Appendix 4E
Preliminary Final Report

Shine Corporate Limited ABN 93 162 817 905

Year ended 30 June 2013

Details of the Reporting Period and the Previous Corresponding Period

Current period:	1 July 2012 to 30 June 2013
Prior corresponding period:	1 July 2011 to 30 June 2012

Results for Announcement to the Market

Key Information	Year ended 30 June 2013 $'000	Year ended 30 June 2012 $'000	Change %
Revenue from ordinary activities	105,428	88,431	Up 19.2%
Profit from ordinary activities after tax attributable to members	17,503	17,747	Down 1.4%
Profit for the period	17,503	17,747	Down 1.4%

Dividends	Amount per security	Franked amount per security
Final dividend (155,000,000 shares on issue)	1.750 cents	0%
Interim dividend paid 18 April 2013 (140,000,000 shares on issue)	0.643 cents	100%
Record date for determining entitlements to the dividends		
Record date for the final dividend is 18 September 2013		

Commentary

Commentary on the Company's trading results is included on pages 11 to 17 (inclusive) of the attached Financial Report for the year ended 30 June 2013.

Additional Commentary: During the year ended 30 June 2012, the business of "Shine Lawyers" operated through the company Shine Lawyers Ltd, the "Shine Partnership" and the "Service Trust" as detailed in Shine Corporate Ltd's prospectus for its initial public offering in May 2013. However, information contained in this report and in the attached Financial Report relates to the companies Shine Corporate Ltd and Shine Lawyers Ltd only and excludes the results of the Shine Partnership and the Service Trust.

The above Key Information and below Earnings per share compares to the Pro Forma for the year ended 30 June 2012 for Shine Lawyers Ltd, the Shine Partnership, and the Service Trust as if they had operated as one entity, as set out in Shine Corporate Ltd's prospectus of 28 March 2013, as follows:

	Reported Year ended 30 June 2013 $'000	Reported Year ended 30 June 2012 $'000	Adjustment for Service Trust and Shine Partnership $'000	Pro Forma Year ended 30 June 2012 $'000	Change %
Revenue from ordinary activities	105,428	88,431	(2,955)	85,476	Up 23%
Profit from ordinary activities after tax attributable to members	17,503	17,747	(2,287)	15,460	Up 13%
Profit for the period	17,503	17,747	(2,287)	15,460	Up 13%

Consolidated Statement of Comprehensive Income
Please refer to the Audited Financial Statements for the year ended 30 June 2013

Consolidated Statement of Financial Position
Please refer to the Audited Financial Statements for the year ended 30 June 2013

Statement of Cash Flows
Please refer to the Audited Financial Statements for the year ended 30 June 2013

Statement of Changes in Equity
Please refer to the Audited Financial Statements for the year ended 30 June 2013

Earnings per Share

	Current period	Previous corresponding period*
Basic and diluted earnings per share	12.3 cents	12.8 cents

*See "Additional Commentary" on Page 1 relating to the "Previous corresponding period"

Additional Dividend Information
Details of dividends determined or paid during or subsequent to the year ended 30 June 2013 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
28 November 2012	7 December 2012	Final	1.158 cents	$2,262,733	1.158 cents
15 April 2013	18 April 2013	Interim	0.643 cents	$900,200	0.643 cents
18 September 2013	9 October 2013	Final	1.750 cents	$2,712,500	0.000 cents

Dividend Reinvestment Plans
The dividend plans shown below are in operation.

NIL

Net Tangible Assets per Security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	60.6 cents	50.1 cents

Control gained over Entities having Material Effect

Name of entity (or group of entities): N/A

Loss of Control of Entities having Material Effect

Name of entity (or group of entities): N/A

SHINE LAWYERS
RIGHT WRONG.

Details of Aggregate Share of Profits (Losses) of Associates and Joint Venture Entities

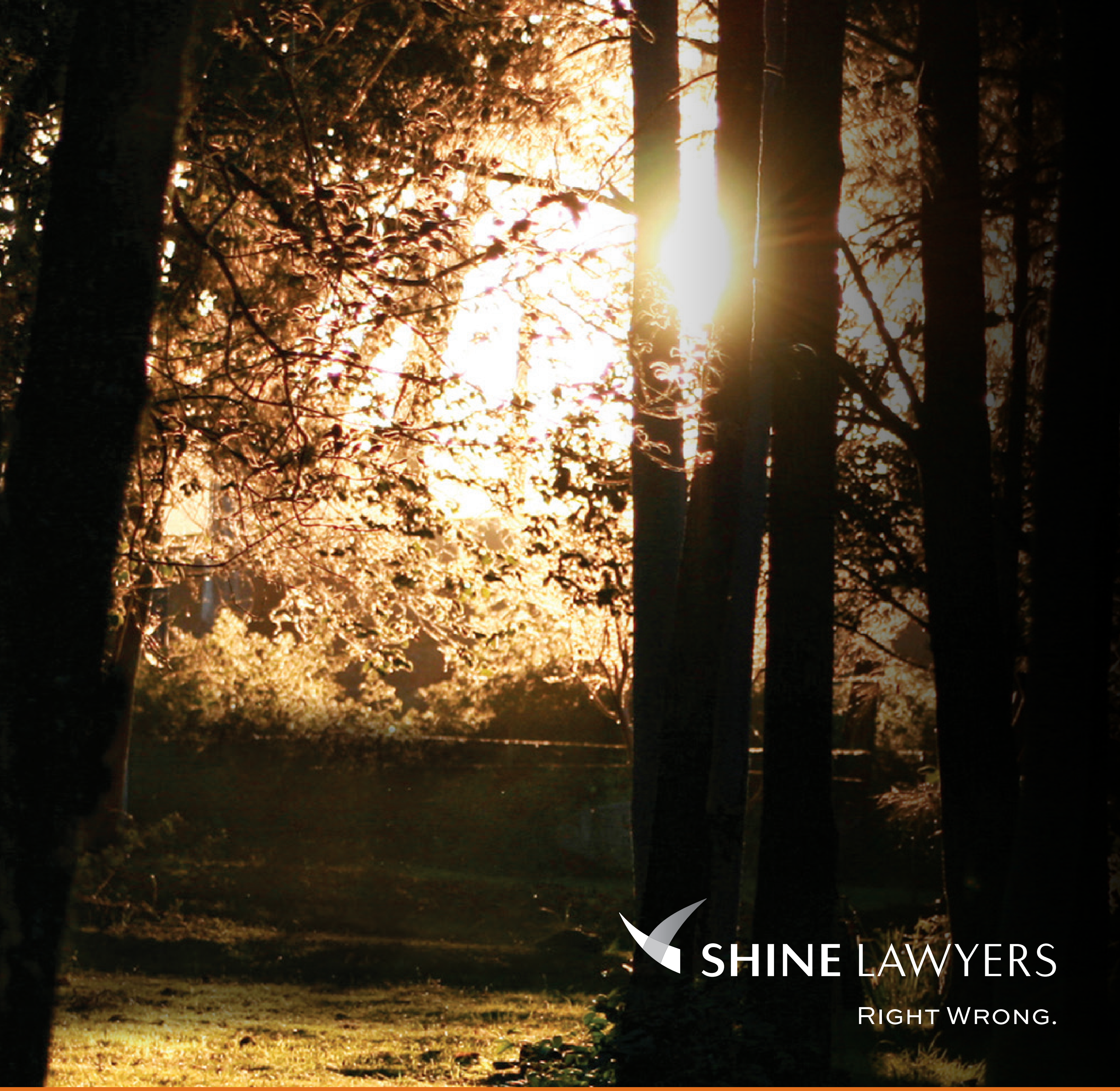
Group's share of associates' and joint venture entities':

	Current period $A'000	Previous corresponding period $A'000
Profit (loss) from ordinary activities before tax	(448)	N/A
Income tax on ordinary activities	-	N/A
Profit (loss) from ordinary activities after tax	(448)	N/A
Extraordinary items net of tax	-	N/A
Net profit (loss)	(448)	N/A
Adjustments	-	N/A
Share of net profit (loss) of associates and joint venture entities	33.33%	N/A

Compliance Statement
This report should be read in conjunction with the attached Financial Report for the year ended 30 June 2013.

Sign here: ______________________ Date: 28 August 2013
(Managing Director)

Print name: Simon Morrison



SHINE CORPORATE LIMITED

ABN 93 162 817 905

FINANCIAL REPORT

For the year ended 30 June 2013

CONTENTS

CORPORATE GOVERNANCE STATEMENT

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

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

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

Shine Corporate Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the 2010 amendments) as well as current standards of best practice for the entire financial year ended 30 June 2013.

BOARD COMPOSITION

The Board comprises five directors, three of whom (including the Chair) are non-executive and meet the Board's criteria to be considered independent. The names of the non-executive/independent directors are:

Tony Bellas (Chair)

Carolyn Barker AM

Greg Moynihan

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

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

A complete listing of the board directors for the year ended 30 June 2013, along with their biographical details, is provided in the Directors' Report.

On 15 February 2013, John George retired from the Board. John George was a non-executive/independent director and was replaced by Greg Moynihan. Greg Moynihan's appointment was confirmed by the Board following an extensive selection process conducted by the Nomination Committee in accordance with best practice governance procedures that identified appropriate candidates. On 28 March 2013, Susan Forrester retired from the Board. Susan Forrester was a non-executive/independent director and was not replaced.

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

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

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

ETHICAL STANDARDS

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

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

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

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

DIVERSITY POLICY

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

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

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

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

- the Board is comprised of 20% women;
- the management team 33%; and
- the staff 80%.

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

SHARE OWNERSHIP AND SHARE TRADING POLICY

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

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

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

BOARD COMMITTEES

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

NOMINATION COMMITTEE

The role of the Nomination Committee is to assist the Board in ensuring that the board comprises directors with a range and mix of attributes appropriate for achieving its objective. The Committee assists the Board by:

- reviewing the skills and expertise of directors and identifying potential deficiencies;
- identifying suitable candidates for the Board, with the assistance of independent recruiting agencies;
- overseeing Board and director reviews;
- establishing succession planning arrangements; and
- making recommendations to the Board on the appointment of the MD, CEO, CFO and COO.

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

The Nomination Committee comprises the three non-executive/independent directors.

REMUNERATION COMMITTEE

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

- developing remuneration policies for Key Management Personnel ("KMP");
- reviewing KMP remuneration and, based on these reviews, making recommendations to the Board on remuneration levels for KMP;

CORPORATE GOVERNANCE STATEMENT (CONT)

- assisting the Chair in reviewing MD performance biannually and reporting to the Board on that performance; and
- making recommendations to facilitate compliance with the Diversity Policy.

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

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

PERFORMANCE EVALUATION

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

The performance of the MD is assessed by the Renumeration Committee with each KMP assessed by the MD.

BOARD ROLES AND RESPONSIBILITIES

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

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

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

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

The Board's broad function is to:

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

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

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

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

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

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

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

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

SHAREHOLDER RIGHTS

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

RISK MANAGEMENT

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

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

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

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

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

A summary of the Board's risk management policies for overseeing and managing material business risks is available from the Group's website at www.shine.com.au.

REMUNERATION POLICY

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

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

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

COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

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

The Board has assessed Shine's current practice against the guidelines and outlines its assessment are shown on the following pages.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the Board and those delegated to manage and disclose those functions.	The Board is responsible for overall corporate governance of the Group.	Complies.
1.2	Disclose the process for evaluating the performance of senior executives.	The Board's broad function is to chart strategy and set financial targets for the Group, monitor the implementation and execution of strategy and performance against financial targets and appoint and oversee the performance of executive management and generally to take an effective leadership role in relation to the Group.	Complies.
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	A board charter is available on the Group's website.	Complies.
Principle 2 – Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	The Group currently has a five member Board, of which three are independent non-executive directors. Together, the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Group and its business.	
2.2	The chair should be an independent director.	The Chairman, Tony Bellas, is an independent non-executive director.	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Group does have a chief executive officer, Jodie Willey, who is not the same individual as the Chairman.	Complies.
2.4	The Board should establish a nomination committee.	A Nomination Committee has been established with its own charter and consists of Tony Bellas, Greg Moynihan and Carolyn Barker AM. The Nomination Committee complies with recommendation 2.4, which recommends that the committee have at least three members, the majority of which must be independent.	Complies.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	The Group has established charter rules for the Nomination Committee as a guide for Board deliberations. The Nomination Committee charter is available on the Group's website.	Complies.
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	A director is considered independent when he substantially satisfies the test for independence as set out in applicable laws, rules and regulations (including the ASX Corporate Governance Recommendations).	Complies.
Principle 3 – Promote ethical and responsible decision making			
3.1	Establish a code of conduct and disclose the code or a summary of the code.	The Corporate Governance Charter includes a code of conduct, which sets out a framework to enable directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.	Complies.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measureable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	Shine has developed and adopted a diversity policy which includes an obligation upon the directors to establish measurable objectives for achieving gender diversity as well as steps to assess annually both the objectives and progress achieving them.	Complies.

Principles and Recommendations			Comply
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	Shine has historical performance measures against these items and currently has a ratio of 1:4 male to female staff members. Shine has received national awards, such as the Equal Opportunity for Women Award.	Complies.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	These percentages are all provided in the preceding commentary of the Corporate Governance Statement.	Complies.
3.5	Provide the information indicated in Guide to reporting on Principle 3.	The departures from Recommendations 3.1 to 3.5 are contained in the relevant sections above.	Complies.
Principle 4 – Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Group has established an Audit and Risk Management Committee to assist and report to the Board.	Complies.
4.2	The audit committee should be structured so that it consists of only non-executive directors, a majority of independent directors, is chaired by an independent chair who is not chair of the Board and have at least 3 members.	The Audit and Risk Management Committee consists of Greg Moynihan, Tony Bellas and Carolyn Barker AM, all independent non-executive directors and will be chaired by an independent director who is not chair of the Board.	Complies.
4.3	The audit committee should have a formal charter.	The Audit and Risk Management Committee has a formal charter.	Complies.
4.4	Provide the information indicated in Guide to reporting on Principle 4.	The Audit and Risk Management Committee charter is available on the Group's website.	Complies.
Principle 5 – Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Shine has a continuous disclosure policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules. Shine's approach to its continuous disclosure obligations are also set out in the corporate governance charter.	Complies.
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	The Group's continuous disclosure policy is available on the Group's website.	Complies.
Principle 6 – Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	Shine's Corporate Governance Charter includes a statement regarding Shine's approach to shareholder communications. The Group aims to ensure that all shareholders are well informed of all major developments affecting the Group and that the full participation by shareholders at the Group's AGM is facilitated.	Complies.
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	The Group's code of conduct policy is available on the Group's website.	Complies.
Principle 7 – Recognise and manage risk			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of these policies.	The Corporate Governance Charter sets out processes and policies for the management of risk in Shine's business. The Board must evaluate risks regularly and consider corrective action to correct any risks.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Group's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Group's management of its material business risks.	The Board is responsible for the oversight and management of risk, including the identification of material business risks on an ongoing basis and will be assisted by the Audit and Risk Management Committee where required.	Complies.
7.3	The Board should disclose whether it has received assurance from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	The Corporate Governance Charter requires the chief executive officer and chief financial officer to provide a statement to the board with any financial report to the effect that the Group's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.	Complies.
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Refer to the comments above in 7.1, 7.2 and 7.3.	Complies.
Principle 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a Remuneration Committee.	The Board has established a Remuneration Committee to assist the board to discharge its responsibilities in relation to remuneration and issues relevant to remuneration policies and practices, including those for senior management and non-executive directors.	Complies.
8.2	The Remuneration Committee should be structured so that it: a) consists of a majority of independent directors; b) is chaired by an independent director; and c) has at least three members.	The Remuneration Committee consists of Greg Moynihan, Tony Bellas and Carolyn Barker AM, all independent directors and will be chaired by an independent director who is not chair of the Board.	Complies.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Group has adopted a remuneration policy which complies with the guidelines for executive remuneration packages and non- executive director remuneration.	Complies.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Remuneration Committee charter is available on the Group's website.	Complies.

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the financial year ended 30 June 2013. Shine Corporate Limited was incorporated as a public company on 13 March 2013 and acquired 100% of the issued capital of Shine Lawyers Ltd on 19 March 2013, in order to facilitate its listing on 15 May 2013. The substance of the restructure has been evaluated with reference to Australian Accounting Standard AASB 3 Business Combinations, and it has been determined that the restructure did not represent a business combination as outlined in that standard. The accounting treatment adopted for recognising this new group structure is a form of group reorganisation that does not involve any change of economic substance and, therefore, represents a continuation of the existing group previously controlled by Shine Lawyers Ltd.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

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

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

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The consolidated profit of the Group amounted to $17,503,007 (2012: $17,746,688) after providing for income tax and eliminating non-controlling equity interests. In doing so, this result meets the Directors' Forecast for the Group provided in Shine Corporate Limited's prospectus for its initial public offering in May 2013. Further discussion of the Group's operations is provided below.

Comparative Information

During the year ended 30 June 2012, the business of "Shine Lawyers" operated through the company Shine Lawyers Ltd, the "Shine Partnership" and the "Service Trust" as detailed in Shine Corporate Ltd's prospectus for its initial public offering in May 2013. However, information contained in this Financial Report relates to the companies Shine Corporate Ltd and Shine Lawyers Ltd only and excludes the results of the Shine Partnership and the Service Trust.

The Pro Forma for the year ended 30 June 2012 for Shine Lawyers Ltd, the Shine Partnership, and the Service Trust as if they had operated as one entity, as set out in Shine Corporate Ltd's prospectus of 28 March 2013, compares to the year ended 30 June 2013 as shown in the table below.

REVIEW OF OPERATIONS

The Group primarily operates as a national law firm, through its Incorporated Legal Practice, Shine Lawyers Ltd, that specialises in plaintiff litigation. The Group's vision is to Shine a light on injustice and make the world a better place one client at a time. The Group's values are central to its day-to-day operations. The Group protects the rights of every day Australians and empowers them to right wrong, wherever and whenever it occurs. With over 10,000 open client matters, the Group does not have any dependencies on any key clients.

During the year revenue increased by 19% as a result of the continued success of the 'inch wide mile deep' expansion strategy of growing all areas of the Group's damages based litigation services. Revenue from emerging practice areas (such as disability insurance and superannuation claims, professional negligence, class actions and landowner rights) has grown to 12% of total revenue, with personal injury services at 88%.

During the year, the Group grew its national footprint with the addition of 6 offices from a combination of acquisitions, greenfield start-ups and brownfield expansions, taking the total number of offices nationally to 35. In doing so, the Group further secured its place as the third largest plaintiff litigation firm in Australia.

In May 2013, the Group successfully listed on the Australian Stock Exchange and the results to 30 June 2013 have met the Directors' Forecast for both EBITDA and gross operating cash flow as contained in Shine Corporate Ltd's prospectus for its initial public offering.

The listing has provided the Group with ongoing access to equity capital markets, a further increase in public profile, the opportunity to reduce debt (to a modest $3,267,487 at 30 June 2013), and the flexibility to provide employees with an opportunity to participate in the ownership of the Group. As highlighted in the Financial Position commentary below, the Group is well positioned to continue to grow and take advantage of the consolidation occurring in the plaintiff litigation industry.

FINANCIAL POSITION

The net assets of the consolidated group have increased by $28,006,752 from 30 June 2012 to $103,147,906 in 2013 as a result of:

- the strong operating performance of the Group;
- proceeds from share issues raising $13,666,678; and
- the impact of acquisitions in the current year.

The consolidated group's strong financial position has enabled the Group to continue to acquire firms at the same time reducing its net debt from $5,330,780 at 30 June 2012 to $3,267,487 at 30 June 2013.

	Reported Year ended 30 June 2013 $'000	Reported Year ended 30 June 2012 $'000	Adjustment for Service Trust and Shine Partnership $'000	Pro Forma Year ended 30 June 2012 $'000
Revenue	105,427,679	88,430,628	(2,955,000)	85,475,628
Net Profit from continuing operations	17,503,007	17,746,688	(2,287,000)	15,459,688

DIRECTORS' REPORT (CONT)

With a healthy cash position at 30 June 2013 of $15,982,186 and access to a further $11,725,000 from an existing unused debt facility, the Directors believe the Group is in a strong and stable financial position to expand and grow its current operations.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

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

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

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

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

Given its strong financial position, the Group considers itself well placed to capitalise on these opportunities and to meet the Directors' Forecast for the 2014 financial year as provided in Shine Corporate Limited's prospectus for its initial public offering in May 2013.

MATERIAL BUSINESS RISKS

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

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

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

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

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

WIP Recoverability: Because the Group operates on a speculative fee basis and in areas of law where the ultimate recovery of fees is regulated, the recoverability of WIP is a key risk to realising booked revenue. Although the Group has taken actions to assist in the recoverability of its WIP, and periodically makes provisions for unrecoverable WIP, it is a difficult measure to predict with certainty.

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

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

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

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

To mitigate this risk, the Group has undertaken a detailed tender to select the appropriate implementation partner, has established an appropriate corporate governance framework to oversee the project, and has a considered change management process as part of the project.

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

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

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

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

(i) On 1 July 2012, Shine Lawyers Ltd acquired Ron Kramer RKA Lawyers and Eugene Lepore & Associates, both based in Fairfield, NSW;

(ii) On 1 December 2012 Shine Lawyers Ltd acquired Shannon Donaldson Provence Lawyers, based in Dalby and Toowoomba, QLD;

(iii) On 1 May 2013 Shine Lawyers Ltd acquired Irena Penchanats Solicitors, based in Liverpool, NSW; and

(iv) During the year the Group issued an additional 15 million ordinary shares at $1 each to shareholders and was admitted to the ASX in May 2013.

DIVIDENDS PAID OR RECOMMENDED

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

Final 2012 ordinary dividend of 1.158 cents per share paid on 7 December 2012.	$2,262,733
Interim 2013 ordinary dividend of 0.643 cents per share paid on 7 May 2013.	$900,200
Final 2013 ordinary dividend of 1.75 cents per share recommended by the Directors to be paid on 9 October 2013 out of retained profits at 30 June 2013.	$2,712,500

EVENTS AFTER THE REPORTING PERIOD

On 5 August 2013, the Group entered into an agreement to purchase 115 personal injury files from Gouldson Legal Pty Ltd for a consideration of $2.2M.

ENVIRONMENTAL REGULATION

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

INFORMATION ON DIRECTORS

TONY BELLAS

Independent Chairman and Non-Executive Director
Appointed 13 March 2013

MBA, BEcon, DipEd, FAIM, MAICD, ASA

Experience

Tony joined Shine in 2013 as independent chairman and non-executive director. He has over 26 years' experience in senior management roles in the public and private sectors. Currently chairman of ERM Power Limited and Corporate Travel Management Ltd and director of a number of other unlisted companies, Tony was previously Chief Executive of a number of major companies including:

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

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

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

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

Interest in Shares

90,000

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

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

DIRECTORS' REPORT (CONT)

CAROLYN BARKER AM

Non-Executive Director
Appointed 13 March 2013

BBus, MBA, FAIM

Experience

Carolyn joined the Board in 2009 as a non-executive Director. Carolyn commenced her professional career as an owner and operator of a nationally accredited advertising agency.

For ten years, she led the Australian Institute of Management QLD and NT and the Institute's national commercial businesses in online learning and publishing.

In 2010 she was appointed Chief Operating Officer of the Endeavour Learning Group, an Australasian private education business, owned by private equity. Carolyn is Chair of Brisbane Transport and a non-executive director of MIGAS. She was previously a director of private companies The Cyber Institute Pty Ltd and In Touch Pty Ltd. In 2000 she was made the inaugural chair of The Queensland Orchestra, a position she held for eight years.

In 2005 Carolyn was awarded a Member of the Order of Australia for her service to business through management education. She is an adjunct professor in business at Griffith University.

Interest in Shares

100,000

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

None

GREGORY MOYNIHAN

Non-Executive Director
Appointed 13 March 2013

BCom, Grad Dip SIA, CPA, FFin, MAICD

Experience

Greg joined Shine in 2013 as a non-executive director. He has spent most of his career within the broad finance sector and is a former CEO of Metway Bank Limited. He has held senior executive positions in Citibank Australia, Metway and Suncorp Metway covering a range of disciplines including financial and capital management, investment management, and corporate strategy.

Greg has held past directorships with a range of companies including Cashcard Australia Ltd, LJ Hooker Ltd, RACQ Insurance Ltd, HFA Limited and various subsidiaries of Suncorp Metway Ltd.

He is currently a director of Sunwater Limited (since 2007), Corporate Travel Management Limited (since 2010) and several unlisted companies.

Interest in Shares

100,000

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

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

SIMON MORRISON

Managing Director
Appointed 13 March 2013

LLB

Experience

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

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

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

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

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

Interest in Shares

50,339,902

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

None

STEPHEN ROCHE

Executive Director
Appointed 13 March 2013

LLB, LLM

Experience

Stephen joined Shine in 1981 and is Shine's longest serving staff member. He is a former Managing Partner of Shine and was among the first solicitors in Queensland to be awarded Specialist Accreditation in Personal Injuries by the Queensland Law Society. Stephen is a Fellow of the Australian Institute of Management, an active member of The Executive Direction, a past President of the Australian Plaintiff Lawyers Association and a past member of the National Executive. He is admitted to practise in various states in Australia. His current role is developing strategic opportunities.

Interest in Shares

50,339,902

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

None

The following three named individuals on the following page were Directors of Shine Lawyers Ltd during the year, but were never appointed Directors of Shine Corporate Ltd.

CHRISTOPHER WALLER

B Eng, FAICD

Chris resigned as a director of Shine Lawyers Ltd on 15 February 2013. Prior to his resignation Chris was the Chair of the Board.

Experience

Chris is Chairman of the Manufacturing Industries Group Apprenticeship Scheme and has been a TEC Chair.

He has been managing director of a number of successful manufacturing, servicing and distribution businesses in Australia and Africa.

SUSAN FORRESTER

BA, LLB, MAICD, EMBA

Susan resigned as a director of Shine Lawyers Ltd on 28 February 2013. Susan was a non-executive director

Experience

Sue has spent over 20 years in the legal, commercial and change management fields. She was a director of Ergon Energy Corporation Ltd and is a director of Major Brisbane Festivals Pty Ltd.

JOHN GEORGE

B Bus, CPA, FAIM, ACIS

John resigned as a non-executive director of Shine Lawyers Ltd on 15 February 2013 in order to take up the position of Company Secretary.

Experience

John has worked in a big four accounting firm, in corporate regulation and capital markets at ASIC. John is a non-executive director of Gladstone Airport Corporation and an advisory board member of McNab Constructions.

COMPANY SECRETARIES

The Company has two joint company secretaries, namely John George, BBus, CPA, FAIM, ACIS and Craig Thompson, BCom, CA.

MEETINGS OF DIRECTORS

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

INDEMNIFYING OFFICERS OR AUDITOR

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

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

The total amount of insurance contract premiums paid was $10,000.

OPTIONS

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

PROCEEDINGS ON BEHALF OF THE GROUP

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

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

NON-AUDIT SERVICES

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

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

	Directors' Meetings		Audit and Risk Management		Nominations		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Tony Bellas	7	7	4	4	1	1	2	2
Carolyn Barker AM	12	12	8	8	1	1	2	2
Gregory Moynihan	7	7	4	4	–	–	2	2
Simon Morrison	12	12	4	4	2	2	3	3
Stephen Roche	12	12	–	–	2	2	3	3
Christopher Waller	5	5	–	–	–	–	–	–
John George	5	5	5	5	–	–	–	–
Susan Forrester	5	5	–	–	1	1	1	1

These meetings are for Shine Lawyers Ltd to 13 March 2013 and then Shine Corporate Limited from 14 March to 30 June 2013.

DIRECTORS' REPORT (CONT)

The following fees were paid or payable to Ernst & Young for non-audit services provided during the year ended 30 June 2013:

	$
Technical accounting advice	20,000
IPO investigating accounting services	135,862
	155,862

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 18 of the Financial Report.

REMUNERATION REPORT (AUDITED)

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

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

REMUNERATION POLICY

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

ROLE OF THE REMUNERATION COMMITTEE

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

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

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

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non-executive Directors

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

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

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

Directors' Fees

The current base fees were last reviewed on 14 March 2013.

Executive Remuneration Framework

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

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

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

The current executive remuneration framework currently has two components, base remuneration and benefits including superannuation. There are currently no structured short term or long term incentives in place and hence no variable compensation linked directly to company performance.

Fixed Remuneration and Benefits

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

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

Executives receive benefits including motor vehicle benefits.

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

Short Term Incentives

There are currently no structured short term incentive plans in place.

Company performance

There is no link between company performance and executive remuneration. In the year to 30 June 2013, earnings per share was 12.3 cents, dividends paid per share was 1.801 cents. The shares were listed for the IPO on 15 May 2013 at $1 per share and closed on 30 June 2013 at $1.475 per share.

CHANGES IN DIRECTORS AND EXECUTIVES SUBSEQUENT TO YEAR-END

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

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2013

The following table of benefits and payments details, in respect to the 2013 financial year, the components of remuneration for each member of KMP of the consolidated group.

Table of Benefits and Payments for the Year Ended 30 June 2013

	Short-term benefits			Post employment	TOTAL
	Salary, Fees and Leave	Non Monetary Benefits	Long Service Leave	Superannuation	
2013	$	$	$	$	$
Non Executive Directors					
Tony Bellas	44,307	–	–	3,988	48,295
Carolyn Barker AM	54,761	–	–	4,928	59,689
Gregory Moynihan	29,230	–	–	2,631	31,861
Christopher Waller	66,000	–	–	–	66,000
John George	79,660	–	–	–	79,660
Susan Forrester	30,785	–	–	2,771	33,556
Sub-total non-Executive Directors	304,743	–		14,318	319,061
Simon Morrison	429,288	26,519	–	25,000	480,807
Stephen Roche	379,288	26,116	–	25,000	430,404
Other Key Management Personnel					
Jodie Willey (CEO)	317,017	22,239	2,179	19,874	361,309
Craig Thompson (CFO)	335,999	10,264	–	30,240	376,503
Graeme McFadyen (COO) Appointed 29/10/2012	234,230	5,022	–	21,081	260,333
Total KMP	2,000,565	90,160	2,179	135,513	2,228,417

The total percentage of performance related remuneration is nil for all KMP. Directors' fees above include remuneration for the full 2013 year on both Shine Lawyers Limited to March 2013 and Shine Corporate Limited from March 2013.

SUMMARY OF EXECUTIVE CONTRACTUAL ARRANGEMENTS

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

	Notice Period	Payment in lieu of notice
Resignation		
Executive Directors	6 months	6 months
Non-Executive Directors	None	None
CEO	12 weeks	12 weeks
CFO,COO	4 weeks	4 weeks
Termination for cause	None	None
Termination without cause		
Executive Directors	6 months	6 months
Non-Executive Directors	Statutory	Statutory
CEO	12 weeks	12 weeks
CFO,COO	4 weeks	4 weeks

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

Simon Morrison
Managing Director

Tony Bellas
Chair

Dated: 27 August 2013

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

Building a better working world

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 Limited

In relation to our audit of the financial report of Shine Corporate Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Ric Roach
Partner
27 August 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
	Note	2013 $	2012 As restated $
Continuing operations			
Revenue	4	105,427,679	88,430,628
Other income		–	28,652
Employee benefits expense		(49,983,182)	(38,200,342)
Depreciation and amortisation expense		(1,516,268)	(858,617)
Finance costs		(1,093,677)	(642,446)
Other expenses	5	(27,110,442)	(23,321,873)
Share of net loss of associates and joint venture entities	7,17	(447,937)	–
Profit before income tax	8	25,276,173	25,436,002
Tax expense	9	(7,773,166)	(7,689,314)
Net Profit from continuing operations		17,503,007	17,746,688
Net Profit for the year		17,503,007	17,746,688
Total comprehensive income for the year		17,503,007	17,746,688

The net profit and total comprehensive income is all attributable to members of the parent entity.

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

Basic earnings per share (cents)	13	12.3	12.8
Diluted earnings per share (cents)	13	12.3	12.8

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

		Consolidated Group	
		2013	2012 As restated
ASSETS	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	14	15,982,186	9,308,171
Trade and other receivables	15	8,600,994	6,018,294
Current tax receivable		1,388,176	–
Work in progress	16	88,886,423	77,180,023
Unbilled disbursements	16	20,759,339	20,029,155
Other current assets	22	852,569	594,509
TOTAL CURRENT ASSETS		136,469,687	113,130,152
NON-CURRENT ASSETS			
Property, plant and equipment	19	5,133,792	3,969,016
Intangible assets	20	9,146,060	5,574,863
Work in progress	16	27,397,012	14,364,634
Unbilled Disbursements	16	6,594,969	2,619,759
Other non-current assets	22	95,696	–
TOTAL NON-CURRENT ASSETS		48,367,529	26,528,272
TOTAL ASSETS		184,837,216	139,658,424
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	23	15,170,294	9,296,524
Borrowings	25	2,446,503	12,732,132
Deferred revenue	26	3,000,237	3,902,362
Current tax liabilities	27	–	1,456,074
Provisions	28	4,944,626	3,087,278
TOTAL CURRENT LIABILITIES		25,561,660	30,474,370
NON-CURRENT LIABILITIES			
Trade and other payables	23	–	1,521,226
Borrowings	25	16,803,170	1,906,821
Deferred revenue	26	923,006	451,379
Deferred tax liabilities	27	36,709,797	28,951,284
Provisions	28	1,691,677	1,212,190
TOTAL NON-CURRENT LIABILITIES		56,127,650	34,042,900
TOTAL LIABILITIES		81,689,310	64,517,270
NET ASSETS		103,147,906	75,141,154
EQUITY			
Issued capital	29	18,256,679	4,590,001
Retained earnings		84,891,227	70,551,153
TOTAL EQUITY		103,147,906	75,141,154

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Share Capital Ordinary $	Retain Earnings $	Total $
Consolidated Group				
Balance at 1 July 2011	As restated (refer note 2(w))	4,590,001	56,988,829	61,578,830
Comprehensive income				
Profit for the year	As restated (refer note 2(w))	–	17,746,688	17,746,688
Total comprehensive income for the year		–	17,746,688	17,746,688
Transactions with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	12	–	(4,184,364)	(4,184,364)
Total transactions with owners and other transfers		–	(4,184,364)	(4,184,364)
Balance at 30 June 2012	As restated (refer note 2(w))	4,590,001	70,551,153	75,141,154
Balance at 1 July 2012	As restated (refer note 2(w))	4,590,001	70,551,153	75,141,154
Comprehensive income				
Profit for the year		–	17,503,007	17,503,007
Total comprehensive income for the year		–	17,503,007	17,503,007
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year		15,506,250	–	15,506,250
Transaction costs		(1,839,572)	–	(1,839,572)
Dividends recognised for the year	12	–	(3,162,933)	(3,162,933)
Total transactions with owners and other transfers		13,666,678	(3,162,933)	10,503,745
Balance at 30 June 2013		18,256,679	84,891,227	103,147,906

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
		2013	2012 As restated
	Note	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		92,866,008	59,325,126
Interest received		238,724	200,615
Payments to suppliers and employees		(84,188,867)	(50,361,003)
Finance costs		(1,093,677)	(598,404)
Income tax paid		(2,858,903)	(1,793,682)
Net cash provided by operating activities	33	4,963,285	6,772,652
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		–	28,652
Acquisition of businesses and purchase of files		(8,522,904)	(4,310,619)
Advances to associates and joint ventures		(3,623,727)	–
Purchase of plant and equipment		(2,226,430)	(2,455,738)
Transformation development costs		(680,792)	(1,394,533)
Net cash used in investing activities		(15,053,853)	(8,132,238)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		15,506,250	–
Transaction costs of issue of shares		(1,839,572)	–
Proceeds from borrowings		4,052,949	6,782,852
Finance lease principal repayments		557,771	(497,057)
Dividends paid in cash		(1,512,815)	(326,579)
Net cash provided by financing activities		16,764,583	5,959,216
Net increase in cash held		6,674,015	4,599,630
Cash and cash equivalents at beginning of financial year		9,308,171	4,708,541
Cash and cash equivalents at end of financial year		15,982,186	9,308,171

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 CORPORATE INFORMATION

Shine Corporate Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. Shine Corporate Limited was incorporated as a public company on 13th March 2013 and acquired 100% of the issued equity of Shine Lawyers Limited on 19th March 2013. The substance of the acquisition transaction has been evaluated with reference to Australian Accounting Standard AASB 3 Business Combinations, and it has been determined that the restructure did not represent a business combination as outlined in that standard. The accounting treatment adopted for recognising this new group structure is a form of group reorganisation that does not involve any change of economic substance and, therefore, represents a continuation of the existing group controlled by Shine Lawyers Limited.

Accordingly, comparative amounts for the year ended and at 30 June 2012 are Shine Lawyers Limited only. The current year's Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the 30 June 2013 year consists of the following:

- Shine Corporate Limited for the period 19 March 2013 to 30 June 2013; and
- Shine Lawyers Limited for the period 1 July 2012 to 30 June 2013.

The consolidated financial statements of Shine Corporate Limited for the year ended 30 June 2013 were authorised for issue on 27th August 2013 in accordance with a resolution of the directors of the company.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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.

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

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Shine Corporate Limited at the end of the reporting period. A controlled entity is any entity over which Shine Corporate Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

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.

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

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

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

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

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

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

Goodwill

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

(i) the consideration transferred;

(ii) any non-controlling interest; and

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

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

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

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

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

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

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

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

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

(b) Income Tax

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

Current income tax 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.

(c) Revenue

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

(i) Rendering of services

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

(ii) Interest revenue

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

(iii) Other income, including costs recovery is 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)

(d) 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.

(e) Work in Progress

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

(f) Plant and Equipment

Each class of 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 1(i) for details of impairment).

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Fixtures and fittings	5-50%
Leased plant and equipment	10-25%
Make Good	20-50%
Motor Vehicles	20%
Office and Computer Equipment	7.5-50%

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) 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 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.

(h) 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) 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.

(ii) 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.

(iii) Financial Liabilities

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

Impairment

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

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

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

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

(i) 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 jointly controlled entities 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 to sell 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 (e.g. 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.

(j) 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 financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

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

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

(k) Interests in Joint Ventures

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.

(l) Intangibles Other than Goodwill

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

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

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

Transformation Project Costs	3 years
Erin Brockovich Agreement	10 Years
Software Development	3 years

(m) 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. These differences are recognised in the profit or loss in the period in which the operation is disposed.

(n) 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 national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(o) 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.

(p) 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.

(q) Trade and Other Receivables

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

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

(r) 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.

(s) 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.

(t) Goods and Services Tax (GST)

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

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

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

(u) 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 has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(v) 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

(i) Provision for Work in Progress

The company has provided for potential non-recovery of work in progress by evaluating the prospects of each case and its likelihood of recovery.

(ii) 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.

(iii) 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 21.

(w) Prior Year Adjustment

The company has restated its previously issued financial statements for the year ended 30 June 2012, for matters related to AASB 138 Intangible Assets, AASB 117 Leases and AASB 119 Employee Benefits. The accompanying financial statements have been amended to reflect the corrections which resulted in changes to the provision in annual leave, by now including on costs; the introduction of make good assets and provisions for a liability to make good property leases at the end of their respective terms and; the introduction of a provision where incentives were provided to enter into a property lease. Also, retained earnings at 1st July 2011 have been reduced by $369,877 as a result of previously unrecorded liabilities at 30 June 2011. As a result of these corrections, the following adjustments shown in the table were made to the financial statements.

	As of 1 Jul 2011	Year 30 June 2012
	$	$
Increase in provision for annual leave	$ 230,000	–
Increase in accrual for deferred lease incentives	133,830	240,765
Increase in amortisation on make goods	124,343	95,452
Increase in discount on net present value for make good liability	45,019	44,042
Reclassification from prepayments to marketing cost	–	376,873
Decrease in deferred tax liability	163,315	206,916
Increase in make good asset	679,395	–
Increase in make good provision	679,395	–
Net decrease in opening retained earnings/net profit after tax	369,877	550,216

The company has also increased the 2012 IT and computer expenses in note 5 by $502,000 and reduced printing, postage and stationery by the same amount to reflect the fact that in 2013 the former heading includes telephone costs which were previously in the later heading. This will aid comparison between the two years.

(x) New Accounting Standards for Application in Future Periods

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

AASB 9: *Financial Instruments (December 2010)* and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards *were* mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. This amendment is a consequence of the deferral of IFRS 9 to allow the IASB to complete its revision of that Standard. In light of this change of mandatory effective date, the Group is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 30 June 2014.

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

AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities,* AASB 127: *Separate Financial Statements (August 2011),* AASB 128: *Investments in Associates and Joint Ventures (August 2011)* and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation* and *Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

The Group's interests in Risk Worldwide New Zealand Ltd and in

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

EB Inc (see Notes 6 and 7), only commenced in the current reporting period and as such will be accounted for using the equity method of accounting under AASB 11. As a result this will not have any impact on the Group's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a 'structured entity', replacing the 'special purpose entity' concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

These Standards are not expected to significantly impact the Group's financial statements.

AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

AASB 2011–4: *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.*

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole, and the changes will affect disclosure only because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

AASB 119: *Employee Benefits (September 2011)* and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119.*

These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans. The group has no defined benefit plans and there will be no impact on the financial statements. The standards also introduced potential changes to the calculation of provisions for long service leave. This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

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

AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

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

AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs*.

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect;
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

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

NOTE 3 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards. The parent company was only registered in March 2013 and so no comparatives are presented.

The reporting period for the parent is from 13 March 2013 to 30 June 2013.

STATEMENT OF FINANCIAL POSITION	2013 $
ASSETS	
Current assets	13,209,906
Non-current assets	84,500,000
TOTAL ASSETS	97,709,906
LIABILITIES	
Current liabilities	15,287
Non-current liabilities	–
TOTAL LIABILITIES	15,287
EQUITY	
Issued capital	97,660,427
Retained earnings	34,192
TOTAL EQUITY	97,694,619
STATEMENT OF COMPREHENSIVE INCOME	
Total profit	34,192
Total comprehensive income	34,192

Guarantees

The parent company is party to the overall financing arrangements and related security, as detailed in notes 18 and 25. In addition, the parent is party to the Group's cross guarantee arrangements, as detailed in note 18.

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

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2013.

Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2013.

NOTE 4 REVENUE AND OTHER INCOME

(a) Revenue from continuing operations

	2013 $	2012 $
Sales revenue		
– Provision of services/professional fees	101,591,887	83,949,774
– Sundry disbursements recovered	3,539,907	3,961,254
– Administration fee	–	300,000
	105,131,794	88,211,028
– Interest received	238,725	200,615
– Other revenue	57,160	18,985
	295,885	219,600
Total revenue	105,427,679	88,430,628

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5 OTHER EXPENSES

Other Expenses	2013 $	2012 $
Premises expenses	6,752,750	5,967,111
Marketing expenses	4,825,848	4,064,910
HR expenses	3,103,168	2,476,682
IT and computer expenses	3,921,348	3,242,374
Printing, postage and stationery	1,825,176	1,328,023
Professional fees	2,711,272	1,900,090
Unrecovered matter related expenses	1,849,744	2,886,115
Motor vehicle and travel expenses	1,334,075	923,018
Sundry expenses	787,061	533,550
	27,110,442	23,321,873

NOTE 6 INTEREST IN A JOINT VENTURE

The Group has a 50% interest in EB Inc, a jointly controlled entity involved in the referral of law claims in the US.

The Group's share of the assets and liabilities as at 30 June 2013 and income and expenses of the jointly controlled entity for the year ended 30th June 2013, which is equity accounted for in the consolidated financial statements, is as follows:

	2013 $	2012 $
Share of the joint venture's statement of financial position:		
Current assets	–	–
Non-current assets	95,698	–
Current liabilities	–	–
Non-current liabilities	(95,698)	–
Equity	–	–
Share of the joint venture's revenue and profit:		
Revenue	51,610	–
Administrative costs	(51,610)	–
Profit before tax	–	–
Income tax expense	–	–
Profit for the year from continuing operations	–	–

The joint venture entity had no contingent liabilities or capital commitments as at 30 June 2013.

NOTE 7 INVESTMENT IN AN ASSOCIATE

The Group has a one third interest in Risk Worldwide New Zealand Limited, which is involved in Insurance Policy Recovery Consulting in New Zealand.

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

	2013 $	2012 $
Share of the associate's statement of financial position:		
Current assets	1,685,920	–
Non-current assets	60,200	–
Current liabilities	(273,077)	–
Non-current liabilities	(1,952,347)	–
Equity	(479,304)	–
Share of the associate's revenue and loss:		
Revenue	283,207	–
Loss	(447,937)	–
Carrying amount of the investment	–	–

NOTE 8 PROFIT FOR THE YEAR

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

	2013 $	2012 $
(a) Finance Cost Expense		
Interest on bank overdraft and loans	1,093,677	642,446
	1,093,677	642,446
(b) Depreciation and amortisation of non-current assets		
Plant and Equipment	1,170,841	571,030
Transformation Project Costs	215,567	174,582
Erin Brockovich Agreement	113,005	113,005
Software	16,855	–
	1,516,268	858,617
Rental expense on operating leases	5,320,289	4,586,456
– minimum lease payments	5,320,289	4,586,456
(c) Employee benefits expense		
Defined contribution superannuation expense	3,708,654	2,649,518

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 9 INCOME TAX EXPENSE

	2013	2012
	$	$
(a) The components of tax expense comprise:		
Current tax	14,653	2,656,074
Deferred tax (refer note 27)	7,758,513	5,033,240
	7,773,166	7,689,314
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
– consolidated group	7,702,580	7,630,800
– parent entity	14,653	–
Add:		
Tax effect of:		
– other non-allowable items	55,933	58,514
Income tax attributable to entity	7,773,166	7,689,314
The applicable weighted average effective tax rates are as follows:	30.8%	30.2%

NOTE 10 KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2013.

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

	2013	2012
	$	$
Short-term employee benefits	2,092,904	2,743,103
Post-employment benefits	135,513	167,590
Total KMP compensation	2,228,417	2,910,693

KMP Options and Rights Holdings

No options have been issued by the company.

KMP Shareholdings

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

30 June 2013	Balance at beginning of year	Acquired during the year	Group Re–organisation	Acquired or (disposed) on listing	Balance at end of year
Directors					
Tony Bellas	–	–	–	90,000	90,000
Carolyn Barker AM	–	–	–	100,000	100,000
Gregory Moynihan	–	–	–	100,000	100,000
Simon Morrison	91,183,383	12,500	(25,855,981)	(15,000,000)	50,339,902
Stephen Roche	91,183,383	12,500	(25,855,981)	(15,000,000)	50,339,902
Executives					
Jodie Willey	2,000,000	–	(567,043)	200,000	1,632,957
Craig Thompson	–	1,500,000	(425,282)	–	1,074,718
Graeme McFadyen	–	–	–	400,000	400,000
	184,366,766	1,525,000	(52,704,287)	(29,110,000)	104,077,479

Other KMP Transactions

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

NOTE 11 AUDITORS' REMUNERATION

	2013 $	2012 $
Remuneration of Ernst & Young for:		
– auditing or reviewing the financial report	90,000	–
– technical accounting advice	20,000	–
– IPO investigating accounting services	135,862	–
	245,862	–
Remuneration of non Ernst &Young audit firms for:		
– auditing or reviewing the financial report	–	31,300
– auditing of trust accounts	12,330	–
– taxation services	91,191	11,525
	103,521	42,825

NOTE 12 DIVIDENDS

	2013 $	2012 $
Distributions paid		
Interim fully franked ordinary dividend of 0.643 cents (2012: 2.158 cents per share) franked at the tax rate of 30% (2012: 30%)	900,200	4,184,364
2012 final fully franked ordinary dividend of 1.158 cents per share paid in 2013	2,262,733	–
	3,162,933	4,184,364
Approved by the board of directors on 27th August 2013 (not recognised as a liability as at 30 June 2013)		
(a) Proposed final 2013 zero franked ordinary dividend of 1.75 cents per share (2012: 1.158) cents per share franked at the tax rate of 30% (2012: 30%)	2,712,500	2,262,733
(b) Franking Credit Balance		
Balance of franking account at year end adjusted for franking credits arising from:		
Opening balance	383	–
Franking credits arising from the payment of income tax	2,918,511	1,793,682
Franked credits paid via dividends in FY 2013	(1,355,543)	(1,793,299)
Actual balance at 30 June 2013	1,563,351	383
Expected tax refunds relating to FY2013 – receivable in FY 2014	(1,388,176)	–
Franked credits paid from proposed dividend in (a) above	–	–
Anticipated balance as it relates to FY2013	175,175	383

NOTE 13 EARNINGS PER SHARE

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

	2013 $	2012 $
Net profit attributable to ordinary equity holders of the parent	17,503,007	17,746,688
Weighted average number of ordinary shares for basic and diluted earnings per share	141,775,578	138,925,282

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14 CASH AND CASH EQUIVALENTS

	2013	2012
	$	$
Cash at bank and on hand	15,982,186	9,308,171
	15,982,186	9,308,171
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	15,982,186	9,308,171
	15,982,186	9,308,171

A floating charge over cash and cash equivalents has been provided for certain debt.

NOTE 15 TRADE AND OTHER RECEIVABLES

	Note	2013	2012
		$	$
CURRENT			
Trade receivables		5,788,944	3,941,948
Provision for impairment	15a	(316,526)	(248,750)
		5,472,418	3,693,198
Other receivables		254,729	470,496
– Unpaid Present Entitlement – Stephen Roche Trust		–	751,501
– Unpaid Present Entitlement – Simon Morrison Trust		–	751,501
– Sundry debtor – Risk Worldwide New Zealand Ltd		2,873,847	351,598
Total current trade and other receivables		8,600,994	6,018,294

(a) Provision For Impairment of Receivables

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

	Opening Balance 01.07.11	Charge for the Year	Amounts Written Off	Closing Balance 30.06.12
	$	$	$	$
Consolidated Group				
Current trade receivables	105,311	221,418	(77,979)	248,750
	105,311	221,418	(77,979)	248,750

	Opening Balance 01.07.12	Charge for the Year	Amounts Written Off	Closing Balance 30.06.13
	$	$	$	$
Consolidated Group				
Current trade receivables	248,750	67,776	–	316,526
	248,750	67,776	–	316,526

(b) Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 15. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

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

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

			Past due but not impaired				
	Gross Amount	Past due and impaired	<30	31–60	61–90	>90	Within initial trade terms
2013	$	$	$	$	$	$	$
Trade and term receivables	5,788,944	316,526	–	823,115	392,174	503,815	3,753,314
Other receivables	3,128,576	–	–	–	–	–	3,128,576
Total	8,917,520	316,526	–	823,115	392,174	503,815	6,881,890

			Past due but not impaired				
	Gross Amount	Past due and impaired	<30	31-60	61-90	>90	Within initial trade terms
2012	$	$	$	$	$	$	$
Trade and term receivables	3,941,948	248,750	145,549	47,349	17,641	86,102	3,396,557
Other receivables	2,325,096	–	–	–	–	–	2,325,096
Total	6,267,044	248,750	145,549	47,349	17,641	86,102	5,721,653

(c) Collateral Pledged

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

(d) Sundry Debtor – Risk Worldwide New Zealand Limited

The receivable from Risk Worldwide New Zealand Limited is unsecured.

NOTE 16 WORK IN PROGRESS

	2013	2012
	$	$
CURRENT		
At net realisable value		
Work in progress	105,427,932	88,117,324
Work in progress provision	(16,541,509)	(10,937,301)
	88,886,423	77,180,023
Unbilled disbursements	21,436,992	20,323,625
Unbilled disbursements provision	(677,653)	(294,470)
	20,759,339	20,029,155
NON CURRENT		
At net realisable value		
Work in progress	32,485,913	16,400,269
Work in progress provision	(5,088,901)	(2,035,635)
	27,397,012	14,364,634
Unbilled disbursements	6,594,969	2,658,275
Unbilled disbursements provision	–	(38,516)
	6,594,969	2,619,759

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17 ASSOCIATED COMPANIES

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
				2013	2012	2013	2012
				%	%	$	$
Unlisted:							
Risk Worldwide New Zealand Limited	Insurance Recovery Consultants	New Zealand	Ordinary	33.33%	33.33%	–	–

	2013	2012
	$	$
(a) Movements during the year in equity accounted investment in associated companies		
The group has no cost base for its investment.		
(b) Equity accounted profits of associates are broken down as follows:		
Share of associate's loss before income tax expense	(447,937)	–
Share of associate's income tax expense	–	–
Share of associate's loss after income tax	(447,937)	–

NOTE 18 CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2013	2012
Subsidiaries of Shine Corporate Limited:			
Shine Lawyers Ltd	Australia	100.00	n/a
Shine DIR Pty Ltd	Australia	100.00	n/a
Shine NZ Pty Ltd	Australia	100.00	n/a

* Percentage of voting power is in proportion to ownership

(b) Deed of Cross Guarantee

Entities subject to class order relief are;

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

By entering into the Deed, the wholly owned Australian entities have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321, 01/1087, 02/0248, and 02/1017) issued by the Australian Securities and Investments Commission.

Shine Corporate Limited and all of its controlled entities are party to the above Deed of Cross Guarantee and represent a Closed Group for the purposes of the Class Order. As the consolidated financial statements cover all parties to the Deed of Cross Guarantee, no separate disclosure of consolidated information of the Closed Group has been made.

NOTE 19 PLANT AND EQUIPMENT

	2013 $	2012 $
Plant and Equipment		
Fixtures and Fittings		
At cost	4,610,541	2,742,703
(Accumulated depreciation)	(969,376)	(237,001)
	3,641,165	2,505,702
Leased Plant and Equipment		
Capitalised leased assets	782,356	699,786
(Accumulated depreciation)	(281,046)	(156,471)
	501,310	543,315
Office Furniture and Equipment		
At cost	648,135	403,095
(Accumulated depreciation)	(181,304)	(100,575)
	466,831	302,520
Computer Equipment and Software		
At cost	486,119	469,373
(Accumulated depreciation)	(375,872)	(287,399)
	110,247	181,974
Make Good Allowance on Leased Premises		
At cost	854,455	679,395
(Accumulated depreciation)	(440,216)	(243,890)
	414,239	435,505
Total plant and equipment	5,133,792	3,969,016

(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.

	Make Good $	Office Furniture and Equipment $	Computer Equipment $	Motor Vehicles $	Fixtures & Fittings $	Leased Plant and Equipment $	Total $
Consolidated Group:							
Balance at 1 July 2011	559,848	276,077	125,384	29,082	857,976	134,810	1,983,177
Additions	–	113,887	151,359	21,310	2,265,080	521,420	3,073,056
Disposals	–	(8,392)	–	(46,865)	(434,250)	(26,680)	(516,187)
Depreciation expense	(124,343)	(79,052)	(94,769)	(3,527)	(183,104)	(86,235)	(571,030)
Balance at 30 June 2012	435,505	302,520	181,974	–	2,505,702	543,315	3,969,016
Additions	175,060	245,300	16,746	–	1,708,616	82,571	2,228,293
Disposals	–	–	–	–	(1,864)	–	(1,864)
Additions through business combinations	–	–	–	–	109,188	–	109,188
Depreciation expense	(196,326)	(80,989)	(88,473)	–	(680,477)	(124,576)	(1,170,841)
Balance at 30 June 2013	414,239	466,831	110,247	–	3,641,165	501,310	5,133,792

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 20 INTANGIBLE ASSETS

	Goodwill	Transformation Project Costs	Erin Brokovich Agreement	Website Development	Software	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 July 2011	2,320,470	–	1,007,621	–	–	3,328,091
Additions	–	1,192,270	–	–	101,131	1,293,401
Additions through business combinations	1,240,959	–	–	–	–	1,240,959
Amortisation	–	(174,584)	(113,004)	–	–	(287,588)
Balance at 30 June 2012	3,561,429	1,017,686	894,617	–	101,131	5,574,863
Additions	–	636,705	–	44,088	–	680,793
Additions through business combinations	3,235,831	–	–	–	–	3,235,831
Amortisation	–	(215,567)	(113,005)	–	(16,855)	(345,427)
Balance at 30 June 2013	6,797,260	1,438,824	781,612	44,088	84,276	9,146,060

NOTE 21 IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

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

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

	2013	2012
	$	$
Personal injury	4,280,010	3,561,429
Emerging practice areas	2,517,250	–
	6,797,260	3,561,429

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.

	Both Areas 2013	Both Areas 2012
Pre tax discount rate applied to the cash flow position	13% to 13.5%	13% to 13.5%
Cash flows beyond the next financial year, up to year 5, are extrapolated using a growth rate of:		
Revenue	4.0% to 5.0%	4.0% to 5.0%
Operating costs	3.0% to 4.0%	3.0% to 4.0%
Terminal growth	3.00%	3.00%

Key assumptions used in value in use calculations for the years ended 30 June 2013 and 30 June 2012

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

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

Sensitivity to changes in assumptions

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

NOTE 22 OTHER ASSETS

	2013 $	2012 $
CURRENT		
Prepayments	852,569	594,509
	852,569	594,509
NON-CURRENT		
EB Inc Joint Venture	95,696	–

NOTE 23 TRADE AND OTHER PAYABLES

	2013 $	2012 $
CURRENT		
Unsecured liabilities		
Trade payables	4,110,522	319,239
Sundry payables and accrued expenses	5,691,793	3,250,792
Other related parties	84,952	495,681
PAYG tax payable	430,589	330,967
Client related disbursement creditors	4,852,438	4,899,845
	15,170,294	9,296,524
NON-CURRENT		
Unsecured liabilities		
Amount due under contract of sale	–	1,521,226
Deferred recovery of costs from clients	–	–
	–	1,521,226

	2013 $	2012 $
(a) Financial liabilities at amortised cost classified as trade and other payables		
– Trade and other payables	15,170,294	9,296,524
– Total current	–	1,521,226
	15,170,294	10,817,750

NOTE 24 OTHER CURRENT LIABILITIES

	2013 $	2012 $
Current contingent consideration included within sundry payables and accrued expenses	3,142,920	1,652,200
Non current contingent consideration included within amount due under contract of sale	–	1,521,226
	3,142,920	3,173,426

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

In acquiring Palmieri & Co Solicitors, the Group included a contingent consideration consisting of an additional $765,579 (2012: $923,610) in the purchase consideration if average profits of Palmieri & Co Solicitors in the year to 31 January 2014 exceeded a target level.

The additional consideration is due to be paid on 28th February 2014. At the date of acquisition there was a 50% probability that the profit of Palmieri & Co Solicitors would exceed the target level. As such, a $765,579 contingent consideration has been recognised as part of the consideration transferred to acquire Palmieri & Co Solicitors.

In acquiring Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates, the Group included a contingent consideration consisting of an additional $1,727,391 in the purchase consideration if average profits of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates in the year to 30 June 2013 exceeded a target level.

The additional consideration was paid on 31st July 2013. At the date of acquisition there was a 50% probability that the profit of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates would exceed the target level. As such, a $1,721,391 contingent consideration has been recognised as part of the consideration transferred to acquire Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates.

In acquiring Walker Legal Compensation Lawyers, the Group included a contingent consideration consisting of an additional $649,950 (2012: $2,249,816) in the purchase consideration if average profits of Walker Legal Compensation Lawyers in the year to 30 April 2014 exceeded a target level.

The additional consideration is due to be paid on 31 May 2014. At the date of acquisition there was a 50% probability that the profit of Walker Legal Compensation Lawyers would exceed the target level. As such, a $649,950 contingent consideration has been recognised as part of the consideration transferred to acquire Walker Legal Compensation Lawyers.

NOTE 25 BORROWINGS

	Note	2013 $	2012 $
CURRENT			
Secured liabilities			
Bank loans	25a,b	1,500,800	11,966,351
Lease liability		131,933	165,004
Hire Purchase Liability		813,770	600,777
Total current borrowings		2,446,503	12,732,132
NON-CURRENT			
Secured liabilities			
Bank loans	25a,b	14,518,500	–
Lease liability		289,486	351,958
Hire Purchase Liability		1,995,184	1,554,863
Total non-current borrowings		16,803,170	1,906,821
Total borrowings		19,249,673	14,638,953

(a) Total current and non-current secured liabilities:

	2013 $	2012 $
Bank overdraft	–	–
Bank loan	16,019,300	11,966,351
Lease liability	421,419	516,962
Hire Purchase liability	2,808,954	2,155,640
	19,249,673	14,638,953

(b) Collateral provided

The bank debt is secured by a fixed and floating charge over the assets of the Group. Covenants imposed by the bank require total bank debt not to exceed 40% of total work in progress plus 50% of paid disbursements, and for EBITDA less movement in work in progress to exceed an annual rolling amount of $10M.

Lease liabilities are secured by the underlying leased assets.

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

	2013	2012
	$	$
Cash and cash equivalents	15,982,186	9,308,171
Trade receivables	5,472,418	3,693,198
Total financial assets pledged	21,454,604	13,001,369

(c) Unused facilities

The group had the following unused banking facilities at the end of the reporting period.

	Limit	Used at 30 June 2013	Unused Amount
Facility	$	$	$
Equipment finance	5,000,000	4,578,289	421,711
Corporate credit card facility	500,000	–	500,000
Line of credit	5,500,000	–	5,500,000
Bill facilities	22,244,300	16,019,300	6,225,000
Bank guarantees	2,000,000	1,686,708	313,292

NOTE 26 DEFERRED REVENUE

	2013	2012
	$	$
CURRENT		
Deferred revenue	3,000,237	3,902,362
	3,000,237	3,902,362
NON-CURRENT		
Deferred revenue	923,006	451,379
	923,006	451,379

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 27 TAX

	2013 $	2012 $
CURRENT		
Income tax payable	–	1,456,074
	–	1,456,074

	Opening Balance $	Charged to Income $	Closing Balance $
NON-CURRENT			
Consolidated Group			
Deferred tax liability			
Work in progress	21,425,377	3,778,952	25,204,329
Unbilled disbursements	3,375,777	1,269,780	4,645,557
FBT Instalment	–	15,776	15,776
Finance leases	–	2,686	2,686
Provisions – employee benefits	(579,442)	(293,782)	(873,224)
Assessed loans	(273,376)	273,376	–
Sundry deferred tax assets	(30,292)	(13,548)	(43,840)
Balance at 30 June 2012	23,918,044	5,033,240	28,951,284
Work in progress	25,204,329	9,665,219	34,869,548
Unbilled disbursements	4,645,557	928,031	5,573,588
FBT Instalment	15,776	5,374	21,150
Finance leases	2,686	10,199	12,885
Provisions – employee benefits	(873,224)	(684,872)	(1,558,096)
Provisions – doubtful debts	–	(94,958)	(94,958)
Tax losses carried forward	–	(1,889,109)	(1,889,109)
Sundry deferred tax assets	(43,840)	(181,371)	(225,211)
Balance at 30 June 2013	28,951,284	7,758,513	36,709,797

NOTE 28 PROVISIONS

	2013 $	2012 $
CURRENT		
Annual Leave Entitlements		
Opening balance at 1 July 2012	1,916,403	1,644,792
Additional provisions	2,999,381	1,784,409
Amounts used	(2,144,137)	(1,512,798)
Balance at 30 June 2013	2,771,647	1,916,403
Long Service Leave		
Opening balance at 1 July 2012	796,280	612,677
Additional provisions	496,958	245,366
Amounts used	(91,323)	(61,763)
Balance at 30 June 2013	1,201,915	796,280
Balance at 30 June 2013		
Operating Lease Incentives		
Opening balance at 1 July 2012	374,595	–
Net movement in the year	384,465	374,595
Balance at 30 June 2013	759,060	374,595
Other expense provisions	212,004	–
Total	4,944,626	3,087,278
NON CURRENT		
Long Service Leave		
Opening balance at 1 July 2012	443,734	375,113
Additional provisions	171,346	68,621
Amounts used	–	–
Balance at 30 June 2013	615,080	443,734
Leasehold Property Make Goods		
Opening balance at 1 July 2012	768,456	–
Additional provisions	308,141	768,456
Amounts used	–	–
Balance at 30 June 2013	1,076,597	768,456
Total	1,691,677	1,212,190

Analysis of Total Provisions

	2013 $	2012 $
Current	4,944,626	3,087,278
Non-current	1,691,677	1,212,190
	6,636,303	4,299,468

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

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 (n).

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 3.5% (2012: 3.5%).

Operating Lease Incentives

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

NOTE 29 ISSUED CAPITAL

	2013 $	2012 $
155 Million (2012:193.9M) fully paid ordinary shares	18,256,679	4,590,001
	18,256,679	4,590,001

(a) Ordinary Shares

	2013 No.	2012 No.
At the beginning of the reporting period	193,900,099	193,900,099
Shares issued during the year prior to listing	1,500,000	–
Impact of group re-organisation on 19 March 2013	(55,400,099)	–
Additional shares issued on listing on 15 May 2013	15,000,000	–
At the end of the reporting period	155,000,000	193,900,099

On 19 March 2013 when the company acquired Shine Lawyers Ltd, the company consolidated the number of shares previously held in Shine Lawyers Ltd such that one share in Shine Corporate Ltd was issued for every 1.3957 shares held in Shine Lawyers Ltd.

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 25), cash (note 14), 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 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.

	Note	2013 $	2012 $
Total borrowings	25	19,249,673	14,638,953
Less cash and cash equivalents	14	(15,982,186)	(9,308,171)
Net debt		3,267,487	5,330,782
Total equity		103,147,906	75,141,154
Total capital		106,415,393	80,471,936
Gearing ratio		3%	7%

NOTE 30 CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease and HP 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:

	2013 $	2012 $
Finance Lease and HP Commitments		
Payable – minimum lease payments		
– not later than 12 months	1,163,187	950,070
– between 12 months and 5 years	2,554,437	2,161,551
– later than 5 years	–	–
Minimum lease payments	3,717,624	3,111,621
Less future finance charges	(487,251)	(439,020)
Present value of minimum lease payments	3,230,373	2,672,601

(b) Operating Lease Commitments

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

Operating Lease Commitments	2013 $	2012 $
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments		
– not later than 12 months	5,320,290	5,745,815
– between 12 months and 5 years	8,972,553	13,800,763
– later than 5 years	–	–
	14,292,843	19,546,578

NOTE 31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent Liabilities
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 30/06/2013 was $2,000,000 ($1,250,000; 2012) of which $313,292 ($163,523; 2012) was unused at the end of the reporting period.

Total guarantees provided in respect of property leases were $1,686,710 (2012 $1,086,477).

There were no other contingencies at the reporting date (2012 – $nil).

NOTE 32 OPERATING SEGMENTS

Identification of reportable segments

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

The Group operates in one reporting segment being damages based plaintiff litigation work. The business undertaken by Risk Worldwide New Zealand Limited does not meet the specific criteria in IFRS8 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 the rest of the firm, as permitted under IFRS8.13.

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.

NOTE 33 CASH FLOW INFORMATION

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

	2013 $	2012 $
Profit after income tax	17,503,007	17,746,688
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	1,516,268	734,274
Share of loss from associate	447,938	–
Bad and doubtful debts	–	(143,439)
Net (gain)/loss on disposal of property, plant and equipment	–	(28,652)
(Increase) in trade and term receivables	(1,779,221)	(1,590,912)
(Increase)/decrease in other assets	(42,293)	7,124,033
(Increase) in work in progress	(18,986,092)	(26,382,512)
Increase/(decrease) in trade payables and accruals	(815,556)	2,887,898
Increase/(decrease) in income taxes payable	(2,844,250)	4,286,059
Increase in deferred taxes payable	7,758,513	1,845,380
Increase in provisions	2,204,971	293,835
Cash flow from operations	4,963,285	6,772,652

NOTE 34 EVENTS AFTER THE REPORTING PERIOD

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

On 5 August 2013, the group entered into an agreement to purchase 115 personal injury files from Gouldson Legal Pty Ltd for a consideration of $2.2M.

NOTE 35 RELATED PARTY TRANSACTIONS

Related Parties

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

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 which has the power to participate in the financial and operating policy decisions of an entity, but does not have 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 commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
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The following transactions occurred with related parties:

i. Other Related Parties

	2013 $	2012 $
Purchase of goods and services		
Shine Lawyers Partnership – Administration fees charged to the partnership for the provision of administration services in accordance with the agency agreement	–	300,000
Murshine Service Trust – Office staff and services paid in pursuant to the services agreement	1,134,231	2,300,074
Morrison Family Trust & Stephen Roche Family Trust – Rental payments in relation to Bundaberg Office	22,279	20,691
Stephen Roche Family Trust & Morrison Family Trust – Rental payments in relation to Gympie Office	2,833	–
Stephen Roche Investment Trust & Morrison Family Trust – Rental payments in relation to the Toowoomba office	16,461	18,288
Morrison Family Trust & Stephen Roche Family Trust – Rental payments in relation to Shine's Centre of Learning, Murphys Creek	277,832	264,600
Morrison Family Trust & Stephen Roche Family Trust – Rental of apartments for clients and staff travel	19,960	–
The SW Roche Family Trust and SN Morrison Family Trust – Rental of storage at 4 Clopton street	1800	1800
	1,475,396	2,905,453

ii. Loans to Associated Companies

Beginning of the year	351,598	–
Loans advanced	2,970,185	351,598
Share of loss for the year	(447,937)	
End of the year	2,873,846	351,598

Pursuant to an agreement between all shareholders of Risk Worldwide New Zealand Limited, Shine has agreed to provide a line of credit up to $3M from 1 August 2012 of which $225,000 is unused at 30 June 2013. This loan is unsecured and bears interest at the same rate as Shine is charged by its own lender.

iii. Loans to Other Related Parties

Beginning of the year	–	422,853
Loans advanced	118,660	–
Loan repayment received	–	(422,853)
End of the year	118,660	–

iv. Unpaid Present Entitlements

Beginning of the year	1,503,002	4,503,002
Loan repayment received	(1,503,002)	(3,000,000)
End of the year	–	1,503,002

v. Initial Public Offering

Other than the underwriting fee attributable to shares sold by the entities associated with Messrs Morrison and Roche, all costs associated with the initial public offering were paid by Shine Corporate Limited.

NOTE 36 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, 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:

	Note	2013 $	2012 $
Financial Assets			
Cash and cash equivalents	14	15,982,186	9,308,171
Loans and receivables	15	8,600,994	6,018,294
Total Financial Assets		24,583,180	15,326,465
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	23	15,170,294	10,817,750
– Borrowings	25	19,249,673	14,638,953
Total Financial Liabilities		34,419,967	25,456,703

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 2013.

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

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

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency 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 balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the at the end of the reporting period.

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 15.

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 operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

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	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Financial liabilities due for payment								
Bank borrowings	2,359,943	11,966,351	15,594,716	–	–	–	17,954,659	11,966,351
Trade and other payables	15,085,342	8,800,843	–	1,521,226	–	–	15,085,342	10,322,069
Amounts payable to related parties	84,952	495,681	–	–	–	–	84,952	495,681
Financial lease	1,163,187	950,070	2,554,437	2,161,551	–	–	3,717,624	3,111,621
Total anticipated	18,693,424	22,212,945	18,149,153	3,682,777	–	–	36,842,577	25,895,722

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	$	$	$	$	$	$	$	$
Financial Assets – cash flows realisable								
Cash and cash equivalents	15,982,186	9,308,171					15,982,186	9,308,171
Trade, term and loans	5,472,418	3,693,198					5,472,418	3,693,198
Total anticipated inflows	21,454,604	13,001,369	–	–	–	–	21,454,604	13,001,369
Net (outflow) / inflow on financial instruments	2,761,180	(9,211,516)	(18,149,153)	(3,682,777)	–	–	(15,387,973)	(12,894,353)

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 company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to borrowings, cash and cash equivalents.

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

	Consolidated Group	
	2013	2012
	$	$
Floating rate instruments		
Bank overdrafts	–	–
Bank Borrowings	16,019,300	11,966,351
	16,019,300	11,966,351

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 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 associate, Risk Worldwide New Zealand Ltd is denominated in Australian Dollars.

Sensitivity Analysis

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

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

	Consolidated Group 2013		Consolidated Group 2012	
	Profit	Equity	Profit	Equity
Year ended 30 June 2013	$	$	$	$
+/-1% in interest rates	112,135	112,135	83,765	83,765

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. 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. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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		2013		2012	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	14	15,982,186	15,982,186	9,308,171	9,308,171
Trade and other receivables	15	8,600,994	8,600,994	6,018,294	6,018,294
Total financial assets		24,583,180	24,583,180	15,326,465	15,326,465
Financial liabilities					
Trade and other payables	23	15,170,294	15,170,294	10,817,750	10,817,750
Lease and HP liabilities	25	3,230,373	3,230,373	2,672,602	2,672,602
Bank debt	25	16,019,300	16,019,300	11,966,351	11,966,351
Total financial liabilities		34,419,967	34,419,967	25,456,703	25,456,703

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

NOTE 37 BUSINESS COMBINATIONS

Acquisition of Shannon Donaldson Province Lawyers

Shine Lawyers Ltd entered into an agreement to purchase the business assets, with an effective date of 1st December 2012, of Shannon Donaldson Province Lawyers. By acquiring Shannon Donaldson Province Lawyers the company expects to diversify earnings through expansion of an emerging work type and geographic coverage. The financial statements include the results of Shannon Donaldson Province Lawyers for the seven month period from the acquisition date.

The final fair value of the identifiable assets and liabilities of Shannon Donaldson Province Lawyers as at the date of acquisition was as follows:

Net assets acquired	$
Assets	
Work in progress	1,115,174
Less WIP provision	(167,276)
Unbilled disbursements	121,010
Plant and equipment	79,188
Total assets acquired	1,148,096
Liabilities	
LSL provision	(151,710)
Annual leave provision	(144,172)
Make good provision	(64,438)
Total liabilities acquired	(360,320)
Net Assets acquired at fair value	787,776
Goodwill on acquisition	2,517,250
	3,305,026
Consideration	
Cash	2,805,026
Shares issued in Shine Corporate Ltd	500,000
Total consideration at face value	3,305,026

From the date of acquisition, Shannon Donaldson Province Lawyers has contributed $1,890,308 of revenue and $10,637 to the net profit before tax of the group. If the acquisition had taken place at the beginning of the period, the revenue from continuing operations would have been $3,250,000 and the profit from continuing operations before tax would have been $600,000.

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the activities of Shannon Donaldson Province Lawyers with those of Shine Lawyers. None of the recognised goodwill is expected to be deductible for income tax purposes.

Acquisition of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates

Shine Lawyers Ltd entered into an agreement to purchase the business assets with an effective date of 1st July 2012, of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates. By acquiring these firms the company expects to diversify earnings through expansion of geographic coverage and build scale in NSW. The financial statements include the results of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates for the twelve month period from the acquisition date.

The final fair value of the identifiable assets and liabilities of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates as at the date of acquisition was as follows:

Net assets acquired	$
Assets	
Work in progress	3,837,297
Less WIP provision	(776,871)
Plant and equipment	25,000
Total assets acquired	3,085,426
Liabilities	
Annual leave provision	(91,081)
LSL provision	(48,535)
Wages provision	(12,565)
Total liabilities acquired	(152,181)
Net assets acquired	2,933,245
Goodwill on acquisition	714,574
	3,647,819
Base Consideration	
Cash	1,920,428
Deferred consideration	1,727,391
Total consideration at face value	3,647,819

From the date of acquisition, Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates has contributed $4,646,075 of revenue and $2,410,960 to the net profit before tax of the group.

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the activities of Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates with those of Shine Lawyers. None of the recognised goodwill is expected to be deductible for income tax purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2013

Acquisition of Irena Penchanats Solicitors

Shine Lawyers Ltd entered into an agreement to purchase the business assets with an effective date of 1st May 2013, of Irena Penchanats Solicitors. By acquiring this firm the company expects to diversify earnings through expansion of geographic coverage and build scale in NSW. The financial statements include the results of Irene Penchants for the two month period from the acquisition date.

The final fair value of the identifiable assets and liabilities of Irena Penchanats Solicitors as at the date of acquisition was as follows:

Net assets acquired	$
Assets	
Work in progress	1,076,690
Less WIP provision	(474,743)
Unbilled disbursements	77,908
Plant and equipment	5,000
Total assets acquired	684,855
Liabilities	
Annual leave provision	6,439
LSL provision	74
Total liabilities acquired	6,513
Net assets acquired	678,342
Goodwill on acquisition	–
	678,342
Base Consideration	
Cash	678,342

From the date of acquisition, Irena Penchanats Solicitors has contributed $244,071 of revenue and $148,128 to the net profit before tax of the group. If the acquisition had taken place at the beginning of the period, the revenue from continuing operations would have been $1,464,000 and the profit from continuing operations before tax would have been $700,000.

Acquisition of Palmieri & Co Solicitors (Prior Period)

On the 31st of January 2012 the company entered into a contract with John Palmieri to acquire the client records and work in progress of the personal injuries practice of Palmieri and Co Solicitors for $1,210,000.

Net assets acquired	$
Work in Progress & Unbilled Disbursements	1,275,802
Plant and Equipment	22,764
	1,298,566
Goodwill on acquisition	317,628
	1,616,194
Consideration paid	1,616,194

The consideration paid is comprised of two components

1. Remaining contract instalments of $363,000 due 13 months and $242,000 due in 25 months from completion date
2. Earn out clause to be settled in two instalments $143,260 in 13 months and $175,350 in 25 months, based on the following calculation (Earnings before interest and tax less $405,000) x 50% x 105%

Acquisition of Walker Legal Compensation Lawyers (Prior Period)

On the 1st April 2012 the company entered into a contract with Walker Legal Pty Ltd to acquire the client records and work in progress of the personal injuries practice of Walker Legal Compensation Lawyers for $3,500,000.

Net assets acquired	$
Work in Progress & Unbilled Disbursements	3,707,554
Plant and Equipment	45,293
	3,752,847
Goodwill on acquisition	684,654
	4,437,501
Consideration paid	4,437,501

The consideration paid is comprised of two components

1. Remaining contract instalments of $649,950 due 13 months and $649,950 due in 25 months from settlement date.
2. Earn out clause to be settled in two instalments $495,990 in 13 months and $453,926 in 25 months, based on the following calculation (Earnings before interest and tax less $1,166,667) x 37.14.

Acquisition of AK Compensation Lawyers (Prior Period)

On the 1st of May 2012 the company entered into a contract with AK Compensation Lawyers Pty Ltd to acquire the client records and work in progress of the personal injuries practice of AK Compensation Lawyers for $660,000 plus adjustments.

Net assets acquired	$
Work in Progress & Unbilled Disbursements	660,649
Goodwill on acquisition	221,326
	881,975
Consideration paid	881,975

NOTE 38 COMPANY DETAILS

The registered office of the company is:

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

DIRECTORS' DECLARATION

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

1. the financial statements and notes, as set out on pages 19 to 57, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated group; and
   (c) comply with the Corporations Regulations 2001;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer.

Pursuant to Class Order 98/1418 relief has been granted to Shine Lawyers Ltd from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of their financial reports.

As a condition of the Class Order, Shine Corporate Ltd and Shine Lawyers Ltd, have entered into a deed of cross guarantee under which the company and its subsidiary guarantee the debts of each other.

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

Simon Morrison
Managing Director

Tony Bellas

Tony Bellas
Chair

Dated: 27 August 2013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SHINE CORPORATE LIMITED

Building a better working world

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

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

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

Report on the financial report

We have audited the accompanying financial report of Shine Corporate Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT (CONT)
TO THE MEMBERS OF SHINE CORPORATE LIMITED

EY
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Opinion

In our opinion:

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

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 16 to 17 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Shine Corporate Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
27 August 2013

ADDITIONAL INFORMATION

The following information is current as at 20 August 2013

Shareholding

a. Distribution of Shareholders of Ordinary Shares

Category (size of holding)	
1 – 1,000	60
1,001 – 5,000	394
5,001 – 10,000	303
10,001 – 100,000	338
100,001 – and over	32
	1,127

b. The number of shareholdings held in less than marketable parcels is 24.

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

	Ordinary Shares	
Shareholder	Number	Percentage
Simon Morrison	50,339,902	32.48%
Stephen Roche	50,339,902	32.48%
National Nominees	6,743,971	4.35%
RBC Investor Services	5,757,774	3.71%
J P Morgan Nominees Australia Ltd	5,393,609	3.48%

d. Voting Rights

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

e. 20 Largest Shareholders – Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Simon Morrison	50,339,902	32.48%
1. Stephen Roche	50,339,902	32.48%
3. National Nominees	6,743,971	4.35%
4. RBC Investor Services	5,757,774	3.71%
5. J P Morgan Nominees Australia Ltd	5,393,609	3.48%
6. HSBC Custody Nominees	2,481,615	1.60%
7. Citicorp Nominees Pty Ltd	2,217,041	1.43%
8. BNP Paribas Nominees Pty Ltd	2,122,692	1.37%
9. Jodie Willey	1,632,957	1.05%
10. Citicorp Nominees Pty Ltd	1,580,675	1.02%
11. AMP Life Ltd	1,385,929	0.89%
12. Grant Zeller	1,121,422	0.72%
13. Roger Singh	1,074,718	0.69%
13. Craig Thompson	1,074,718	0.69%
15. Aust Executor Trustees SA Ltd	865,000	0.56%
16. Stuart Macleod	716,479	0.46%
16. Lisa Flynn	716,749	0.46%
16. Lara Schliebs	716,749	0.46%
16. Kevin Howe	716,749	0.46%
16. Paul Tedder	716,749	0.46%
	137,715,400	88.85%

SHINE LAWYERS

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www.shine.com.au