SHINE
CORPORATE LTD

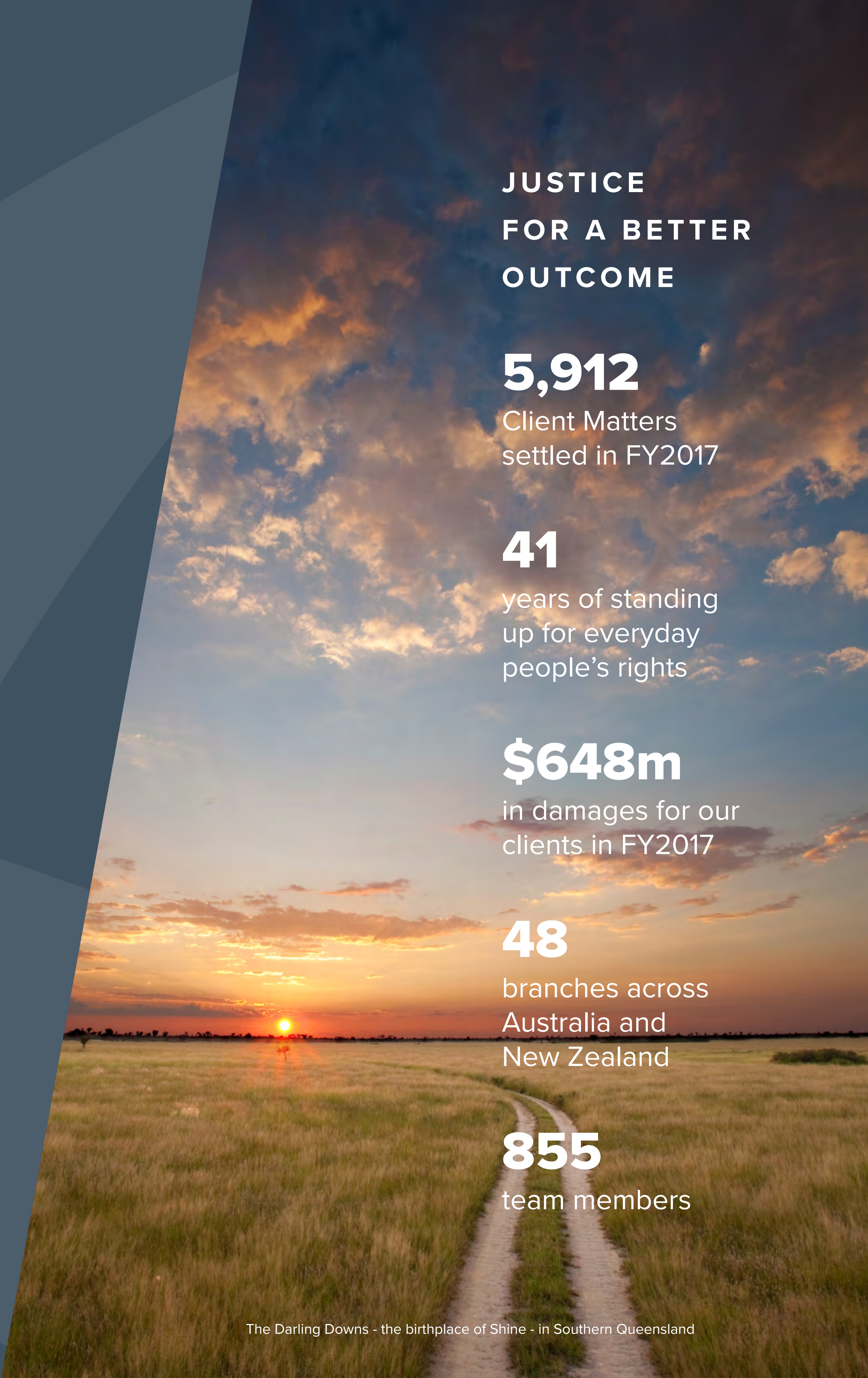
Annual Report

2017

ABN 93 162 817 905

OUR VISION

To be a leading provider of legal and specialist resolution services in Australia and internationally



JUSTICE FOR A BETTER OUTCOME

5,912
Client Matters settled in FY2017

41
years of standing up for everyday people's rights

$648m
in damages for our clients in FY2017

48
branches across Australia and New Zealand

855
team members

The Darling Downs - the birthplace of Shine - in Southern Queensland

Contents

Shine Lawyers Dandenong

FY17 IN REVIEW

	FY2017	FY2016	Variance %
Total Revenue	$165.0m	$151.5m	+ 9%
Statutory Net Profit After Tax (NPAT)	$20.2m	$14.8m	+ 36%
Statutory Net Profit Before Tax (NPBT)	$25.5m	$18.4m	+ 39%
Earnings Before Interest and Tax (EBIT)[1]	$28.2m	$21.6m	+ 31%
Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment (EBITDA)[2]	$36.5m	$25.0m	+ 46%
Net Operating Cash Flow (NOCF)	$16.7m	$16.9m	- 1%
Gross Operating Cash Flow (GOCF)[3]	$19.2m	$18.8m	+ 2%
Final Dividend (cents per Share)	2.0	2.5	- 20%
Interim Dividend (cents per Share)	0.6	0.0	N/A
Total Dividend (cents per Share)	2.6	2.5	+ 4%
Earnings Per Share (EPS - cents)	11.6	8.6	+ 35%

[1] EBIT is not an IFRS calculation which appears in the Financial Report and accordingly, has not been audited.

[2] EBITDA is not an IFRS calculation which appears in the Financial Report and accordingly, has not been audited.

[3] Gross Operating Cash Flow is not an IFRS calculation which appears in the Financial Report and accordingly, has not been audited. GOCF is equal to NOCF with interest, finance costs and income tax cash flows removed.

LETTER FROM THE CHAIRMAN

Dear Shareholders,

I am pleased to present the Annual Report of Shine Corporate Ltd for the financial year to 30 June 2017.

This was a year of consolidation of our processes, focusing on our core capabilities and building for the future. Importantly for our shareholders, we had a return to more acceptable levels of profitability and improved returns on equity.

These financial results are encouraging and the improvements we have made to the business this year represent a platform from which we can continue to build a profitable business that delivers outstanding outcomes for our clients.

Underpinning our business are our key values of always pursuing justice, prioritising people, creating new ways, acting courageously and fostering community.

In our core personal injury practice, we settled or resolved more than 5,900 cases for our clients and procured damages exceeding $645 million.

As well, we continued to execute our strategy to diversify into practice areas in addition to personal injuries, including transport, insolvency, workplace relations, class actions, professional and medical negligence, defamation and commercial litigation.

During the year, we launched a new marketing campaign that has been successful in attracting new business, strengthening our brand presence in the core Queensland market, and building brand position in target growth markets in the other States.

Shine Lawyers representing victims of faulty prolapse mesh implants

Proud Partners of Cycling Australia

Proud sponsors of the North Queensland Cowboys

Proud sponsors of the Parramatta Eels

An important initiative has been the Engine Room project, our new integrated legal management solution enabling us to deliver enhanced service to our clients, with the inclusion of a client portal that provides clients with real-time insights into the progress of their cases.

The project, which has involved a re-engineering and streamlining of our business processes, has been delivered on time and within budget. The roll-out of the new system commenced in August 2017 and will be completed across the entire Group by the end of FY18.

Senior management changes have given us the opportunity to renew the leadership team. Simon Morrison, one of the founders and major shareholders of the Company, has returned to the position of Managing Director. Another of the founders and also a major shareholder, Stephen Roche, has returned in a more active consulting capacity, working with Simon and the Leadership Team to strengthen our capability at all levels in the organisation, improve processes and deliver consistent, high quality service across all work types and all regions.

We are pleased to advise that Ravin Raj, who has assisted the group as Acting Chief Financial Officer since November 2016, has now been appointed Chief Financial Officer and Company Secretary on a permanent basis.

During the Financial Year, we became a leading voice for the rights of Australians subjected to institutional abuse, appearing before the Royal Commission into Institutional Responses to Child Sexual Abuse and representing 326 victims of abuse.

In this light, all of us at Shine were proud to be associated with the motion picture “Don’t Tell”, based on founder Stephen Roche’s compelling account of one of Australia’s most important sexual abuse civil trials.

After the success of the DePuy Class Action relating to faulty hip implants, we commenced court proceedings for one of Australia’s largest product liability class actions relating to faulty prolapse mesh implants. We also launched a class action against the Commonwealth Department of Defence in relation to claims for exposing residents of the Queensland town of Oakey to toxic chemicals.

Consistent with our commitment to foster community, we relaunched our philanthropic initiative, the Shine A Light Foundation, to support charitable organisations and other worthwhile causes in our communities.

In terms of financial performance, we achieved EBITDA of $36.5 million, an increase of 46 per cent on the previous year. Net profit after tax of $20.2 million compares with $14.8 million previously. Pleasingly, gross operating cash flow for the Group of $19.2 million represents a record outcome for the Group.

Erin Brockovich

Shine A Light Foundation relaunch

The Directors are pleased to declare a fully franked final dividend of 2.0 cents per Share. This adds to the 0.6 cents per Share unfranked interim dividend declared in February 2017.

I would like to take this opportunity to thank my fellow Directors for their valuable contribution to the Group and to our shareholders for their ongoing support.

With the dedication of all our people, I am confident that Shine is well placed for the future.

Finally, I would like to pay tribute to the late Con Sciacca AO, a member of the Shine Family whose passing in June saddened us all.

In addition to his outstanding legal career in which he was a fierce champion of the little guy, Con had a distinguished career as a politician, serving as a Minister in the Federal Parliament and representing the Queensland seat of Bowman for the Australian Labor Party.

Con will be fondly remembered as a kind and compassionate man, respected by all.

Vale Con Sciacca.

Tony Bellas
Chairman
25 August 2017

bestwilsonbuckley
FAMILY LAW

RW RiskWorldwide

STEPHEN BROWNE
PERSONAL INJURY LAWYERS

BRADLEY BAYLY LEGAL

emanate
LEGAL

Sciaccas

DIRECTORS' REPORT

Your Directors present their report for the Financial Year ended 30 June 2017.

The Directors during the Financial Year were:

Director	Position	Appointment
Tony Bellas	Independent Chairman & Non-executive Director	13 March 2013 to present
Carolyn Barker AM	Non-executive Director	13 March 2013 to present
Greg Moynihan	Non-executive Director	13 March 2013 to present
Simon Morrison	Managing Director/Executive Director*	13 March 2013 to present
Courtney Petersen	Executive Director/Managing Director and CEO**	29 February 2016 to 29 December 2016

* Simon Morrison retired as Managing Director on 24 August 2016 and was reappointed on 30 December 2016. He held the role of Executive Director in the interim period.

** Courtney Petersen held the role of Executive Director until 24 August 2016, when she was appointed Managing Director and CEO. She resigned from that position on 29 December 2016.

TONY BELLAS

MBA, BEcon, DipEd, FAICD, FCPA (Age 63)

Tony joined Shine in 2013 as Independent Non-executive Chairman.

Prior to joining the Board, Tony was an experienced senior executive in the public and private sectors and held roles including Chief Executive Officer of Seymour Group, Ergon Energy Corporation Limited and CS Energy Limited. Tony also had a distinguished career with Queensland Treasury where he reached the position of Deputy Under Treasurer and had oversight of operations including Fiscal Strategy, Office of Government Owned Corporations and Office of State Revenue.

In addition to his role as Chairman of the Board, Tony holds special responsibilities as Chair of the Nomination & Remuneration Committee and member of the Audit & Risk Management Committee.

The Nomination Committee and the Remuneration Committee were merged into a joint committee on 1 July 2017. During the Financial Year, Tony chaired the Nomination Committee and was a member of the Remuneration Committee.

Other Australian listed company directorships held in the past three years: Graphitecorp Limited (August 2015 – present), Corporate Travel Management Limited (June 2010 – present) and ERM Power Limited (December 2009 – present).

CAROLYN BARKER, AM

BBus, MBA, FAIM (Life Member) (Age 58)

Carolyn joined Shine Lawyers in 2009 and was appointed to the Board as a Non-executive Director in 2013.

Carolyn is an experienced senior executive and is the current Executive Director of the ANZ Higher Education Division of the global private education company, Study Group. Previously, Carolyn was Chief Executive Officer of the Australian Institute of Management and founder and Managing Director of The Cyber Institute Pty Ltd.

Carolyn contributes skills and expertise to the Board including executive management, digital technologies, strategic marketing, general commercial, and policy, regulation and stakeholder management.

Carolyn is the Chair of Brisbane's Transport Advisory Board and a member of Brisbane City Council's Audit Committee.

Special responsibilities held during the Financial Year include Chair of the Remuneration Committee and member of the Audit & Risk Management Committee and the Nomination Committee.

The Nomination Committee and the Remuneration Committee were merged into a joint committee on 1 July 2017. From that date, Tony Bellas has chaired the Nomination & Remuneration Committee and Carolyn has served as a member of that committee.

Other Australian listed company directorships held in the past three years: None other than Shine.

GREG MOYNIHAN

BCom, Grad Dip SIA, CPA, FFin, MAICD (Age 60)

Greg joined the Board in 2013 as a Non-executive Director.

He is a former Chief Executive Officer of Metway Bank Limited and has held senior executive positions with Citibank Australia and Suncorp-Metway over a range of disciplines including financial and capital management, investment management and corporate strategy.

Greg is currently a non-executive director of Corporate Travel Management Limited and several private companies in Australia and overseas.

Special responsibilities held include Chair of the Audit & Risk Management Committee and member of the Nomination Committee and the Remuneration Committee (from 1 July 2017, the joint Nomination & Remuneration Committee).

Other Australian listed company directorships held in the past three years: Corporate Travel Management Limited (June 2010 – present) and Ausenco Limited (2009-2013).

SIMON MORRISON

LLB (Age 48)

Simon became the Managing Director of Shine in 2012, having joined Shine Lawyers in 1988 and having become a partner of the firm in 1995.

Simon is a former National President of the Australian Lawyers' Alliance (ALA) and chaired the ALA's National Workers Compensation Special Interest Group and sits on the Board of Governors of the American Association of Justice. Simon has particular expertise in and is an acknowledged leader in workers' compensation and is a Queensland Law Society Accredited Specialist in personal injury law. He has given evidence at numerous government inquiries, has assisted in drafting legislation and is a regular speaker at national and state conferences in this field.

Simon contributes skills and expertise to the Board including executive management of a listed company, strategy, industry experience, strategic marketing, and policy, regulation and stakeholder management.

Special responsibilities held include Managing Director (until 24 August 2016 and from 30 December 2016) and member of the Nomination Committee (from 1 July 2017, the joint Nomination & Remuneration Committee).

Other Australian listed company directorships held in the past three years: None other than Shine.

ANNETTE O'HARA

GENERAL COUNSEL AND COMPANY SECRETARY

BA/LLB (Hons), LLM, FGIA (Age 53)

Annette joined the Group in August 2016 as Senior Legal Counsel and was appointed General Counsel & Company Secretary in February 2017. Annette has extensive experience as a senior corporate lawyer at national law firm Corrs Chambers Westgarth, including in house secondments with Sunsuper Ltd, Ergon Energy Corporation Limited and Queensland Health.

RAVIN RAJ

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

BCom, ACA, FFin, GAICD (Age 57)

Ravin joined the Group in November 2016 as Acting Chief Financial Officer and was appointed Chief Financial Officer and Company Secretary on 25 August 2017.

Ravin has extensive experience in the finance and construction industries, having commenced his career at accounting firm Touche Ross & Co before joining Watpac Limited, where he held the position of CFO for nearly two decades.

COURTNEY PETERSEN

BA, LLB (Hons) (Age 47)

Courtney joined Shine as chief executive officer of Shine Lawyers in March 2015 and was appointed to the Board as an Executive Director in February 2016. She was appointed Managing Director and CEO on 24 August 2016 and resigned on 29 December 2016.

Special responsibilities held included member of the Nomination Committee.

Other Australian listed company directorships held in the past three years: None other than Shine.

MEETINGS OF DIRECTORS AND COMMITTEES

The number of Board meetings and meetings of Board Committees and the number of meetings attended by each Director who was a member of the Board or Committee during the Financial Year are listed below.

TABLE 1 - BOARD AND COMMITTEE MEETINGS

Number of Meetings	Director	Tony Bellas	Carolyn Barker AM	Greg Moynihan	Simon Morrison	Courtney Petersen*
18	Board	18	17	17	17	12 (12 held)
6	ARMC	6	6	6	6 (Invitee)	3 (Invitee) (3 held)
6	Remuneration	6	6	6	4 (Invitee)	2 (Invitee) (3 held)
1	Nomination	1	1	1	1	0 (0 held)

*Meetings held and attended by Courtney Petersen during her period of appointment only are noted in the column under her name.

REMUNERATION REPORT

1. INTRODUCTION

This Remuneration Report sets out information about the remuneration of Shine's key management personnel (KMP) for the Financial Year in accordance with the Corporations Act and its Regulations.

The information in this Remuneration Report has been audited.

2. DIRECTORS AND KMP

The KMP of the Group (whose remuneration must be disclosed in this Report) refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Directors (whether executive or otherwise) of the Company.

The non-executive Directors and executives who were KMP for the whole of the Financial Year are identified in Table 2.

TABLE 2 – KMP-FULL FINANCIAL YEAR

Name	Position
Non-Executive Directors	
Tony Bellas	Independent Chairman & Non-executive Director
Carolyn Barker AM	Independent Non-executive Director
Greg Moynihan	Independent Non-executive Director
Executive KMP	
Simon Morrison*	Managing Director

* Simon Morrison retired as Managing Director on 24 August 2016 and was reappointed on 30 December 2016. He held the role of Executive Director during the interim period.

Table 3 below identifies persons who were KMP for part of the Financial Year.

TABLE 3 – KMP-PART FINANCIAL YEAR

Name	Position	Dates
Ravin Raj*	Acting Chief Financial Officer	Commenced 21 November 2016
Courtney Petersen	Executive Director/ Managing Director and CEO	Executive Director 1 July – 23 August 2016; Managing Director and CEO 24 August – 29 December 2016
Daniel Wilkie	Chief Financial Officer and Company Secretary	Resigned 27 February 2017

* Ravin Raj has been appointed Chief Financial Officer and Company Secretary on a permanent basis with effect from 25 August 2017.

3. REMUNERATION FRAMEWORK

Shine's Leadership Team remuneration practices and strategy are designed to attract and retain high calibre talent in order to drive the creation of shareholder value.

The Leadership Team remuneration framework includes three potential components:

- Fixed Remuneration that comprises base salaries and other benefits, including superannuation
- Short Term Incentive Plan that comprises a cash component
- Long Term Incentive Plan that comprises a deferred equity component

This structure is intended to provide an appropriate mix of fixed and variable remuneration, and provide a combination of incentives intended to drive performance against the Company's short and long term business objectives.

The Group's executive remuneration framework is market competitive and aligned to the reward strategy of the organisation. The key elements of the framework are set out in Table 4.

Details of the composition of the Remuneration Committee during FY17 are set out on page 15. From 1 July 2017, the Nomination Committee and the Remuneration Committee were merged into a joint Nomination & Remuneration Committee. The joint Committee's Charter is available on the Company's website.

An independent remuneration consultant, Egan Associates Pty Ltd (Egan Associates), was engaged in July 2016 to provide benchmarking advice in relation to remuneration for various roles in the Group, including CEO and Chief Financial Officer. An amount of $22,260 was paid for this advice. No other advice was provided by Egan Associates for the Financial Year.

The advice from Egan Associates was provided directly to, and based on a briefing by, the Chair of the Remuneration Committee, Independent Non-executive Director Carolyn Barker AM. On that basis, the Board was satisfied that the advice was free from undue influence by any member of KMP.

In August 2016, the Company paid $9,738 to KPMG to provide remuneration benchmarking advice in relation to the appointment of Courtney Petersen as Managing Director and CEO. KPMG's advice was provided directly to, and based on a briefing by, the Chair.

In October 2016, KPMG was engaged to advise in relation to alternatives in determining the appropriate performance measures and equity instruments for an LTIP. An amount of $12,300 was paid for this advice.

This advice from KPMG was provided directly to, and based on a briefing by, the Chair of the Remuneration Committee.

On the basis that no information was provided to KPMG by any member of KMP and that the advice was provided to the Chair or the Chair of the Remuneration Committee, the Board was satisfied that the advice was free from undue influence by any member of KMP.

A further amount of $5,183 was paid to KPMG during the year for general (non-remuneration) advice.

All amounts are exclusive of GST.

THE BOARD

- approves the remuneration policy and ensures it is competitive, fair and aligned with the Company's long term interests
- approves the remuneration of Executive Directors, non-executive Directors and the Leadership Team
- assesses the performance of the Managing Director, Chief Financial Officer and Company Secretary.

REMUNERATION COMMITTEE

During the Financial Year the Board delegated responsibility to the Remuneration Committee to review and make recommendations regarding:

- the Company's remuneration practices, equity participation and other incentive programs
- performance management
- superannuation.

TABLE 4 – KEY ELEMENTS OF REMUNERATION FRAMEWORK

	Considerations	Performance Measure	Strategic Objective
Fixed Remuneration	• Role responsibility & accountabilities • Executive experience and qualifications • Market relativities	Not applicable	To attract and retain top talent focused on performance and results
Short Term Incentive	• Market relativities • 12 month performance period • Cash component	Financial, People & Values and/or Operational and Strategic measures tailored to the individual role	Drives focus on delivering key strategic initiatives and outcomes by incentivising over a 12 month period Delivers financial benefits to shareholders and aligns focus to grow the firm through improved capability of systems, processes and people
Long Term Incentive	• Market relativities • 3 year performance period • Equity component	It is proposed that the FY18 LTI will include a performance hurdle mix of growth in EPS (70%) and Relative Total Shareholder Return (RTSR) based on the group of companies on the S&P/ASX Small Ordinaries Index, excluding resource, mining and real estate companies (30%)	To align remuneration with the creation of shareholder value over the long term. Drives focus on delivering longer term financial outcomes to shareholders and is a key retention tool

Total Remuneration

Leadership Team remuneration has been designed to drive performance and support the delivery of improved shareholder returns by placing a significant portion of remuneration at risk, including both cash and equity.

4. FIXED REMUNERATION AND BENEFITS

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

The Group's remuneration strategy is to recruit high calibre individuals by offering highly competitive remuneration. Leadership Team members are offered a competitive base remuneration package that comprises the fixed component of remuneration and rewards. Base remuneration is reviewed annually to ensure remuneration is competitive. There is no guaranteed base remuneration increase included in any contract.

Leadership Team members receive non-monetary benefits which may include car parking benefits.

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

5. SHORT TERM INCENTIVES

Short Term Incentive Plan

A Short Term Incentive Plan was in place for FY2017.

What is the STIP and who participates?

The STIP was developed to reward short term performance with the following objectives:

- increase employee motivation by establishing a clear link between pay and performance
- focus employees' efforts on outstanding performance and outcomes
- improve business performance, with particular emphasis on outcomes associated with legal operations
- create a desired workplace culture by rewarding teamwork

The STIP is reviewed annually. All legal, management and other professional staff are eligible to participate.

What are the key performance indicators?

The key performance indicators (KPIs) which must be achieved to earn an award under the STIP are set at the beginning of each financial year and are aligned with corporate objectives.

KPIs have been agreed with the Chief Financial Officer for FY18, including KPIs based on financial targets for the Group (40%), strategic operational priorities (35%) and values and behaviour (25%) for a maximum STI award of $60,000 in FY18. Due to his substantial shareholding in the Company, Managing Director Simon Morrison does not participate in the STIP.

FY2017 Outcome for KMP

Under Courtney Petersen's employment contract, she was entitled to an annual STI of up to 50% of her total fixed remuneration, subject to the achievement of financial, people and values and operational and strategic KPIs.

The former Chief Financial Officer and Company Secretary, Daniel Wilkie, was eligible to earn an STI award equivalent to 40% of his fixed remuneration.

Due to departures of and changes in KMP during FY17 (including the departures of Ms Petersen and Mr Wilkie), the Directors resolved that no award be granted to KMP in respect of the Financial Year.

On 22 September 2016, the Board resolved that, although no STI awards had been made to executives for FY16 due to the Group not meeting its original EBITDA guidance for the year, it was appropriate to make a payment to Mr Daniel Wilkie, then Chief Financial Officer and Company Secretary, in recognition of his significant contribution in respect of FY16. It was resolved that a payment of $68,000 (equivalent to 20% of his base salary and one half of his maximum STI award for FY16) be issued as Shares, with the number of Shares to be calculated on the basis of the VWAP of Shares for the 10 trading days prior to and including the date of Board approval. No Shares were issued in accordance with this approval prior to Mr Wilkie's departure from the Company on 27 February 2017, and the Company agreed to pay Mr Wilkie a cash amount of $68,000 in satisfaction of the approved payment.

6. LONG-TERM INCENTIVES

Long Term Incentive Plan

The LTIP, approved by shareholders at the 2016 annual general meeting, provides for the offer of performance rights to employees and consultants of the Group in order to align remuneration with the creation of shareholder value over the long term.

The LTIP is administered by the Board. The Board determines which eligible participants will be offered performance rights and the terms of those offers. The vesting of each performance right results in the issue of one Share. The Board has a discretion to instead pay a cash amount based on the market value of Shares on the vesting date of vested performance rights.

No payment is required for a grant of performance rights or the issue of Shares on the vesting of performance rights.

It is the intention of the Company to offer the LTIP at a wider level than the Leadership Team for FY18 and beyond. The LTIP currently being proposed will offer an opportunity to earn a percentage per annum of base salary, with a performance hurdle mix of growth in EPS (70%, with a target of a 10% improvement in EPS for full vesting) and Relative Total Shareholder Return (RTSR) based on the group of companies on the S&P/ASX Small Ordinaries Index, excluding resource, mining and real estate companies (30%). The achievement of performance hurdles will be assessed over a three year period.

FY2017 Outcome

The only performance rights offered during the Financial Year were those approved by shareholders at the 2016 annual general meeting for issue to Courtney Petersen as part of the remuneration for her role as Shine's Managing Director and CEO.

Due to his substantial shareholding in the Company, Simon Morrison has not participated in the LTIP.

The number of performance rights proposed to be issued to Ms Petersen each financial year was that number equivalent in value to 50% of her total fixed remuneration, based on the VWAP of Shares for the 20 business days up to and including 30 June in the preceding financial year.

The issue of the following performance rights was approved by shareholders:

- in respect of FY16, a maximum number of 109,890 performance rights. Based on the Board's assessment that the financial performance measure, which made up 50% of the potential award was not achieved, and that two-thirds of the transformation based performance measures were achieved, the maximum number of performance rights capable of vesting, subject to Ms Petersen remaining with the Group until at least 1 July 2018, was 36,630; and
- in respect of FY17, performance rights potentially vesting into a maximum of 312,500 Shares, subject to the achievement of financial and transformation based project initiatives and targets (aligned with key financial and operational goals of the Company) and to Ms Petersen remaining in full-time employment with the Group until at least 1 July 2019.

As disclosed in the Notice of Meeting for the 2016 annual general meeting of shareholders, the performance rights approved in relation to FY16 were independently valued at $1.223 each and those approved for FY17 were valued at $1.203 each.

As a consequence of Ms Petersen's departure from the Company in December 2016, the performance rights approved for issue to her were not formally granted and are not capable of vesting.

At the 2016 annual general meeting, shareholders also approved the issue to Ms Petersen of options at no cost to Ms Petersen which, if they became exercisable, could be exercised at Ms Petersen's election as an alternative to the vesting of performance rights in respect of FY18 or FY19, with any Shares issued on the exercise of the options to be retained for at least 12 months.

The options may have become exercisable at an exercise price of $1.21 in two tranches as follows:

- 400,000 options would have become exercisable on or before 7 September 2018 if the VWAP of Shares equalled or exceeded $2.25 on at least seven days (consecutive or non-consecutive) between 24 August 2016 and 31 August 2018; and
- 400,000 options would have become exercisable on or before 7 September 2019 if the VWAP of Shares equalled or exceeded $3.00 on at least seven days (consecutive or non-consecutive) between 24 August 2016 and 31 August 2019.

As disclosed in the Notice of Meeting for the 2016 annual general meeting of shareholders, the first tranche options were independently valued at $0.4229 each and the second tranche options were valued at $0.4826 each.

If Courtney Petersen had exercised any of the options, she would have forfeited any performance rights granted to her under the LTIP in respect of the financial year immediately prior to the last exercise date for the options (FY18 or FY19).

The options approved for issue to Ms Petersen were not formally granted prior to her departure from the Company. If they had been granted, they would not have become exercisable prior to her departure. No Shares have been, or will be issued in future financial years, as a result of the vesting of performance rights or the exercise of options approved for issue to Ms Petersen.

As reported in the FY16 annual report, Courtney Petersen's contract as Managing Director and CEO provided for the preservation of benefits conferred under her previous employment contract, being:

- 100,000 performance rights, vesting on the second anniversary of employment into a number of Shares calculated as 100,000 x (Share price on 23 March 2017 minus the Share price on 13 February 2015) – none of these rights vested due to Ms Petersen's resignation from the Company before the second anniversary of her employment with the Group and the Share price on 23 March 2017 ($0.58) being less than the Share price on 13 February 2015 ($3.22); and
- the issue of 31,056 Shares on her appointment as Managing Director – these Shares were purchased on market for $40,372.80 at the Company's cost on 12 September 2016.

TABLE 5 – PROPORTIONAL REMUNERATION SUMMARY

	Fixed Remuneration		Remuneration Linked To Performance – Maximum Potential Award	
	2017	2016	2017	2016
Non-Executive Directors				
Tony Bellas	100%	100%	-	-
Carolyn Barker AM	100%	100%	-	-
Greg Moynihan	100%	100%	-	-
Executive KMP				
Simon Morrison	100%	100%	-	-
Courtney Petersen	56%	86%	44%	14%
Daniel Wilkie	71.5%	71.5%	28.5%	28.5%
Ravin Raj	100%	-	-	-

7. COMPANY PERFORMANCE

Tables 6 and 7 set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2017.

TABLE 6 – GROUP EARNINGS

	2017 $M	2016 $M	2015 $M	2014 $M	2013 $M
REVENUE	165.0	151.5	150.9	115.8	105.2
NET PROFIT BEFORE TAX	25.5	18.4	40.1	31.5	25.3
NET PROFIT AFTER TAX	20.2	14.8	29.6	22.2	17.5

TABLE 7 – MOVEMENT IN SHAREHOLDER WEALTH

	2017	2016	2015	2014	2013
SHARE $* AT START OF FY	1.05	2.55	2.35	1.44	1.00*
SHARE $ AT END OF FY	0.55	1.07	2.46	2.45	1.449
INTERIM DIVIDEND (cps)	0.6	Nil	2	1.75	0.643
FINAL DIVIDEND (cps)	2.0	2.5	1.75	1.75	1.75
EPS (c)	11.6	8.6	17.2	14.3	12.3

* $1.00 on listing and closed at $1.489 at the end of the first day of trading.

** Unless indicated otherwise, all share price values set out in the above table are taken as at the close of trading and sourced from the ASX website.

8. KMP CONTRACTUAL ARRANGEMENTS

Remuneration and other terms of employment for all Directors and executives are formalised in employment agreements.

Details of the standard termination provisions for each KMP contractual arrangement are summarised in Table 9.

TABLE 8 - DURATION OF CONTRACTUAL ARRANGEMENTS

Name	Duration
Non-Executive Directors	
Tony Bellas	Ongoing subject to shareholder approval
Carolyn Barker AM	Ongoing subject to shareholder approval
Greg Moynihan	Ongoing subject to shareholder approval
Executive KMP	
Simon Morrison	Permanent
Ravin Raj	Fixed term until 31 August 2017*
Courtney Petersen	Permanent (resigned 29 December 2016)
Daniel Wilkie	Permanent (resigned 27 February 2017)

* Ravin Raj has been appointed Chief Financial Officer and Company Secretary on a permanent basis with effect from 25 August 2017.

TABLE 9 - SUMMARY OF KMP CONTRACTUAL ARRANGEMENTS

	Non-Executive Directors		Executive Director *		Managing Director *		CFO	
	Notice Period	Payment In Lieu Of Notice	Notice Period	Payment In Lieu Of Notice	Notice Period	Payment In Lieu Of Notice	Notice Period	Payment In Lieu Of Notice
Resignation	None	None	6 Months	6 Months	6 Months	6 Months	6 Months	6 Months
Termination For Cause	None	None	None	None	None	None	None	None
Termination Without Cause	Statutory	Statutory	6 Months	6 Months	6 Months	6 Months	3 Months	3 Months

* Simon Morrison retired as Managing Director on 24 August 2016 and was reappointed on 30 December 2016. He held the role of Executive Director during the interim period. Courtney Petersen held the role of Executive Director from 24 August 2016 when she was appointed Managing Director and CEO. She resigned from that position on 29 December 2016. She continued to work for the Company for part of the six month notice period and was paid for that period in accordance with her contract.

Details of the number of ordinary shares held directly, indirectly or beneficially by each KMP during FY2017 are set out in Table 10.

TABLE 10 - KMP SHAREHOLDING AS AT 30 JUNE 2017

Name	Balance at the start of the year	Acquired during the year	Disposed during the year	Balance at the end of the year
Non-Executive Directors				
Tony Bellas	140,000	-	-	140,000
Carolyn Barker AM	186,600	-	-	186,600
Greg Moynihan	130,151	60,000	-	190,151
Executives				
Simon Morrison	42,844,732	468,972	-	43,313,704
Ravin Raj	Nil	-	-	Nil
Courtney Petersen*	340,000	31,056	20,000	351,056
Daniel Wilkie*	200,000	-	-	200,000

* Details include holdings recorded on the Share register following cessation of employment.

9. EXECUTIVE REMUNERATION

TABLE 11 – EXECUTIVE DIRECTORS AND OTHER KMP REMUNERATION

		Short-Term Employment Benefits			Long Term Employment Benefits		Post Employment Benefits		
Name	Year	Salary And Fees $	Cash Incentives $	Non Monetary Benefits (1) $	Long Service Leave $	Incentives $	Superannuation $	Other $	Total Remuneration $
Simon Morrison (2)	2017	319,918	-	35,978	-	-	13,077	-	368,973
	2016	478,134	-	41,334	-	-	19,308	-	538,776
Courtney Petersen (3)	2017	714,579	166,000	4,253	-	-	17,981	-	902,813
	2016	577,723	-	11,876	-	100,000	19,308	-	708,907
Ravin Raj (4)	2017	202,985	-	1,529	-	-	19,255	-	223,769
	2016	-	-	-	-	-	-	-	-
Daniel Wilkie (5)	2017	321,886	68,000	5,936	-	-	14,712	-	410,534
	2016	334,786	-	10,076	-	-	19,308	-	364,170

1. Non-monetary benefits include motor vehicles and car parking.
2. Managing Director until 24 August 2016 and from 30 December 2016; Executive Director in interim period. Simon Morrison did not receive salary payments from 20 February 2017 to 30 June 2017.
3. Executive Director to 23 August 2016; Managing Director and CEO from 24 August 2016 to 29 December 2016. The cash incentives refer to a cash sign-on bonus of $66,000 paid to Ms Petersen on 2 September 2016 and a further cash sign-on bonus of $100,000 paid on 17 March 2017, following the release of the financial results for the first half of FY17, in accordance with the terms of her contract. The salary and fees paid to Ms Petersen include a termination payment of $86,354.49 paid on 12 May 2017.
4. Acting Chief Financial Officer from 21 November 2016.
5. Chief Financial Officer until 27 February 2017, following a period of leave from 3 November 2016 for health reasons. Cash incentive details are set out in section 5 Short Term Incentives. The salary and fees paid to Mr Wilkie include a termination payment of $65,000 paid on 27 February 2017.

10. NON-EXECUTIVE DIRECTOR REMUNERATION

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

What are the aggregate fees approved by shareholders?

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which must be approved by shareholders. The maximum fee pool currently stands at $500,000. The non-executive Directors have not had an increase in their fees since the listing of the Company on ASX in 2013.

How are individual fees determined?

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.

The actual remuneration outcomes of the non-executive Directors of the Group are summarised in Table 12.

TABLE 12 – NON-EXECUTIVE DIRECTORS' REMUNERATION

		Short-Term Employment Benefits		Long Term Employment Benefits		
Name	Year	Fees $	Non Monetary Benefits $	Superannuation $	Other $	Total Remuneration $
Tony Bellas	2017	120,000	-	11,400	-	131,400
	2016	120,000	-	11,400	-	131,400
Carolyn Barker AM	2017	80,000	-	7,600	-	87,600
	2016	80,000	-	7,600	-	87,600
Greg Moynihan	2017	80,000	-	7,600	-	87,600
	2016	80,000	-	7,600	-	87,600

11. TRANSACTIONS WITH KMP AND RELATED PARTIES

During the Financial Year amounts totalling $2,139,093 (FY16 $961,095) were paid to entities controlled or influenced by Simon Morrison, primarily for leases over and fitouts of commercial properties occupied by parts of the Group. Entities controlled or influenced by Simon Morrison paid for rent and services to Group entities totalling $813,309 (FY16 $381,940) and paid interest to Group entities totalling $110,111 (FY16$56,312). All transactions were on commercial terms.

DIRECTORS' INTERESTS

The following table sets out the Directors' relevant interests in the Company or a related body corporate as at the date of this Report.

Director	Number of Shares
Tony Bellas	140,000
Carolyn Barker AM	186,600
Greg Moynihan	190,151
Simon Morrison	43,313,704

END OF REMUNERATION REPORT

OFFICERS' INDEMNITIES AND INSURANCE

The Constitution provides that the Company must indemnify any person who is, or has been, a Director or executive officer of the Group, and may indemnify other current or former officers and auditors, against liabilities incurred whilst acting as such officers to the extent permitted by law.

The Company has entered into a Deed of Access, Indemnity and Insurance with each of the Directors and the Company Secretary. The Company has paid a premium for insurance for the Directors and officers of the Group against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors and officers of the Group, other than conduct involving a wilful breach of duty in relation to the Group. The total amount of directors' and officers' insurance contract premiums paid for the Financial Year was $305,865 (FY2016: $255,971).

INDEMNIFYING AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, EY, 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 EY during, or since the end of, the Financial Year.

NO LEAVE TO BRING PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Group was not a party to any such proceedings during the Financial Year.

ENVIRONMENTAL REGULATION

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

DIVIDENDS

In respect of the Financial Year, an interim dividend of 0.6 cents per Share (unfranked) was declared and paid on 10 April 2017. A final dividend of 2 cents per Share (fully franked) was declared on 25 August 2017 and is expected to be paid on 22 September 2017.

In respect of the financial year ended 30 June 2016, as detailed in the Directors' Report for that financial year, a final dividend of 2.5 cents per Share (unfranked) was paid to the holders of Shares on 7 October 2016.

STATE OF AFFAIRS

In the opinion of the Directors, other than the challenging conditions in its Energy & Resources practice and the resulting $5 million impairment charge against the goodwill attributed to that practice, which was announced on 28 February 2017, there were no significant changes in the state of affairs of the Group that occurred during the Financial Year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Directors are not aware of any events or developments which are not set out in this Annual Report that have, or would have, a significant effect on the Group's state of affairs, or its expected results in future years.

PERFORMANCE RIGHTS AND OPTIONS

See the Remuneration Report.

NON-AUDIT SERVICES

During the Financial Year, the Company's auditor, EY, performed other services in addition to its audit responsibilities. EY's engagement to perform non-audit services was approved on the basis that it was more cost-effective than engaging a firm without knowledge of the Group.

The Board, in accordance with advice from the Audit & Risk Management Committee, is satisfied that the provision of non-audit services by EY (or by another person or firm on EY's behalf) during the reporting period is compatible with the general standard of independence for auditors imposed by the Corporations Act for the following reasons:

- all non-audit services are reviewed and approved by the Audit & 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.

No officer of the Company was a former partner or director of EY, and a copy of the Auditor's Independence Declaration as required under the Corporations Act is set out in, and forms part of, this Report.

Details of the amounts paid or payable to EY for non-audit services provided through the year are as set out in Table 13.

TABLE 13 - NON-AUDIT SERVICES

Non-Audit Service	$
Taxation services and advice	$73,400
Total	$73,400

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration required under section 307C of the Corporations Act is set out at page 35.

DECLARATIONS

Simon Morrison (as Managing Director) and Ravin Raj (as Acting Chief Financial Officer) have each provided a declaration to the Board in accordance with section 295A of the Corporations Act, that in their opinion, the financial records of the Group have been properly maintained, the financial statements and notes in this Report comply with the accounting standards and give a true and fair view of the Group's financial position and performance and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the provision of legal services throughout Queensland, Victoria, Western Australia and New South Wales and the conduct of an insurance recovery consulting business in New Zealand.

No significant changes in the nature of the Company's principal activities occurred during the Financial Year.

OVERVIEW AND STRATEGIES

The objective of the Board is to create and deliver long-term shareholder value through the provision of a range of diversified legal services, both in terms of service offerings and geographical reach. Whilst each area of the Group's business activities holds significant value and makes a substantial contribution towards achieving this objective, management of the synergies arising from the various business activities is critical to achieving the objective.

Whilst the Company was founded in Queensland, a core element of the Group strategy is to continue to extend its reach into other jurisdictions to mitigate the impact of exposure to a single market. The Group has been successful in achieving this with the majority of its revenue as at 30 June 2017 earned in markets outside Queensland personal injuries. As the Group's personal injury products operate under state government schemes, diversification into other markets is important in respect of managing exposure to tort reform.

The Group also has a clear objective of diversifying its product range across Australia in plaintiff centric damages based litigation.

The Board believes that the best way to operate in the personal injury markets in Australia is with the benefit of scale and as a listed entity.

Through its critical mass, the Group is able to leverage its investment in technology and provide better training and access to specialisation for staff. The Group anticipates market consolidation as the legislators around Australia seek to reduce premiums for workers' compensation and compulsory third party schemes.

REVIEW OF OPERATIONS

The Group specialises primarily in damages based plaintiff litigation legal services, primarily relating to personal injury from which 65% of the Group's revenue for the Financial Year was derived (FY16: 73%).

The balance of the Financial Year's revenue was derived from expanding practice areas such as professional negligence, class actions, transport, insolvency, defamation, medical negligence, commercial litigation, landowner rights and environmental cases, with fees in these emerging areas increasing by 209%, due largely to the successful settlement and subsequent administration of the DePuy Class Action.

Revenue across all areas of the business increased by 9% from the previous year.

The Group focused on ensuring that staff utilisation was maximised and operating costs were controlled tightly.

A review of corporate overheads was undertaken and steps taken to improve efficiency and reduce costs.

Shine Lawyers

Shine Lawyers was able to secure more than $495 million in damages for its clients in FY2017.

Shine Lawyers' class action division has undergone significant growth. After the successful DePuy Class Action in FY16, Shine Lawyers has been retained to represent women who have suffered from failures in transvaginal medical products, land owners whose properties have been diminished by environmental mismanagement, investors who have suffered loss due to unconscionable financial advice and bank customers who have suffered financial loss.

In January 2017, in response to strong demand for advice about workers' rights, Shine Lawyers launched a new specialty in workplace relations, acting for employees wrongly or unjustly terminated or mistreated or discriminated against in the course of their employment. This new offering has been well received by clients.

Shine Lawyers became a leading voice for the rights of Australians subjected to institutional abuse, appearing in the Royal Commission into Institutional Responses to Child Sexual Abuse and representing 326 victims in abuse compensation claims (156 in FY16).

Other Subsidiaries

During the Financial Year, the Group continued the integration of subsidiaries through the establishment of initiatives focused on growth, synergies and cultural alignment.

Effective from 1 September 2016, the Group completed the acquisition of 100% of Risk Worldwide New Zealand Limited, a company operating in the loss adjusting and insurance policy recovery business in New Zealand. Prior to that date, the Group owned 33.3% of the business. It is considered that opportunities exist in the residential sector pertaining to earthquake damage, in addition to the commercial sector in which the business has operated.

Effective 1 December 2016, the Group acquired 100% of Claims Consolidated Pty Ltd for the purpose of acquiring new client matters.

In February 2017, as foreshadowed in December 2016, the Company announced that the half year result for the Group had been impacted by the underperformance of the Energy & Resources Practice (also known as the Land Access Practice), resulting in lower than expected revenue and an impairment charge of $5 million against the goodwill attributed to that business.

Emanate operates in the challenging energy, resources and mining sectors, its business being impacted by the slow recovery in the mining and related industries. An increase in business activity in FY18 is anticipated, driven by major infrastructure and mining projects (eg Adani), Emanate being well placed to capitalise on such business opportunities.

The two Western Australian businesses, Stephen Browne Lawyers and Bradley Bayly, continued to perform well. To further strengthen the Western Australian sector and leverage technical expertise between the businesses, David Bayly was appointed General Manager of Stephen Browne, Bradley Bayly and Shine Lawyers in Western Australia in the second half of the Financial Year.

During FY17, the Sciacca's business was impacted by various changes, including the passing of its founder and decisions by two unions to take their business elsewhere. The Group remains committed to Sciacca's and has developed plans to strengthen and grow the business, including appointing an advisory board with a focus on business development.

Best Wilson Buckley continued to perform well and, in late FY17, opened a further branch office. The Group is exploring opportunities for further growth, with a focus on family law services.

FUTURE DEVELOPMENTS AND PROSPECTS

The Group will seek to continue to grow its business by concentrating on the activities and strategies outlined below.

Damages based plaintiff litigation

The Group continues to execute its strategy to grow all areas of its damages based plaintiff litigation business, but with a focus on growing other specialties at a faster rate than the personal injury practice area. The Group intends to grow in the future organically and through acquisitions.

Whilst personal injury litigation remains a significant part of the strategy, the Group also considers other opportunities to broaden its service offerings.

Tort Reform

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.

The New South Wales Government has passed regulatory reform in relation to the compulsory third party scheme in that State, with an implementation date of 1 December 2017. It is anticipated that the reform will have a moderate impact for Shine's New South Wales business.

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 the current reforms in the UK and difficulties in that market, the Group is not actively pursuing opportunities in the UK but maintains a "watching brief".

Given the Group's relationship with Erin Brockovich, her strong referral base and other opportunities, the Directors have also kept a watching brief on the US legal market.

Continuous Improvement and the Engine Room Project

The Group is committed to continuous improvement in its case management systems and legal enterprise management tools. The Engine Room Project, which was implemented in July 2017, 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 fees, increase the ratio of fee earning to non-fee earning employees in the business, and make the Group's systems and processes increasingly scalable and agile across different geographies and work types.

CONSOLIDATED FINANCIAL CONDITIONS

The Group seeks to maintain an optimal capital structure by ensuring that there is an appropriate balance of debt and equity. The current target is a maximum interest-bearing debt to equity ratio of 30%. At 30 June 2017, the ratio was 25%. The Group utilises a combination of short and long term debt to ensure that it has an appropriate level of liquidity available throughout the financial year.

In FY16, the Group's finance facilities with the Commonwealth Bank of Australia (CBA) were renegotiated. In FY17, these facilities were re-confirmed and optimised. Details of these facilities are set out in the Borrowings note in the Financial Report.

The finance facilities are subject to financial covenants including a gearing ratio (borrowings cannot exceed 50% of net WIP) and debt to EBITDA ratio (not to exceed 2.25:1). The Group was in compliance with these financial covenants as at 30 June 2017 and has headroom available to increase funding levels if required.

In addition to the CBA facilities, the Group also has disbursement funding providers that can support eligible clients with funds to cover disbursements in relation to their claims. The use of disbursement funding is expected to continue to improve operating cash flow in future years as client disbursements have a diminishing impact on the Group's operating cash flows.

The Group will generally only seek to raise new capital for material events. No material acquisitions are currently proposed.

Community meeting for the Oakey Groundwater Contamination Class Action

RISK MANAGEMENT AND GOVERNANCE PRACTICES

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. The most significant factors relating to future financial performance are set out in the following commentary.

Conflict of Duties

The Group, through those subsidiaries engaged in the provision of legal services, 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 fulfilling their duties to the Court or to the client (or both), act other than in the best interests of shareholders.

To mitigate this risk, the Group has strong case management systems and processes to identify such conflicts so that they can be avoided or appropriately managed.

Regulatory Environment

The Group 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, Group senior legal practitioners seek to meet with policymakers 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 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.

The Group's expansion into family law through its acquisition of Best Wilson Buckley also assists by diversifying into an alternative area of practice and lessening the impact of individual legislative reform.

Tildalac - our dedicated learning and development centre in the foothills of the Toowoomba Range

WIP Recoverability

Because the Group operates largely on a speculative fee basis and in areas of law where the ultimate recovery of fees is regulated, failure to recover WIP is a key risk. Given the inherent uncertainty associated with determining WIP recoverability, the Group has taken measures to ensure its case management systems and processes are designed to mitigate the risk of failing to realise booked revenue. This exposure is greater in relation to class actions as the WIP exposure on a single matter is higher. Where possible, the Group seeks to mitigate this risk by adopting appropriate case selection methodologies and utilising litigation funding.

To mitigate risk in relation to the Personal Injuries practice area, and as part of the Group's commitment to continuously improve its case management systems and processes, one of the goals of the Engine Room Project is to improve WIP recoverability and predictability. The Company has also adopted actuarial methodologies to assist in analysing its WIP recoverability rates, which will assist in managing the Group's portfolio in the future by enabling earlier intervention if required.

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 locations. 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, large 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. The Group has achieved a significant milestone in implementing the Engine Room Project, and has commenced replacing the existing case management system with a globally recognised integrated enterprise legal management solution which is designed to improve case management and workflow, client management and financial management capabilities. Given the importance of the Group's systems in managing its business processes, any delays, cost overruns or integration issues with the project could have an adverse effect on the Group's operations and profitability.

To mitigate this risk, the Group has established a robust corporate governance framework to oversee the Engine Room Project.

Our People

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.

The Group continues to focus on recruiting high calibre employees 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 brands, the most well-known of which is 'Shine Lawyers'. Anything that diminishes the Group's reputation or its brand could have a significant adverse financial effect. 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.

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 initial case selection process. 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 that the views of the Group are not misrepresented.

As the Group has alliances with high profile individuals, including Erin Brockovich, any harm to the reputation of those individuals may also negatively impact the Group.

Professional Services Sector Risk

The firm operates in a sector of the market place with few other listed entities. As such, its share price can be heavily impacted by events affecting other participants in this sector.

Digital Disruption & Cybersecurity

The Group monitors threats from digital technology in order to ensure that, where possible, it is positioned to respond appropriately. During the Financial Year, steps were taken to substantially improve employee awareness of cybersecurity risk and to implement advanced anti-virus protection and mail security solution.

The Group also monitors cybersecurity threats given the potential consequences of a cybersecurity breach, including but not limited to, the unauthorised access or disclosure (inadvertent or otherwise) of personal information held by the Group. From time to time, the Group engages cybersecurity experts to provide an independent assessment of the Group's exposures and protective measures.

Economic, Environmental and Social Sustainability Risks

The material economic risks associated with the Group's business are discussed above under 'WIP Recoverability' and 'Growth and Integration Risk'.

The Directors do not believe the Group has any material exposure to environmental risk.

Other than the risks discussed under 'Brand and Reputational Risk' above, the Directors do not believe the Group has any material exposure to social sustainability risk.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the Corporations Act.

On behalf of the Directors

Tony Bellas
Chairman
Brisbane, 25 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

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

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

As lead auditor for the audit of Shine Corporate Ltd for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Shine Corporate Ltd and the entities it controlled during the financial year.

Ernst & Young

Ric Roach
Partner
25 August 2017

CORPORATE GOVERNANCE STATEMENT

The Board recognises the positive relationship between the creation and delivery of long-term shareholder value and corporate governance. Shine adopted a whole of enterprise corporate governance framework which fosters the values of integrity, respect, trust and openness among and between the Board members, management, employees, clients, suppliers and shareholders.

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Guidelines) sets out recommended corporate governance practices for ASX listed entities. The Guidelines state that they are designed to 'achieve good governance outcomes and meet the reasonable expectations of most investors in most situations'. The following assessment of the Group's practice against the Guidelines as at 30 June 2017 has been approved by the Board.

Principles & Recommendations		Shine's Compliance	
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.	The Board is responsible for the overall strategic guidance and corporate governance of the Group. It has distinguished which functions and responsibilities are reserved for the Board and which are delegated to management. This is set out in the Board Charter, which also sets out the role of the Chairman, Directors and management. The Board Charter is available on the Company's website (www.shinecorporate.com.au).	✓
1.2	A listed entity should undertake appropriate checks before appointing a person as a director and provide shareholders with all material information relevant to a decision on whether or not to elect or reelect a director.	Shine conducts appropriate checks to verify the suitability of candidates considered for nomination to the Board, having regard to each candidate's character, experience, education and skills, in addition to any interests and associations of the candidate. Comprehensive biographical information is provided to shareholders in notices of meeting to enable them to make an informed decision on whether to elect or re-elect a Director.	✓
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 which formalises the terms of their appointment. Each Director commits to a letter of appointment which specifies the term of their appointment, the envisaged time commitment, expectations and duties relating to the position, remuneration, disclosure and confidentiality obligations, insurance and indemnity entitlements, details of the Company's corporate governance policies and reporting lines. Each member of the Leadership Team enters into a contract which describes their role and duties, remuneration and termination rights and entitlements.	✓

Principles & Recommendations		Shine's Compliance	
1.4	The company secretary of a listed entity should be accountable directly to the board 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 processes and the functioning of the Board. The Board is responsible for the appointment and removal of the Company Secretary, and all Directors are able to access the advice and services of the Company Secretary. Details of the Company Secretary's qualifications and experience are available on the Company's website and are set out on page 14.	✓
1.5	A listed entity should have a diversity policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.	Shine aims to actively promote a corporate culture that supports diversity in the workplace and in the composition of its Board and senior management and throughout the Group. Shine defines diversity as including, but not limited to, diversity of gender, age, ethnicity and cultural background. Shine's Diversity Policy is disclosed on the Company's website and sets out its objectives and reporting practices regarding diversity. The Remuneration Committee (from 1 July 2017, the Nomination & Remuneration Committee) continues to review and report to the Board on the Group's diversity profile with a view to setting meaningful targets for the advancement of diversity within the Group. At present, the targets include: • at least 50% female representation at all role levels; and • to meet or exceed the AICD target for female representation on Boards. • The Board continues to investigate additional targets including in relation to age, ethnicity and cultural diversity. As at 30 June 2017, the: • Board is comprised of 25% women (one-third of the non-executive Directors); • the Leadership Team is comprised of 43% women; and • employees of Shine Lawyers Pty Ltd are comprised of 75.2% women.	✓
1.6	A listed entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors, and, at the end of each reporting period, disclose whether such performance evaluation was undertaken in that period.	The Board undertakes an evaluation process each year to assess its performance. The assessment is conducted by an independent third party consultant who seeks Board and management feedback on the performance of the Board and Board committees as a whole as well as feedback on individual Directors and the Group's reporting and governance practices. The most recent evaluation was completed in June 2017. Further information about the annual review process is outlined in the Board Charter and the Nomination & Remuneration Committee Charter available on the Company's website.	✓

Principles & Recommendations		Shine's Compliance	
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of the Company's senior executives, and at the end of each reporting period, disclose whether such performance evaluation was undertaken in that period.	The Board is responsible for evaluating the performance of the management team. The Chair of the Board is also responsible for periodically reviewing the performance of the Managing Director.	✓
Principle 2 – Structure the Board to add value			
2.1	The board of a listed entity should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director. The functions and operations of the nomination committee should be disclosed.	A Nomination Committee with its own charter and consisting of all of the Directors, three of whom are independent, was in place during the Financial Year. The chair of the Nomination Committee was Tony Bellas, who is an Independent Non-executive Director. From 1 July 2017 the Nomination Committee was merged with the Remuneration Committee. The Nomination & Remuneration Committee is chaired by Tony Bellas. Details of the Nomination & Remuneration Committee's functions are set out in the Nomination & Remuneration Committee Charter which is available on the Company's website. Details of the number of meetings and attendance by the Directors at those meetings is disclosed on page 15.	✓
2.2	A listed entity should have and disclose a board skills matrix, setting out what the board is looking to achieve in its membership.	The skills, knowledge and experience set out in Table 14 below have been identified as those that are required for the effective management of the Group. The Board possesses broad coverage of these skills and attributes. The Board has determined that if a new Director is appointed, a candidate with a skills base including digital expertise will be sought. In the meantime, the Board has sought to supplement its expertise in this area by having the Managing Director undertake a study tour to the United States to further understanding of advances in this area. Further details regarding the skills and experience of each Director are included on pages 12 to 13.	✓

Table 14: Directors' Skills Matrix	
Directors' Skill	Held by 2 or more Directors
Executive leadership for a listed company Sustainable success in business at a senior executive level in a successful career	✓
Strategy Track record of developing and implementing a successful strategy, including appropriate probing and challenging management on the delivery of agreed strategic planning objectives. In-depth understanding of the business strategy, markets, competitors, operational issues, technology and regulatory concerns.	✓
Going global Senior executive or equivalent experience to enter into global markets/jurisdictions, exposed to a range of political, regulatory, and business environments.	✓
M&A Experience working with strategic identification of M&A opportunities and long term investment horizons, including successful implementation.	✓
Governance Commitment to the highest standards of governance, including experience with a medium to large organisation that is subject to rigorous governance standards, and an ability to assess the effectiveness of senior management.	✓
Risk & Compliance Identification of key risks to the organisation related to each key area of operations and the ability to monitor risk and compliance and knowledge of legal and regulatory requirements.	✓
Financial literacy Senior executive or equivalent experience in financial markets, financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls.	✓
Innovation & technology Senior executive or equivalent experience in systemic innovation and emerging technology solutions, business process engineering or improvement initiatives, including an ability to probe the adequacies of key strategic IT projects and infrastructure.	✓
Industry experience (personal injury, emerging practice areas, insurance) Senior executive experience in a medium to large organisation with an understanding to create long term shareholder value through the development, marketing and delivery of services/ solutions.	✓
Strategic Marketing Senior executive experience in a medium to large organisation to create long term shareholder value through strategic marketing (including social/digital) for customer engagement and to expand the geographic (national, international) footprint.	✓
Policy, Regulation and Stakeholder Management Identification and management of diverse stakeholder groups including shareholders, clients, employees, financial markets, regulators and others.	✓
Executive Management Experience in evaluating performance of senior management and overseeing resourcing and change management.	✓
Digital Disruption Experience in understanding how technology is transforming industries and how leaders and organisations can respond.	✗

Principles & Recommendations		Shine's Compliance	
2.3	A listed entity should disclose the names of the directors that the board considers to be independent directors, and an explanation of why the board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director.	The Group currently has a four member Board, of whom 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 and details of their skills and experience are set out on pages 11 to 13 and on the Company's website.	✓
2.4	A majority of the board should be independent directors.	Three of the four Board members are considered to be independent – Tony Bellas, Carolyn Barker AM and Greg Moynihan. In accordance with the Board Charter which available on the Company's website, a Director is considered independent if the Director is independent of management and free of any business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgment in relation to matters concerning the Company.	✓
2.5	The chairman of the board should be an independent director and should not be the CEO.	The Chairman, Tony Bellas, is an independent non-executive Director and the Managing Director is not the same individual as the Chairman.	✓
2.6	There should be a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	The Nomination Committee was responsible for establishing induction and continuous development programs for Directors during the Financial Year. From 1 July 2017, the Nomination & Remuneration Committee has this responsibility. Directors are encouraged 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.	✓
Principle 3 – Act ethically and responsibly			
3.1	A listed entity should have a code of conduct for the board, senior executives and employees, and disclose that code or a summary of that code.	Shine has a Code of Conduct for Directors, executives, employees, consultants and contractors which sets out the fundamental principles of business conduct expected by the Company. The Code of Conduct is available on the Company's website.	✓

	Principles & Recommendations	Shine's Compliance	
Principle 4 – Safeguard integrity in corporate reporting			
4.1	The company should have an audit committee, which consists of only nonexecutive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the board, and has at least three members. The functions and operations of the audit committee should be disclosed.	The Group has established an Audit & Risk Management Committee. The Audit & Risk Management Committee is comprised of the three Independent Non-executive Directors and is chaired by an Independent Non-executive Director (Greg Moynihan). Further details about the membership of the Audit & Risk Management Committee, including the names and qualifications of its members, are set out on pages 12 and 13. The Charter of the Audit & Risk Management Committee is available on the Company's website along with information about 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 and can be found on page 15 for FY17.	✓
4.2	The board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records 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 Company, formed on the basis of a sound system of risk management and internal controls, operating effectively.	The Managing Director and Chief Financial Officer provide a statement to the Board and the Audit & Risk Management Committee in advance of seeking approval of 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. In accordance with the above, the Board has received a written assurance that the declaration provided under section 295A of the Corporations Act is based on a sound system of internal control and risk management, which is operating effectively in all respects in relation to material business risks and financial reporting.	✓
4.3	The Company's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	The Group's auditor, Ernst & Young (EY), attends each annual general meeting of the Company and is available to answer questions.	✓
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should have a written policy for complying with continuous disclosure obligations under the Listing Rules, and disclose that policy or a summary of it.	The Company 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 Listing Rules. The policy sets out the processes and practices that ensure compliance with these requirements. The Continuous Disclosure Policy is published on the Company's website.	✓

Principles & Recommendations		Shine's Compliance	
Principle 6 – Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company's website contains extensive information about the Company, its history and business activities and information relevant to investors as set out in the Guidelines. Investors may access copies of ASX announcements, notices of meeting and annual reports, as well as general information about the Company, on the Company's website.	✓
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company conducts regular market briefings including interim and full year results presentations, investor roadshows and briefings and also attends industry conferences in order to facilitate communication with investors and other stakeholders. All presentation material is provided to ASX prior to these events and subsequently uploaded to the Company's website to ensure that all shareholders have timely access to information. The Company aims to ensure that all shareholders are well informed of all major developments affecting the Group.	✓
6.3	A listed entity should disclose the policies and processes 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.	✓
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the Company and its share registry electronically.	Shine provides its investors with the option to receive communications from, and send communications to, the Company and the share registry electronically.	✓
Principle 7 – Recognise and manage risk			
7.1	The board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the risk committee should be disclosed.	The Group has established an Audit & Risk Management Committee. The Audit & Risk Management Committee is comprised of the three Independent Non-executive Directors and is chaired by an Independent Non-executive Director. Further details about the membership of the Audit & Risk Management Committee, including the names and qualifications of its members, are set out on pages 12 and 13. The Charter of the Audit & Risk Management Committee is available on the Company's website along with information about 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 and can be found on page 15 for FY17.	✓

Principles & Recommendations		Shine's Compliance	
7.2	The board or a committee of the board should review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, and 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 & Risk Management Committee where required. A review of material business risks has been conducted in the current period, which concluded that controls over risk management processes were adequate and effective.	✓
7.3	A listed entity should disclose if the company has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company has an Internal Audit function which reports directly to the Chairman of the Audit & Risk Management Committee in order to maintain its independence. The Internal Audit & Risk Manager reviews the systems of internal control and risk management to ensure compliance with the Group's published policies and procedures and its legal and regulatory obligations. Reviews of specific areas of risk or control are undertaken by a combination of internal and external parties on an ad-hoc basis and by the Company's internal and external auditors as required for the Group's audit. Improvements are made where identified to increase the effectiveness of the Group's internal controls.	✓
7.4	A listed entity should disclose whether the company has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.	The Group's exposure to material business risks, including economic risks, is disclosed in the Directors' Report on pages 32 to 34. The Directors do not believe the Group has any material exposure to environmental or social sustainability risks.	✓
Principle 8 – Remunerate fairly and responsibly			
8.1	The board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the remuneration committee should be disclosed.	A Remuneration Committee, consisting of independent non-executive Directors Carolyn Barker AM, Tony Bellas and Greg Moynihan and chaired by Carolyn Barker, assisted 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, during the Financial Year. From 1 July 2017 the Remuneration Committee was merged with the Nomination Committee. The Nomination & Remuneration Committee is chaired by Tony Bellas. The number of meetings held by the Committee and the Directors' attendance at meetings is disclosed each year in the Group's annual report and can be found on page 15. The Charter of the Committee is available on the Company's website.	✓

Principles & Recommendations		Shine's Compliance	
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, should be separately disclosed.	The Company seeks to attract and retain high-performing Directors and executives with the experience, skills and qualifications necessary to add value to the Company and fulfil the roles required. Accordingly, the Company seeks to recruit by remunerating up to the 75th percentile for comparable executive roles. Board remuneration has remained unchanged since the IPO and there was no increase to Directors fees in FY2017. Further information about key factors affecting Director and executive remuneration are disclosed each year in the Remuneration Report which can be found commencing on page 16.	✓
8.3	If the company has an equity-based remuneration scheme, it should 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 disclose that policy or a summary of it.	Details of Shine's equity based remuneration scheme are set out in the Remuneration Report which can be found commencing on page 16. The Company's equity based remuneration scheme prohibits transactions which conflict with the Group's Securities Trading Policy (which prohibits Directors and executives from entering into margin lending arrangements or short-term trading in relation to Company securities). A copy of the Securities Trading Policy is available on the Company's website.	✓

Financial Report

SHINE
CORPORATE LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Consolidated Group	
		2017	**2016**
	Note	**$000s**	**$000s**
Continuing operations			
Revenue	4	165,027	151,501
Less Expenses:			
Employee benefits expense		(82,137)	(77,262)
Depreciation and amortisation expense	6b	(3,290)	(3,417)
Finance costs	6a	(2,892)	(3,376)
Other expenses	5	(48,027)	(48,310)
Impairment of goodwill	18	(5,000)	-
Share of net profit/(loss) of associates and joint venture entities	15	1,809	(710)
Profit before income tax from continuing operations		25,490	18,426
Income tax expense	7	(5,335)	(3,604)
Net profit for the period from continuing operations		20,155	14,822
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		(85)	10
Total comprehensive income for the period		20,070	14,832
Earnings per share from continuing operations attributable to the ordinary equity holders of the Group:			
Basic earnings per share (cents)	11	11.64	8.57
Diluted earnings per share (cents)	11	11.64	8.57

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Consolidated Group	
		2017	2016
	Note	$000s	$000s
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	14,188	12,120
Trade and other receivables	13	19,046	17,117
Income tax receivable		153	366
Work in progress	14	123,705	101,287
Unbilled disbursements	14	32,007	28,713
Other current assets	19	1,973	645
TOTAL CURRENT ASSETS		191,072	160,248
NON-CURRENT ASSETS			
Trade and other receivables	13	-	3,767
Work in progress	14	102,629	101,700
Unbilled disbursements	14	32,169	24,219
Property, plant and equipment	17	8,067	5,396
Intangible assets	18	48,997	45,720
TOTAL NON-CURRENT ASSETS		191,862	180,802
TOTAL ASSETS		382,934	341,050
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	20	16,682	13,311
Disbursement creditors	20	32,102	21,004
Short term borrowings	21	3,288	2,134
Other current financial liabilities	20	3,286	10,605
Provisions	23	6,381	6,297
TOTAL CURRENT LIABILITIES		61,739	53,351
NON-CURRENT LIABILITIES			
Trade and other payables	20	55	-
Long term borrowings	21	48,741	30,730
Other non-current financial liabilities	20	-	4,474
Deferred tax liabilities	22	65,259	59,990
Provisions	23	2,662	2,729
TOTAL NON-CURRENT LIABILITIES		116,717	97,923
TOTAL LIABILITIES		178,456	151,274
NET ASSETS		204,478	189,776
EQUITY			
Issued capital	24	53,150	53,150
Retained earnings		151,403	136,616
Reserves		(75)	10
TOTAL EQUITY		204,478	189,776

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital	Retained Earnings	Reserves	Total
		$000s	$000s	$000s	$000s
Consolidated Group					
Balance at 1 July 2015		51,385	124,805	-	176,190
Comprehensive income					
Profit for the year		-	14,822	-	14,822
Other comprehensive income		-	-	10	10
Total comprehensive income for the year		-	14,822	10	14,832
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year		1,774	-	-	1,774
Transaction costs		(9)	-	-	(9)
Dividends paid	10	-	(3,011)	-	(3,011)
Total transactions with owners and other transfers		1,765	(3,011)	-	(1,246)
Balance at 30 June 2016		53,150	136,616	10	189,776
Balance at 1 July 2016		53,150	136,616	10	189,776
Comprehensive income					
Profit for the year		-	20,155	-	20,155
Other comprehensive loss		-	-	(85)	(85)
Total comprehensive income/(loss) for the year		-	20,155	(85)	20,070
Transactions with owners, in their capacity as owners, and other transfers					
Dividends paid	10	-	(5,368)	-	(5,368)
Total transactions with owners and other transfers		-	(5,368)	-	(5,368)
Balance at 30 June 2017		53,150	151,403	(75)	204,478

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Consolidated Group 2017 $000s	2016 $000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		162,159	152,931
Payments to suppliers and employees		(142,975)	(134,122)
Interest received		180	91
Finance costs		(2,529)	(2,516)
Income tax (paid) / received		(108)	516
Net cash provided by operating activities	28	16,727	16,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of subsidiary, net of cash acquired	33	(8,984)	(15,953)
Payments for property, plant and equipment		(4,856)	(1,034)
Proceeds from the sale of Property Plant & Equipment		169	-
Purchases of files		(5,912)	(2,262)
Costs associated with acquisition of businesses		(126)	(665)
Loans advanced to related parties		(890)	(442)
Purchase of other intangible assets		(6,070)	(2,001)
Net cash used in investing activities		(26,669)	(22,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Costs of raising equity		-	(9)
Proceeds from borrowings		9,577	9,813
Dividends paid	10	(5,368)	(3,011)
Asset finance facility drawdowns		7,854	1,387
Net cash provided by financing activities		12,063	8,180
Net increase in cash held		2,121	2,723
Cash and cash equivalents at beginning of financial year		12,115	9,392
Effect of exchange rates on cash holdings in foreign currencies		(48)	-
Cash and cash equivalents at end of financial year	12	14,188	12,115

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1

CORPORATE INFORMATION

Shine Corporate Ltd (the Company or the parent) is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements of Shine Corporate Ltd and its subsidiaries (collectively, the Group) for the year ended 30 June 2017 were authorised for issue on 25 August 2017 in accordance with a resolution of the Directors of the Company.

NOTE 2

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

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 report is presented in Australian dollars.

The financial statements are prepared on a going concern basis.

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 Ltd 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.

Business Combinations

A business combination is accounted for by applying the acquisition method from the date that control is attained. The cost of the acquisition is measured by assessing the fair value of the aggregate consideration transferred at the acquisition date. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

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 (j) (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.

Goodwill

Goodwill is initially measured 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 fair value of net identifiable assets acquired at acquisition date.

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 forms the cost of the investment in the separate financial statements.

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Acquired goodwill is allocated to the Group's cash generating units that are expected to benefit from the combination, representing the lowest level at which goodwill is monitored, but being not larger than an operating segment. Goodwill is tested for impairment annually.

(b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised within twelve months after the end of the reporting period,
- Expected to be realised in the normal operating cycle, even where this is longer than twelve months after the end of the reporting period, or
- Cash or cash equivalent and not subject to any restrictions.

All other assets are classified as non-current.

A liability is current when:

- It is due to be settled within twelve months after the end of the reporting period,
- Expected to be settled in the normal operating cycle, even where this is longer than twelve months after the end of the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

(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. The main assets measured at fair value are receivables, unbilled disbursements and work in progress. The main liabilities measured at fair value are contingent consideration payments.

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 determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data and assumptions that market participants would use when pricing assets or liabilities and acting in their best interests.

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.

(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. Where time capturing exists, revenue 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. Where time capturing does not exist, revenue is based on the percentage of completion method when taking into account milestones completed on the matter and professional judgement as to progress made.

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

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 and a specific assessment of the recoverability of disbursements on major no-win, no-fee cases such as class actions.

Disbursements that are yet to be paid for are classified as unbilled disbursement creditors. Amounts received by Shine in relation to disbursement loans of its clients are included within Disbursement funding 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. 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) 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 Ltd and its wholly owned Australian subsidiaries implemented the tax consolidation legislation as at 1 July 2013. The head entity, Shine Corporate Ltd and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

Shine Corporate Ltd and its wholly owned Australian subsidiaries have entered a tax funding agreement effective from 1 July 2013 or date of joining the tax consolidated group where the subsidiary has subsequently joined the Group. Assets or liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Shine Corporate Ltd and its wholly owned Australian subsidiaries have entered a tax sharing deed effective from 1 July 2013 or date of joining the tax consolidated group where the subsidiary has subsequently joined the Group. The tax sharing deed provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this deed on the basis that the possibility of default is remote.

(h) 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(k) 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 leased 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	
	2017	2016
Fixtures and fittings	2 - 100%	3 - 100%
Leased plant and equipment	20 - 25%	20 - 25%
Make good	12 - 100%	12 - 100%
Motor vehicles	20%	20%
Office and computer equipment	5 - 100%	5 - 100%

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.

(i) 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.

(j) 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 other than financial guarantees and contingent consideration. 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. 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.

(k) 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.

(l) 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 where the losses are part of the Group's investment in 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.

(m) 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.

(n) 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.

An intangible Non-contractual Client Relationship asset was recognised in line with the Group's existing policy on "Intangibles other than Goodwill" through the Claims Consolidated asset acquisition. The asset is representative of the premium paid to access profits expected to be obtained. This intangible asset is being amortised over the life of the individual matters with an expected maximum amortisation period of one and a half years.

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.

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

Transformation Project Costs	10 years
Erin Brockovich Agreement	10 years
Software Development	3 years
Trademarks and patents	10 years
Non-contractual Client Relationship	1.5 years

(o) 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.

(p) 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.

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 the employee benefits.

(q) 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.

(r) 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.

(s) Trade and Other Receivables

Trade and other receivables include amounts due from customers for 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(k) for further discussion on the determination of impairment losses.

(t) 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.

(u) 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.

(v) 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 relevant taxation body.

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 relevant taxation body 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 relevant taxation body are presented as operating cash flows included in receipts from customers or payments to suppliers.

(w) 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.

(x) 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 against Work In Progress

The company has provided for potential non-recovery of work in progress by reviewing the historical recovery rates of closed cases across similar matter types and stages of completion for the past 12 months. The calculated closed file recovery rate includes both matters that were billed and those that were closed with no fee. Shine incorporates actuarial methodologies to assist in analysing its WIP recoverability rates. Cases that have been identified as unlikely to be successful but not yet closed are fully provisioned until their write-off and closure is approved. Some larger cases, such as class actions and major claims, are provisioned based on the expected value of the recoverable amount of the WIP and disbursements taking into account the specific aspects of each case or class action, including any third party funding arrangements that may be applicable to the action.

(ii) Provision against Unbilled Disbursements

The company has provided for potential non-recovery of unbilled disbursements by reviewing the historical levels of unrecovered matter related expenses for similar matter types and considering the level of gross unbilled disbursements and trends in overall work in progress recovery rates.

(iii) 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 average length of time that cases are open.

(iv) 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.

(v) 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 18

(vi) Tax loss recognition

The group will only account for tax losses when it is probable they will be utilised as explained in note 22.

(vii) Fair value of financial assets and liabilities.

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) 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.

(y) 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.

Accounting Standards and Interpretations issued by the AASB that are relevant to the Group but not yet mandatorily applicable, 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 the Group for annual reporting periods beginning on or after 1 July 2018).

This standard includes requirements to improve and simplify the approach for classification, measurement, impairment and hedge accounting of financial assets and liabilities compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. While the adoption of this standard is not expected to have a significant impact on the amounts recognised in these financial statements, the actual impacts will not be known until the implementation process has been finalised.

AASB 15: Revenue from Contracts with Customers (applicable to the Group for annual reporting periods beginning on or after 1 July 2018)

AASB 15 will replace a number of existing standards including AASB 118 Revenue. The core principle of AASB 15 is that an entity is required to recognise revenue to depict the transfer of control of goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled for those goods or services. An entity is required to recognise revenue in accordance with that core principle by applying the following steps:

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

Step 2: Identify the distinct performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

During the financial year ended 30 June 2017, the Group's project team continued to assess the effects of applying the new standard and development of an implementation plan, and took the step of appointing an independent advisor to assist in that process. While additional work needs to occur, the initial observations of significant areas that will likely impact the Group are as follows:

- The new standard permits revenue only to be recognised where it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty related to that revenue is resolved.
- The Group needs to consider what the most appropriate method is to depict the transfer of control of legal services to its clients. This will require further analysis of whether an inputs or outputs method is appropriate for the different work types within each business and consideration of information and IT requirements.

The Group intends on analysing the above areas and its application across its business, with a focus on work types performed under a "no-win-no-fee" arrangement and where estimated fees to be billed are modified by a cap on billing or where uplifts are permissible. It is anticipated that during the next financial year that further detailed analysis will be undertaken of the terms within client contracts, update of Group policies and procedures to ensure compliance with the new standard and the interaction with existing and future IT systems.

The new standard also requires increased disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The extent of these disclosures will depend upon the analysis to be undertaken as to matter types and geographies within the business

The standard permits either a full retrospective or modified retrospective approach for adoption. Although a final decision has not yet been made, it is likely that the Group will adopt the modified retrospective approach, which means the impact of the change of accounting standard will be primarily from 1 July 2018.

Due to the additional analysis and work required to complete the transition project, at this stage the Group is not able to estimate the financial effect of the new rules on the Group's financial statements. The Group will finalise its detailed assessment over the next 12 months.

AASB 16: Leases (applicable to the Group for annual reporting periods beginning on or after 1 July 2019).

AASB 16 provides a new model for accounting for leases which had not previously been considered finance leases. The standard becomes mandatory for the 30 June 2020 financial year. Early adoption is permitted under certain circumstances. The Group has not yet assessed whether the new standard will be early adopted nor which transitional method will be utilised.

The Group has currently commenced an implementation process to identify the impacts on transition. It is anticipate that the main impact will be in relation to operating leases which will be booked onto the balance sheet as leased assets and lease liabilities similar to finance leases. However, the actual impacts will not be known until the implementation process has been finalised.

NOTE 3

CHANGE IN ACCOUNTING ESTIMATE

In FY2016, the Company conducted a detailed review of its work in progress recovery rates and provisioning methodology. The review identified that additional provisions of $16,559,000 were required against work in progress and related disbursements to reduce their carrying value to their expected recoverable amount.

The additional provisions were determined to be a change in estimate in accordance with Australian Accounting Standards. Accordingly they were recognised in the prior year within the following line items:

		Consolidated Group	
	Note	30 June 2017 $000s	30 June 2016 $000s
Impact on Consolidated Statement of Comprehensive Income:			
Revenue	4	-	14,432
Other expenses: Unrecovered matter related expenses		-	2,127
		-	16,559
Income tax expense		-	(4,968)
		-	11,591
Impact on Consolidated Statement of Financial Position			
Work in progress provision		-	14,432
Unbilled disbursement provision		-	2,127
		-	16,559
Deferred tax liabilities		-	(4,968)

NOTE 4

REVENUE AND OTHER INCOME

		Consolidated Group	
	Note	30 June 2017 $000s	30 June 2016 $000s
Sales revenue			
Provision of services/professional fees		155,830	159,980
Less: additional provision recognised as a result of the change in estimate	3	-	(14,432)
		155,830	145,548
Sundry disbursements income		5,400	4,050
		161,230	149,598
Other revenue			
Interest received (banks)		70	191
Interest received (related parties)		110	56
Other revenue		398	34
Derecognition of consideration liabilities		2,406	1,240
Services management fee		813	382
		3,797	1,903
Total revenue		165,027	151,501

Included in other revenue is $2,406,000 (30 June 2016: $1,240,000) relating to the release of liabilities booked on acquisition that are not payable in respect of Sciacca's, Best Wilson Buckley and Claims Consolidated (30 June 2016: Sciacca's and Emanate).

NOTE 5

OTHER EXPENSES

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
Premises expenses	10,214	10,286
Marketing expenses	9,623	9,439
HR expenses	3,809	3,945
IT and computer expenses	5,932	5,417
Printing, postage and stationery	2,774	2,357
Professional fees	5,182	3,972
Unrecovered matter related expenses	6,810	8,545
Motor vehicle and travel expenses	1,969	1,895
Sundry expenses	1,714	2,454
	48,027	**48,310**

Included within Sundry expenses are acquisition related costs of $nil (30 June 2016: $665,000), which includes $nil (30 June 2016: $250,000) resulting from contingent consideration payments in excess of the liability booked on acquisition in respect of Sciacca's Lawyers and $nil (30 June 2016: $200,000) relating to a share value guarantee payment to the vendors of Bradley Bayly.

NOTE 6

PROFIT FOR THE YEAR

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

		Consolidated Group	
	Note	30 June 2017 $000s	30 June 2016 $000s
(a) Finance cost expense:			
interest on bank overdraft and other loans		2,681	2,672
interest unwind on contingent and deferred consideration payable to vendors on acquisitions		211	704
		2,892	**3,376**
(b) Depreciation and amortisation of non-current assets:			
plant and equipment	17(a)	1,988	2,283
transformation project costs	18(b)	-	802
Erin Brockovich agreement	18(b)	112	113
software and others	18(b)	103	219
Non-contractual client relationships	18(b)	1,087	-
		3,290	**3,417**
(c) Employee benefits expense:			
defined contribution superannuation expense		6,127	5,701
(d) Bad and doubtful debts:			
trade receivables	13(b)	1,023	243
(e) Rental expense on operating leases:			
— minimum lease payments		8,602	9,130
(f) Loss on disposal of property, plant and equipment		93	108
(g) Foreign currency translation (gains)/losses		15	(21)

NOTE 7

OTHER EXPENSES

		Consolidated Group	
		30 June 2017	30 June 2016
	Note	$000s	$000s
(a) The components of tax expense comprise:			
Current tax		(1,816)	(2,833)
Deferred tax		6,844	6,437
Subtotal	22	5,028	3,604
Under provision in respect of prior years		307	-
Total		**5,335**	**3,604**
(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% (30 June 2016: 30%)			
Consolidated group		7,647	5,528
Tax effect of:			
Non-allowable items		30	37
ACA assessable income		-	171
Impairment charge		1,500	-
Non-deductible amortisation		326	-
Provision against RWWNZ debt not assessable		(543)	-
Acquired WIP and disbursements		-	(2,094)
Earnout adjustments and share guarantee payments		(701)	(312)
Adjustment to deferred tax of prior years		(467)	-
Under provision in respect of prior years		307	-
Unrecognised temporary differences - tax losses		(2,764)	274
Income tax attributable to entity		5,335	3,604
The applicable weighted average effective tax rates are as follows:		21%	20%

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)

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

	Consolidated Group	
	30 June 2017	30 June 2016
	$	$
Short-term employee benefits	2,121,064	1,786,052
Long-term employee benefits	-	100,000
Post-employment benefits	91,625	88,323
Total KMP compensation	2,212,689	1,974,375

KMP Options and Rights Holdings

No options or rights 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.

NOTE 9

AUDITORS' REMUNERATION

	Consolidated Group	
	30 June 2017	30 June 2016
	$	$
Remuneration of Ernst & Young for:		
auditing or reviewing the financial report	397,211	296,636
taxation services and advices	73,400	95,795
other assurance services	-	93,964
other non-assurance services	-	87,450
	470,611	573,845
Remuneration of non Ernst & Young audit firms for:		
auditing of trust accounts and WIP	82,183	92,983
accounting and tax compliance services	-	384
	82,183	93,367

NOTE 10

DIVIDENDS

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
Distributions paid		
Final unfranked ordinary dividend for FY2016 of 2.50 cents per share paid in FY2017 (30 June 2016: FY 2015 of 1.75 cents per share paid in FY 2016)	4,329	3,011
Interim unfranked ordinary dividend for FY2017 of 0.60 cents per share (30 June 2016:nil)	1,039	-
	5,368	3,011
Distributions proposed and not recognised as a liability		
Approved by the Board of Directors on 25 August 2017 (not recognised as a liability as at 30 June 2017)		
(a) Proposed final FY2017 franked ordinary dividend of 2.0 cents (30 June 2016: 2.5 cents unfranked) per share franked at the tax rate of 30% (30 June 2016: unfranked)		
(b) Balance of franking account at year end adjusted for franking credits arising from:		
Opening balance	-	1,116
— repayment of income tax	-	(1,116)
— acquired subsidiaries' franking account surplus transferred to head company *	2,921	-
Closing balance	2,921	-

* This balance relates to the franking account surplus of Sciacca's, Bradley Bayly and Best Wilson Buckley that was transferred to Shine Corporate Ltd's franking account at their respective acquisitions. These have been recognised upon completion and lodgement of the respective tax returns.

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	
	30 June 2017	30 June 2016
	$000s	$000s
(a) Net profit attributable to ordinary equity holders of the parent	20,155	14,822
Earnings used to calculate basic EPS	20,155	14,822
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	173,161,812	173,000,038

(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 on conversion of all the dilutive potential ordinary shares into ordinary shares. There were no outstanding potential ordinary shares at the end of the year (30 June 2016: nil).

NOTE 12

CASH AND CASH EQUIVALENTS

	Note	Consolidated Group	
		30 June 2017	30 June 2016
		$000s	$000s
Cash at bank and on hand		14,188	12,120
	31	14,188	12,120
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		14,188	12,120
Bank overdrafts		-	(5)
		14,188	12,115

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 21 for further details.

NOTE 13

TRADE AND OTHER RECEIVABLES

	Note	Consolidated Group	
		30 June 2017	30 June 2016
		$000s	$000s
CURRENT			
Trade receivables		16,363	15,780
Provision for impairment	13b	(1,170)	(938)
		15,193	14,842
Related party receivables		166	232
Other receivables		3,687	2,043
Total current trade and other receivables		19,046	17,117
NON-CURRENT			
Amounts receivable from related parties:			
— Risk Worldwide New Zealand Limited	30 b ii.	-	3,767
Total non-current trade and other receivables		-	3,767

(a) Other receivables

Included in other receivables is a loan to an affiliated entity Shine Lawyers NZ Limited for $2,173,000 (30 June 2016: $1,282,000). Refer to Note 30 for further details.

(b) Provision For Impairment of Receivables

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

	Opening Balance	Acquisition of subsidiaries	Charge for the Year	Amounts Written Off	Closing Balance
	1 July 2016				30 June 2017
Consolidated Group	$000s	$000s	$000s	$000s	$000s
(i) Current trade receivables	938	-	1,023	(791)	1,170
	938	-	1,023	(791)	1,170

	Opening Balance	Acquisition of subsidiaries	Charge for the Year	Amounts Written Off	Closing Balance
	1 July 2015				30 June 2016
Consolidated Group	$000s	$000s	$000s	$000s	$000s
(i) Current trade receivables	785	179	243	(269)	938
	785	179	243	(269)	938

(c) 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.

			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**
30 June 2017	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Trade and term receivables	16,363	1,170	2,082	884	1,683	3,101	7,443
Other receivables	3,687	-	-	-	-	-	3,687
Total	20,050	1,170	2,082	884	1,683	3,101	11,130

			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**
30 June 2016	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Trade and term receivables	15,780	938	1,785	368	1,001	3,701	7,987
Other receivables	2,042	-	-	-	-	-	2,042
Total	17,822	938	1,785	368	1,001	3,701	10,029

NOTE 14

WORK IN PROGRESS AND UNBILLED DISBURSEMENTS

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
CURRENT		
At net realisable value:		
Work in progress	161,648	133,009
Work in progress provision	(37,943)	(31,722)
	123,705	101,287
Unbilled disbursements	35,419	31,823
Unbilled disbursements provision	(3,412)	(3,110)
	32,007	28,713
	155,712	130,000
NON-CURRENT		
At net realisable value:		
Work in progress	120,366	122,410
Work in progress provision	(17,737)	(20,710)
	102,629	101,700
Unbilled disbursements	33,124	25,979
Unbilled disbursements provision	(955)	(1,760)
	32,169	24,219
	134,798	125,919
TOTAL		
Total work in progress	282,014	255,419
Total work in progress provisions	(55,680)	(52,432)
Total net work in progress	226,334	202,987
Total unbilled disbursements	68,543	57,802
Total unbilled disbursements provision	(4,367)	(4,870)
Total net unbilled disbursements	64,176	52,932

NOTE 15

INVESTMENT IN AN ASSOCIATE

The Group had a one third interest in Risk Worldwide New Zealand Limited until 31 August 2016 at which time the Group acquired the remaining interest. See Note 33 for further details.

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

Name	Country of incorporation	Shares	Ownership interest		Carrying amount of investment	
			30 June 2017	30 June 2016	30 June 2017	30 June 2016
			%	%	$	$
Risk Worldwide New Zealand Limited	New Zealand	Ordinary	100	33.33	-	-

	30 June 2016
	$000s
(a) Summarised financial information	
Share of the associate's statement of financial position:	
Current assets	826
Non-current assets	8,267
Current liabilities	(2,585)
Non-current liabilities	(11,934)
Equity	(5,426)
Group's one third ownership	(1,809)

In the table above, no amounts are provided for 30 June 2017 as Risk Worldwide New Zealand Limited is a wholly owned subsidiary and therefore consolidated.

Share of the associate's revenue and (profit)/loss prior to becoming subsidiary:		
Revenue	943	1,843
(Profit)/Loss	(1,809)	1,904
Group's share of (profit)/loss	(1,809)	710

NOTE 16

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.

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group 2017 (%)	Ownership interest held by the Group 2016 (%)	Proportion of controlling interests 2017 (%)	Proportion of controlling interests 2016 (%)
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%	100%	100%	100%
SB Law Pty Ltd	Australia	100%	100%	100%	100%
Sciacca's Lawyers Pty Ltd	Australia	100%	100%	100%	100%
Sciacca's Family Lawyers Pty Ltd	Australia	100%	100%	100%	100%
Shine NZ Services Pty Ltd	Australia	100%	100%	100%	100%
Bradley Bayly Holdings Pty Ltd	Australia	100%	100%	100%	100%
Best Wilson Buckley Family Law Pty Ltd	Australia	100%	100%	100%	100%
Risk Worldwide New Zealand Limited (i)	New Zealand	100%	33%	100%	33%
Claims Consolidated Pty Ltd (ii)	Australia	100%	0%	100%	0%
Nerve Solutions Group Pty Ltd (iii)	Australia	100%	0%	100%	0%

(i) Refer to Note 33 for further details of Risk Worldwide New Zealand Limited.

(ii) Refer to Note 33 for further details of Claims Consolidated Pty Ltd.

(iii) Nerve Solutions Group Pty Ltd was incorporated on 29 June 2017 and was dormant in the period.

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.

(b) Deed of Cross Guarantee

Members of the Shine Corporate Ltd group entered into a deed of cross guarantee on 28 June 2013, with subsidiaries acquired after this date acceding post acquisition. As at 30 June 2017 a deed of cross guarantee is in place for Shine Corporate Limited, Shine Lawyers Pty Ltd, Emanate Legal Services Pty Ltd, SB Law Pty Ltd, Sciacca's Lawyers Pty Ltd, Sciacca's Family Lawyers Pty Ltd, Shine NZ Services Pty Ltd, Bradley Bayly Holdings Pty Ltd, Shine NZ Pty Ltd, Shine DIR Pty Ltd, Shine (U.S) Pty Ltd, Best Wilson Buckley Family Law Pty Ltd and Claims Consolidated Pty Ltd.

By entering into the Deed, the wholly owned Australian entities have been (or will be) relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. All entities in the Group other than Shine Lawyers Pty Ltd are currently small proprietary companies for reporting purposes.

The consolidated income statement and balance sheet of the entities that are members of the Closed Group as at 30 June 2017 are as follows:

Consolidated Income Statement	Closed Group	
	30 June 2017	30 June 2016
	$000s	$000s
Profit from continuing operations before income tax	26,647	11,729
Income tax expense	(5,682)	(1,159)
Profit after tax from continuing operations	20,965	10,570
Retained earnings at the beginning of the period	136,886	120,540
Dividends paid	(5,638)	(3,011)
Retained earnings at the end of the period	152,213	128,099

Consolidated Balance Sheet	Closed Group	
	30 June 2017	30 June 2016
	$000s	$000s
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	13,766	8,124
Trade and other receivables	25,248	18,292
Income tax receivable	153	-
Work in progress	120,831	81,914
Unbilled disbursements	30,558	25,081
Other current assets	1,983	163
TOTAL CURRENT ASSETS	192,539	133,574
NON-CURRENT ASSETS		
Trade and other receivables	166	3,999
Work in progress	101,203	90,030
Unbilled disbursements	31,449	22,049
Property, plant and equipment	7,993	3,854
Intangible assets	48,749	10,041
Investments in subsidiaries	-	50,127
TOTAL NON-CURRENT ASSETS	189,560	180,100
TOTAL ASSETS	382,099	313,674
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	15,448	7,768
Disbursement creditors	31,130	21,004
Short term borrowings	3,659	1,851
Other current financial liabilities	3,286	5,138
Provisions	6,381	7,850
Deferred revenue	-	180
TOTAL CURRENT LIABILITIES	59,904	43,791
NON-CURRENT LIABILITIES		
Long term borrowings	48,796	30,011
Other non-current financial liabilities	-	4,474
Deferred tax liabilities	65,352	51,718
Provisions	2,662	2,432
TOTAL NON-CURRENT LIABILITIES	116,810	88,635
TOTAL LIABILITIES	176,714	132,426
NET ASSETS	205,385	181,248
EQUITY		
Issued capital	53,150	53,150
Reserves	23	-
Retained earnings	152,212	128,098
TOTAL EQUITY	205,385	181,248

NOTE 17

PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	30 June 2017 $000s	30 June 2016 $000s
PLANT AND EQUIPMENT		
Fixtures and fittings		
At cost	9,579	5,849
Accumulated depreciation	(4,025)	(2,849)
	5,554	3,000
Leased plant and equipment		
Capitalised leased assets	119	419
Accumulated depreciation	(34)	(271)
	85	148
Office furniture and equipment		
At cost	3,474	2,913
Accumulated depreciation	(1,396)	(1,066)
	2,078	1,847
Computer equipment and software		
At cost	420	562
Accumulated depreciation	(356)	(488)
	64	74
Make good allowance on leased premises		
At cost	1,280	1,334
Accumulated depreciation	(994)	(1,007)
	286	327
Total plant and equipment	8,067	5,396

(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 $000s	Leased plant and equipment $000s	Office furniture and equipment $000s	Computer equipment and software $000s	Make good allowance on leased premises $000s	Total $000s
Consolidated Group:						
Balance at 1 July 2015	4,068	239	1,667	50	619	6,643
Additions	411	-	470	47	106	1,034
Disposals	(87)	(45)	(31)	-	-	(163)
Reclassification	-	-	-	-	-	-
Depreciation expense	(1,392)	(46)	(424)	(23)	(398)	(2,283)
Additions through business combinations	-	-	165	-	-	165
Exchange differences	-	-	-	-	-	-
Balance at 30 June 2016	3,000	148	1,847	74	327	5,396
Additions	3,761	81	763	72	179	4,856
Disposals	(14)	(119)	(105)	(1)	(23)	(262)
Reclassification	-	-	-	-	-	-
Depreciation expense	(1,204)	(25)	(472)	(90)	(197)	(1,988)
Additions through business combinations	11	-	45	9	-	65
Exchange differences	-	-	-	-	-	-
Balance at 30 June 2017	5,554	85	2,078	64	286	8,067

NOTE 18

INTANGIBLE ASSETS

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
Goodwill		
Cost	42,659	42,412
Accumulated impairment losses	(5,000)	-
Net carrying amount	37,659	42,412
Non Contractual Client Relationships		
Cost	3,262	-
Accumulated amortisation and impairment losses	(1,087)	-
Net carrying amount	2,175	-
Computer software		
Cost	522	522
Accumulated amortisation and impairment losses	(522)	(474)
Net carrying amount	-	48
Transformation project costs (including software)		
Cost	10,791	4,721
Accumulated amortisation and impairment losses	(2,095)	(2,095)
Net carrying amount	8,696	2,626
Erin Brockovich agreement		
Cost	1,130	1,130
Accumulated amortisation and impairment losses	(801)	(689)
Net carrying amount	329	441
Website development		
Cost	18	18
Accumulated amortisation and impairment losses	(15)	(5)
Net carrying amount	3	13
Trademarks, patents and intellectual property		
Cost	180	180
Accumulated amortisation and impairment losses	(45)	-
Net carrying amount	135	180
Total intangibles	**48,997**	**45,720**

(a) Transformation project costs

Transformation project costs include software licencing and services provided for the implementation of a new Enterprise Resource Platform for the Group. The first phase has been amortised at $2,095,000. Amortisation has not commenced on the second phase during the financial year as the development was not complete by 30 June 2017.

(b) 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. 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.

	Goodwill	Non Contractual Client Relationships	Computer software	Transformation project costs (including software)	Erin Brockovich agreement	Others	Total
Consolidated Group:	**$000s**	**$000s**	**$000s**	**$000s**	**$000s**	**$000s**	**$000s**
Balance at 1 July 2015	37,282	-	267	1,428	556	192	39,725
Additions	-	-	-	2,000	-	1	2,001
Additions through business combinations	5,130	-	-	-	-	-	5,130
Amortisation charge	-	-	(219)	(802)	(115)	-	(1,136)
Balance at 30 June 2016	42,412	-	48	2,626	441	193	45,720
Additions	-	3,262	-	6,070	-	-	9,332
Acquisitions through business combinations	247	-	-	-	-	-	247
Amortisation and Impairment charge	(5,000)	(1,087)	(48)	-	(112)	(55)	(6,302)
Balance at 30 June 2017	37,659	2,175	-	8,696	329	138	48,997

(c) Goodwill impairment

As disclosed in the 31 December 2016 interim report, the Group assessed all Cash Generating Units (CGUs), particularly the carrying value of its Energy and Resources practice (also known as the Land Access CGU, which forms part of the Group's Emerging Practice Areas) in light of previously advised challenging conditions. The Energy and Resources practice had significantly under performed in the financial year to date. Specifically, there has been a delay in the funding of a number of resources-led infrastructure projects and in the future, the Group expects the Energy & Resources practice area's contribution to fall below the Group's previous expectations.

As a result, an impairment of goodwill of $5,000,000 was recognised in the period against goodwill previously carried at $17,920,000. The impairment charge is recorded as a line item "Impairment of Goodwill" in the Consolidated Statement of Comprehensive Income.

(d) 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 and is monitored, where individual cash flows can be ascertained for the purposes of discounting future cash flows.

The carrying amount of goodwill allocated to each cash generating unit is set out below:

		Personal Injury Operating Segment	Emerging Practice Areas Cash Generating Units				
			Shine EPA	Land Access	Family Law	Loss Adjustment	Total
		$000s	$000s	$000s	$000s	$000s	$000s
Goodwill	2017	16,646	2,716	12,920	5,130	247	37,659
Goodwill	2016	16,646	2,716	17,920	5,130	-	42,412

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.

Pre tax discount rate applied to the cash flow position:

		Personal Injury Operating Segment	Emerging Practice Areas Cash Generating Units			
			Shine EPA	Land Access	Family Law	Loss Adjustment
		%	%	%	%	%
Discount rate	2017	12.5%	12.9%	13.2%	13.7%	14.1%
Discount rate	2016	12.5%	13.2%	13.5%	13.9%	n/a

*Cash flows beyond the next financial year, up to year 5, are extrapolated using a growth rate of:

		Personal Injury Operating Segment	Emerging Practice Areas Cash Generating Units			
			Shine EPA	Land Access	Family Law	Loss Adjustment
		%	%	%	%	%
Revenue	2017	5.0%	5.0%	5.0%	5.0%	5.0%
Revenue	2016	5.0% to 7.5%	5.0%	5.0%	10.0%	n/a
Operating costs	2017	3.0% to 3.7%	3.0% to 3.7%	3.0% to 3.7%	3.0% to 3.7%	3.0% to 3.7%
Operating costs	2016	3.7% to 4.5%	3.7%	3.7%	5.3%	n/a
Terminal growth	2017	3.0%	3.0%	3.0%	3.0%	3.0%
Terminal growth	2016	3.0%	3.0%	3.0%	3.0%	n/a

Key assumptions used in value in use calculations

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

- revenue values have been determined from the Board approved budget for FY18 adjusted for growth and other known circumstances;
- operating expenses have been determined from the Board approved budget for FY18, 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, family law and loss adjustment 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 their recoverable amount.

With regard to the assessment of value in use of the operating segment that forms the Shine PI or the cash generating units that form the Shine EPA and land access areas, a reasonably possible change in any one of a number of the above key assumptions would cause the carrying value of the units to exceed their recoverable amount. The variability required for each variable whilst holding all other variables constant is set out below:

	Shine PI	Shine EPA	Land Access
Discount rate used	12.5%	12.9%	13.2%
Headroom	$47,050,000	$8,039,000	$50,000
Change in revenue growth rate	(1.1%)	(0.7%)	< (0.1%)
Change in terminal value growth rate	(2.6%)	(1.7%)	< (0.1%)
Change in discount rate (WACC)	(1.6%)	1.1%	< 0.1%

NOTE 19

OTHER ASSETS

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
CURRENT		
Prepayments	1,973	645
	1,973	645

NOTE 20

TRADE AND OTHER PAYABLES AND OTHER FINANCIAL LIABILITIES

	Note	Consolidated Group	
		30 June 2017	30 June 2016
		$000s	$000s
CURRENT			
Unsecured liabilities:			
Trade payables		7,924	4,364
Sundry payables and accrued expenses		6,589	8,136
PAYG tax payable		2,169	811
Trade and other payables		16,682	13,311
Disbursement funding creditors		14,844	9,338
Unbilled disbursement creditors		17,258	11,666
Disbursement creditors		32,102	21,004
Total current trade and other payables		48,784	34,315
Deferred consideration - vendor liabilities on acquisitions		3,286	6,482
Financial liability - contingent consideration	32 (c)	-	4,123
Total financial liability		3,286	10,605
	31	52,070	44,920
NON-CURRENT			
Unsecured liabilities:			
Trade and other payables		55	-
Unsecured financial liabilities:			
Deferred consideration - vendor liabilities on acquisitions		-	2,844
Financial liability - contingent consideration	32 (c)	-	1,630
Total financial liability	-		4,474
	31	55	4,474

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
(a) Financial liabilities at amortised cost		
Trade and other payables		
Total current	52,070	40,797
Total non-current	-	2,844
	52,070	43,641

(b) Deferred consideration - vendor liabilities on acquisitions

At 30 June 2017, there was $3,286,000 of deferred consideration with respect to acquisitions still outstanding.

(c) Disbursement funding

	Limit	Balance drawn at 30 June 2017	Unused limit available
	$000s	$000s	$000s
Wingate client disbursement funding facility	11,546	5,309	6,237
Assess Medical Group funding facility	24,000	9,535	14,465

Wingate Asset Finance

The Group has an agreement with Wingate Group ("Wingate") to provide loans directly to its clients to fund disbursements on their case. In line with Shine's no win, no fee business model, the Group has provided an indemnity to Wingate for the value of any loan to an unsuccessful client, including any accrued interest and fees. The total value of all disbursement loans at 30 June 2017 is $5,309,000 (30 June 2016: $9,338,000) which represents the Group's maximum potential exposure at that date. These loans are recorded within disbursement creditors and an offsetting amount is recorded in unbilled disbursements. A provision is recognised against unbilled disbursements to reflect the value of unrecoverable disbursements, interest or fees on cases expected to be unsuccessful.

During the period, the Group was advised by Wingate that the disbursement funding facility would be wound down over successive financial years. At that point it was agreed that the limit of additional drawings until 30 September 2018 would be $8,000,000 of which $1,763,000 has been utilised at 30 June 2017. All loans are to be repaid by the earlier of 30 June 2020 or when the aggregate principal outstanding is less than $1,000,000.

Assess Medical Group

In May 2017, the Group entered into a Deferred Settlement Agreement with Assess Medical Group for the funding of disbursements. The limit of this funding facility is $24,000,000 and is available for two years, with an automatic extension for another two years unless expressly withdrawn. Unlike the Wingate agreement, the funding facility is directly with the Group and therefore the Group has the liability to repay any amounts funded. However, the disbursements and funding fees are repaid by the client where the client is successful.

The total drawdown on the disbursement funding facility at 30 June 2017 is $9,535,000 which represents the Group's maximum potential exposure. This amount is recorded within disbursement creditors and an offsetting amount is recorded in unbilled disbursements. A provision is recognised against unbilled disbursements to reflect the value of unrecoverable disbursements and funding fees where not expected to be recovered from clients.

Essic Pty Ltd

The Group entered into an agreement in June 2017 with Essic Pty Ltd to fund $1,086,000 of its disbursements within the Risk Worldwide NZ subsidiary. The disbursements were funded at a 8.0% discount to their book value and the buyer was provided with an indemnity against any future credit losses as a result of the failure of a client to pay their debt. The Group's maximum exposure under this indemnity is the discounted value of the debts of $1,000,000. The amount is recorded within disbursement creditors and an offsetting amount is recorded in unbilled disbursements.

NOTE 21

BORROWINGS

	Note	Consolidated Group 30 June 2017 $000s	Consolidated Group 30 June 2016 $000s
CURRENT			
Secured liabilities			
Bank overdraft		-	5
Bank loans and line of credit		1,279	1,208
Lease liability		915	90
Hire purchase liability		1,094	831
Total current borrowings	31	3,288	2,134
NON-CURRENT			
Secured liabilities			
Bank loans and line of credit		39,000	27,756
Lease liability		6,275	2,058
Hire purchase liability		3,466	916
Total non-current borrowings	31	48,741	30,730
Total borrowings		52,029	32,864

	Consolidated Group 30 June 2017 $000s	Consolidated Group 30 June 2016 $000s
(a) Total current and non-current secured liabilities		
Bank loan	40,279	28,969
Lease liability	7,190	2,148
Hire purchase liability	4,560	1,747
	52,029	32,864

The Group's finance facilities are with the Commonwealth Bank of Australia. The terms include interest only loans of varying maturities of 2 to 5 years as set out in note 31. The Group was in compliance with all financial and non-financial covenants applicable to these facilities as at 30 June 2017 (30 June 2016: compliant). Covenants imposed by the bank require total bank debt not to exceed 50% (30th June 2016: 60%) of total Group work in progress and total bank debt must be no more than 2.25 times Group EBITDA on a rolling 12 month basis.

Included within bank loans and line of credit above is accrued interest payable at 30 June 2017 of $116,000 (30 June 2016: $736,000). This has been excluded from the amount classified as ‘Used’ below.

The bank debt is secured by a fixed and floating charge over the assets of the Group.

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

(b) Unused facilities

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

Facility	Limit	Used at 30 June 2017	Unused Amount
	$000s	$000s	$000s
Equipment finance (operating and finance leases)	20,036	11,750	8,286
Corporate credit card facility	874	141	733
Line of credit	11,000	929	10,071
Market rate loan facilities	61,000	39,116	21,884
Bank guarantees	4,000	3,971	29
	96,910	55,907	41,003

NOTE 22

INCOME TAX

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
CURRENT		
Income tax payable	-	-
	-	-

NON-CURRENT Consolidated Group	Opening Balance $000s	Consolidated statement of financial position $000s	Consolidated statement of comprehensive income $000s	Closing Balance $000s
Deferred tax liability - net				
Work in progress and disbursements	59,633	-	9,590	69,223
Plant and equipment	720	-	(224)	496
Finance leases	38	-	(617)	(579)
Deferred tax liability arising from acquisitions	642	(83)	-	559
Provisions	(4,166)	-	(946)	(5,112)
Tax losses	(297)	-	(4,174)	(4,471)
Sundry deferred tax assets	(101)	-	(25)	(126)
Balance at 30 June 2016	56,469	(83)	3,604	59,990
Work in progress and disbursements	69,223	-	7,996	77,219
Plant and equipment	496	-	(61)	435
Finance leases	(579)	-	(1,567)	(2,146)
Deferred tax liability arising from acquisitions	559	257	(559)	257
Provisions	(5,112)	-	(178)	(5,290)
Tax Losses	(4,471)	-	(746)	(5,217)
Sundry deferred tax assets	(126)	(16)	143	1
Balance at 30 June 2017	59,990	241	5,028	65,259

The total taxable losses available at 30 June 2017 are $17.7m (30 June 2016: $25.0m) resulting in a potential deferred tax asset of $5.2m (30 June 2016: $7.5m). Of this, $5.2m (30 June 2016: $4.2m) has been recognised to the extent that it offsets deferred tax liabilities.

NOTE 23

PROVISIONS

	Consolidated Group	
	30 June 2017	30 June 2016
CURRENT	$000s	$000s
Employee Benefits - Annual Leave	3,773	3,740
Employee Benefits - Long Service Leave	1,711	1,590
Operating Lease Incentives	897	967
	6,381	6,297
Operating Lease Incentives		
Opening balance at 1 July	966	552
Net movement in the year	(69)	414
Balance at 30 June	897	966
NON CURRENT		
Employee Benefits - Annual Leave	-	25
Employee Benefits - Long Service Leave	1,312	1,329
Leasehold Property Make Goods	1,350	1,375
	2,662	2,729
Leasehold Property Make Goods		
Opening balance at 1 July	1,375	1,634
Additional provisions	135	167
Amounts used	(195)	(479)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	35	53
Closing balance at 30 June	1,350	1,375
Analysis of Total Provisions		
Current	6,381	6,297
Non-current	2,662	2,729
	9,043	9,026

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(p).

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% (30 June 2016: 2.5%).

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 24

ISSUED CAPITAL

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
173.2 million (30 June 2016: 173.2 million) fully paid ordinary shares	53,150	53,150
	53,150	53,150

(a) Ordinary Shares		
	No.	No.
At the beginning of the reporting period	173,161,812	172,400,081
Shares issued during the year:		
17th August 2015 for business acquisitions	-	401,606
21st October 2015 for business acquisitions	-	360,125
At the end of the reporting period	173,161,812	173,161,812

During the year, there were no changes to issued share capital (30 June 2016: share capital was increased by $1.76m, with the issue of 0.76m ordinary shares for part consideration in business acquisitions).

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.

(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 21), 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	
	Note	30 June 2017	30 June 2016
		$000s	$000s
Total borrowings	21	52,029	32,864
Less cash and cash equivalents	12	(14,188)	(12,120)
Net debt		37,841	20,744
Total equity		204,478	189,776
Total capital		242,319	210,520
Gearing ratio (Net debt / Total capital)		16%	10%

NOTE 25

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	
	30 June 2017	30 June 2016
Payable — minimum lease payments		
not later than 12 months	2,523	1,014
between 12 months and 5 years	10,671	3,300
later than 5 years	-	-
Minimum lease payments	13,194	4,314
Less future finance charges	(1,444)	(419)
Present value of minimum lease payments	11,750	3,895

(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 rental expenses under non-cancellable operating leases are as follows:

	Consolidated Group	
	30 June 2017	30 June 2016
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable — minimum lease payments		
not later than 12 months	8,228	8,437
between 12 months and 5 years	20,696	21,673
later than 5 years	382	885
	29,306	30,995

(c) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

	Consolidated Group	
	30 June 2017	30 June 2016
Capital expenditure projects	712	-
	712	-

(d) Commitments

The Group has payment commitments to suppliers under vendor financing arrangements as follows:

	Consolidated Group	
	30 June 2017	30 June 2016
	$000s	$000s
Non-cancellable payments		
not later than 12 months	380	547
between 12 months and 5 years	-	342
later than 5 years	-	-
	380	889

NOTE 26

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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 2017 was $4,000,000 (30 June 2016: $4,000,000) of which $29,000 (30 June 2016: $721,000) was unused at the end of the reporting period.

Contingent liabilities

The Group had previously entered into an agreement with Essic Pty Ltd to sell $1,084,000 of its deferred debtors within the Best Wilson Buckley subsidiary. The debtors were sold at an 8.0% discount to their book value and the buyer was provided with an indemnity against any future credit losses as a result of the failure of a client to pay their debt. The Group's maximum exposure under this indemnity is the discounted value of the debts outstanding at 30 June 2017 of $559,000 (30 June 2016: $987,482).

The Group has received a small number of individual notifications submitted by former clients against the Group. When each notification is received, the Group makes an assessment of the likelihood that the potential notice will proceed to a legal claim. The Group's estimate of the notifications that may progress to a claim and the excess that may need to be paid to its insurers to cover such potential claims at 30 June 2017 is $334,000 (30 June 2016: $410,000).

NOTE 27

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 operating result presented in the Statement of Comprehensive Income represents the same segment information as reported to the Board.

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.

(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, family law and asbestos compensation.

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.

(i) Segment performance

30 June 2017	Unallocated items $000s	Personal injury $000s	Emerging practice areas $000s	Total $000s
REVENUE				
External sales	-	106,724	54,506	161,230
Other revenue	180	2,177	1,440	3,797
Total segment revenue	180	108,901	55,946	165,027
Expenses				
Depreciation and amortisation	(32)	(2,486)	(772)	(3,290)
Impairment charge	-	-	(5,000)	(5,000)
Interest expense	(2,591)	(220)	(81)	(2,892)
Share of profit of associate	-	-	1,809	1,809
RESULTS				
Segment profit before tax	(3,972)	19,880	9,582	25,490

30 June 2016				
REVENUE				
External sales	-	109,687	39,911	149,598
Other revenue	1,903	-	-	1,903
Total segment revenue	1,903	109,687	39,911	151,501
Expenses				
Depreciation and amortisation	(1,300)	(1,836)	(281)	(3,417)
Interest expense	(2,792)	(318)	(266)	(3,376)
Share of loss of an associate	-	-	(710)	(710)
RESULTS				
Segment profit before tax	(7,302)	15,017	10,712	18,427

(ii) Segment assets

30 June 2017				
Segment assets	964	251,393	130,577	382,934
30 June 2016				
Segment assets	2,097	241,619	97,334	341,050
Segment liabilities				
30 June 2017				
Segment liabilities	1,516	46,105	26,460	74,081
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities:				
Borrowings	39,116	-	-	39,116
Deferred tax liabilities	65,259	-	-	65,259
Total group liabilities				178,456
30 June 2016				
Segment liabilities	364	42,831	15,224	58,419
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities:				
Borrowings	32,865	-	-	32,865
Deferred tax liabilities	59,990	-	-	59,990
Total group liabilities				151,274

(d) Geographic information

	Consolidated Group	
	30 June 2017	**30 June 2016**
	$000s	**$000s**
Revenue from external customers		
Australia	160,497	149,598
New Zealand	733	-
Total	161,230	149,598
The revenue above is based on the locations of the customers		
Non-current operating assets		
Australia	189,365	180,771
New Zealand	2,497	31
Total	191,862	180,802

Non-current operating assets consist primarily of property, plant and equipment, work in progress and intangible assets.

NOTE 28

CASH FLOW INFORMATION

	Consolidated Group	
	30 June 2017	**30 June 2016**
	$000s	**$000s**
(a) Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax		
Profit after income tax	20,155	14,822
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation, amortisation and impairment	8,290	3,417
Loss on disposal of Property, plant and equipment	93	108
Share of (profit)/loss from associate	(1,809)	710
Costs associated with acquisitions	126	665
Interest unwind on acquisitions	211	704
Interest on make good assets	-	-
Fair value adjustment to contingent consideration	(2,406)	(1,240)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade receivables	503	399
(Increase)/decrease in other assets	(2,962)	659
(Increase)/decrease in work in progress	(15,103)	(9,832)
(Increase)/decrease in disbursements	(7,197)	19
Increase/(decrease) in trade payables and accruals	11,611	1,200
Increase/(decrease) in income taxes payable	213	516
Increase/(decrease) in deferred taxes payable	5,014	3,604
Increase/(decrease) in provisions	(12)	1,149
Cash flow from operating activities	16,727	16,900

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

NOTE 29

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period,other than the dividend declared (refer to Note 10).

NOTE 30

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	
		30 June 2017	30 June 2016
		$	$
i.	**Other related parties - entities controlled or significantly influenced by related parties Morrison and Roche**		
	Purchase of goods, rents and services from related parties	2,139,093	961,095
	Sales of goods, rents and services to related parties	813,309	381,940
	Interest received from related parties	110,111	56,312
ii.	**Loans to associated companies - Risk Worldwide New Zealand Limited**		
	Beginning of the year	3,766,530	4,215,752
	Loans advanced	764,159	261,231
	Share of profit/(loss)	1,808,593	(710,453)
	Elimination on consolidation from 1 September 2016	(6,339,282)	-
	End of the year	-	3,766,530

Pursuant to an agreement between all shareholders of Risk Worldwide New Zealand Limited, the Group agreed to provide a line of credit up to $3m from 1 August 2012. Additional funds for working capital were provided. This loan was unsecured and bore interest at the same rate as the Group was charged by its lender. The line of credit was cancelled upon Risk Worldwide New Zealand Limited becoming a wholly owned subsidiary from 1 September 2016.

iii. Loans to other related parties - entities controlled or significantly influenced by related parties Morrison and Roche

	30 June 2017	30 June 2016
Beginning of the year	1,282,451	655,383
Net loans advanced	890,425	627,068
End of the year	2,172,876	1,282,451

This loan provides funding to the Shine Lawyers NZ Limited affiliated entity. It is unsecured and bears interest at the rate equivalent to Shine Corporate Ltd's Australian working capital bank facility loan rate plus 2%.

iv. Consulting Fees

During the year the group paid $266,161 inclusive of GST (30 June 2016: $302,500) in consultancy fees to former non-executive director Stephen Roche.

NOTE 31

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	
		30 June 2017	30 June 2016
	Note	$000s	$000s
Financial Assets			
Cash and cash equivalents	12	14,188	12,120
Loans and receivables - current	13	19,046	17,117
Loans and receivables - non-current	13	-	3,767
Total Financial Assets		33,234	33,004
Financial Liabilities			
Trade, other payables and other financial liabilities - current	20	52,070	44,920
Trade, other payables and other financial liabilities - non current	20	55	4,474
Borrowings - current	21	3,288	2,134
Borrowings - non current	21	48,741	30,730
Total Financial Liabilities		104,154	82,258

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 2017 (30 June 2016: 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 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.

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	**2017 $000s**	**2016 $000s**	**2017 $000s**	**2016 $000s**	**2017 $000s**	**2016 $000s**	**2017 $000s**	**2016 $000s**
Financial liabilities due for payment								
Bank borrowings	1,279	1,208	39,000	27,756	-	-	40,279	28,964
Trade and other payables	48,784	34,325	-	-	-	-	48,784	34,325
Deferred consideration	2,919	6,494	-	3,000	-	-	2,919	9,494
Contingent consideration	-	4,126	-	1,685	-	-	-	5,811
Finance lease and Hire purchase liabilities	2,523	1,014	10,671	3,300	-	-	13,194	4,314
Total contractual outflows	55,505	47,167	49,671	35,741	-	-	105,176	82,908
Less bank overdrafts	-	(5)	-	-	-	-	-	(5)
Total expected outflows	55,505	47,162	49,671	35,741	-	-	105,176	82,903

Consolidated Group	Within 1 Year 2017 $000s	2016 $000s	1 to 5 years 2017 $000s	2016 $000s	Over 5 years 2017 $000s	2016 $000s	Total 2017 $000s	2016 $000s
Financial assets - cash flows realisable								
Cash and cash equivalents	14,188	12,120	-	-	-	-	14,188	12,120
Trade, term and loans receivables	15,193	14,843	-	3,767	-	-	15,193	18,610
Total anticipated inflows	29,381	26,963	-	3,767	-	-	29,381	30,730
Net (outflow) / inflow on financial instruments	(26,124)	(20,199)	(49,671)	(31,974)	-	-	(75,795)	(52,173)

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:

Floating rate instruments	Note	Consolidated Group 2017 $000s	2016 $000s
Bank borrowings	21	40,279	28,969
		40,279	28,969

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 Profit	Equity
Year ended 30 June 2017	**$000s**	**$000s**
+/- 1% in interest rates	403	403
Year ended 30 June 2016	**$000s**	**$000s**
+/- 1% in interest rates	203	203

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

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 following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the Group is currently considered immaterial and is therefore not shown.

The Group's loan to its subsidiary Risk Worldwide New Zealand Ltd and to its affiliated entity Shine Lawyers NZ Limited is denominated in Australian Dollars.

NOTE 32

FAIR VALUE MEASUREMENTS

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 to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. 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.

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.

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 value amount using the applicable discount rate. Therefore, carrying value is reflective of fair value.

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.

	30 June 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$000s**	**$000s**	**$000s**	**$000s**
Liabilities				
Contingent consideration	-	-	-	-
Total liabilities recognised at fair value	-	-	-	-

	30 June 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$000s**	**$000s**	**$000s**	**$000s**
Liabilities				
Contingent consideration	-	-	5,753	5,753
Total liabilities recognised at fair value	-	-	5,753	5,753

(c) Reconciliation of recurring Level 3 fair value measurements	**30 June 2017**	**30 June 2016**
	$000s	**$000s**
Balance at the beginning of the year	5,753	9,202
Additions during the year	-	371
Interest - discount unwind	55	356
(Gains)/losses recognised in profit or loss during the year	(1,882)	(990)
Settlements during the year	(3,926)	(3,186)
Balance at the end of the year	-	5,753

NOTE 33

BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

Acquisitions in 2017

BUSINESS COMBINATION: Acquisition of Risk Worldwide New Zealand Limited

Effective from 1 September 2016, the Group acquired 100% of the voting shares of Risk Worldwide New Zealand Limited ("RWWNZ"). Prior to this date, the Group owned 33.3% of the business. The results from 1 September 2016 to 30 June 2017 and the balance sheet at 30 June 2017 of the acquired entity have been included in full in these consolidated financial statements.

The Group has acquired RWWNZ to widen its service offering within its Emerging Practices Area. The business purchase has been accounted for using the acquisition method as described in AASB3 Business Combinations. Provisional accounting was adopted as at 31 December 2016 and there were no changes before final adoption at 30 June 2017.

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

	NZD	AUD
Consideration	**$000s**	**$000s**
Share consideration (i)	-	-
	Fair value recognised on acquisition	
	NZD	**AUD**
Assets	**$000s**	**$000s**
Cash at bank	1,466	1,414
Work in progress	5,202	5,017
Unbilled disbursements	3,209	3,095
Plant & equipment	70	68
Trade receivables	333	321
Other receivables	105	101
Total assets acquired	10,385	10,016
Liabilities		
Trade payables	(1,858)	(1,792)
Provision for employee liabilities	(7)	(7)
Loan to Risk Worldwide LLC	(700)	(675)
Loan to Keys Claims LLC	(1,100)	(1,061)
Existing ownership interest including intercompany loan	(6,712)	(6,473)
Deferred tax liability	(267)	(257)
Total liabilities acquired	(10,644)	(10,265)
Total identifiable net assets at fair value	(259)	(249)
Goodwill arising on acquisition	259	249
Analysis of cash flows on acquisition		
Net cash acquired with the subsidiary	1,466	1,414
Net cash inflow	1,466	1,414

(i) Two shares for $2 which round down to nil.

The goodwill recognised is primarily attributed to the control premium paid upon acquisition of the remainder of the business. The goodwill is non deductible for income tax purposes.

Following acquisition of this subsidiary, the provision of $1,809,000 against the intercompany loan was reversed. The reversal of this provision has been recognised in the share of net profit/(loss) of associates and joint venture entities in the Statement of Comprehensive Income.

The fair value of trade receivables is deemed to be their gross value less the provision for doubtful debts. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date.

Nil transaction costs have been expensed in relation to this acquisition.

From the date of acquisition on 1 September 2016, RWWNZ has contributed $738,000 of revenue and a loss of $1,159,000 before tax to the continuing operations of the Group. If the acquisition had taken place from 1 July 2016, the revenue for the consolidated Group would have increased from $165,027,000 to $165,827,000 and the profit from continuing operations before tax would have increased from $25,490,000 to $26,053,000.

RWWNZ has agreed to pay a consultancy fee to Keys Claims LLC amounting to 7.5% of pre-tax profits to 30 June 2021 and 5% of all pre-tax profits to 30 June 2026. No liability has been attributed to the above fees as they are not expected to be probable and no reasonable movement in the future is expected to have any material impact (based on Level 3 Fair Value hierarchy inputs). The fair value at 30 June 2017 is considered to be nil.

ASSET ACQUISITION: Acquisition of Claims Consolidated Pty Ltd

Effective 1 December 2016, the Group acquired 100% of the voting shares of Claims Consolidated Pty Ltd for $6,438,000. This has been treated as an asset acquisition under AASB116 "Property, Plant & Equipment", as the entity was acquired for the case file matters.

An intangible Non-contractual Client Relationship asset of $3,262,000 was recognised in line with the Group's existing policy on "Intangibles other than Goodwill". The asset is representative of the premium paid to access profits expected to be obtained. This intangible asset is being amortised over the life of the individual matters with an expected maximum amortisation period of one and a half years.

Confirmation of provisional accounting for Best Wilson Buckley Family Law Pty Ltd

There were no changes to the provisional accounting figures adopted by the Group at 30 June 2016 in respect of the acquisition of Best Wilson Buckley Family Law Pty Ltd.

NOTE 34

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.

	30 June 2017 $000s	30 June 2016 $000s
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	34,907	39,990
Non-current Assets	149,020	135,963
TOTAL ASSETS	183,927	175,953
LIABILITIES		
Current Liabilities	11,069	6,396
Non-current Liabilities	38,115	31,117
TOTAL LIABILITIES	49,184	37,513
EQUITY		
Issued Capital	132,554	132,554
Retained earnings	2,189	5,886
TOTAL EQUITY	134,743	138,440
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit after tax	1,669	8,481
Total comprehensive income	1,669	8,481

Guarantees

The parent company is party to the overall financing arrangements and related security, as detailed in notes 16 and 21.

In addition, the parent is a party to the Group's cross guarantee arrangements, as detailed in note 16.

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

Contingent liabilities

The parent entity is a party to the contingent liabilities to the Group's external disbursement funding provider as disclosed in note 26.

Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2017 (30 June 2016: nil).

Total liabilities

Total liabilities have increased significantly from 2016 to 2017 as a result of the acquisitions undertaken (refer Note 33) and the spend on the Transformation Project (refer Note 18).

NOTE 35

COMPANY DETAILS

The registered office of the Group is:

Shine Corporate Ltd
Level 13, 160 Ann Street
Brisbane
QLD 4000

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Shine Corporate Ltd, the Directors declare that:

1. 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;
2. in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;
3. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
4. the Directors have been given the declarations required by section 295A of the Corporations Act from the Managing Director and the Acting Chief Financial Officer.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly-owned companies) Instrument 2016/785 (Instrument). The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the Instrument applies, as detailed in note 16 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act.

On behalf of the Directors

Simon Morrison
Managing Director

Tony Bellas
Chairman
Brisbane, 25 August 2017

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 Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shine Corporate Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Building a better working world

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Work in Progress (WIP) – Revenue recognition and provisioning

Refer to Note 2(d), (e), (f), (x)(i), (x)(ii) and 14 to the financial report

Why significant	How our audit addressed the key audit matter
At 30 June 2017, the Group's WIP balance was $282m. There is a risk that revenue is misstated due to the estimation process for the recoverability of WIP and unbilled disbursements, principally because of the risk of case outcomes changing from expectations, or future costs to complete cases varying to the forecast. Revenue from the provision of legal services is recognised on an accruals basis in the year in which the legal service is provided. Revenue is calculated either with reference to the professional staff hours incurred on each matter or to milestones completed on the basis that the stage of completion can be reliably measured. Furthermore the amount of revenue and profit is impacted by the Group's provisioning to reflect the estimate of the recovery rate of time charged to WIP, both to date and forecast to completion, of a case matter. The judgment involved in the assessment means that the recovery rate calculations may have a significant impact on the results of the Group in an individual financial year. This assessment process contains significant judgment.	We obtained the Group's estimates associated with the Group's WIP balance and understood the review process and positions taken at balance date. In doing so, we examined relevant documentation including time-cost reports, milestone based calculations and expected recovery rates. For cases such as personal injury matters that have legal precedents, the Group analysed historical recoverability data and used this as the basis in performing the provisioning model and recoverability assumptions applied. We involved our IT specialists to evaluate the data extracted by the Group for the WIP provision process. For other legal cases, the Group assessed recoverability on an individual case basis. In addition, we performed the following procedures: ▶ We assessed whether the Group's accounting policy for revenue recognition and related calculations were in accordance with Australian Accounting Standard – AASB 118 *Revenue*. ▶ Assessed the Group's analysis to support recovery rates including comparison to "year to date run rates" achieved for similar nature/size cases.

Building a better working world

Why significant	How our audit addressed the key audit matter
	▸ Assessed and tested the design and operating effectiveness of relevant controls around client acceptance, initiating, recording, and review processes for case matters. ▸ Understood and tested the source data used in the provisioning model. ▸ Assessed a sample of WIP reviews from General Managers for some categories of cases or locations. ▸ Considered the minutes of discussions held at meetings such as Quarterly Business Reviews attended by the Shine Executive and branch managers. ▸ Performed testing on a sample of cases to assess whether there was appropriate client acceptance, client assessment of stage of case, disbursements, expected recovery, expected completion date, and fees billed and recovery rate for cases settled. ▸ Enquired with the Group regarding specific material cases and assessed external evidence where available to support the Group's position on likely case outcomes. ▸ Performed analytical procedures on WIP revenue transactions during the period and where material variances were identified against set expectations or testing threshold, supporting documentation was examined and enquiries were made of the Group. ▸ Tested key reconciliations and manual journal entries posted to assess whether revenue journals were appropriately approved and had supporting evidence.

Classification of WIP

Refer to Note 2(f), (x)(iii), and 14 to the financial report

Why significant	How our audit addressed the key audit matter
There is significant judgment required in assessing the classification of WIP, disbursements and associated provisioning, with a range of factors that can influence timing of when matters are actually billed and recovered. The Group determines the balance to be recorded as current, based on the expected billings and cash collections over the next 12 months for the portfolio of cases and on expected resolution of specific cases (e.g. material individual cases and class action matters).	In obtaining sufficient audit evidence we obtained the Group's WIP Provision recovery assessment and evaluated the inputs and assumptions applied in order to determine whether the current and non-current classifications were appropriate. In addition we performed the following: ► Assessed expected settlement dates of cases. ► Assessed expected fees to be billed within the next 12 months (i.e. those classified as current) are in line with the board approved budget and cash flow forecasts for the 12 months subsequent to year end. ► Enquired with the Group on a number of specific cases in relation to expected settlement dates and examined supporting documentation. ► Compared the split against historical rates. ► Compared the split against actual historical recovery timing. ► Assessed whether disbursements allocation was consistent with the respective case allocation to which the disbursements relate.

Intangible Assets Impairment Assessment

Refer to Note 2(a), (j), (x)(v), 18 and 33 to the financial report

Why significant	How our audit addressed the key audit matter
At 30 June 2017, the intangible assets balance held was $49m, which mostly comprises Goodwill of $38m. In accordance with Australian Accounting Standards, the Group annually tests the carrying value of goodwill and other intangible assets with an indefinite life for impairment. The Directors' assessment of goodwill and other identifiable intangible assets for impairment, involves critical accounting estimates and assumptions, specifically concerning future discounted cash flows. The annual impairment test was significant to our audit because the assessment process is complex and involves significant judgment including cash generating unit (CGU) identification, the Group's ability to achieve planned growth and forecast cashflows and is based on assumptions that are affected by expected future market and economic conditions. Based on the annual goodwill impairment test whereby a Discounted Cash Flow ("DCF") was prepared, the Board concluded that a $5m impairment on the Land Access CGU was required. No other impairment was noted.	Our procedures included the following. We: ▸ Assessed the methodology and value in use model prepared by the Group to test for impairment against the requirements of Australian Accounting Standard - AASB136 *Impairment of Assets*. ▸ Tested whether the model used was mathematically accurate. ▸ Assessed whether the cash flows used in the impairment testing model accurately reflected the Board approved 2018 budget and future cash flows. ▸ Considered the historical reliability of the Group's cash flow forecasting process. ▸ Considered the impact of a range of assumption sensitivities in the model. ▸ Evaluated the external inputs and assumptions within the value in use model such as the growth rates, terminal value and discount rate by comparing them to assumptions and estimates used elsewhere in the preparation of the financial report and benchmarking them against market observable external data. ▸ Assessed the sensitivity analysis performed by the Group. ▸ Considered the adequacy of the financial report disclosures, in particular those regarding assumptions to which the outcome of the impairment test is most sensitive. As impairment testing relies upon business valuation principles. Accordingly, we involved our valuation specialists to assist in the work outlined above where we considered such expertise was required.

Information Other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the information in the Group's 2017 Annual Report other than the financial report and the auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of the auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better working world

Report on the remuneration report

Opinion on the remuneration report

We have audited the remuneration report included in pages 16 to 26 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Shine Corporate Ltd for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
25 August 2017

SHAREHOLDER INFORMATION

The following information is current as at 9 August 2017.

HOLDING DISTRIBUTION

Category (Size Of Holding)	Total Holders
1 – 1,000	353
1,001 – 5,000	545
5,001 – 10,000	290
10,001 – 100,000	411
100,001 – and over	67
TOTAL	1,666

UNMARKETABLE PARCELS

The number of shareholders holding less than a marketable parcel of shares is 258.

SUBSTANTIAL HOLDERS

Substantial Holder	Relevant Interests Of Substantial Holder And Associates
Stephen Roche and associates	84,979,804
Simon Morrison and associates	84,979,804
FIL Limited and associates	17,109,888
Perpetual Limited and associates	9,141,719

*As disclosed in substantial shareholder notices received by the Company.

VOTING RIGHTS

Each Share entitles its holder to one vote on a poll. Each member present at a meeting in person or by proxy has one vote on a show of hands.

VOLUNTARY ESCROW

200,803 Shares issued as consideration for the acquisition of Bradley Bayly Holdings Pty Ltd were released from voluntary escrow on 14 August 2017.

180,063 Shares issued as consideration for the acquisition of Best Wilson Buckley Family Law Pty Ltd remain under voluntary escrow and will be released on 21 October 2017.

NO CURRENT ON-MARKET BUY-BACK

The Company is not currently conducting an on-market buy-back.

TOP 20 HOLDERS OF SHARES

Name		Number Of Ordinary Fully Paid Shares Held	% Of Issued Capital
1	Simon Morrison	42,339,902	24.5
1	Stephen Roche	42,339,902	24.5
2	HSBC Custody Nominees	27,300,761	15.8
3	JP Morgan Nominees Australia Limited	10,018,693	5.8
4	BNP Paribas Nominees Pty Ltd	4,200,077	2.43
5	Torrito Pty Ltd	3,000,000	1.74
6	Citicorp Nominees Pty Limited	2,987,334	1.73
7	BNP Paribas Nominees Pty Ltd	2,751,764	1.59
8	Citicorp Nominees Pty Limited	1,622,439	0.94
9	Jodie Willey	1,512,957	0.88
10	Grant Zeller	1,050,000	0.61
11	Writing College Australia	890,451	0.52
12	CHSL Thompson Pty Ltd	780,190	0.45
13	Roger Singh	736,807	0.43
14	Stuart Macleod	707,391	0.41
15	Binya Park Pty Ltd**	673,802	0.39
15	Stephen Francis Roche	673,802	0.39
16	Bigbul Pty Ltd	665,000	0.38
17	Lara Schliebs	526,479	0.30
18	National Nominees Limited	526,125	0.30
19	Paul Tedder	491,109	0.29
20	RBC Investor Services Australia Nominees Pty Ltd	443,425	0.26
Total Top 20 Holders		146,240,410	84.64

* Percentage of issued capital of 173,161,812 Shares, less 380,866 non-tradeable Shares which were subject to voluntary escrow as at 9th August 2017. (172,780,946 Shares).

** Binya Park Pty Ltd is a company controlled by Simon Morrison.

GLOSSARY

Annual Report	This annual report
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires)
Best Wilson Buckley	Best Wilson Buckley Family Law Pty Ltd ACN 139 493 039
Board	The board of Directors of the Company
Bradley Bayly	Bradley Bayly Holdings Pty Ltd ACN 162 817 905
CEO	Chief Executive Officer
Chair or Chairman	The chairman of the Company
Company or Shine	Shine Corporate Ltd ACN 162 817 905
Company website	www.shinecorporate.com.au
Constitution	The constitution of the Company
Corporations Act	*Corporations Act 2001* (Cth)
DePuy Class Action	Stanford and Dunsmore v DePuy International Ltd and Johnson & Johnson Medical Ltd, a class action in relation to alleged defects in the design of hip implants, in which Shine Lawyers acted on behalf of the second applicant
Director	A director of the Company
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, income tax, depreciation, amortisation and impairment
Emanate	Emanate Legal Services Pty Ltd ACN 169 229 752
EPS	Earnings per share
EY	Ernst & Young
FY17, FY2017 or Financial Year	The financial year ended 30 June 2017
Group	The Company and its Subsidiaries (each a Group Member)
KMP	Key Management Personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group
KPI	Key performance indicator
Leadership Team	A management team which meets regularly to support the Managing Director on strategic and operational issues, including the Chief Financial Officer and Campany Secretary
Listing Rules	The listing rules of ASX
LTI	Long Term Incentive
LTIP	Long Term Incentive Plan
NPAT	Net profit after tax
Sciacca's	Sciacca's Lawyers Pty Ltd ACN 126 179 084
Share	A fully paid ordinary share in the Company
Shine Lawyers	Shine Lawyers Pty Ltd ACN 134 702 757
STI	Short Term Incentive
Subsidiaries	The wholly owned subsidiaries of the Company as set out in note 16 to the Financial Statements
TFR	Total fixed remuneration
The Engine Room Project	The project for the redevelopment of the Group's enterprise legal management systems
VWAP	Volume weighted average price of Shares on ASX
WIP	Work-in-progress, being the amount of time recorded and not yet invoiced and recovered in relation to a matter

CORPORATE DIRECTORY

DIRECTORS

Tony Bellas, Independent Non-executive Chairman
Carolyn Barker AM, Independent Non-executive Director
Greg Moynihan, Independent Non-executive Director
Simon Morrison, Managing Director

COMPANY SECRETARY

Annette O'Hara

REGISTERED OFFICE
PRINCIPAL ADMINISTRATIVE OFFICE

Level 13
160 Ann Street
Brisbane QLD 4000

Phone: +61 7 3006 6000
Fax: +61 7 3229 1999

ASX LISTING

ASX Code - SHJ

COMPANY NUMBERS

ABN: 93 162 817 905
ACN: 162 817 905

AUDITORS

Ernst & Young
111 Eagle Street
Brisbane QLD 4000

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

BANKERS

Commonwealth Bank of Australia
Level 21
180 Ann Street

Brisbane QLD 4350

SHARE REGISTRY

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane QLD 4000
registrars@linkmarketservices.com.au

Phone: +61 1300 554 474 (toll free)

SHINE
CORPORATE LTD