ASX Announcement

Appendix 4E
Preliminary Final Report

Shine Corporate Limited ABN 93 162 817 905

Year ended 30 June 2014

Details of the Reporting Period and the Previous Corresponding Period

Current period:	1 July 2013 to 30 June 2014
Prior corresponding period:	1 July 2012 to 30 June 2013

Results for Announcement to the Market

Key Information	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000	Change %
Revenue from ordinary activities	115,754	105,427	Up 9.8%
Profit from ordinary activities after tax attributable to members	22,175	17,503	Up 26.7%
Profit for the period	22,175	17,503	Up 26.7%

Dividends	Amount per security	Franked amount per security
Final dividend (172,400,081 shares on issue)	1.75 cents	0%
Interim dividend paid 9 April 2014 (155,000,000 shares on issue)	1.75 cents	0%
Record date for determining entitlements to the dividends		
Record date for the final dividend is 15 September 2014		

Commentary
Commentary on the Company's trading results is included on pages 12 to 19 (inclusive) of the 2014 Annual Report attached

Income Statement

Please refer to the Audited Financial Statements for the year ended 30 June 2014

Statement of Financial Position

Please refer to the Audited Financial Statements for the year ended 30 June 2014

Statement of Cash Flows

Please refer to the Audited Financial Statements for the year ended 30 June 2014

Statement of Changes in Equity

Please refer to the Audited Financial Statements for the year ended 30 June 2014

Additional Dividend Information

Details of dividends determined or paid during or subsequent to the year ended 30 June 2014 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
18/09/2013	09/10/2013	Final	1.75 cents	$2,712,500	0.00 cents
14/03/2014	09/04/2014	Interim	1.75 cents	$2,712,500	0.00 cents
15/09/2014	10/10/2014	Final	1.75 cents	$3,017,001	0.00 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	71.6 cents	60.6 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

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)
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	-	(448)
Extraordinary items net of tax	-	-
Net profit (loss)	-	(448)
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	33.33%	33.33%

Compliance Statement

This report should be read in conjunction with the attached 2014 Annual Report.

Signed: Date: 27 August 2014

Print name: Simon Morrison Managing Director

SHINE
CORPORATE LTD

SHINE CORPORATE LIMITED
ABN 93 162 817 905

FINANCIAL REPORT

For the year ended 30 June 2014

CONTENTS

Corporate Governance Statement	3
Directors' Report	8
Auditor's Independence Declaration	16
Consolidated Statement of Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	21
Directors' Declaration	53
Independent Auditor's Report	54
Additional Information for Listed Public Companies	56

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 2014.

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 2014, along with their biographical details, is provided in the Directors' Report. There have been no changes to the composition of the board during the year.

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

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

Notwithstanding 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 77%.

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

SHARE OWNERSHIP AND SHARE TRADING POLICY

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

A Securities Trading Policy has been adopted by the Board to provide guidance to the Board, employees and other stakeholders of Shine, where they are contemplating dealing in Shine's securities or 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 Securities Trading Policy will be regarded as an act of serious misconduct. The Securities 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 a formal charter 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;
- the effectiveness of the risk management processes and controls; and
- compliance with applicable regulatory requirements.

The Audit and Risk Management Committee comprises the three non-executive/independent directors. Consistent with the ASX's *Corporate Governance Principles and Recommendations*,the Chair of the Audit and Risk Management Committee, 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 Managing Director (MD) and Chief Financial Officer (CFO).

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 all five of the 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;
- 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 and Stephen Roche.

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

CORPORATE GOVERNANCE STATEMENT (CONT)

PERFORMANCE EVALUATION

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

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

BOARD ROLES AND RESPONSIBILITIES

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

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

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

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

The Board's broad function is to:

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

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

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

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

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

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

- setting agendas in collaboration with other directors and KMP;
- encouraging critical evaluation and debate 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 second edition of the guidelines and outlines its assessment as follows.

Principles and Recommendations			Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	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.	The information is provided above.	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.	Complies.
2.2	The chair should be an independent director.	The Chairman, Tony Bellas, is an independent non-executive director.	Complies.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Group does not have a chief executive officer, but the managing director, Simon Morrison 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 all five of the Directors.	Complies.

CORPORATE GOVERNANCE STATEMENT (CONT)

Principles and Recommendations			Comply
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.	The information is provided above.	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.
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.	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 information is provided 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 information is provided above.	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 information is provided above.	Complies.

Principles and Recommendations			Comply
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 information is provided above.	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.
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.	The information is provided above.	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, plus the executive director Stephen Roche and is chaired by Carolyn Barker AM 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 information is provided above.	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 2014. Shine Corporate Limited was incorporated as a public company on 13th March 2013 and acquired 100% of the issued capital of Shine Lawyers Ltd on 19th March 2013, before its listing on 15th May 2013.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

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

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

OPERATING AND FINANCIAL REVIEW FOR THE YEAR

The consolidated profit of the Group amounted to $22,175,139 (2013: $17,503,007) after providing for income tax and eliminating non-controlling equity interests. Further discussion of the Group's operations is provided below.

REVIEW OF OPERATIONS

The Group specialises in damages based plaintiff litigation legal services, primarily relating to personal injury where 85% of the Group's revenue for the financial year ended 30 June 2014 was derived (2013 : 88%). The balance of the financial year's revenue was from the expanding emerging practice areas such as professional negligence, class actions, landowner rights and environmental cases.

The Group contains the third largest plaintiff litigation firm in Australia, being Shine Lawyers. Whilst the Group and its largest competitors have grown significantly in recent years, the Directors estimate that the market share of the Group and those competitors in the personal legal services industry is still less than 20%. The Group estimates that it holds less than 4% of the personal legal services industry, which equates to no more than 10% of the personal injuries market. With over 10,500 open client matters, the Group does not have any dependencies on key customers.

Revenue has increased by 10% this year, primarily as a result of organic growth, particularly in the emerging practice areas.

FINANCIAL POSITION

The net assets of the consolidated group have increased by $16,750,139 from 30 June 2013 to $119,898,045 in 2014 as a result of the strong operating performance of the Group.

With a healthy cash position at 30 June 2014 of $11,004,417 and access to a further $13,369,160 from existing unused debt facilities, the Directors believe the Group is in a strong and stable financial position to expand and grow its current operations. In addition, on 16 July 2014 the Group successfully concluded a 1 for 10 rights issue at $1.90 per share, raising a total of $29.5M, primarily to fund the acquisitions of Stephen Browne Personal Injury Lawyers and Emanate Legal.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

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

In line with this strategy, in June 2014, the Group announced the acquisition of Stephen Browne Personal Injury Lawyers, a personal injury litigation firm operating in Western Australia, and Emanate Legal, a North Queensland based law firm specialising in land owner compensation. These acquisitions are now complete and will contribute to earnings from 1 July 2014;

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.

MATERIAL BUSINESS RISKS

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

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

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

WIP Recoverability: because the Group operates on a speculative fee basis and in areas of law where the ultimate recovery of fees is regulated, the recoverability of WIP is a key risk to realising booked revenue. 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 an appropriate implementation partner, established an appropriate corporate governance framework to oversee the project, and has a considered change management process as part of the project.

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

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

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

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

DIVIDENDS PAID OR RECOMMENDED

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

Final 2013 ordinary dividend of 1.75 cents per share paid on 09/10/2013	$2,712,500
Interim 2014 ordinary dividend of 1.75 cents per share paid on 09/04/2014	$2,712,500
Final 2014 ordinary dividend of 1.75 cents per share recommended by the Directors to be paid on 10 October 2014 out of retained profits at 30 June 2014	$3,017,001

EVENTS AFTER THE REPORTING PERIOD

On 12th June 2014 the Company announced the proposed acquisitions of Emanate Legal and Stephen Browne Personal Injury Lawyers with an effective acquisition date of 1 July 2014. Both acquisitions were successfully concluded. The total consideration paid and payable is between $29.5M and $38M, with $8.5M subject to potential earn-outs. The initial acquisition installments were funded by a combination of a 1 for 10 rights issue raising $29.5M as well as scrip issued to the vendors.

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 27 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

110,000

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

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

CAROLYN BARKER AM

Non-Executive Director
Appointed 13 March 2013

BBus, MBA, FAIM

Experience

Carolyn 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.

Carolyn leads the Endeavour College of Natural Health, the higher education division of the listed training and education company, Vocation Limited. Endeavour has six campuses in Australia and two in New Zealand, 8,000 students and a large clinic network throughout Australia, which services tens of thousands of patients annually.

In her current role she champions complementary medicine and its role in integrative medical practice and preventative care in the context of the broader health and wellness sector. It is believed that the Endeavour Learning Group is the largest educator of its type in the natural health sector in the world. Under Carolyn's leadership, Endeavour is positioning itself to seek University status in the future.

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

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

Carolyn is an experienced company director. Currently she is Chair of Brisbane City Council's Brisbane Transport Board and a member of BCC's Audit Committee. She is also a director of MIGAS.

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

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

Interest in Shares

110,000

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

None

GREG MOYNIHAN

Non-Executive Director
Appointed 13 March 2013

BCom, Grad Dip SIA, CPA, FFin, MAICD

Experience

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

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

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

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

Interest in Shares

110,151

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

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

SIMON MORRISON

Managing Director
Appointed 13 March 2013

LLB

Experience

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

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

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

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

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

Interest in Shares

50,639,902

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 Connection, and a graduate of the Australian Institute of Company Directors. He is admitted to practise in various states in Australia. His current role is developing strategic opportunities.

Interest in Shares

50,639,902

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

None

COMPANY SECRETARIES

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

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

Craig joined Shine in 2011 as CFO. He commenced his career at one of the big four accounting firms. He has extensive financial, risk management and executive experience gained over twenty years working in global corporates, including Gallagher Bassett Services, Flight Centre, Anglo Coal and Dresdner Kleinwort Benson.

DIRECTORS' REPORT (CONT)

MEETINGS OF DIRECTORS

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

INDEMNIFYING OFFICERS

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

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

The total amount of insurance contract premiums paid was $76,870.

INDEMNIFYING AUDITORS

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

OPTIONS

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

PROCEEDINGS ON BEHALF OF THE GROUP

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

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

NON-AUDIT SERVICES

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

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

The following fees were paid or payable to Ernst & Young for non-audit services provided during the year ended 30 June 2014:

	$
Due diligence on acquisitions services	42,621
Technical accounting advice	8,154
Taxation advice and services	22,660
	73,435

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 16 of the Financial Report.

REMUNERATION REPORT (AUDITED)

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

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

	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	9	9	6	6	3	3	5	5
Carolyn Barker AM	9	9	6	5	3	3	5	5
Greg Moynihan	9	9	6	6	3	2	5	5
Simon Morrison	9	9	6*	6*	3	3	5*	3*
Stephen Roche	9	9	–	–	3	3	5**	3**

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

** Stephen Roche joined the Remuneration Committee on 26 June 2014. Attendances in the year were as an observer only.

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;
- 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. As at 30 June 2014 there are no structured short term or long term incentives in place and hence no variable compensation linked directly to company performance. A short term incentive scheme has now been introduced, effective from 1 July 2014.

Fixed Remuneration and Benefits

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

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

Executives receive benefits 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 was no broad based short term incentive plan in place at 30 June 2014. However, a short term incentive plan has been approved and commences from 1 July 2014.

Long Term Incentives

The Remuneration Committee of the Board is investigating a long term incentive plan for key management personnel and senior executives.

Company performance

For the year to 30 June 2014 there was no link between company performance and executive remuneration. In the year to 30 June 2014, earnings per share were 14.3 cents, dividends paid per share were 3.5 cents. Shares in the company were issued at the IPO on 15 May 2013 at $1 per share and closed on 30 June 2013 at $1.475 per share and on 30 June 2014 at $2.45.

CHANGES IN DIRECTORS AND EXECUTIVES SUBSEQUENT TO YEAR-END

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

DIRECTORS' REPORT (CONT)

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2014

The following table of benefits and payments details, in respect to the 2014 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 2014

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

	Short-term benefits			Post employment Benefits	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
Greg 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 Pty Ltd to March 2013 and Shine Corporate Limited from March 2013. The role of CEO was removed from 1 July 2013, when Simon Morrison became managing director.

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 2014	Balance at beginning of year	Acquired during the year	Disposed during the year	Balance at end of year	Rights issue post 30 June 2014	Balance post rights issue
Directors						
Tony Bellas	100,000	–	–	100,000	10,000	110,000
Carolyn Barker AM	100,000	–	–	100,000	10,000	110,000
Greg Moynihan	100,137	–	–	100,137	10,014	110,151
Simon Morrison	50,339,902	–	–	50,339,902	300,000	50,639,902
Stephen Roche	50,339,902	–	–	50,339,902	300,000	50,639,902
Executives						
Craig Thompson	1,074,718	–	–	1,074,718	17,472	1,092,190
	102,054,659	–	–	102,054,659	647,486	102,702,145

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
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
CFO, COO	4 weeks	4 weeks

TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

During the year there were operating costs relating to the Shine Lawyers business that were recorded in the Service Trust of the former partnership, being the Murshine Service Trust, which is controlled by Stephen Roche and Simon Morrison. These costs totalled $554,274 and were passed through to Shine Lawyers Pty Ltd at cost.

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

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

Simon Morrison
Managing Director

Tony Bellas
Chair

Dated: 26 August 2014

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 and its controlled entities for the financial year ended 30 June 2014, 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
26 August 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated Group	
		2014	2013
	Note	$	$
Continuing operations			
Revenue	4	115,754,205	105,427,679
Employee benefits expense		(52,969,923)	(49,983,182)
Depreciation and amortisation expense		(1,820,144)	(1,516,268)
Finance costs	8(a)	(1,139,388)	(1,093,677)
Other expenses	5	(28,335,808)	(27,110,442)
Share of net loss of associates and joint venture entities	7	–	(447,937)
Profit before income tax	8	31,488,942	25,276,173
Tax expense	9	(9,313,803)	(7,773,166)
Net Profit for the year		22,175,139	17,503,007
Total comprehensive income for the year		22,175,139	17,503,007

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	14.3	12.3
Diluted earnings per share (cents)	13	14.3	12.3

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Consolidated Group	
		2014	2013
ASSETS	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	14	11,004,417	15,982,186
Trade and other receivables	15	5,433,189	8,600,994
Current tax receivable		–	1,388,176
Work in progress	16	76,890,172	88,886,423
Unbilled disbursements	16	19,548,656	20,759,339
Other current assets	22	1,095,058	852,569
TOTAL CURRENT ASSETS		113,971,492	136,469,687
NON-CURRENT ASSETS			
Property, plant and equipment	19	4,577,067	5,133,792
Intangible assets	20	8,942,223	9,146,060
Work in progress	16	65,898,684	27,397,012
Unbilled disbursements	16	15,551,455	6,594,969
Trade and other receivables	15	3,629,274	–
Other non-current assets	22	150,622	95,696
TOTAL NON-CURRENT ASSETS		98,749,325	48,367,529
TOTAL ASSETS		212,720,817	184,837,216
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	23	16,373,792	15,170,294
Borrowings	25	5,044,060	2,446,503
Deferred revenue	26	3,767,205	3,000,237
Current tax liabilities	27	1,020,995	–
Provisions	28	5,107,732	4,944,626
TOTAL CURRENT LIABILITIES		31,313,784	25,561,660
NON-CURRENT LIABILITIES			
Borrowings	25	12,299,849	16,803,170
Deferred revenue	26	2,106,534	923,006
Deferred tax liabilities	27	45,328,571	36,709,797
Provisions	28	1,774,034	1,691,677
TOTAL NON-CURRENT LIABILITIES		61,508,988	56,127,650
TOTAL LIABILITIES		92,822,772	81,689,310
NET ASSETS		119,898,045	103,147,906
EQUITY			
Issued capital	29	18,256,679	18,256,679
Retained earnings		101,641,366	84,891,227
TOTAL EQUITY		119,898,045	103,147,906

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Share Capital Ordinary $	Retain Earnings $	Total $
Consolidated Group				
Balance at 1 July 2012		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
Balance at 1 July 2013		18,256,679	84,891,227	103,147,906
Comprehensive income				
Profit for the year		–	22,175,139	22,175,139
Total comprehensive income for the year		–	22,175,139	22,175,139
Transactions with owners, in their capacity as owners, and other transfers				
Dividends recognised for the year	12	–	(5,425,000)	(5,425,000)
Total transactions with owners and other transfers		–	(5,425,000)	(5,425,000)
Balance at 30 June 2014		18,256,679	101,641,366	119,898,045

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		101,674,920	92,866,008
Interest received		234,918	238,724
Payments to suppliers and employees		(91,129,928)	(84,188,867)
Finance costs		(1,139,388)	(1,093,677)
Income tax received/(paid)		1,714,142	(2,858,903)
Net cash provided by operating activities	33	11,354,664	4,963,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of business and purchase of files		(7,186,660)	(8,522,904)
Advances to associates and joint ventures		(755,427)	(3,623,727)
Purchase of property, plant and equipment		(1,059,582)	(2,226,430)
Transformation development costs		–	(680,792)
Net cash used in investing activities		(9,001,669)	(15,053,853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		–	15,506,250
Transaction costs of issue of shares		–	(1,839,572)
Proceeds of borrowings		–	4,052,949
Repayments of borrowings		(1,258,781)	–
Finance lease principal (repayments)/proceeds		(646,983)	557,771
Dividends paid in cash		(5,425,000)	(1,512,815)
Net cash provided by (used in) financing activities		(7,330,764)	16,764,583
Net (decrease)/increase in cash held		(4,977,769)	6,674,015
Cash and cash equivalents at beginning of financial year		15,982,186	9,308,171
Cash and cash equivalents at end of financial year		11,004,417	15,982,186

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 Pty Ltd

Accordingly, the comparative amounts for the 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 Pty Ltd for the period 1 July 2012 to 30 June 2013.

The consolidated financial statements of Shine Corporate Limited for the year ended 30 June 2014 were authorised for issue on 27 August 2014 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. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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 2(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	
	2014	2013
Fixtures and fittings	5-66.67%	5-50%
Leased plant and equipment	10-25%	10-25%
Make Good	20-50%	20-50%
Motor Vehicles	20%	20%
Office and Computer Equipment	7.5-66.67%	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.

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on 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) Classification of Work in Progress and Disbursements

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

(iii) Provision for Doubtful Debts

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

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

The key assumptions used to determine the recoverable amount for the different CGU's, including a sensitivity analysis are disclosed and further explained in note 21.

(w) New Accounting Standards for Application in Future Periods

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

- The Group has early adopted AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and has not had a significant impact the Group's financial statements.

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

- AASB 9/IFRS9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

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

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

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

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

- AASB 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 provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Group's financial statements.

- Interpretation 21: *Levies* (applicable for annual reporting periods commencing on or after 1 January 2014).

  Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the Group's financial statements.

- AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

  AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the Group's financial statements.

- IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Group is still assessing the impact that this Standard is expected to have on the Group's financial statements. It is applicable to annual reporting periods commencing on or after 1 January 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

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.

As the parent company was only registered in March 2013 the comparative reporting period for the parent is from 13 March 2013 to 30 June 2013.

STATEMENT OF FINANCIAL POSITION	2014	2013
ASSETS	$	$
Current assets	12,905,882	13,209,906
Non-current assets	84,797,440	84,500,000
TOTAL ASSETS	97,703,322	97,709,906
LIABILITIES		
Current liabilities	1,093	15,287
Non-current liabilities	–	–
TOTAL LIABILITIES	1,093	15,287
EQUITY		
Issued capital	97,660,427	97,660,427
Retained earnings	41,802	34,192
TOTAL EQUITY	97,702,229	97,694,619

STATEMENT OF COMPREHENSIVE INCOME		
Total profit	7,610	34,192
Total comprehensive income	7,610	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 2014.

Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2014.

NOTE 4 REVENUE AND OTHER INCOME

(a) Revenue from continuing operations

	2014	2013
	$	$
Sales revenue		
– Provision of services/professional fees	110,584,180	101,591,887
– Sundry disbursements recovered	4,853,040	3,539,907
	115,437,220	105,131,794
– Interest received	234,918	238,725
– Other revenue	82,067	57,160
	316,985	295,885
Total revenue	115,754,205	105,427,679

NOTE 5 OTHER EXPENSES

Other Expenses	2014 $	2013 $
Premises expenses	6,968,405	6,752,750
Marketing expenses	5,100,601	4,825,848
HR expenses	2,641,577	3,103,168
IT and computer expenses	4,196,594	3,921,348
Printing, postage and stationery	1,756,208	1,825,176
Professional fees	2,024,260	2,711,272
Unrecovered matter related expenses	4,131,712	2,238,780
Motor vehicle and travel expenses	1,301,183	1,334,075
Sundry expenses	215,268	398,025
	28,335,808	27,110,442

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 2014 and income and expenses of the jointly controlled entity for the year ended 30th June 2014, which is equity accounted for in the consolidated financial statements, is as follows:

	2014 $	2013 $
Share of the joint venture's statement of financial position:		
Current assets	–	–
Non-current assets	150,622	95,698
Current liabilities	–	–
Non-current liabilities	(150,622)	(95,698)
Equity	–	–
Share of the joint venture's revenue and profit:		
Revenue	54,080	51,610
Administrative costs	(54,080)	(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 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

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

	2014 $	2013 $
Share of the associate's statement of financial position:		
Current assets	669,303	5,057,760
Non-current assets	7,137,606	180,600
Current liabilities	(1,505,196)	(819,231)
Non-current liabilities	(8,240,589)	(5,857,041)
Equity	(1,938,876)	(1,437,912)
Group's one third ownership	(646,292)	(479,304)
Share of the associate's revenue and loss:		
Revenue	1,398,861	849,621
Loss for the year	–	(1,343,811)
Groups share of loss for the year	–	(447,937)

NOTE 8 PROFIT FOR THE YEAR

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

	2014 $	2013 $
(a) Finance Cost Expense		
Interest on bank overdraft and loans	1,139,388	1,093,677
	1,139,388	1,093,677
(b) Depreciation and amortisation of non-current assets		
Plant and Equipment	1,263,118	1,170,841
Transformation Project Costs	405,851	215,567
Erin Brockovich Agreement	113,004	113,005
Software	38,171	16,855
	1,820,144	1,516,268
Rental expense on operating leases	5,627,991	5,320,289
– minimum lease payments	5,627,991	5,320,289
(c) Employee benefits expense		
Defined contribution superannuation expense	3,974,242	3,708,654

NOTE 9 INCOME TAX EXPENSE

	2014	2013
	$	$
(a) The components of tax expense comprise:		
Current tax	1,020,995	14,653
Deferred tax (refer note 27)	8,618,774	7,758,513
Over provision in earlier years	(325,966)	–
	9,313,803	7,773,166
The prima facie tax at 30% (2013 – 30%) on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
– consolidated group	9,446,683	7,717,233
Add:		
Tax effect of:		
– other non-allowable items	(132,880)	55,933
Income tax attributable to entity	9,313,803	7,773,166
The applicable weighted average effective tax rates are as follows:	29.6%	30.8%

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 2014.

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

	2014	2013
	$	$
Short-term employee benefits	1,773,756	2,092,904
Post-employment benefits	125,025	135,513
Total KMP compensation	1,898,781	2,228,417

KMP Options and Rights Holdings

No options have been issued by the company.

Other KMP Transactions

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

NOTE 11 AUDITORS' REMUNERATION

	2014	2013
	$	$
Remuneration of Ernst & Young for:		
– auditing or reviewing the financial report	93,000	90,000
– due diligence on acquisitions services	42,621	–
– taxation advice and services	22,660	–
– technical accounting advice	8,154	20,000
– IPO investigating accounting services	–	135,862
	166,435	245,862
Remuneration of non Ernst &Young audit firms for:		
– auditing of trust accounts	6,500	12,330
– taxation services	10,843	91,191
	17,343	103,521

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12 DIVIDENDS

	2014 $	2013 $
Distributions paid		
Interim ordinary dividend of 1.75 cents (2013: .643 cents per share) franked at the tax rate of 0% (2013: 30%)	2,712,500	900,200
2013 final ordinary dividend of 1.75 cents per share paid in 2014 at the tax franked rate of 0% (2013: 1.158 cents per share paid in 2013, franked at 30%)	2,712,500	2,262,733
	5,425,000	3,162,933
Approved by the board of directors on 26 August 2014 (not recognised as a liability as at 30 June 2014)		
(a) Proposed final 2014 zero franked ordinary dividend of 1.75 cents per share (2013: 1.75) cents per share franked at the tax rate of 0% (2013: 0%)	3,017,001	2,712,500
(b) Franking Credit Balance		
Balance of franking account at year end adjusted for franking credits arising from:		
Opening balance	1,563,351	383
Franking credits arising from the (repayment)/payment of income tax	(1,714,142)	2,918,511
Franked credits paid via dividends	–	(1,355,543)
Actual balance at 30 June	(150,791)	1,563,351
Expected tax refunds relating to FY2013 – receivable in FY 2014	–	(1,388,176)
Franking deficit due to the ATO	150,791	–
Anticipated balance as it relates to 30 June	–	175,175

NOTE 13 EARNINGS PER SHARE

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

	2014 $	2013 $
Net profit attributable to ordinary equity holders of the parent	22,175,139	17,503,007
Weighted average number of ordinary shares for basic and diluted earnings per share	155,000,000	141,775,578

NOTE 14 CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and on hand	11,004,417	15,982,186
	11,004,417	15,982,186
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	11,004,417	15,982,186
	11,004,417	15,982,186

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

NOTE 15 TRADE AND OTHER RECEIVABLES

	Note	2014 $	2013 $
CURRENT			
Trade receivables		5,809,859	5,788,944
Provision for impairment	15a	(436,526)	(316,526)
		5,373,333	5,472,418
Other receivables		59,856	254,729
– Sundry debtor – Risk Worldwide New Zealand Ltd		–	2,873,847
Total current trade and other receivables		5,433,189	8,600,994
NON CURRENT			
Sundry debtor – Risk Worldwide New Zealand Ltd		3,629,274	–

(a) Provision For Impairment of Receivables

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

	Opening Balance 01.07.13 $	Charge for the Year $	Amounts Written Off $	Closing Balance 30.06.14 $
Consolidated Group				
Current trade receivables	316,526	176,666	56,666	436,526
	316,526	176,666	56,666	436,526

	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

Consolidated Group			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

(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. At 30 June 2014, the receivable has been classified as non-current.

NOTE 16 WORK IN PROGRESS

	2014	2013
	$	$
CURRENT		
At net realisable value		
Work in progress	89,988,201	105,427,932
Work in progress provision	(13,098,029)	(16,541,509)
	76,890,172	88,886,423
Unbilled disbursements	19,848,656	21,436,992
Unbilled disbursements provision	(300,000)	(677,653)
	19,548,656	20,759,339
NON CURRENT		
At net realisable value		
Work in progress	79,917,950	32,485,913
Work in progress provision	(14,019,266)	(5,088,901)
	65,898,684	27,397,012
Unbilled disbursements	17,759,405	6,594,969
Unbilled disbursements provision	(2,207,950)	–
	15,551,455	6,594,969

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	
				2014	2013	2014	2013
Unlisted:				%	%	$	$
Risk Worldwide New Zealand Limited	Insurance Recovery Consultants	New Zealand	Ordinary	33.33%	33.33%	–	–

	2014	2013
	$	$
(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	100.00
Shine DIR Pty Ltd	Australia	100.00	100.00
Shine NZ Pty Ltd	Australia	100.00	100.00
Shine (U.S.) Pty Ltd	Australia	100.00	–

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19 PLANT AND EQUIPMENT

	2014	2013
	$	$
Plant and Equipment		
Fixtures and Fittings		
At cost	4,950,888	4,610,541
(Accumulated depreciation)	(1,765,519)	(969,376)
	3,185,369	3,641,165
Leased Plant and Equipment		
Capitalised leased assets	565,919	782,356
(Accumulated depreciation)	(246,151)	(281,046)
	319,768	501,310
Office Furniture and Equipment		
At cost	1,178,115	648,135
(Accumulated depreciation)	(417,069)	(181,304)
	761,046	466,831
Computer Equipment and Software		
At cost	503,293	486,119
(Accumulated depreciation)	(431,452)	(375,872)
	71,841	110,247
Make Good Allowance on Leased Premises		
At cost	874,455	854,455
(Accumulated depreciation)	(635,412)	(440,216)
	239,043	414,239
Total plant and equipment	4,577,067	5,133,792

(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	Fixtures & Fittings	Leased Plant and Equipment	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 July 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
Additions	20,000	349,087	17,174	346,634	–	732,895
Disposals	–	(4,305)	–	(2,784)	(19,413)	(26,502)
Reclassification	–	72,441	–	–	(72,441)	–
Depreciation expense	(195,196)	(123,008)	(55,580)	(799,646)	(89,688)	(1,263,118)
Balance at 30 June 2014	239,043	761,046	71,841	3,185,369	319,768	4,577,067

NOTE 20 INTANGIBLE ASSETS

	Goodwill	Transformation Project Costs	Erin Brokovich Agreement	Website Development	Software	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 1 July 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
Additions	–	–	–	–	353,189	353,189
Additions through business combinations	–	–	–	–	–	–
Amortisation	–	(405,851)	(113,004)	(11,167)	(27,004)	(557,026)
Balance at 30 June 2014	6,797,260	1,032,973	668,608	32,921	410,461	8,942,223

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:

	2014	2013
	$	$
Personal injury	4,280,010	4,280,010
Emerging practice areas	2,517,250	2,517,250
	6,797,260	6,797,260

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

	Both Areas 2014	Both Areas 2013
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 2014 and 30 June 2013

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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22 OTHER ASSETS

	2014 $	2013 $
CURRENT		
Prepayments	1,095,058	852,569
	1,095,058	852,569
NON-CURRENT		
EB Inc Joint Venture	150,622	95,696
	150,622	95,696

NOTE 23 TRADE AND OTHER PAYABLES

	2014 $	2013 $
CURRENT		
Unsecured liabilities		
Trade payables	1,888,933	4,110,522
Sundry payables and accrued expenses	3,049,863	5,691,793
Other related parties	240,634	84,952
PAYG tax payable	869,047	430,589
Client related disbursement creditors	10,325,315	4,852,438
	16,373,792	15,170,294

	2014 $	2013 $
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
– Total current	16,373,792	15,170,294
– Total non-current	–	–
	16,373,792	15,170,294

NOTE 24 OTHER CURRENT LIABILITIES

	2014 $	2013 $
Current contingent consideration included within sundry payables and accrued expenses	–	3,142,920
Non current contingent consideration included within amount due under contract of sale	–	–
	–	3,142,920

In acquiring Palmieri & Co Solicitors, the Group included a contingent consideration consisting of an additional $765,579 as at 30 June 2013 in the purchase consideration if average profits of Palmieri & Co Solicitors in the year to 31 January 2014 exceeded a target level.

In acquiring Ron Kramer Associates RKA Lawyers & Eugene Lepore & Associates, the Group included a contingent consideration consisting of an additional $1,727,391 as at 30 June 2013 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.

In acquiring Walker Legal Compensation Lawyers, the Group included a contingent consideration consisting of an additional $649,950 as at 30 June 2013 in the purchase consideration if average profits of Walker Legal Compensation Lawyers in the year to 30 April 2014 exceeded a target level.

NOTE 25 BORROWINGS

	Note	2014 $	2013 $
CURRENT			
Secured liabilities			
Bank loans	25a,b	4,191,094	1,500,800
Lease liability		63,661	131,933
Hire Purchase Liability		789,305	813,770
Total current borrowings		5,044,060	2,446,503
NON-CURRENT			
Secured liabilities			
Bank loans	25a,b	10,569,425	14,518,500
Lease liability		211,817	289,486
Hire Purchase Liability		1,518,607	1,995,184
Total non-current borrowings		12,299,849	16,803,170
Total borrowings		17,343,909	19,249,673

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

	2014 $	2013 $
Bank loan	14,760,519	16,019,300
Lease liability	275,478	421,419
Hire Purchase liability	2,307,912	2,808,954
	17,343,909	19,249,673

(b) Collateral provided

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

Lease 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:

	2014 $	2013 $
Cash and cash equivalents	11,004,417	15,982,186
Trade receivables	5,373,333	5,472,418
Total financial assets pledged	16,377,750	21,454,604

(c) Unused facilities

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

Facility	Limit $	Used at 30 June 2014 $	Unused Amount $
Equipment finance	5,000,000	3,469,827	1,530,174
Corporate credit card facility	500,000	143,995	356,005
Line of credit	5,500,000	17,019	5,482,981
Bill facilities	20,743,500	14,743,500	6,000,000
Bank guarantees	2,250,000	2,154,708	95,292

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 26 DEFERRED REVENUE

	2014 $	2013 $
CURRENT		
Deferred revenue	3,767,205	3,000,237
	3,767,205	3,000,237
NON-CURRENT		
Deferred revenue	2,106,534	923,006
	2,106,534	923,006

NOTE 27 TAX

	2014 $	2013 $
CURRENT		
Income tax payable	1,020,995	–
	1,020,995	–

	Opening Balance $	Charged to Income $	Closing Balance $
NON-CURRENT			
Consolidated Group			
Deferred tax liability			
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)
Assessed loans	–	(94,958)	(94,958)
Sundry deferred tax assets	–	(1,889,109)	(1,889,109)
	(43,840)	(181,371)	(225,211)
Balance at 30 June 2013	28,951,284	7,758,513	36,709,797
Work in progress	34,869,548	7,702,951	42,572,499
Unbilled disbursements	5,573,588	96,729	5,670,317
FBT Instalment	21,150	(32,791)	(11,641)
Finance leases	12,885	(95,529)	(82,644)
Provisions – employee benefits	(1,558,096)	(382,393)	(1,940,489)
Provisions – doubtful debts	(94,958)	(36,000)	(130,958)
Tax losses carried forward	(1,889,109)	1,591,670	(297,439)
Sundry deferred tax assets	(225,211)	(225,863)	(451,074)
Balance at 30 June 2014	36,709,797	8,618,774	45,328,571

NOTE 28 PROVISIONS

	2014 $	2013 $
CURRENT		
Annual Leave Entitlements		
Opening balance at 1 July	2,771,647	1,916,403
Additional provisions	3,484,815	2,999,381
Amounts used	(3,330,705)	(2,144,137)
Balance at 30 June	2,925,757	2,771,647
Long Service Leave		
Opening balance at 1 July	1,201,915	796,280
Additional provisions	126,169	496,958
Amounts used	(155,898)	(91,323)
Balance at 30 June	1,172,186	1,201,915
Operating Lease Incentives		
Opening balance at 1 July	759,060	374,595
Net movement in the year	(69,540)	384,465
Balance at 30 June	689,520	759,060
Other expense provisions	320,269	212,004
Total	5,107,732	4,944,626
NON CURRENT		
Long Service Leave		
Opening balance at 1 July	615,080	443,734
Additional provisions	67,550	171,346
Amounts used	–	–
Balance at 30 June	682,630	615,080
Leasehold Property Make Goods		
Opening balance at 1 July	1,076,597	768,456
Additional provisions	72,472	308,141
Amounts used	(57,665)	–
Balance at 30 June	1,091,404	1,076,597
Total	1,774,034	1,691,677

Analysis of Total Provisions

	2014 $	2013 $
Current	5,107,732	4,944,626
Non-current	1,774,034	1,691,677
	6,881,766	6,636,303

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 28 PROVISIONS (CONTINUED)

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% (2013: 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

	2014 $	2013 $
155 Million (2013:155M) fully paid ordinary shares	18,256,679	18,256,679
	18,256,679	18,256,679

(a) Ordinary Shares

	2014 $	2013 $
At the beginning of the reporting period	155,000,000	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	155,000,000

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

On 16th July 2014 the Group successfully concluded a 1 for 10 rights issue at $1.90 per share, raising a total of $29.45M, with the funds primarily utilised for the initial instalments of these acquisitions.

(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	2014 $	2013 $
Total borrowings	25	17,343,909	19,249,673
Less cash and cash equivalents	14	(11,004,417)	(15,982,186)
Net debt		6,339,492	3,267,487
Total equity		119,898,045	103,147,906
Total capital		126,237,537	106,415,393
Gearing ratio		5%	3%

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:

	2014 $	2013 $
Finance Lease and HP Commitments		
Payable – minimum lease payments		
– not later than 12 months	1,019,406	1,163,187
– between 12 months and 5 years	1,886,329	2,554,437
– later than 5 years	–	–
Minimum lease payments	2,905,735	3,717,624
Less future finance charges	(322,345)	(487,251)
Present value of minimum lease payments	2,583,390	3,230,373

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 30 CAPITAL AND LEASING COMMITMENTS (CONTINUED)

(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	2014 $	2013 $
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments		
– not later than 12 months	5,419,653	5,320,290
– between 12 months and 5 years	8,831,313	8,972,553
– later than 5 years	6,543	–
	14,257,509	14,292,843

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 30/06/2014 was $2,250,000 ($2,000,000; 2013) of which $95,292 ($313,292; 2013) was unused at the end of the reporting period.

Total guarantees provided in respect of property leases were $2,154,708 (2013 $1,686,710)

There were no other contingencies at the reporting date (2013 – $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 managing director (chief operating decision maker) 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 AASB8 which means it is not considered as its own reporting segment. Therefore as Risk Worldwide New Zealand Limited currently accounts for significantly less than 10% of the group revenue, profit or assets, this business has been grouped together with the rest of the firm, as permitted under AASB8.13.

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

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

NOTE 33 CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations

	2014 $	2013 $
Profit after income tax	22,175,139	17,503,007
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	1,820,144	1,516,268
Share of loss from associate	–	447,938
Decrease/(Increase) in trade and term receivables	293,958	(1,779,221)
(Increase)/decrease in other assets	(297,415)	(42,293)
(Increase) in work in progress	(23,351,987)	(18,986,092)
(Increase) in disbursements	(5,314,701)	–
Increase/(decrease) in trade payables and accruals	4,756,118	(815,556)
Increase/(decrease) in income taxes payable	2,409,171	(2,844,250)
Increase in deferred taxes payable	8,618,774	7,758,513
Increase in provisions	245,463	2,204,971
Cash flow from operations	11,354,664	4,963,285

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 12th June 2014 the Company announced the proposed acquisitions of Emanate Legal and Stephen Browne Personal Injury Lawyers with an effective acquisition date of 1 July 2014. Both acquisitions were successfully concluded. The total consideration paid and payable is between $29.5M and $38M, with $8.5M subject to potential earn-outs. The initial acquisition installments were funded by a combination of a 1 for 10 rights issue raising $29.5M as well as scrip issued to the sellers.

On 16th July 2014 the Group successfully concluded a 1 for 10 rights issue at $1.90 per share, raising a total of $29.5M, with the funds primarily utilised for the initial installments of these acquisitions.

The acquisition accounting for post year end is still being finalised.

NOTE 35 RELATED PARTY TRANSACTIONS

Related Parties

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

i Key Management Personnel:

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

ii Entities subject to significant influence by the Group:

An entity 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)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions occurred with related parties:

	2014	2013
i. Other Related Parties (Entities controlled by the KMP's Morrison and Roche)	$	$
Purchase of goods, rents and services from related parties	1,091,722	1,475,396

ii. Loans to Associated Companies

	2014	2013
Beginning of the year	2,873,846	351,598
Loans advanced	755,428	2,970,185
Share of loss for the year	-	(447,937)
End of the year	3,629,274	2,873,846

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. Additional funds for working capital have also been provided. 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 (Entities controlled by the KMP's Morrison and Roche)

	2014	2013
Beginning of the year	118,660	–
Loans advanced	121,974	118,660
Loan repayment received	–	–
End of the year	240,634	118,660

iv. Unpaid Present Entitlements (Entities controlled by the KMP's Morrison and Roche)

	2014	2013
Beginning of the year	–	1,503,002
Loan repayment received	–	(1,503,002)
End of the year	–	–

v. Initial Public Offering

Other than the underwriting fee attributable to shares sold by the entities associated with Messrs Morrison and Roche, associated with the initial public offering in 2013 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	2014 $	2013 $
Financial Assets			
Cash and cash equivalents	14	11,004,417	15,982,186
Loans and receivables – current	15	5,433,189	8,600,994
Loans and receivables – non current	15,22	3,779,896	–
Total Financial Assets		20,217,502	24,583,180
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	23	16,373,792	15,170,294
– Borrowings	25	17,343,909	19,249,673
Total Financial Liabilities		33,717,701	34,419,967

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 2014 (2013: nil).

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

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

Specific Financial Risk Exposures and Management

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

Credit Risk Exposures

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year 2014 $	Within 1 Year 2013 $	1 to 5 years 2014 $	1 to 5 years 2013 $	Over 5 years 2014 $	Over 5 years 2013 $	Total 2014 $	Total 2013 $
Financial liabilities due for payment								
Bank borrowings	4,191,094	2,359,943	11,586,732	15,594,716	–	–	15,777,826	17,954,659
Trade and other payables	16,133,158	15,085,342	–	–	–	–	16,133,158	15,085,342
Amounts payable to related parties	240,634	84,952	–	–	–	–	240,634	84,952
Financial lease	1,019,406	1,163,187	1,886,329	2,554,437	–	–	2,905,735	3,717,624
Total anticipated	21,584,292	18,693,424	13,473,061	18,149,153	–	–	35,057,353	36,842,577

Consolidated Group	Within 1 Year 2014 $	Within 1 Year 2013 $	1 to 5 years 2014 $	1 to 5 years 2013 $	Over 5 years 2014 $	Over 5 years 2013 $	Total 2014 $	Total 2013 $
Financial Assets – cash flows realisable								
Cash and cash equivalents	11,004,417	15,982,186	–	–	–	–	11,004,417	15,982,186
Trade, term and loans receivables	5,373,333	5,472,418	3,779,896	–	–	–	9,153,229	5,472,418
Total anticipated inflows	16,377,750	21,454,604	3,779,896	–	–	–	20,157,646	21,454,604
Net (outflow)/ inflow on financial instruments	(5,206,542)	2,761,180	(9,693,165)	(18,149,153)	–	–	(14,899,707)	(15,387,973)

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 2014 $	Consolidated Group 2013 $
Floating rate instruments			
Bank Borrowings	25	14,760,519	16,019,300
		14,760,519	16,019,300

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 2014		Consolidated Group 2013	
	Profit	Equity	Profit	Equity
Year ended 30 June 2014	$	$	$	$
+/-1% in interest rates	110,445	110,445	112,135	112,135

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

Fair Values

Fair value estimation

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.

		2014		2013	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	14	11,004,417	11,004,417	15,982,186	15,982,186
Trade and other receivables – current	15	5,433,189	5,433,189	8,600,994	8,600,994
Trade and other receivables – non current	15,22	3,779,896	3,779,896	–	–
Total financial assets		20,217,502	20,217,502	24,583,180	24,583,180
Financial liabilities					
Trade and other payables	23	16,373,792	16,373,792	15,170,294	15,170,294
Lease and HP liabilities	25	2,583,390	2,583,390	3,230,373	3,230,373
Bank debt	25	14,760,519	14,760,519	16,019,300	16,019,300
Total financial liabilities		33,717,701	33,717,701	34,419,967	34,419,967

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 37 BUSINESS COMBINATIONS

Acquisitions in 2014

The Group had no acquisitions in the year to 30 June 2014.

Acquisitions in 2013

Acquisition of Shannon Donaldson Province Lawyers

Shine Lawyers Pty 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 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
Interim 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 2013 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 Pty 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
Interim 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 to June 2013, 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 2014

Acquisition of Irena Penchanats Solicitors

Shine Lawyers Pty 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 Irena Penchanats 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 2013 the revenue from continuing operations would have been $1,464,000 and the profit from continuing operations before tax would have been $700,000.

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 20 to 55, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian 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 2014 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

The company and the wholly-owned subsidiaries listed in note 18, have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

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

Simon Morrison
Managing Director

Tony Bellas
Chair

Dated this 26th day of August 2014

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

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

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

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

Report on the financial report

We have audited the accompanying financial report of Shine Corporate Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other 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
Building a better working world

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 2014 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 12 to 15 of the directors' report for the year ended 30 June 2014. 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 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
26 August 2014

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 15 August 2014

Shareholding

a. Distribution of Shareholders

Category (size of holding)	
1 – 1,000	90
1,001 – 5,000	293
5,001 – 10,000	272
10,001 – 100,000	374
100,001 – and over	45
	1,074

b. The number of shareholdings held in less than marketable parcels is 34.

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

Shareholder	Ordinary
Simon Morrison	50,639,902
Stephen Roche	50,639,902
Citicorp Nominees Pty Ltd	12,657,775
National Nominees Limited	11,050,092
J P Morgan Nominees Australia Limited	8,906,388

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	50,639,902	29.37%
1. Stephen Roche	50,639,902	29.37%
3. Citicorp Nominees Pty Ltd	12,657,775	7.34%
4. National Nominees Limited	11,050,092	6.41%
5. J P Morgan Nominees Australia Limited	8,906,388	5.17%
6. RBC Investor Services Australia Nominees Pty Ltd	3,923,653	2.28%
7. HSBC Custody Nominees (Australia) Limited	3,463,745	2.01%
8. BNP Paribas Nominees Pty ltd	2,498,166	1.45%
9. AMP Life Limited	1,828,922	1.06%
10. RBC Investor Services Australia Nominees Pty Ltd	1,725,483	1.00%
11. Jodie Willey	1,512,957	0.88%
12. Barry Taylor Legal Trust	1,260,000	0.73%
13. Craig Thompson	1,092,190	0.63%
13. Grant Zeller	1,062,118	0.62%
15. Roger Singh	1,007,811	0.58%
16. Stuart Macleod	734,391	0.43%
16. Lisa Flynn	716,479	0.42%
16. Lara Schliebs	716,479	0.42%
16. Citicorp Nominees Pty Ltd	645,752	0.37%
16. Paul Tedder	593,109	0.34%

SHINE CORPORATE LTD

www.shine.com.au