

SHINE CORPORATE LIMITED AND CONTROLLED ENTITIES

ACN: 162 817 905

**Interim Financial Report For The Half-Year Ended
31 December 2013**

SHINE CORPORATE LIMITED AND CONTROLLED ENTITIES

ACN: 162 817 905

Interim Financial Report For The Half-Year Ended 31 December 2013

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	2
Interim Condensed Consolidated Statement of Comprehensive Income	3
Interim Condensed Consolidated Statement of Financial Position	4
Interim Condensed Consolidated Statement of Changes in Equity	5
Interim Condensed Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7
Directors' Declaration	13
Independent Auditor's Review Report	14

**SHINE CORPORATE LIMITED ACN: 162 817 905 AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Your directors present their report, together with the consolidated financial statements for the half-year ended 31 December 2013.

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. The substance of the restructure has been evaluated with reference to Australian Accounting Standard AASB 3 Business Combinations, and it has been determined that the restructure did not represent a business combination as outlined in that standard. The accounting treatment adopted for recognising this new group structure is a form of group reorganisation that does not involve any change of economic substance and, therefore, represents a continuation of the existing group previously controlled by Shine Lawyers Ltd.

Directors

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

Tony Bellas
Carolyn Barker AM
Gregory Moynihan
Simon Morrison
Stephen Roche

Review and Results of Operations

The Group experienced an increase in both revenue and profits during the half-year. Revenue for the half-year was \$56,693,159 (2012: \$48,794,849) representing an increase of 16.2%. This was as a result of the contribution of past acquisitions and continued organic growth, especially in emerging practice areas.

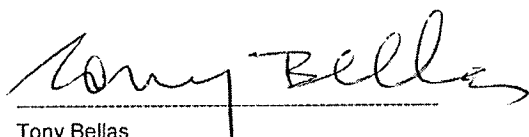
Consolidated net profit from continuing operations after income tax for the half-year was \$11,391,884 (2012: \$7,993,376), an increase of 42.5% over the previous corresponding half-year. As with revenue, this was as a result of the contribution of past acquisitions and continued organic growth, especially in emerging practice areas. The net profit growth was also due to efforts to control overheads, which grew at a slower rate of 4% over the corresponding half-year, compared to revenue growth of 16% and direct costs of 9%.

The directors declared on 25 February 2014 an unfranked dividend of 1.75 cents per share to be paid on 9 April 2014.

Auditor Independence Declaration

We have obtained the declaration on page 2 from our auditors, Ernst & Young.

Signed in accordance with a resolution of the directors



Tony Bellas
Chairman
25th February 2014



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

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

In relation to our review of the financial report of Shine Corporate Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ric Roach
Partner

25 February 2014

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

		Six months ended 31 Dec	
		2013	2012
	Note	\$	\$
Continuing operations			
Revenue	3	56,693,159	48,794,849
Other income		-	532
Employee benefits expense		(26,200,711)	(23,629,624)
Depreciation and amortisation expenses		(913,678)	(565,387)
Finance costs		(483,265)	(437,379)
Other expenses	4	(12,750,780)	(12,666,987)
Share of net loss of associates and joint venture entities		-	-
Profit before income tax		<u>16,344,725</u>	<u>11,496,004</u>
Tax expense	5	<u>(4,952,841)</u>	<u>(3,502,628)</u>
Net Profit from continuing operations		<u>11,391,884</u>	<u>7,993,376</u>
Net Profit for the period		<u>11,391,884</u>	<u>7,993,376</u>
Total comprehensive income for the period		<u>11,391,884</u>	<u>7,993,376</u>

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)	7	7.35	5.72
Diluted earnings per share (cents)	7	7.35	5.72

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31/12/2013 \$	30/06/2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	5,262,502	15,982,186
Trade and other receivables		3,617,671	8,600,994
Current tax receivable		1,388,176	1,388,176
Work in progress	9	89,568,713	88,886,423
Unbilled disbursements	9	23,907,525	20,759,339
Other current assets	12	829,089	852,569
TOTAL CURRENT ASSETS		<u>124,573,676</u>	<u>136,469,687</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,642,256	5,133,792
Intangible assets	11	8,857,136	9,146,060
Work in progress	9	46,049,228	27,397,012
Unbilled disbursements	9	11,910,457	6,594,969
Other non-current assets		3,517,908	95,696
TOTAL NON-CURRENT ASSETS		<u>74,976,985</u>	<u>48,367,529</u>
TOTAL ASSETS		<u>199,550,661</u>	<u>184,837,216</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		15,302,227	15,170,294
Borrowings		2,813,701	2,446,503
Deferred revenue		3,981,884	3,000,237
Provisions		4,671,033	4,944,626
TOTAL CURRENT LIABILITIES		<u>26,768,845</u>	<u>25,561,660</u>
NON-CURRENT LIABILITIES			
Borrowings		15,511,669	16,803,170
Deferred revenue		1,983,730	923,006
Deferred tax liabilities		41,662,637	36,709,797
Provisions		1,796,490	1,691,677
TOTAL NON-CURRENT LIABILITIES		<u>60,954,526</u>	<u>56,127,650</u>
TOTAL LIABILITIES		<u>87,723,371</u>	<u>81,689,310</u>
NET ASSETS		<u>111,827,290</u>	<u>103,147,906</u>
EQUITY			
Issued capital		18,256,679	18,256,679
Retained earnings		93,570,611	84,891,227
TOTAL EQUITY		<u>111,827,290</u>	<u>103,147,906</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	<u>Share Capital</u>		
	Note	Ordinary	Retained Earnings
		\$	\$
Consolidated Group			
Balance at 1 July 2012		4,590,001	70,551,153
			75,141,154
Comprehensive income			
Profit for the period		-	7,993,376
Total comprehensive income for the period		-	7,993,376
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued during the period		506,250	-
Dividends recognised for the period	6	-	(2,262,733)
Total transactions with owners and other transfers		506,250	(1,756,483)
Balance at 31 December 2012		<u>5,096,251</u>	<u>76,281,796</u>
			<u>81,378,047</u>
Balance at 1 July 2013		18,256,679	84,891,227
			103,147,906
Comprehensive income			
Profit for the period		-	11,391,884
Total comprehensive income for the period		-	11,391,884
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued during the period		-	-
Transaction costs		-	-
Dividends recognised for the period	6	-	(2,712,500)
Total transactions with owners and other transfers		-	(2,712,500)
Balance at 31 December 2013		<u>18,256,679</u>	<u>93,570,611</u>
			<u>111,827,290</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

		Six months ended 31 Dec	
	Note	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		46,800,043	42,205,982
Payments to suppliers and employees		(46,391,314)	(42,134,383)
Interest received		64,043	62,534
Finance costs		(483,265)	(405,567)
Income tax paid		-	(1,734,472)
Net cash used in operating activities		<u>(10,493)</u>	<u>(2,005,906)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in venture funding		(590,987)	(2,576,749)
Purchase of property, plant and equipment		(113,322)	(1,915,218)
Proceeds from sale of property, plant and equipment		-	99,515
Acquisition of businesses		-	(4,725,454)
Purchases of files		(3,579,963)	-
Contractual payments to vendors		(2,787,041)	-
Transformation development costs		-	(470,008)
Net cash used in investing activities		<u>(7,071,313)</u>	<u>(9,587,914)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	506,250
Proceeds from borrowings		(416,038)	3,584,195
Finance lease principal repayments		(509,340)	(420,736)
Dividends paid by parent entity in cash		(2,712,500)	(792,615)
Net cash provided by (used in) financing activities		<u>(3,637,878)</u>	<u>2,877,094</u>
Net decrease in cash held		<u>(10,719,684)</u>	<u>(8,716,726)</u>
Cash and cash equivalents at beginning of financial period		15,982,186	9,308,171
Cash and cash equivalents at end of financial period	8	<u>5,262,502</u>	<u>591,445</u>

**SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 1 Corporate Information

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

Accordingly, comparative amounts for the half-year ended 31 December 2012 are Shine Lawyers Limited only. The current half-year's Condensed Statement of Comprehensive Income, Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows for the half-year to 31 December 2013 consists of Shine Corporate Limited and its controlled entities.

The consolidated financial statements of Shine Corporate Limited for the half-year ended 31 December 2013 were authorised for issue on 25th February 2014 in accordance with a resolution of the directors of the Company.

Note 2 Basis of Preparation and Changes to the Group's Accounting Policies

Basis of Preparation

The interim condensed financial statements for the half-year ended 31 December 2013 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2013.

Changes in Accounting Policy, Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2013, except for the adoption of new standards and interpretations noted below:

Remove Individual Key Management Personnel Disclosures - Amendments to AASB 124 Related Party Disclosures

The amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. These amendments are effective for annual periods beginning on or after 1 July 2013.

The adoption of these amendments had no impact on the condensed interim financial statements of the Group, but are expected to impact the annual financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued, but is not yet effective.

New Accounting Standards for Application In Current Period

The following standards would have been applied for the first time for entities with periods ending 31 December 2013.

AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 119: *Employee Benefits (September 2011)* and AASB 2011-10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*.

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

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

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

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

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

AASB 13: Fair Value Measurement

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

AASB 13 requires:

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

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

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

AASB 119 and AASB 2011-10 introduce a number of changes to the presentation and disclosure of defined benefit plans. The group has no defined benefit plans and there will be no impact on the financial statements.

Reclassification of the Loan to Risk Worldwide New Zealand

The loan to Risk Worldwide New Zealand has been reclassified from current receivables at 30 June 2013 to non current receivables at 31 December 2013 based on changed expectations regarding the timing of the repayment of the loan.

At 30 June 2013 the loan was \$2,873,847 and formed part of trade and other receivables. At 31 December 2013 the loan was \$3,360,608 and forms part of other non-current assets.

SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Note 3 Revenue from Operations

	Six months ended 31 Dec	
	2013	2012
	\$	\$
Revenue from operations		
Rendering of services		
— Provision of services/professional fees	54,617,095	47,170,709
— Sundry disbursements recovered	1,999,490	1,527,000
	<u>56,616,585</u>	<u>48,697,709</u>
— Other income	12,531	34,606
— Interest received	64,043	62,534
Total Sales Revenue	<u>56,693,159</u>	<u>48,794,849</u>

Note 4 Other Expenses

	Six months ended 31 Dec	
	2013	2012
	\$	\$
Other expenses		
Premises expenses	3,388,602	3,192,423
Marketing expenses	2,220,175	2,293,852
HR expenses	1,395,438	1,730,426
IT and computer expenses	1,998,826	1,633,153
Printing, postage and stationery	862,640	1,086,194
Professional fees	897,474	1,070,069
Unrecovered expenses	1,113,545	735,566
Motor vehicle and travel expenses	660,175	721,566
Sundry expenses	213,905	203,738
	<u>12,750,780</u>	<u>12,666,987</u>

Note 5 Tax Expense

	Six months ended 31 Dec	
	2013	2012
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	4,903,418	3,448,801
Under provision in respect of prior years	-	-
	<u>4,903,418</u>	<u>3,448,801</u>
 Add:		
Tax effect of:		
— non-allowable items	49,423	53,827
Income tax attributable to entity	<u>4,952,841</u>	<u>3,502,628</u>
 The applicable weighted average effective tax rates are as follows:	30.3%	30.5%

Note 6 Dividends Paid and Proposed

	Six months ended 31 Dec	
	2013	2012
	\$	\$
Distributions paid		
Final unfranked ordinary dividend of 1.75 cents (2012: 1.158) per share franked at the tax rate of Nil% (2012: 30%)	2,712,500	2,262,733
	<u>2,712,500</u>	<u>2,262,733</u>

The board of directors on 25 February 2014 declared an unfranked interim 2014 dividend of 1.75 cents per share. The total dividend of \$2,712,500 has not been recognised as a liability at 31 December 2013.

In the half-year ended 31 December 2012, cash payments for dividends amounted to \$792,615. The balance was offset against receivables.

Note 7 Earnings per Share

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

	Six months ended 31 Dec	
	2013	2012
	\$	\$
Net profit attributable to ordinary equity holders of the parent	<u>11,391,884</u>	<u>7,993,376</u>
 Weighted average number of ordinary shares for basic and diluted earnings per share	<u>155,000,000</u>	<u>139,772,207</u>

**SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 8 Cash and Cash Equivalents

	31/12/2013	30/06/2013
	\$	\$
Cash at bank and on hand	5,262,502	15,982,186
	<u>5,262,502</u>	<u>15,982,186</u>

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	5,262,502	15,982,186
	<u>5,262,502</u>	<u>15,982,186</u>

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

Note 9 Work In Progress

	31/12/2013	30/06/2013
	\$	\$
CURRENT		
At net realisable value:		
Work in progress	108,002,292	105,427,932
Work in progress provision	<u>(18,433,579)</u>	<u>(16,541,509)</u>
	<u>89,568,713</u>	<u>88,886,423</u>
 Unbilled disbursements	 24,359,839	 21,436,992
Unbilled disbursements provision	<u>(452,314)</u>	<u>(677,653)</u>
	<u>23,907,525</u>	<u>20,759,339</u>
 NON-CURRENT		
At net realisable value:		
Work in progress	55,821,804	32,485,913
Work in progress provision	<u>(9,772,576)</u>	<u>(5,088,901)</u>
	<u>46,049,228</u>	<u>27,397,012</u>
 Unbilled disbursements	 12,135,796	 6,594,969
Unbilled disbursements provision	<u>(225,339)</u>	<u>-</u>
	<u>11,910,457</u>	<u>6,594,969</u>

The classification of work in progress and unbilled disbursements into Current and Non-Current Assets is a matter of judgement. The classification is dependent on the expected timing of settlement and the product mix of cases on hand at the balance date, together with historical and current trends of likely recovery of these cases within 12 months or beyond.

**SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 10 Property, Plant and Equipment

	31/12/2013 \$	30/06/2013 \$
PLANT AND EQUIPMENT		
Fixtures and Fittings		
At cost	4,663,958	4,610,541
Accumulated depreciation	<u>(1,357,402)</u>	<u>(969,376)</u>
	<u>3,306,556</u>	<u>3,641,165</u>
 Make Good Allowance on Leased Premises		
At cost	854,455	854,455
Accumulated depreciation	<u>(528,922)</u>	<u>(440,216)</u>
	<u>325,533</u>	<u>414,239</u>
 Leased Plant and Equipment		
Capitalised leased assets	565,920	782,356
Accumulated depreciation	<u>(204,505)</u>	<u>(281,046)</u>
	<u>361,415</u>	<u>501,310</u>
 Office Furniture and Equipment		
At cost	898,644	648,135
(Accumulated amortisation)	<u>(349,218)</u>	<u>(181,304)</u>
	<u>549,426</u>	<u>466,831</u>
 Computer Equipment and Software		
At cost	502,128	486,119
(Accumulated amortisation)	<u>(402,802)</u>	<u>(375,872)</u>
	<u>99,326</u>	<u>110,247</u>
 Total plant and equipment	<u><u>4,642,256</u></u>	<u><u>5,133,792</u></u>

Note 11 Intangible Assets

	31/12/2013 \$	30/06/2013 \$
Goodwill		
Cost	6,797,260	6,797,260
Accumulated impaired losses	<u>-</u>	<u>-</u>
Net carrying amount	<u>6,797,260</u>	<u>6,797,260</u>
 Transformation project costs	1,828,975	1,828,975
Amortisation	<u>(605,718)</u>	<u>(390,151)</u>
	<u>1,223,257</u>	<u>1,438,824</u>
 Erin Brockovich agreement		
Cost	1,130,042	1,130,042
Amortisation	<u>(404,932)</u>	<u>(348,430)</u>
	<u>725,110</u>	<u>781,612</u>
 Software		
Cost	101,131	101,131
Amortisation	<u>(33,710)</u>	<u>(16,855)</u>
	<u>67,421</u>	<u>84,276</u>
 Website development		
Cost	44,088	44,088
Amortisation	<u>-</u>	<u>-</u>
	<u>44,088</u>	<u>44,088</u>
 Total intangibles	<u><u>8,857,136</u></u>	<u><u>9,146,060</u></u>

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

Impairment

Goodwill is tested fully for impairment annually (as at 30 June) and when circumstances indicate the carrying value may be impaired. The company's impairment test for goodwill and intangible assets with infinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended 30 June 2013.

The directors do not consider that there have been any triggers for impairment in the period to 31 December 2013.

**SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 12 Other Current Assets

	31/12/2013 \$	30/06/2013 \$
CURRENT		
Prepayments	829,089	852,569
	<u>829,089</u>	<u>852,569</u>

Note 13 Capital and Leasing Commitments

	31/12/2013 \$	30/06/2013 \$
(a) Finance Lease Commitments		
Payable - minimum lease payments		
- Not later than 12 months	1,055,698	1,163,187
- Between 12 months and 5 years	2,031,676	2,554,437
Minimum lease payments	<u>3,087,374</u>	<u>3,717,624</u>
Less future finance charges	<u>(365,266)</u>	<u>(487,251)</u>
Present value of minimum lease payments	<u>2,722,108</u>	<u>3,230,373</u>
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments		
- Not later than 12 months	5,529,299	5,320,290
- Between 12 months and 5 years	9,546,198	8,972,553
- Later than 5 years	33,768	-
	<u>15,109,265</u>	<u>14,292,843</u>

Note 14 Contingent Liabilities and Contingent Assets

The Company's main types of contingent liabilities are guarantees. All of the company's banking and lending facilities are with the Commonwealth Bank. The bank guarantee facility limit at 31 December 2013 was \$2,000,000 (30 June 2013: \$2,000,000) of which \$80,289 (30 June 2013: \$313,292) was unused at the end of the reporting period.

Note 15 Operating Segments

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

The Group operates in one reporting segment being damages based plaintiff litigation work. The business undertaken by Risk Worldwide New Zealand Limited does not meet the specific criteria in IFRS 8, 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 IFRS 8.13.

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 16 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

**SHINE CORPORATE LIMITED ACN: 162 817 905
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 17 Related Party Transactions

Transactions with related parties:

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

The following transactions occurred with related parties:

	31/12/2013	31/12/2012
i. Other Related Parties		
Purchase of goods and services	\$	\$
Murshine Service Trust - Office staff and services paid in pursuant to the services agreement	356,478	654,790
Morrison Family Trust & Stephen Roche Family Trust - Rental payments in relation to Bundaberg Office	11,674	11,533
Morrison Family Trust & Stephen Roche Family Trust - Rental payments in relation to Gympie Office	24,145	-
Stephen Roche Investment Trust & Morrison Family Trust - Rental payments in relation to the Toowoomba office	54,436	6,055
Morrison Family Trust & Stephen Roche Family Trust - Rental payments in relation to Shine's Centre of Learning, Murphys Creek	139,038	150,383
Morrison Family Trust & Stephen Roche Family Trust – Rental of apartments for clients and staff travel	7,835	10,100
The SW Roche Family Trust & SN Morrison Family Trust – Rental of storage at 4 Clopton Street	1,277	4,990
	<u>594,883</u>	<u>837,851</u>
ii. Unpaid Present Entitlements		
Stephen Roche Trust	-	80,106
Simon Morrison Trust	-	80,106
	<u>-</u>	<u>160,212</u>

Note 18 Business Combinations

There were no material business combinations to report in the six month period ended 31 December 2013.

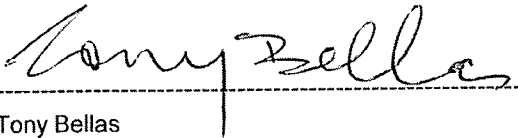
Refer to the 30 June 2013 financial report for disclosures of business combinations in the prior year. There has been no change in the measurement of fair value of deferred consideration on prior year acquisitions, from 30 June 2013.

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

1. The financial statements and notes of Shine Corporate Limited for the half-year ended 31 December 2013 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of the performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

A handwritten signature in black ink, appearing to read 'Tony Bellas', is written over a horizontal dashed line.

Tony Bellas
Chairman

25th February 2014

Independent review report to the members of Shine Corporate Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Shine Corporate Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, 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 half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Shine Corporate Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.



Building a better
working world

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Shine Corporate Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ric Roach
Partner
Brisbane

25 February 2014