(e) Disbursements

Disbursements represent costs incurred during the course of a matter that are recovered from clients. A provision for non recoverable disbursements is recognised to the extent that recovery of the outstanding receivable balance is considered less than likely. The provision is established based on the Group's history of amounts not recovered over previous years.

Disbursements that are yet to paid for are classified as Client related disbursement creditors. Amounts received by Shine in relation to disbursement loans of its clients are disclosed as Client related disbursements creditors.

(f) Work in Progress

Work in progress represents costs incurred and profit recognised on client cases that are in progress and have not yet been invoiced at the end of the reporting date. The recoverability of these amounts is assessed by management and any amounts in excess of the net recoverable value are provided for when identified. Historical experience and knowledge of the client cases has been used to determine the net realisable value of work in progress at balance date and also the classification between current and non current.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2(j) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	
	2015	2014
Fixtures and fittings	3%–100%	5–66.67%
Leased plant and equipment	20–25%	10–25%
Make Good	20–50%	20–50%
Motor Vehicles	20–25%	20%
Office and Computer Equipment	5–100%	7.5–66.67%

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

(h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(i) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised, less cumulative amortisation.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(k) Investments in Associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of the profit or loss of the associate company. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group offsets the losses against other receivables from the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(l) Interests in Joint Arrangements

The Group's share of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements.

The Group's interests in joint venture entities are recorded using the equity method of accounting in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(m) Intangibles Other than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit and loss for the period in which the expenditure is incurred.

The Transformation project costs and Erin Brockovich costs are capitalised only to the extent that they will deliver future economic benefits and these benefits can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

The amortisation rates used for each class of intangible other than goodwill, on a straight line basis, are as follows:

Transformation Project Costs	3 years
Erin Brockovich Agreement	10 years
Software Development	3 years
Trademarks and patents	10 years

(n) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the Statement of Financial Position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(o) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

The Group has performed some analysis on the recent change to the standard concerning fair value calculations and concluded that there has been no material impact on the Group's financial statements as a result.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on the applicable corporate bond rate with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(p) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the Statement of Financial Position.

(r) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2(j) for further discussion on the determination of impairment losses.

(s) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(t) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(u) Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

(w) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

(i) Provision for Work in Progress

The company has provided for potential non-recovery of work in progress by evaluating the prospects of each case and its likelihood of recovery. This is done by reviewing the historical recovery rates of cases in each jurisdiction and each worktype.

(ii) Classification of Work in Progress and Disbursements

The company determines the classification between current and non current by evaluating the expected timing of settlements and billings of each case, taking into account historical trends and expected velocity of cases.

(iii) Provision for Doubtful Debts

The company has fully provided for all debtors where there is an inherent uncertainty in relation to the collection of the debt.

(iv) Goodwill impairment and the determination of Cash Generating Units ("CGU's")

The key assumptions used to determine the recoverable amount for the different CGU's, including a sensitivity analysis are disclosed and further explained in note 19.

(v) Tax loss recognition

The group will only account for tax losses when they are utilised as explained in note 24.

(vi) Fair value of financial statements

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions in relation to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the defintion of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

(vii) Control over Bradley Bayly Holdings Pty Ltd

Effective from 1 June 2015, the Group acquired 25% of the voting shares of the existing law practices of Bradley Bayly Holdings Pty Ltd. However, due to the nature of the contractual arrangement with the vendors, including the voting rights obtained and existence of a call option exercisable within two months for the remaining 75% interest, the Directors determined that Bradley Bayly was a 100% controlled entity effective 1 June 2015, because the call option gave the group present access to the returns over all of the shares held by the 75% NCI shareholders. There is therfore no NCI at 30 June 2015. The call option was exercised on 31 July 2015 with the remaining consideration paid on that date. Consequently, the results and balance sheet of the acquired entity have been included in full in these consolidated financial statements with a liability recognised for the consideration payable on the remaining interest.

(viii) Purchase of files

The cash outflows to purchase a group of case files from a third party legal practice are classified within investing activities in the statement of cash flows, given the assets acquired, being work in progress, are intiially recognised on the balance sheet in a similar manner to when acquired as part of a business combination.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(x) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements, with the one exception noted immediately below. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018, as further amended by Part E of AASB 2014-1).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

  The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

This standard is not expected to significantly impact the Group's financial statements.

- AASB 2015-1: Amendments to Australian Accounting Standards

  AASB 119 Employee Benefits:

  This clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. This standard is not expected to significantly impact the Group's financial statements.

  AASB 134 Interim Financial Reporting

  This amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. This standard is not expected to significantly impact the Group's financial statements.

- AASB 15: Revenue from Contracts with Customers (Applicable to annual reporting periods beginning on or after 1 January 2017)

  In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services).

  The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  (a) Step 1: Identify the contract(s) with a customer

  (b) Step 2: Identify the performance obligations in the contract

  (c) Step 3: Determine the transaction price

  (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  The Group is still evaluating the impact of the new standard

- AASB 2014-3: Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations

  This Standard is applicable to annual reporting periods beginning on or after 1 January 2016. It amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisition of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Group's financial statements

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION	2015	2014
ASSETS	$	$
Current assets	19,421,597	12,905,882
Non-current assets	118,180,851	84,797,440
TOTAL ASSETS	137,602,448	97,703,322
LIABILITIES		
Current liabilities	2,728,102	1,093
Non-current liabilities	3,876,171	–
TOTAL LIABILITIES	6,604,273	1,093
EQUITY		
Issued capital	130,788,708	97,660,427
Retained earnings	209,468	41,802
TOTAL EQUITY	130,998,176	97,702,229
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit	6,632,670	7,610
Total comprehensive income	6,632,670	7,610

Guarantees

The parent company is party to the overall financing arrangements and related security, as detailed in notes 17 and 22.

In addition, the parent is a party to the Group's cross guarantee arrangements, as detailed in note 17.

There are no other financial guarantees provided by the parent entity.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2015.

Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2015.

Total liabilities

Total liabilities have increased significantly from 2014 to 2015 as a result of deferred consideration payable in respect of acquisitions. There were no such liabilities at 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4 REVENUE AND OTHER INCOME

	Consolidated Group	
	2015	2014
	$	$
Sales revenue		
– Provision of services/professional fees	139,214,525	110,584,180
– Sundry disbursements recovered	11,298,574	4,853,040
	150,513,099	115,437,220
Other revenue		
– Interest received (banks)	176,734	234,918
– Interest received (related parties)	157,796	–
– Other revenue	83,125	82,067
	417,655	316,985
Total revenue	150,930,754	115,754,205

NOTE 5 OTHER EXPENSES

	Consolidated Group	
	2015	2014
Other Expenses	$	$
Premises expenses	9,057,864	6,968,405
Marketing expenses	7,190,016	5,100,601
HR expenses	3,259,622	2,641,577
IT and computer expenses	5,041,179	4,196,594
Printing, postage and stationery	2,245,359	1,756,208
Professional fees	2,411,946	2,024,260
Unrecovered matter related expenses	4,121,421	4,131,712
Motor vehicle and travel expenses	1,987,572	1,301,183
Sundry expenses	1,689,884	215,268
	37,004,863	28,335,808

Included within Sundry expenses are acquisition related costs of $1,399,890.

NOTE 6 PROFIT FOR THE YEAR

Profit before income tax from continuing operations includes the following specific expenses:

	Consolidated Group	
	2015	2014
	$	$
(a) Finance cost expense		
– interest on bank overdraft and loans	1,200,718	1,139,388
– interest unwind on deferred consideration payable to vendors on acquisitions	724,433	–
	1,925,151	1,139,388
(b) Depreciation and amortisation of non-current assets		
– plant and equipment	1,503,960	1,263,118
– transformation project costs	455,261	405,851
– Erin Brockovich agreement	113,004	113,004
– software	258,905	38,171
	2,331,130	1,820,144
(c) Employee benefits expense:		
– defined contribution superannuation expense	5,147,328	3,974,242
(d) Bad and doubtful debts:		
– trade receivables	389,134	176,666
Total bad and doubtful debts	389,134	176,666
(e) Rental expense on operating leases		
– minimum lease payments	6,632,845	5,627,991
(f) Loss on disposal of property, plant and equipment	39,411	–
(g) Foreign currency translation losses	3,141	–

NOTE 7 INCOME TAX EXPENSE

		Consolidated Group	
		2015	2014
	Note	$	$
(a) The components of tax expense/(income) comprise:			
Current tax		–	1,020,995
Deferred tax	23	10,499,486	8,618,774
Under/(over) provision in respect of prior years		–	(325,966)
		10,499,486	9,313,803
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)			
Consolidated group		12,038,354	9,446,683
Tax effect of:			
— non-allowable items		16,507	(132,880)
– ACA assessable income		335,851	–
– acquired WIP and disbursements		(1,802,064)	–
– unrecognised temporary differences – tax losses		(89,162)	–
Income tax attributable to entity		10,499,486	9,313,803
The applicable weighted average effective tax rates are as follows:		26.2%	29.6%

NOTE 8 KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	Consolidated Group	
	2015	2014
	$	$
Short-term employee benefits	1,481,163	1,773,756
Long-term employee benefits	37,500	–
Post-employment benefits	93,329	125,025
Total KMP compensation	1,646,993	1,898,781

KMP Options and Rights Holdings

No options have been issued by the company.

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9 AUDITORS' REMUNERATION

	Consolidated Group	
	2015	2014
	$	$
Remuneration of Ernst & Young for:		
– auditing or reviewing the financial report	150,000	93,000
– taxation services and advice	45,150	22,660
– due diligence on services and acquisitions	–	42,621
– other assurance services	123,600	8,154
	318,750	166,435
Remuneration of non Ernst &Young audit firms for:		
– auditing of trust accounts	27,953	6,500
– taxation services	29,157	10,843
– accounting services	49,176	
	106,286	17,343

NOTE 10 DIVIDENDS

	Consolidated Group	
	2015	2014
	$	$
Distributions paid		
Final unfranked ordinary dividend of 1.75 cents (2014: 1.75 cents) per share	3,017,002	2,712,500
Interim unfranked ordinary dividend of 2 cents (2014: 1.75 cents) per share	3,448,002	2,712,500
	6,465,004	5,425,000
Distributions proposed and not recognised as a liability		
Approved by the Board of directors on 26 August 2015 (not recognised as a liability as at 30 June 2015)		
(a) Proposed final 2015 unfranked ordinary dividend of 1.75 cents (2014: 1.75 cents) per share franked at the tax rate of 0% (2014: 0%)		
(b) Balance of franking account at year end adjusted for franking credits arising from:		
Opening balance	–	1,563,351
— payment/(repayment) of income tax	1,116,188	(1,714,142)
Actual closing balance at 30 June	1,116,188	(150,791)
Expected tax refunds relating to FY2015 receivable in FY2016	(1,116,188)	–
Franking deficit paid to the ATO	–	150,791
Anticipated balance as it relates to 30 June	–	–

NOTE 11 EARNINGS PER SHARE

The following information reflects the income and share data used in the basic and diluted earnings per share computations.

	Consolidated Group	
	2015	2014
	$	$
(a) Net profit attributable to ordinary equity holders of the parent	29,628,361	22,175,139
Earnings used to calculate basic EPS	29,628,361	22,175,139
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	172,000,968	155,000,000

(c) Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the sum of the weighted average number of ordinary shares outstanding during the year and the weighted average number of shares that would be issued in part consideration for the acquisition of a business combination.

NOTE 12 CASH AND CASH EQUIVALENTS

		Consolidated Group	
		2015	2014
	Note	$	$
Cash at bank and on hand		9,393,350	11,004,417
	32	9,393,350	11,004,417
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		9,393,350	11,004,417
		9,393,350	11,004,417

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 22 for further details.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13 TRADE AND OTHER RECEIVABLES

		Consolidated Group	
		2015	2014
	Note	$	$
CURRENT			
Trade receivables		15,296,872	5,809,859
Provision for impairment	13a	(785,205)	(436,526)
		14,511,667	5,373,333
Other receivables		664,111	59,856
Total current trade and other receivables		15,175,778	5,433,189
NON CURRENT			
Amounts receivable from related parties:			
— Risk Worldwide New Zealand Limited	31(b)(ii)	4,215,752	3,629,274
Total non-current trade and other receivables		4,215,752	3,629,274

(a) Provision For Impairment of Receivables

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 01.07.14	Acquisition of subsidaries	Charge for the Year	Amounts Written Off	Closing Balance 30.06.15
	$	$	$	$	$
Consolidated Group					
(i) Current trade receivables	436,526	203,733	389,134	(244,188)	785,205
	436,526	203,733	389,134	(244,188)	785,205

	Opening Balance 01.07.13	Acquisition of subsidaries	Charge for the Year	Amounts Written Off	Closing Balance 30.06.14
	$	$	$	$	$
Consolidated Group					
(i) Current trade receivables	316,526	–	176,666	(56,666)	436,526
	316,526	–	176,666	(56,666)	436,526

NOTE 13 TRADE AND OTHER RECEIVABLES CONT.

(b) Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 13. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
Consolidated Group	Gross Amount	Past due and impaired	<30	31-60	61-90	>90	Within initial trade terms
2015	$	$	$	$	$	$	$
Trade and term receivables	15,296,872	785,205	2,395,068	1,384,188	637,959	3,231,150	6,863,302
Other receivables	664,111	–	–	–	–	–	664,111
Total	15,960,983	785,205	2,395,068	1,384,188	637,959	3,231,150	7,527,413

			Past due but not impaired (days overdue)				
Consolidated Group	Gross Amount	Past due and impaired	<30	31-60	61-90	>90	Within initial trade terms
2014	$	$	$	$	$	$	$
Trade and term receivables	5,809,859	436,526	–	405,273	317,163	588,348	4,062,549
Other receivables	59,856	–	–	–	–	–	59,856
Total	5,869,715	436,526	–	405,273	317,163	588,348	4,122,405

(c) Collateral pledged

A floating charge over trade receivables has been provided for certain debt.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14 WORK IN PROGRESS

	Consolidated Group	
	2015	2014
	$	$
CURRENT		
At net realisable value		
Work in progress	113,085,849	89,988,201
Work in progress provision	(21,172,833)	(16,865,234)
	91,913,016	73,122,967
Unbilled disbursements	25,811,437	19,848,656
Unbilled disbursements provision	(1,625,150)	(300,000)
	24,186,287	19,548,656
	116,099,303	92,671,623
NON-CURRENT		
At net realisable value		
Work in progress	122,144,990	79,917,950
Work in progress provision	(23,400,253)	(16,125,800)
	98,744,737	63,792,150
Unbilled disbursements	24,493,457	17,759,405
Unbilled disbursements provision	(75,332)	(2,207,950)
	24,418,125	15,551,455
	123,162,862	79,343,605

NOTE 15 INTEREST IN A JOINT VENTURE

The Group had a 50% interest in EB Inc, a jointly controlled entity involved in the referral of law claims in the US. During the year this interest was moved into Shine (U.S.) Pty Ltd, a 100% subsidiary of Shine Corporate Ltd.

The Group's share of the assets and liabilities as at 30 June 2015 and income and expenses of the jointly controlled entity for the year ended 30th June 2015, which is equity accounted for in the consolidated financial statements, is as follows:

	Consolidated Group	
	2015	2014
	$	$
(a) Summarised financial information		
Share of the joint venture's statement of financial position:		
Current assets	–	–
Non-current assets	–	150,622
Current liabilities	–	–
Non-current liabilities	–	(150,622)
Equity	–	–
Share of the joint venture's revenue and profit:		
Revenue	–	54,080
Administrative costs	–	(54,080)
Profit before tax	–	–
Income tax expense	–	–
Profit for the year from continuing operations	–	–

NOTE 16 INVESTMENT IN AN ASSOCIATE

The Group has a one third interest in Risk Worldwide New Zealand Limited, which is involved in insurance policy recovery consulting in New Zealand.

Risk Worldwide New Zealand Limited is a private entity that is not listed on any public exchange. The following table illustrates the summarised financial information of the Group's investment in Risk Worldwide New Zealand Limited:

			Ownership Interest		Carrying amount of investment	
Name	**Country of incorporation**	**Shares**	**2015 %**	2014 %	2015 $	2014 $
Risk Worldwide New Zealand Limited	New Zealand	Ordinary	33.33	33.33	–	–

		Consolidated Group	
	Note	2015 $	2014 $
(a) Summarised financial information			
Share of the associate's statement of financial position:			
Current assets		1,686,209	669,303
Non-current assets		8,982,597	7,137,606
Current liabilities		(3,153,402)	(1,505,196)
Non-current liabilities		(10,809,795)	(8,240,589)
Equity		(3,294,391)	(1,938,876)
Group's one third ownership		(1,098,130)	(646,292)
Share of the associate's revenue and loss:			
Revenue		1,598,559	1,398,861
Loss for the year		1,950,609	–
Group's share of loss for the year	32(b)	650,203	–

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17 INTERESTS IN SUBSIDIARIES

(a) Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest held by the Group		Proportion of controlling interests	
Name of subsidiary	**Country of incorporation**	**2015 %**	**2014 %**	**2015 %**	**2014 %**
Shine Lawyers Pty Ltd	Australia	100%	100%	100%	100%
Shine NZ Pty Ltd	Australia	100%	100%	100%	100%
Shine DIR Pty Ltd	Australia	100%	100%	100%	100%
Shine (U.S.) Pty Ltd	Australia	100%	100%	100%	100%
Emanate Legal Services Pty Ltd	Australia	100%	0%	100%	0%
SB Law Pty Ltd	Australia	100%	0%	100%	0%
Sciacca's Lawyers Pty Ltd	Australia	100%	0%	100%	0%
Sciacca's Family Lawyers Pty Ltd	Australia	100%	0%	100%	0%
Shine NZ Services Pty Ltd	Australia	100%	0%	100%	0%
*Bradley Bayly Holdings Pty Ltd	Australia	25%	0%	100%	0%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

* The Directors have assessed that notwithstanding a 25% ownership of Bradley Bayly Holdings Pty Ltd, they have control. Subsequent to the year end an option was exercised to acquire the remaining 75%.

(b) Deed of Cross Guarantee

Entities subject to class order relief are;

Shine Corporate Limited, Shine Lawyers Pty Ltd, Shine DIR Pty Ltd, Shine NZ Pty Ltd and Shine (U.S.) Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the other companies.

By entering into the Deed, the wholly owned Australian entities have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 issued by the Australian Securities and Investments Commission.

The consolidated income statement and balance sheet of the entities that are members of the Closed Group are as follows. Comparative numbers are not presented as the comparatives in the Group accounts represent the Closed Group as at 30 June 2014.

Consolidated Income Statement	Closed Group 2015
Profit from continuing operations before income tax	29,774,892
Income tax expense	(8,932,468)
Profit after tax from continuing operations	20,842,424
Retained earnings at the beginning of the period	101,641,366
Dividends paid	(6,465,004)
Retained earnings at the end of the period	116,018,786

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17 INTERESTS IN SUBSIDIARIES CONT.

Consolidated Balance Sheet	Closed Group 2015
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	6,924,194
Trade and other receivables	14,107,394
Work in progress	79,482,620
Unbilled disbursements	20,897,895
Other current assets	286,772
TOTAL CURRENT ASSETS	121,698,875
NON-CURRENT ASSETS	
Trade and other receivables	4,215,752
Work in progress	84,777,834
Unbilled disbursements	22,532,865
Property, plant and equipment	4,864,801
Intangible assets	9,174,261
Investments in subsidiaries	33,574,695
TOTAL NON-CURRENT ASSETS	159,140,208
TOTAL ASSETS	280,839,083
LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	24,569,461
Short term borrowings	19,064,389
Other current financial liabilities	2,685,980
Provisions	4,235,159
Deferred revenue	563,498
TOTAL CURRENT LIABILITIES	51,118,487
NON-CURRENT LIABILITIES	
Long term borrowings	1,516,725
Other non-current financial liabilities	4,196,384
Deferred tax liabilities	54,066,639
Provisions	2,537,104
TOTAL NON-CURRENT LIABILITIES	62,316,852
TOTAL LIABILITIES	113,435,339
NET ASSETS	167,403,744
EQUITY	
Issued capital	51,384,958
Retained earnings	116,018,786
TOTAL EQUITY	167,403,744

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group 2015 $	Consolidated Group 2014 $
Plant and Equipment		
Fixtures and fittings		
At cost	6,689,322	4,950,888
Accumulated depreciation	(2,621,036)	(1,765,519)
	4,068,286	3,185,369
Leased plant and equipment		
Capitalised leased assets	534,719	565,919
Accumulated depreciation	(295,274)	(246,151)
	239,445	319,768
Office furniture and equipment		
At cost	2,381,801	1,178,115
Accumulated depreciation	(715,207)	(417,069)
	1,666,594	761,046
Computer equipment and software		
At cost	513,904	503,293
Accumulated depreciation	(464,349)	(431,452)
	49,555	71,841
Make good allowance on leased premises		
At cost	1,312,607	874,455
Accumulated depreciation	(693,879)	(635,412)
	618,728	239,043
Total plant and equipment	6,642,608	4,577,067

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Fixtures and fittings $	Leased plant and equipment $	Office furniture and equipment $	Computer equipment and software $	Make good allowance on leased premises $	Total $
Consolidated Group:						
Balance at 1 July 2013	3,641,165	501,310	466,831	110,247	414,239	5,133,792
Additions	346,634	–	349,087	17,174	20,000	732,895
Disposals	(2,784)	(19,413)	(4,305)	–	–	(26,502)
Reclassification	–	(72,441)	72,441	–	–	–
Depreciation expense	(799,646)	(89,688)	(123,008)	(55,580)	(195,196)	(1,263,118)
Balance at 30 June 2014	3,185,369	319,768	761,046	71,841	239,043	4,577,067
Additions	400,250	–	943,410	10,611	624,561	1,978,832
Disposals	(21,727)	(14,937)	(754)	–	(13,331)	(50,749)
Depreciation expense	(865,640)	(65,386)	(298,492)	(32,897)	(241,545)	(1,503,960)
Additions through business combinations	1,370,034	–	261,384	–	10,000	1,641,418
Balance at 30 June 2015	4,068,286	239,445	1,666,594	49,555	618,728	6,642,608

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19 INTANGIBLE ASSETS

	Consolidated Group	
	2015	2014
	$	$
Goodwill		
Cost	37,083,060	6,797,260
Accumulated impaired losses	–	–
Net carrying amount	37,083,060	6,797,260
Computer software		
Cost	522,266	437,465
Accumulated amortisation and impairment losses	(255,480)	(27,004)
Net carrying amount	266,786	410,461
Transformation project costs		
Cost	2,721,806	1,438,824
Accumulated amortisation and impairment losses	(1,293,401)	(405,851)
Net carrying amount	1,428,405	1,032,973
Erin Brockovich agreement		
Cost	668,608	781,612
Accumulated amortisation and impairment losses	(113,004)	(113,004)
Net carrying amount	555,604	668,608
Website development		
Cost	17,679	44,088
Accumulated amortisation and impairment losses	(5,146)	(11,167)
Net carrying amount	12,533	32,921
Trademarks, patents and intellectual property		
Cost	178,701	–
Accumulated amortisation and impairment losses	–	–
Net carrying amount	178,701	–
Total intangibles	39,525,089	8,942,223

NOTE 19 INTANGIBLE ASSETS CONT.

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	Goodwill	Computer software	Transformation project costs	Erin Brockovich agreement	Others	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 July 2013	6,797,260	84,276	1,438,824	781,612	44,088	9,146,060
Additions	–	353,189	–	–	–	353,189
Additions through business combinations	–	–	–	–	–	–
Amortisation charge	–	(27,004)	(405,851)	(113,004)	(11,167)	(557,026)
Balance at 30 June 2014	6,797,260	410,461	1,032,973	668,608	32,921	8,942,223
Additions	–	110,084	850,693	–	196,379	1,157,156
Transfer	–	–	–	–	(32,920)	(32,921)
Acquisitions through business combinations	30,285,800	–	–	–	–	30,285,800
Amortisation charge	–	(253,759)	(455,261)	(113,004)	(5,146)	(827,170)
Balance at 30 June 2015	37,080,060	266,786	1,428,405	555,604	191,234	39,525,089

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful life.

Impairment disclosures

For the purposes of impairment testing, the cash generating units have been defined as the lowest level of legal operations to which the goodwill relates, where individual cash flows can be ascertained for the purposes of discounting future cash flows.

The carrying amount of goodwill allocated to the cash generating unit:

	2015	2014
	$	$
Personal injury	16,646,052	4,280,010
Emerging practice areas	20,437,008	2,517,250
Total	37,083,060	6,797,260

The recoverable amount of the cash generating units have been determined based on financial budgets set for the next financial year and management cashflow projections for subsequent years.

	2015		2014	
	Personal Injury	Emerging practice areas	Personal Injury	Emerging practice areas
Pre tax discount rate applied to the cash flow position	12% to 14.7%	12% to 14.7%	13% to 13.5%	13% to 13.5%
Cash flows beyond the next financial year, up to year 5, are extrapolated using a growth rate of:				
Revenue	4.0% to 5.0%	14% to 15%	4.0% to 5.0%	14% to 15%
Operating costs	3.0% to 4.0%	9% to 10%	3.0% to 4.0%	9% to 10%
Terminal growth	3.00%	3.00%	3.00%	3.00%

NOTE 19 INTANGIBLE ASSETS CONT.

Key assumptions used in value in use calculations for the years ended 30 June 2015 and 30 June 2014

The following key assumptions were applied to the cash flow projections when determining the value in use:

- budgeted revenue values have been determined by applying the average value achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances;
- budgeted operating expenses have been determined by applying the average costs achieved in the year immediately before the budgeted year, adjusted for growth and other known circumstances; and
- terminal values have been calculated based on a multiple of year 5 earnings before interest, tax, depreciation and amortisation.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the personal injury practice area and the emerging practice area cash generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amount.

NOTE 20 OTHER ASSETS

	Consolidated Group	
	2015	2014
	$	$
CURRENT		
Prepayments	742,230	1,095,058
	742,230	1,095,058
NON-CURRENT		
E B Inc Joint Venture	–	150,622
	–	150,622

NOTE 21 TRADE AND OTHER PAYABLES AND OTHER FINANCIAL LIABILITIES

		Consolidated Group	
		2015	2014
	Note	$	$
CURRENT			
Unsecured liabilities:			
Trade payables		2,208,337	1,888,933
Sundry payables and accrued expenses		6,654,422	3,049,863
PAYG tax payable		1,217,682	869,047
Client related disbursement creditors		16,727,593	10,325,315
Amounts payable to related parties	31(b)iii	–	240,634
Total current trade and other payables		26,808,034	16,373,792
Deferred consideration – vendor liabilities on acquisitions		12,255,292	–
Financial liability – contingent consideration		2,780,061	–
Total financial liability – contingent consideration		15,035,353	–
		41,843,387	16,373,792
NON-CURRENT			
Unsecured financial liabilities:			
Deferred consideration – vendor liabilities on acquisitions		4,768,363	–
Financial liability – contingent consideration		6,422,234	–
		11,190,597	–

$1M of the current deferred consideration will be settled by the issue of shares.

	Consolidated Group	
	2015	2014
	$	$
(a) Financial liabilities at amortised cost		
Trade and other payables		
— Total current	39,063,326	16,373,792
— Total non-current	4,768,363	–
	43,831,689	16,373,792

NOTE 22 BORROWINGS

	Consolidated Group	
	2015	2014
	$	$
CURRENT		
Secured liabilities		
Bank loans	19,043,725	4,191,094
Lease liability	120,439	63,661
Hire purchase liability	799,328	789,305
Total current borrowings	19,963,492	5,044,060
NON-CURRENT		
Secured liabilities		
Bank loans	107,637	10,569,425
Lease liability	162,902	211,817
Hire purchase liability	1,426,398	1,518,607
Total non-current borrowings	1,696,937	12,299,849
Total borrowings	21,660,429	17,343,909

	Consolidated Group	
	2015	2014
	$	$
(a) Total current and non-current secured liabilities:		
Bank loan	19,151,362	14,760,519
Lease liability	283,341	275,478
Hire purchase liability	2,225,726	2,307,912
	21,660,429	17,343,909

Shine's current finance facilities mature in March 2016 and are therefore classified in the Statement of Financial Position as current liabilities. The Group's bankers, CBA have indicated that no issues are expected with the Group's ability to refinance its borrowings and all bank covenants to date have been complied with.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22 BORROWINGS CONT.

(b) Collateral provided

The bank debt is secured by a fixed and floating charge over the assets of the Group. Covenants imposed by the bank require total bank debt not to exceed 40% of total work in progress plus 50% of paid disbursements, and for net cash provided by operating activities plus interest costs divided by interest costs to remain above 3 times on a rolling 12 month basis.

Lease and hire purchase liabilities are secured by the underlying assets.

Financial assets that have been pledged as part of the total collateral for the benefit of debenture holders and bank debt are as follows:

		Consolidated Group	
	Note	2015	2014
		$	$
Cash and cash equivalents	12	9,393,350	11,004,417
Trade receivables	13	14,511,667	5,373,333
Total financial assets pledged		23,905,017	16,377,750

(c) Unused facilities

The Group had the following unused banking facilities at the end of the reporting period:

Facility	Limit $	Used at 30 June 2015 $	Unused Amount $
Equipment finance	2,509,067	2,509,067	–
Corporate credit card facility	630,000	76,042	553,958
Line of credit	8,960,026	1,983,457	6,976,589
Bill facilities	19,369,425	17,167,925	2,201,500
Bank guarantees	5,000,000	2,667,666	2,332,334

NOTE 23 TAX

	Consolidated Group 2015 $	Consolidated Group 2014 $
CURRENT		
Income tax payable	–	1,020,995
	–	1,020,995

	Opening Balance $	Charged to Income $	Closing Balance $
NON-CURRENT			
Consolidated Group			
Deferred tax liability – net			
Work in progress	34,869,548	7,702,951	42,572,499
Unbilled disbursements	5,573,588	96,729	5,670,317
Finance leases	12,885	(95,529)	(82,644)
Provisions	(1,653,054)	(418,393)	(2,071,447)
Tax losses carried forward	(1,889,109)	1,591,670	(297,439)
Sundry deferred tax assets	(204,061)	(258,654)	(462,715)
Balance at 30 June 2014	36,709,797	8,618,774	45,328,571
Work in progress and disbursements	48,242,816	11,392,111	59,634,927
Plant and equipment	–	720,072	720,072
Finance leases	(82,644)	120,495	37,851
Deferred tax liability arising from acquisition	–	–	641,692
Provisions	(2,071,447)	(2,095,044)	(4,166,491)
Tax losses carried forward	(297,439)	–	(297,439)
Sundry deferred tax assets	(462,715)	361,852	(100,863)
Balance at 30 June 2015	45,328,571	10,499,486	56,469,749

Following a tax ruling by the ATO in June 2015, the group has tax deductions arising from the process of its restructure prior to the Group's 2013 public listing and the subsequent formation of a tax consolidated group. The total taxable losses available are $14.7M. The group has not accounted for these losses as a deferred tax asset and will bring them to account when they are probable of utlisation subject to meeting the tax legislation regulations at the time.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24 PROVISIONS

	Consolidated Group	
	2015	2014
	$	$
CURRENT		
Employee Benefits – Annual Leave	3,858,874	2,925,757
Employee Benefits – Long Service Leave	1,615,647	1,172,186
Operating Lease Incentives	551,890	689,520
Other expense provisions	–	320,269
	6,026,411	5,107,732
Operating Lease Incentives		
Opening balance at 1 July	689,520	759,060
Net movement in the year	(137,630)	(69,540)
Balance at 30 June	551,890	689,520
NON-CURRENT		
Employee Benefits – Long Service Leave	1,059,088	682,630
Leasehold Property Make Goods	1,633,818	1,091,404
	2,692,906	1,774,034
Leasehold Property Make Goods		
Opening balance at 1 July 2014	1,091,404	1,076,597
Acquisition of subsidiaries	10,000	–
Additional provisions	720,500	72,472
Amounts used	(203,101)	(57,665)
Unused amounts reversed	15,015	–
Balance at 30 June 2015	1,633,818	1,091,404

Analysis of Total Provisions

	Consolidated Group	
	2015	2014
	$	$
Current	6,026,411	5,107,732
Non-current	2,692,906	1,774,034
	8,719,317	6,881,766

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 2(o).

NOTE 24 PROVISIONS CONT.

Provision for Leasehold Property Make Good

In accordance with the Group's contractual obligations under tenancy lease agreements, the Group is required to restore the leased premises on the expiry of the lease term. The assumptions used to calculate the provision were based on assessments of the timing of the restoration liability crystallising and on current restoration costs accreted at a rate of 2.5% (2014: 3.5%).

Operating Lease Incentives

Incentives received from entering into operating leases are recognised as liabilities. The aggregated benefits of incentives are recognised as a reduction of rental expense when the operating lease payment is incurred, as this represents the pattern of benefits derived from the leased asset. The incentives are spread over the life of the lease.

NOTE 25 ISSUED CAPITAL

	Consolidated Group	
	2015	2014
	$	$
172.4 million (2014: 155 million) fully paid ordinary shares	51,384,958	18,256,679
	51,384,958	18,256,679

(a) Ordinary Shares

	Consolidated Group	
	2014	2013
	No.	No.
At the beginning of the reporting period	155,000,000	155,000,000
Shares issued during the year:		
— 1st July 2014 for business acquisitions	1,400,000	–
— 11th July 2014 for rights issue	15,382,174	–
— 15th July 2014 for business acquisitions	500,000	–
— 16th July 2014 for rights issue	117,907	–
At the end of the reporting period	172,400,081	155,000,000

During the year, share capital was increased by $4.6m, with the issue of 1.9m ordinary shares for part consideration in business acquisitions.

On 16th July 2014 the Group successfully completed a 1 for 10 rights issue at $1.90 per ordinary share, raising a total of $29.45m, with the funds primarily utilised for the initial instalments of the acquisitions. The transaction costs associated with this capital raising which have been deducted from share capital were $926,876.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25 ISSUED CAPITAL CONT.

(b) Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and future strategic opportunities.

The Group's capital structure includes a mix of debt (note 22), cash (note 12), and equity attributable to the parent's equity holders.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

In regard to the dividend policy, the Board expects to pay dividends of approximately 40% of NPAT excluding net movement in WIP and accounting for disbursements. Net movement in WIP and disbursements could have a significant effect on the Group's ability to pay dividends. No guarantee is given about the payment of dividends, the level of franking or imputation of such dividends or the size of the pay-out ratios. These matters will depend on a number of factors, including the future earnings of the Group, its financial, tax and franking credit position, and the Board's view of the appropriate dividend policy at the time.

		Consolidated Group	
		2015	2014
	Note	$	$
Total borrowings	22	21,660,429	17,343,909
Less cash and cash equivalents	12	(9,393,350)	(11,004,417)
Net debt		12,267,079	6,339,492
Total equity		176,189,681	119,898,045
Total capital		188,456,760	126,237,537
Gearing ratio		7%	5%

NOTE 26 CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease and Hire Purchase Commitments

The Group has finance leases and hire purchase contracts for various items of plant and equipment. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	Consolidated Group	
	2015	2014
	$	$
Payable — minimum lease payments		
— not later than 12 months	1,056,952	1,019,406
— between 12 months and 5 years	1,699,102	1,886,329
— later than 5 years	–	–
Minimum lease payments	2,756,054	2,905,735
Less future finance charges	(246,987)	(322,345)
Present value of minimum lease payments	2,509,067	2,583,390

NOTE 26 CAPITAL AND LEASING COMMITMENTS CONT.

(b) Operating Lease Commitments

The Group has entered into commercial leases on certain items of plant and equipment and property. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases. Future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated Group	
	2015	2014
	$	$
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	7,239,194	5,419,653
— between 12 months and 5 years	15,147,338	8,831,313
— later than 5 years	4,654,503	6,543
	27,041,035	14,257,509

	Consolidated Group	
	2015	2014
	$	$
(c) Capital Expenditure Commitments		
Capital expenditure commitments contracted for:		
Plant and equipment purchases	–	–
Capital expenditure projects	229,075	–
	229,075	–

NOTE 27 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent Liabilities

The group has entered into an agreement with Wingate Asset Finance to provide disbursement loans to its clients. In the event the client's case is not successful, the group has provided an indemnity to Wingate Asset Finance for the loan. The total potential exposure is $3,590,297.

Bank guarantees

Bank guarantees are contracts that are measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets. The Company has disclosed the details of the guarantees in this note.

The bank guarantee facility limit as at the 30 June 2015 was $5,000,000 (2014: $2,250,000) of which $2,332,334 (2014: $95,292) was unused at the end of the reporting period.

Total guarantees provided in respect of property leases were $2,667,666 (2014: $2,154,708)

There were no other contingencies at the reporting date (2014: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28 OPERATING SEGMENTS

General Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the managing director (chief operating decision maker) in assessing performance and in determining the allocation of resources.

The Group operates in two reporting segments being personal injury and emerging practice areas. The business undertaken by Risk Worldwide New Zealand Limited does not meet the specific criteria in AASB8 which means it is not considered as its own reporting segment. Therefore as Risk Worldwide New Zealand Limited currently accounts for significantly less than 10% of the group revenue, profit or assets, this business has been grouped together with emerging practice areas, as permitted under AASB8.13.

The Group does not have any customers which represent greater than 10% of total revenue.

Types of products and services by segment:

(i) Personal injury

Personal injury remains our core business in damaged based plaintiff litigation and we are continuing to enjoy both organic and acquisitive growth in this area. Services offered include medical negligence, public liability, catastrophic injuries, workers' compensation, and motor vehicle accidents. This area also includes the acquisitions of Stephen Browne Personal Injury Lawyers, Sciacca's Lawyers and Bradley Bayly.

(ii) Emerging practice areas

The Group has diversified to include emerging practice areas such as disability insurance and superannuation claims, professional negligence, social justice, class actions, first party insurance recovery claims, landowners' rights, aviation, product liability and asbestos compensation. This area includes the acquisition of Emanate Legal Services.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the managing director, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) Unallocated items

Any revenues, costs, assets and liabilities that are managed on an overall group basis are not allocated to an individual segment.

(c) Adjustments and eliminations

Finance income and costs are not allocated to individual segments as the underlying assets are managed on a group basis.

Current and deferred taxes are not allocated to individual segments as they are also managed on a group basis.

(d) Geographic information

All operations are conducted within Australia with the exception of the interest in the associated company, Risk Worldwide

New Zealand Limited which is located in New Zealand.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 28 OPERATING SEGMENTS CONT.

(i) Segment performance

30 June 2015	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
REVENUE				
External sales	–	116,378,138	33,703,286	150,081,424
Other revenue	849,330	–	–	849,330
Total segment revenue	849,330	116,378,138	33,703,286	150,930,754
Expenses				
Depreciation and amortisation	(827,170)	(1,100,635)	(403,325)	(2,331,130)
Share of loss of an associate	(650,203)	–	–	(650,203)
RESULTS				
Segment profit before tax	(913,088)	30,363,895	10,677,040	40,127,847
30 June 2014				
REVENUE				
External sales	–	97,776,220	17,661,000	115,437,220
Other revenue	316,985	–	–	316,985
Total segment revenue	316,985	97,776,220	17,661,000	115,754,205
Expenses				
Depreciation and amortisation	(537,026)	(967,338)	(315,780)	(1,820,144)
Share of loss of an associate	–	–	–	–
RESULTS				
Segment profit	(782,403)	28,129,145	4,142,200	31,488,942

(ii) Segment assets

30 June 2015	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
Segment assets	1,433,226	239,416,248	75,223,686	316,073,160
30 June 2014				
Segment assets	11,004,417	164,402,930	31,439,731	206,847,078

NOTE 28 OPERATING SEGMENTS CONT.

(iii) Segment liabilities

30 June 2015	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
Segment liabilities	–	49,402,641	12,350,660	61,753,301
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities:				
– Borrowings	21,660,429	–	–	21,660,429
– Deferred tax liabilities	56,469,749	–	–	56,469,749
– Income tax	–	–	–	–
Total group liabilities				139,883,479
30 June 2014				
Segment liabilities	–	19,767,224	3,488,334	23,255,558
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities:				
– Borrowings	17,343,909			17,343,909
– Deferred tax liabilities	45,328,571			45,328,571
– Income tax	1,020,995			1,020,995
Total group liabilities				86,949,033

NOTE 29 CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax

	Consolidated Group	
	2015 $	2014 $
Profit after income tax	29,628,361	22,175,139
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	2,331,130	1,820,144
Share of loss from associate	650,203	–
Costs associated with acquisitions	1,399,890	–
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade receivables	(5,183,100)	293,958
(Increase)/decrease in other assets	(182,180)	(297,415)
(Increase) in work in progress	(22,319,993)	(23,351,987)
(Increase) in disbursements	(8,025,380)	(5,314,701)
Increase/(decrease) in trade payables and accruals	103,487	4,756,118
Increase/(decrease) in income taxes payable	(1,715,465)	2,409,171
Increase in deferred taxes payable	10,499,486	8,618,774
Increase in provisions	3,216,837	245,463
Cash flow from operating activities	10,403,276	11,354,664

The purchase of files from other law firms is reflected in cash flows from investing activities as it also has been in prior years.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 30 EVENTS AFTER THE REPORTING PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 5th August 2015 the Group announced the acquisition of Bradley Bayly. The acquisition was successfully concluded. The total consideration paid and payable is $13.275M. The acquisition will be largely debt funded with a small scrip component of $1M.

The acquisition accounting for post year end is still being finalised and as such provisional accounting has been adopted at 30 June 2015.

NOTE 31 RELATED PARTY TRANSACTIONS

Related Parties

(a) The Group's main related parties are as follows:

i Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

ii Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control or joint control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Consolidated Group	
	2015	2014
i. Other related parties (entities controlled by KMP's Morrison and Roche)	$	$
Purchase of goods, rents and services from related parties	827,585	1,091,722

ii. Loans to associated companies – Risk Worldwide New Zealand Limited		
Beginning of the year	3,629,274	2,873,846
Loans advanced	1,236,681	755,428
Share of loss for the year	(650,203)	–
End of the year	4,215,752	3,629,274

Pursuant to an agreement between all shareholders of Risk Worldwide New Zealand Limited, the Group has agreed to provide a line of credit up to $3m from 1 August 2012. Additional funds for working capital have also been provided. This loan is unsecured and bears interest at the same rate as the Group is charged by its own lender.

iii. Loans from other related parties (entities controlled by the KMP's Morrison and Roche)		
Beginning of the year	240,634	118,660
Loans advanced	–	121,974
Loan repayment	(240,634)	–
End of the year	–	240,634

This loan is unsecured and bears no interest.

iv. During the year the group paid $282,893 in consultancy fees to the non-executive director Stephen Roche.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 32 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries and bank borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2015	2014
	Note	$	$
Financial Assets			
Cash and cash equivalents	12	9,393,350	11,004,417
Loans and receivables – current	13	15,175,778	5,433,189
Loans and receivables – non-current	13	4,215,752	3,629,274
Total Financial Assets		28,784,880	20,066,880
Financial Liabilities			
Trade, other payables and other financial liabilities – current	21	41,843,387	16,373,792
Trade, other payables and other financial liabilities – non current	21	11,190,597	–
Borrowings – current	22	19,963,492	5,044,060
Borrowings – non current	22	1,696,937	12,299,849
Total Financial Liabilities		74,694,413	33,717,701

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The Group does not have any derivative instruments at 30 June 2015 (2014: nil).

The Audit and Risk Management Committee, consisting of Non-executive Directors of the company, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Audit and Risk Management Committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Audit and Risk Management Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the balance sheet date, to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed at the end of the reporting period and in the notes to the financial statements.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 13.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 13.

NOTE 32 FINANCIAL RISK MANAGEMENT CONT.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- maintaining a reputable credit profile

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Financial liabilities due for payment								
Bank borrowings	19,793,725	4,191,094	107,637	11,586,732	–	–	19,901,362	15,777,826
Trade and other payables	26,808,034	16,133,158	–	–	–	–	26,808,034	16,133,158
Deferred consideration	12,458,531	–	5,217,500	–	–	–	17,676,031	–
Contingent consideration	2,902,352	–	6,650,906	–	–	–	9,553,258	–
Amounts payable to related parties	–	240,634	–	–	–	–	–	240,634
Finance lease liabilities	919,767	1,019,406	1,589,300	1,886,329	–	–	2,509,067	2,905,735
Total contractual outflows	62,882,409	21,584,292	13,565,343	13,473,061	–	–	76,447,752	35,057,353
Less bank overdrafts	–	–	–	–	–	–	–	–
Total expected outflows	62,882,409	21,584,292	13,565,343	13,473,061	–	–	76,447,752	35,057,353

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Financial Assets - cash flows realisable								
Cash and cash equivalents	9,393,350	11,004,417	–	–	–	–	9,393,350	11,004,417
Trade, term and loans receivables	14,511,667	5,373,333	4,215,752	3,779,896	–	–	18,727,419	9,153,229
Total anticipated inflows	23,905,017	16,377,750	4,215,752	3,779,896	–	–	28,120,769	20,157,646
Net (outflow)/inflow on financial instruments	(38,977,392)	(5,206,542)	(9,349,591)	(9,693,165)	–	–	(48,326,983)	(14,899,707)

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 32 FINANCIAL RISK MANAGEMENT CONT.

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

The net effective variable interest rate borrowings (i.e. unhedged debt) expose the group to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

		Consolidated Group	
		2015	2014
	Note	$	$
Floating rate instruments			
Bank Borrowings	22	19,901,362	14,760,519
		19,901,362	14,760,519

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The foreign currency risk in the group is currently considered immaterial and is therefore not shown.

The Group's loan to its associate, Risk Worldwide New Zealand Ltd is denominated in Australian Dollars.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group 2015		Consolidated Group 2014	
	Profit	Equity	Profit	Equity
Year ended 30 June 2015	$	$	$	$
+/-1% in interest rates	133,306	133,306	110,445	110,445

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject t o judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed on the following page. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

NOTE 32 FINANCIAL RISK MANAGEMENT CONT.

Fair value approximates carrying amounts for the following financial assets and liabilities:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) The carrying amount of the Group's lease liabilities and the hire purchase liabilities and bank debt approximate their fair values, as commercial rates of interest are paid and the impact of discounting is not significant.

(iii) The carrying amount of the Group's deferred consideration approximates its fair value due to the timing of the acquisition and settlement of deferred payments.

NOTE 33 FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition of:

- obligations for contingent consideration arising from business combinations.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

(b) Valuation techniques

The fair value of the contingent consideration in the business combinations is determined by performance forecasts which are used to estimate future cash flows. These cash flows are discounted back to a present fair value amount using the applicable discount rate.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 33 FAIR VALUE MEASUREMENTS CONT.

	30 June 2015			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	$	$	$	$
Liabilities				
Contingent consideration	–	–	9,202,295	9,202,295
Total liabilities recognised at fair value	–	–	9,202,295	9,202,295

	30 June 2014			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	$	$	$	$
Liabilities				
Contingent consideration	–	–	–	–
Total liabilities recognised at fair value	–	–	–	–

c) Reconciliation of recurring Level 3 fair value measurements

	2015	2014
	$	$
Balance at the beginning of the year	–	–
Additions during the year	8,477,862	–
Interest – discount unwind	724,433	–
Gains/(losses) recognised in profit or loss during the year	–	–
Settlements during the year	–	–
Balance at the end of the year	9,202,295	–

(d) Sensitivity Analysis for recurring level 3 fair value movements

The group has conducted a sensitivity analysis of the unobservable inputs and determined that a reasonable movement in these inputs would not materially impact the fair value consideration as at the reporting date.

NOTE 34 BUSINESS COMBINATIONS

Acquisitions in 2015

Acquisition of Emanate Legal Services Pty Ltd

On 1 July 2014, the Group acquired 100% of the voting shares of the existing law practice Emanate Legal Services Pty Ltd (Emanate). Emanate is an unlisted company based in North Queensland, specialising in land owner rights, commercial litigation and general legal services.

The Group has acquired Emanate in line with its strategic objective to diversify earnings through the expansion of its geographic coverage and work types. The acquisition has been accounted for using the acquisition method as described within AASB3. The consolidated financial statements include the results of Emanate for the full year ended 30 June 2015.

The fair values of the identifiable assets and liabilities of Emanate as at the date of acquisition were as follows:

	Fair value recognised on acquisition $
Assets	
Cash and cash equivalents	8,824
Trade receivables	500,728
Work in progress (WIP)	2,001,128
Less WIP provision	(340,192)
Prepayments	92,193
Plant & equipment	98,400
Make good	10,000
Deferred tax asset	36,014
Total assets acquired	2,407,095
Liabilities	
Vendors loan account	(149,637)
Trade payables	(94,599)
GST	(28,369)
Payroll liabilities	(35,732)
Borrowings	(106,433)
Long service leave provision	(10,185)
Annual Leave	(99,861)
Make good provision	(10,000)
Total liabilities acquired	(534,816)
Total identifiable net assets at fair value	1,872,279
Goodwill arising on acquisition	17,919,758
Purchase consideration	19,792,037
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	8,824
Cash paid	(13,602,346)
Net cash outflow	(13,593,522)
Total purchase consideration consists of:	
Cash paid	13,602,346
1,400,000 Ordinary shares in Shine Corporate Limited	3,430,000
Fair value of contingent consideration payments	2,759,691
	19,792,037

NOTE 34 BUSINESS COMBINATIONS CONT.

The goodwill recognised is primarily attributed to the knowledge and practises of the Emanate staff in continuing to run a successful business. The goodwill is non-deductible for income tax purposes. The fair value of the ordinary shares issued as consideration was calculated with reference to their market price on the date of acquisition, which was $2.45.

The fair value of trade receivables is deemed to be their gross value. No credit losses are expected. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date. The gross value of the WIP was recorded with a provision for unrecoverable WIP recognised based on historical recovery rates.

As part of the agreement with the vendor, amounts of contingent consideration have been agreed subject to the achievement of certain performance hurdles over the two years from acquisition date:

a) Year 1: up to $1,000,000 if earnings before interest and tax exceed $3,800,000 (payable proportionally between $3,000,000 and $3,800,000)

b) Year 2: up to $1,000,000 if earnings before interest and tax exceed $4,200,000 (payable proportionally between $3,400,000 and $4,200,000)

c) Year 2: Additional $1,000,000 if the pipeline of future billable work at the end of 24 months from acquisition date exceeds $15,000,000.

At the acquisition date the fair value of the contingent consideration was estimated to be $2,759,691 determined using the DCF method. The valuation was calculated assuming the maximum earnings payouts become due and a pipeline value of $16,000,000, discounted at a rate of 5.16%.

Transaction costs of $108,165 have been expensed and are included in Other Expenses in the Statement of Other Comprehensive Income, and form part of Investing cash flows in the Statement of Cash Flows.

From the date of acquisition, Emanate has contributed $8,717,184 of revenue and $4,255,511 to the net profit before tax from the continuing operations of the Group. As a result, subsequent to the end of the financial year, the full amount of the year 1 contingent consideration was paid to the vendor.

NOTE 34 BUSINESS COMBINATIONS CONT.

Acquisition of Browne and Klein

On 1 July 2014, the Group (via a fully owned subsidiary company called SB Law Pty Ltd) acquired 100% of the voting shares of the existing law practice Browne and Klein, trading as Stephen Browne Personal Injury Lawyers (SBPIL). SBPIL is a business partnership based in Western Australia specialising in Personal Injury Law.

The Group has acquired SBPIL in line with its strategic objective to diversify earnings through the expansion of its geographic coverage. The acquisition has been accounted for using the acquisition method as described within AASB3. The consolidated financial statements include the results of SBPIL for the full year ended 30 June 2015.

The fair values of the identifiable assets and liabilities of SBPIL as at the date of acquisition were as follows:

Assets	Fair value recognised on acquisition $
Work in progress (WIP)	11,439,170
Less WIP provision	(1,170,187)
Unbilled disbursements	3,344,152
Plant and equipment	103,722
Make good	20,000
Deferred tax asset	48,051
Total assets acquired	13,784,908
Liabilities	
Long service leave provision	(50,800)
Annual leave	(89,369)
Make good provision	(20,000)
Total liabilities acquired	(160,169)
Total identifiable net assets at fair value	13,624,739
Goodwill arising on acquisition	3,493,910
Purchase consideration	17,118,649
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	–
Cash paid	(6,750,584)
Net cash outflow	(6,750,584)
Total purchase consideration consists of:	
Cash paid	6,750,584
500,000 Ordinary shares in Shine Corporate Limited	1,175,000
Fair value of deferred consideration payments	5,969,539
Fair value of contingent consideration payments	3,223,526
	17,118,649

NOTE 34 BUSINESS COMBINATIONS CONT.

The goodwill recognised is primarily attributed to the knowledge and practises of the SBPIL staff in continuing to run a successful business. The goodwill is non-deductible for income tax purposes. The fair value of the ordinary shares issued as consideration was calculated with reference to their market price on the date of acquisition, which was $2.35.

The fair value of unbilled disbursements is deemed to be the gross value. No credit losses are expected. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date. The gross value of the WIP was recorded with a provision for unrecoverable WIP recognised based on historical recovery rates.

As part of the agreement with the vendor, amounts of deferred and contingent consideration have been agreed subject to the achievement of certain performance hurdles over the two years from acquisition date:

Deferred consideration

a) Tranche 1 – $3,217,500 payable 13 months after the effective date of the acquisition

b) Tranche 2 – $3,217,500 payable 25 months after the effective date of the acquisition

Contingent consideration

a) Year 1: up to $1,000,000 if earnings before interest and tax (EBIT) exceed $4,200,000 (payable proportionally between $2,200,000 and $4,200,000). However if EBIT is below $2,200,000 the consideration payable in Tranche 1 will reduce by $1,000,000.

b) Year 2: up to $500,000 if earnings before interest and tax (EBIT) exceed $3,800,000 (payable proportionally between $2,300,000 and $3,800,000). However if EBIT is below $2,300,000 the consideration payable in Tranche 2 will reduce by $500,000.

c) Year 2: Additional pro-rata payment of $1 for each $1 that Year 2 File Growth exceeds $2,000,000, up to a maximum payment of $2,000,000.

d) Share guarantee – Maximum payment of up to $200,000 if the market value of the consideration shares falls below $1,000,000 in the twelve months following the acquisition settlement date. Payment is proportional to the decline in value below $1,000,000.

At the acquisition date the fair value of the contingent consideration was estimated to be $3,223,526 determined using the DCF method. The valuation was calculated assuming the maximum earnings payouts become due and File Growth in year 2 of $3,000,000, discounted at a rate of 5.16%.

Transaction costs of $1,018,097 have been expensed and are included in the Other Expenses in the Statement of Other Comprehensive Income, and form part of the cash flows from Investing activities in the Statement of Cash Flows.

From the date of acquisition, SBPIL has contributed $11,513,726 of revenue and $4,605,746 to the net profit before tax from the continuing operations of the Group. As a result, subsequent to the end of the financial year, the full amount of both the year 1 deferred and contingent consideration was paid to the vendor.

NOTE 34 BUSINESS COMBINATIONS CONT.

Acquisition of Sciacca's Lawyers Pty Ltd and Sciacca's Family Lawyers Pty Ltd

Effective from 1 July 2014, the Group acquired 100% of the voting shares of the existing law practices of Sciacca's Lawyers Pty Ltd and Sciacca's Family Lawyers Pty Ltd (Sciacca's Group).

The acquisition of these entities by the Group significantly strengthens union based personal injury work throughout Queensland, and allows for increased branding through the family law business, supporting the strategic objective to diversify work type income. The acquisition has been accounted for using the acquisition method as described within AASB3. The consolidated financial statements include the results of the Sciacca's Group for the full year ended 30 June 2015.

The consolidated fair values of the identifiable assets and liabilities of Sciacca's Group as at the date of acquisition were:

Assets	Fair value recognised on acquisition $
Work in progress (WIP)	7,723,228
Less WIP provision	(1,541,214)
Unbilled disbursements	835,186
Less Unbilled disbursements provision	(95,516)
Plant & equipment	464,534
Cash and cash equivalents	24,655
Trade receivables	1,079,167
Provision for doubtful debts	(46,756)
Prepayments	176,972
Deferred tax asset	103,916
Total assets acquired	8,724,172
Liabilities	
Borrowings	(358,128)
GST	(105,501)
Trade payables	(369,894)
Provision for income tax payable	(396,881)
Provision for annual leave	(215,349)
Provision for long service leave	(131,038)
Provision for bonuses	(663,071)
Provision other	(109,270)
Disbursement loan	(437,511)
Total liabilities acquired	(2,786,643)
Total identifiable net assets at fair value	5,937,529
Goodwill arising on acquisition	4,526,378
Purchase consideration	10,463,907
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	24,655
Cash paid	(7,585,193)
Net cash outflow	(7,560,538)
Total purchase consideration consists of:	
Cash paid	7,585,193
Fair value of contingent consideration payments	2,878,714
	10,463,907

The goodwill recognised is primarily attributed to the knowledge and practises of the Sciacca's Group staff in continuing to run a

NOTE 34 BUSINESS COMBINATIONS CONT.

successful business. The goodwill is non deductible for income tax purposes.

The fair value of trade receivables is deemed to be their gross value less the provision for doubtful debts. Unbilled disbursements have been recorded at their gross value less provision for unrecoverable amounts. The net unbilled disbursements balance is the fair value. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date. The gross value of the WIP was recorded with a provision for unrecoverable WIP recognised based on historical recovery rates.

As part of the agreement with the vendor, amounts of deferred and contingent consideration have been agreed subject to the achievement of certain performance hurdles over the two years from acquisition date:

Contingent consideration

a) Year 1: up to $1,825,000 if earnings before interest and tax (EBIT) exceed $2,500,000 (payable proportionally between $1,600,000 and $2,500,000). However if EBIT is below $1,600,000 no earnout is payable.

a) Year 2: up to $1,325,000 if earnings before interest and tax (EBIT) exceed $2,900,000 (payable proportionally between $1,800,000 and $2,900,000). However if EBIT is below $1,800,000 no earnout is payable.

a) Year 3: up to $1,100,000 if earnings before interest and tax (EBIT) exceed $3,400,000 (payable proportionally between $2,100,000 and $3,400,000). However if EBIT is below $2,100,000 no earnout is payable.

c) Year 3: Additional pro-rata payment where WIP Growth over three years is between $1,000,000 and $3,500,000 with a maximum payment of $1,250,000.

At the acquisition date the fair value of the contingent consideration was estimated to be $2,878,714 determined using the DCF method. The valuation was calculated assuming a discounted at a rate of 5.16%.

Transaction costs of $138,635 have been expensed and are included in the Other Expenses in the Statement of Other Comprehensive Income, and form part of the cash flows from Investing activities in the Consolidated Statement of Cash Flows.

From the date of acquisition, Sciacca's Group has contributed $6,111,246 of revenue and $942,770 to the net profit before tax from the continuing operations of the Group.

NOTE 34 BUSINESS COMBINATIONS CONT.

Acquisition of Bradley Bayly Holdings Pty Ltd

Effective from 1 June 2015, the Group acquired 25% of the voting shares of the existing law practices of Bradley Bayly Holdings Pty Ltd. However, due to the nature of the contractual arrangement with the vendors, including the voting rights obtained and existence of a call option exercisable within two months for the remaining 75% interest, the Directors determined that Bradley Bayly was a 100% controlled entity effective 1 June 2015. The call option was exercised on 31 July 2015 with the remaining consideration paid on that date. Consequently, the results and balance sheet of the acquired entity have been included in full in these consolidated financial statements with a liability recognised for the consideration payable on the remaining interest.

The Group has acquired BBH in line with its strategic objective to diversify earnings through the expansion of its geographic coverage. The acquisition has been accounted for using the acquisition method as described within AASB3. Provisional accounting has been adopted as at 30 June 2015. The consolidated financial statements include the results of BBH for the month of 30 June 2015.

The consolidated fair values of the identifiable assets and liabilities of BBH as at the date of acquisition were:

Assets	Fair value recognised on acquisition $
Work in progress (WIP)	7,518,155
Less WIP provision	(1,127,723)
Unbilled disbursements	898,075
Plant & equipment	1,068,481
Cash and cash equivalents	(1,943,337)
Trade receivables	1,547,427
Provision for doubtful debts	(156,977)
Prepayments	88,306
Other receivables	4,397,444
Deferred tax asset	86,171
Total assets acquired	12,376,022
Liabilities	
Borrowings	(2,646,830)
GST	(168,623)
Trade payables	(289,361)
Provision for income tax payable	(97,244)
Provision for annual leave	(131,505)
Provision for long service leave	(155,733)
Provision other	(102,588)
Disbursement loan	(59,000)
Total liabilities acquired	(3,650,884)
Total identifiable net assets at fair value	8,725,138
Goodwill arising on acquisition	4,545,052
Purchase consideration	13,270,190
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	(1,943,337)
Cash paid	(3,318,750)
Net cash outflow	(5,262,087)
Total purchase consideration consists of:	3,318,750
Cash paid	5,241,031
Cash payable on 14 August 2015	1,000,000
Ordinary shares in Shine Corporate Limited to be issued on 14 August 2015	3,710,409
Fair value of deferred consideration payments	13,270,190

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 34 BUSINESS COMBINATIONS CONT.

The goodwill recognised is primarily attributed to the knowledge and practises of the staff in continuing to run a very successful business. The goodwill is non deductible for income tax purposes.

The fair value of trade receivables is deemed to be their gross value less the provision for doubtful debts. Unbilled disbursements have been recorded at their gross value less provision for unrecoverable amounts. The net unbilled disbursements balance is the fair value. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date. The gross value of the WIP was recorded with a provision for unrecoverable WIP recognised based on historical recovery rates.

Transaction costs of $36,358 have been expensed and are included in the operating expenses in the interim statement of other comprehensive income, and form part of the operating cash flows in the interim statement of cash flows.

From the date of acquisition, BBH has contributed $856,415 of revenue and $535,981 to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of 2015, the revenue from continuing operations would have been $7,400,000 and the profit from continuing operations before tax would have been $2,800,000.

NOTE 35 COMPANY DETAILS

The registered office of the Group is:

Shine Corporate Limited
Level 6, 30 Makerston Street
Brisbane QLD 4000

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Shine Corporate Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 20 to 72, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

The company and its wholly-owned subsidiaries listed in note 17, have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed.

Simon Morrison
Managing Director

Tony Bellas

Tony Bellas
Chair

Dated this 27th day of August 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHINE CORPORATE LIMITED

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent auditor's report to the members of Shine Corporate Limited

Report on the financial report

We have audited the accompanying financial report of Shine Corporate Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

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

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

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

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

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
27August 2015

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 15 August 2015

Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 – 1,000	467
1,001 – 5,000	1,003
5,001 – 10,000	559
10,001 – 50,000	393
50,001 – 100,000	32
100,001 – and over	43
	2,497

b. The number of shareholdings held in less than marketable parcels is 93.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary
Simon Morrison	42,339,902
Stephen Roche	42,339,902
J P Morgan Nominees Australia Limited	13,568,888
National Nominees Limited	12,364,119
Citicorp Nominees Pty Ltd	9,824,338

d. Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders – Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Simon Morrison	42,339,902	24.50%
2. Stephen Roche	42,339,902	24.50%
3. J P Morgan Nominees Australia Limited	13,568,888	7.85%
4. National Nominees Limited	12,364,119	7.16%
5. Citicorp Nominees Pty Ltd	9,824,338	5.69%
6. RBC Investor Services Australia Nominees Pty Ltd	5,796,248	3.35%
7. HSBC Custody Nominees (Australia) Limited	4,450,037	2.58%
8. RBC Investor Services Australia Nominees Pty Ltd	2,242,497	1.30%
9. Barry Taylor	1,995,575	1.16%
10. Jodie Willey	1,512,957	0.88%
11. Craig Thompson	1,092,190	0.63%
12. Grant Zeller	1,050,000	0.61%
13. AMP Life	1,041,347	0.60%
14. Colonial First State	1,028,194	0.60%
15. Roger Singh	766,807	0.44%
16. Stuart Macleod	734,391	0.42%
17. Lisa Flynn	716,479	0.41%
18. Lara Schliebs	666,479	0.39%
19. Paul Tedder	593,109	0.34%
20. Nial Fuller	413,097	0.24%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Directors

Tony Bellas, Chairman
Carolyn Barker AM, Non-Executive Director
Gregory Moynihan, Non-Executive Director
Simon Morrison, Managing Director
Stephen Roche, Non-Executive Director

Company secretaries

John George
Daniel Wilkie

Principal registered office

Level 6
30 Makerston Street
Brisbane QLD 4000

Phone: +61 7 3837 9431
Fax: +61 7 3236 1689

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Code: SHJ

Auditors

Ernst & Young
111 Eagle Street, Brisbane QLD 4000

Phone: +61 7 3011 3333
Fax: +61 7 3011 3100

Solicitors

McCullough Robertson
Central Plaza 2
Level 11
66 Eagle Street
Brisbane QLD 4000

Company website

www.shine.com.au

Company numbers

ACN 162 817 905
ABN 93 162 817 905

Bankers

Commonwealth Bank of Australia
Ground Floor
143-145 Margaret Street
Toowoomba QLD 4350

Investor relations website

www.linkmarketservices.com.au

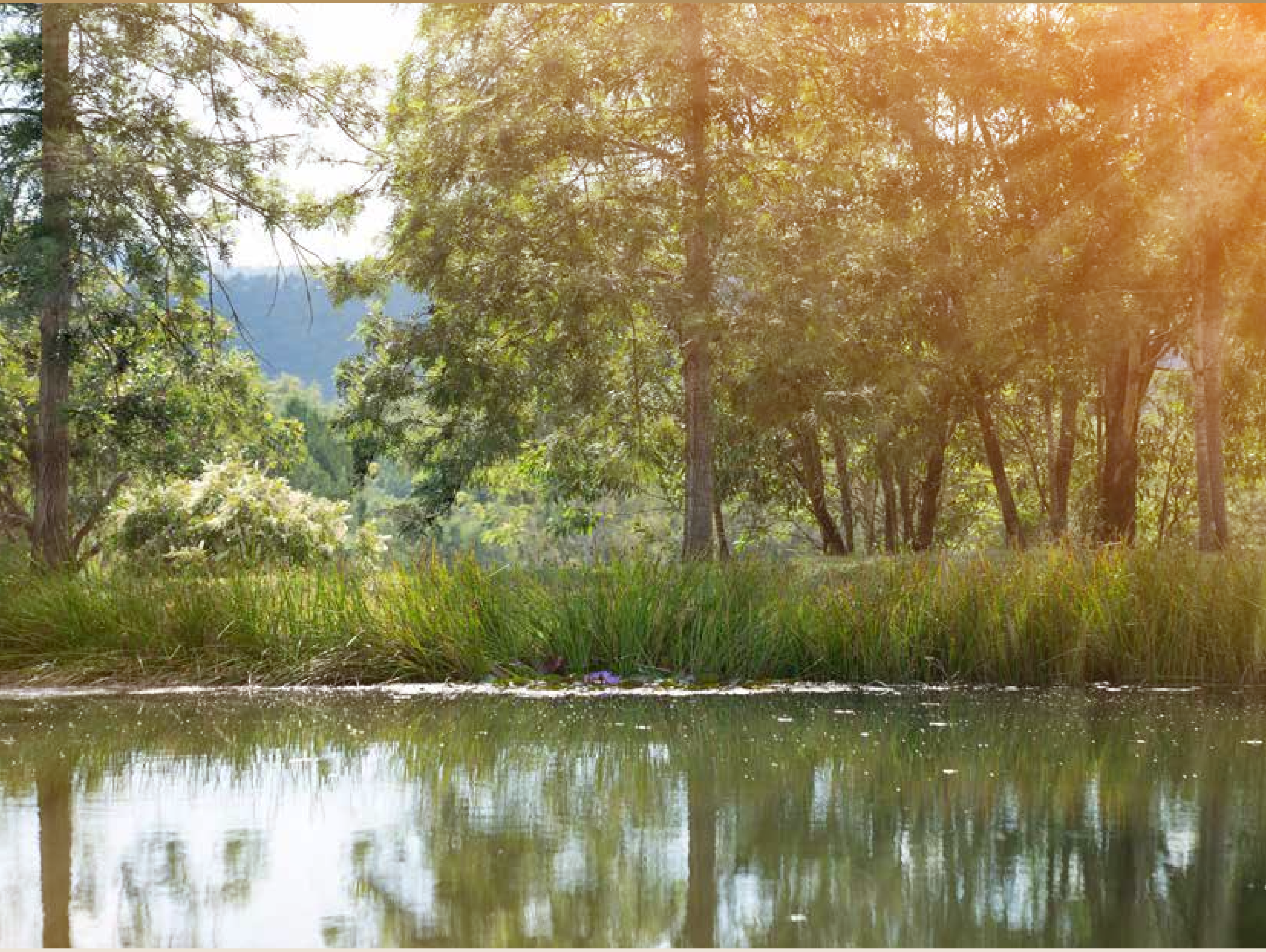
Share registry

The Registrar
Link Marketing Services
Level 12
680 George Street
Sydney NSW 2000

Phone: 1300 554 474 (toll free)
+ 61 8280 7111

Fax: +61 2 9897 0303
Fax: +61 2 9897 0309 (for proxy voting)

Postal Address
Locked Bag A14
Sydney South NSW 1235



www.shine.com.au