EQUITY Trustees
Trusted since 1888

EQT RELEASE

28 August 2014

Equity Trustees Full Year Results
Profit and Dividend Increase
Acquisition of ANZ Trustees Limited

Equity Trustees Limited (ASX: EQT) today confirmed its full year financial results and final dividend.

Operating profit before tax and net profit after tax are both ahead of the prior year by 12%. The results are summarised as follows:

	12 months to 30 June 2014 $m	**12 months to 30 June 2013 $m**	**% Change**
Operating revenue	53.3	46.8	14
Operating expenses	(38.9)	(33.9)	(15)
Operating profit before tax	**14.4**	**12.9**	**12**
Income tax expense	(4.0)	(3.6)	
Operating profit after tax	**10.4**	**9.3**	**11**
Non-operating items (net of tax)	(0.7)	(0.6)	
Net profit after tax	**9.7**	**8.7**	**12**
Earnings Per Share (cents)	**88.64**	**87.58***	**1**
Dividend per share (full year, fully franked)	94c	92c	2
Operating Margin	27.1%	27.7%	

*The 2013 EPS has been restated due to the rights issue in April/May 2014. The previously reported EPS was 96.65 cps

EQT's Chairman, Mr Tony Killen, said, "The 2014 year has been a very important and successful one for Equity Trustees. Profit is up 12% over the prior year, notwithstanding major non-operating initiatives that were undertaken during the year, firstly in relation to the takeover offer for Trust Company and then the successful acquisition of ANZ Trustees Limited, (now known as Equity Trustees Wealth Services Limited (ETWSL)). The increase in operating result reflected organic growth in both of our main revenue business units, and we are confident that the company is on a solid and sensible strategic growth path for the future."

"We are delighted to have completed, on 4 July, the acquisition of ETWSL. The acquisition price was approximately $150m, with some adjustments for licence requirements, and was funded by a very successful capital raising at $17.00 per share."

Managing Director, Robin Burns, commented that: "The integration project is still in its early stages, however, we are pleased with the progress to date. The business we acquired is a very close fit with our long-term strategic plan and came across with a high-quality team and client base. Additionally, there is a 5-year referral agreement in place with the ANZ Bank and we see this as a positive opportunity for both parties to develop attractive solutions for our respective clients' financial advice and product needs."

Mr Killen noted that as a result of the transaction, Equity Trustees had almost doubled its market capitalisation, to approx. $400m, and was now well into the largest 300 companies on the ASX with a prospect of inclusion in the index in future. Since the acquisition, the share price has returned well above the capital raising price of $17.00. In addition, the number of shareholders has increased by 30% to approximately 2,400 and institutional representation on the register has grown materially. This augurs well for increased trading volume in EQT shares.

Mr Killen confirmed that the full year dividend would increase from 92 to 94 cps. The final fully franked dividend of 48 cps is payable to all shareholders, including the new shares issued as part of the major capital raising in April/May 2014.

He said, "As a result of the one-off non-operating costs of $0.7m (after tax), the reported earnings per share decreased to 88.64 cps. However, after taking into account the underlying profit and the prospects of enhanced profits arising from the ETWSL acquisition, the Board supports a lift in the 2014 full year dividend."

He added, "Based on the last traded share price, the dividend yield is approximately 4.3%, which we believe compares well with other companies in our sector. The company will again be offering the dividend reinvestment plan (DRP) - an attractive avenue for shareholders to continue to invest in the company at a discount of 2.5%."

Business progress

Mr Burns said, "We are very pleased with the 14% revenue growth, reflecting good growth initiatives by both of the business units. Trustee & Wealth Services (TWS) revenue was up 12.7% and FUM/A lifted 31%. Corporate Trustee Services (CTS) revenue was up 14.6% and FUM/A lifted 21%."

"In relation to expenses, we continue to invest in new strategies and to meet regulatory requirements, which pushed the expense increase above our long term target, however, we are very happy to maintain margins at around 27%, while adding 12% to the operating profit before tax."

Mr Burns added, "In TWS we have expanded the number of partnerships providing estate planning referrals and we are in discussion with a number of other advisory networks to provide a similar service. We continue to win new business in the RSE space, an area which we targeted during the year."

Mr Burns noted, "With the acquisition of ETWSL and a continuation of organically driven revenue initiatives, the Group is in a good position to drive further profit growth. The balance sheet remains debt-free. Given the company's record, initiatives under way and the opportunities ahead in our industry sector, I am confident that Equity Trustees will continue to perform well on behalf of all our stakeholders."

For further information, please contact:

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Equity Trustees Limited

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Equity Trustees Limited (EQT)

Full Year Results to 30 June 2014

Overview – FY2014

- Operating profit and net profit after tax – both up 12%.
- Revenue growth of 14% - all organic, operating margin at 27%.
- Successful acquisition of ANZ Trustees – effective 4 July 2014.
- Both Business Units grew revenue strongly.
- Full year dividend increased by 2% to 94¢ per share, fully franked – on increased capital.
- Business restructuring completed in Trustee & Wealth Services (TWS).
- Major business development and growth project continues in TWS. Further distribution partnerships in place.
- Net inflows to co-branded funds positive, but significantly reduced from 2013.
- Back office infrastructure project completed – improved efficiency and enhanced capacity for growth.
- Debt-free balance sheet.
- $160m of new capital raised at $17.00 per share

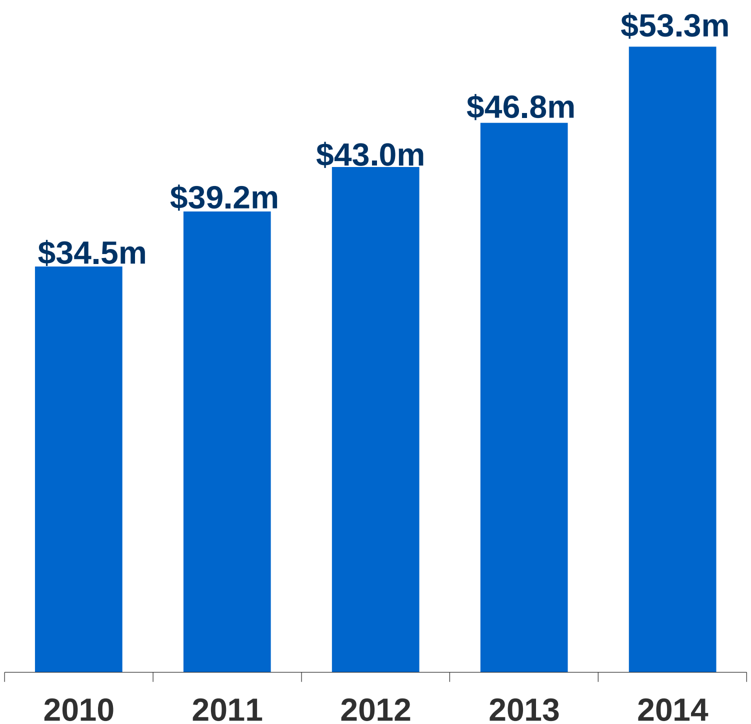
Overview – group results

	2014 $m	2013 $m	Change
Operating revenue	53.3	46.8	14 %
Operating expenses	(38.9)	(33.9)	(15 %)
Operating profit before tax	**14.4**	**12.9**	**12 %**
Income tax expense	(4.0)	(3.6)	
Operating profit after tax	**10.4**	**9.3**	**11 %**
Non-operating items *(net of tax)*	(0.7)	(0.6)	
Net profit after tax	**9.7**	**8.7**	**12 %**
Earnings per share *(cents)*	**88.64¢**	**87.58¢ ***	
Dividend per share *(full-year, fully franked)*	**94¢**	**92¢**	
Operating margin *(pre-tax, excluding non-operating items)*	**27.1%**	**27.7%**	

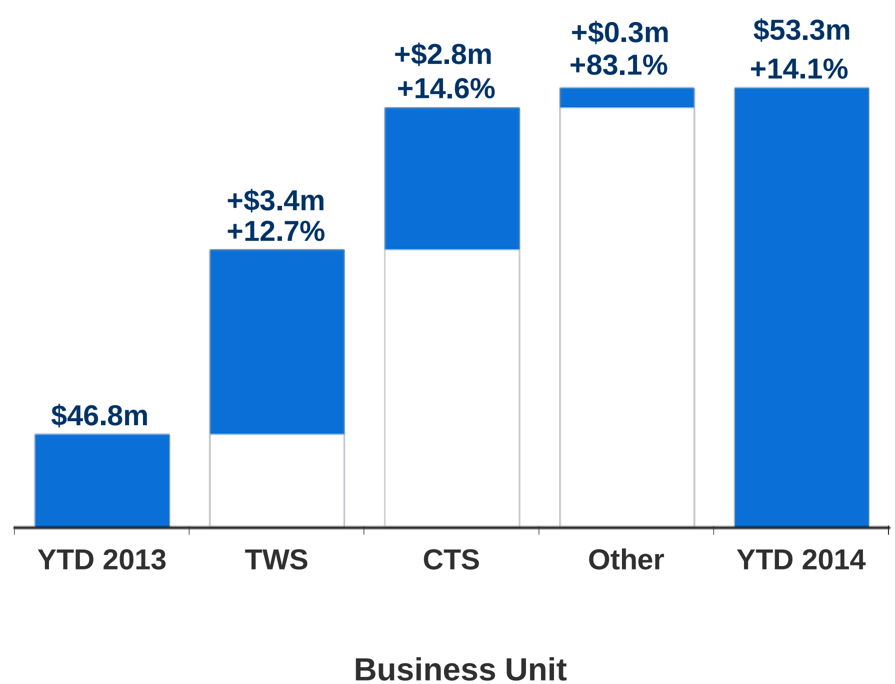
* 2013 EPS has been restated to reflect a Rights issue in April/May 2014. The previously reported EPS was 96.65 cps

Operating revenue – change

Operating revenue up 14.1% to $53.3m (Excludes profit on sale of investments)

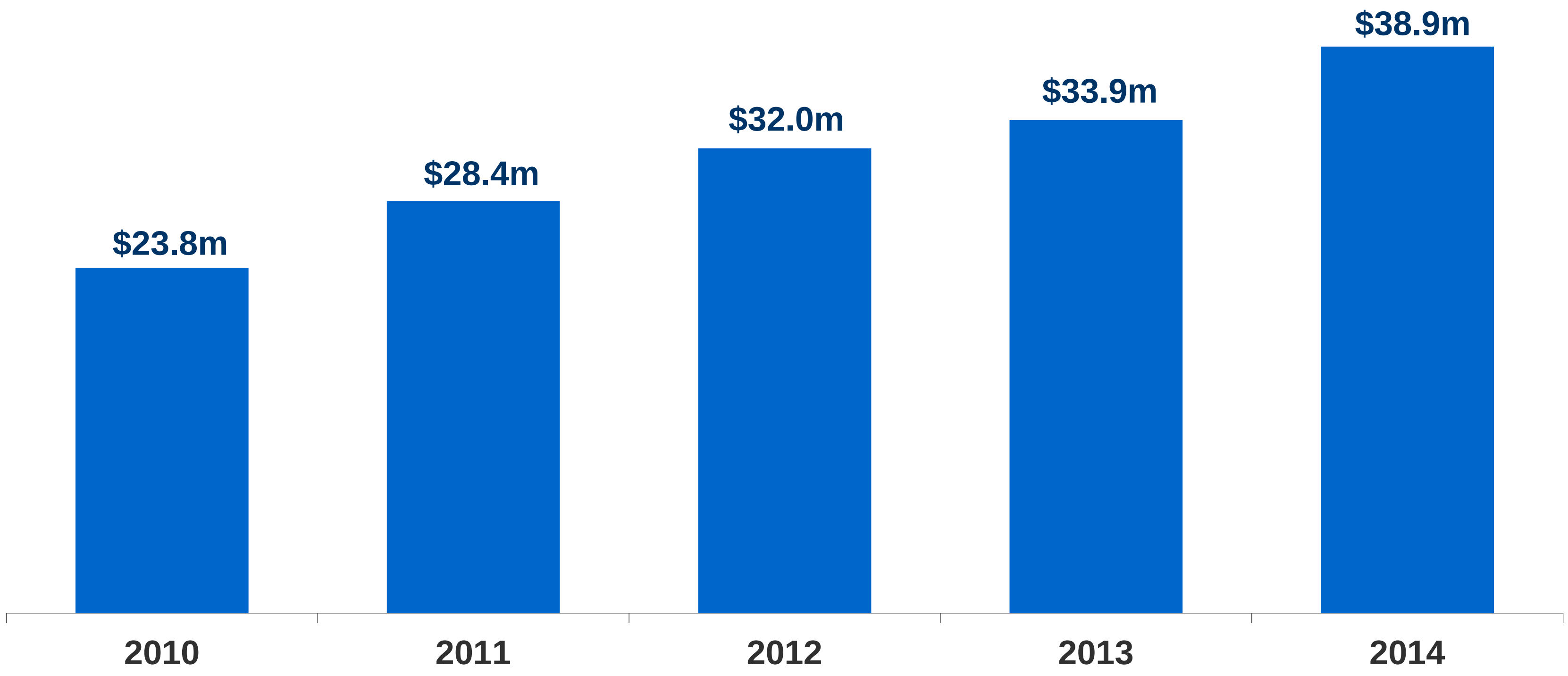


Operating revenue movement compared to prior year

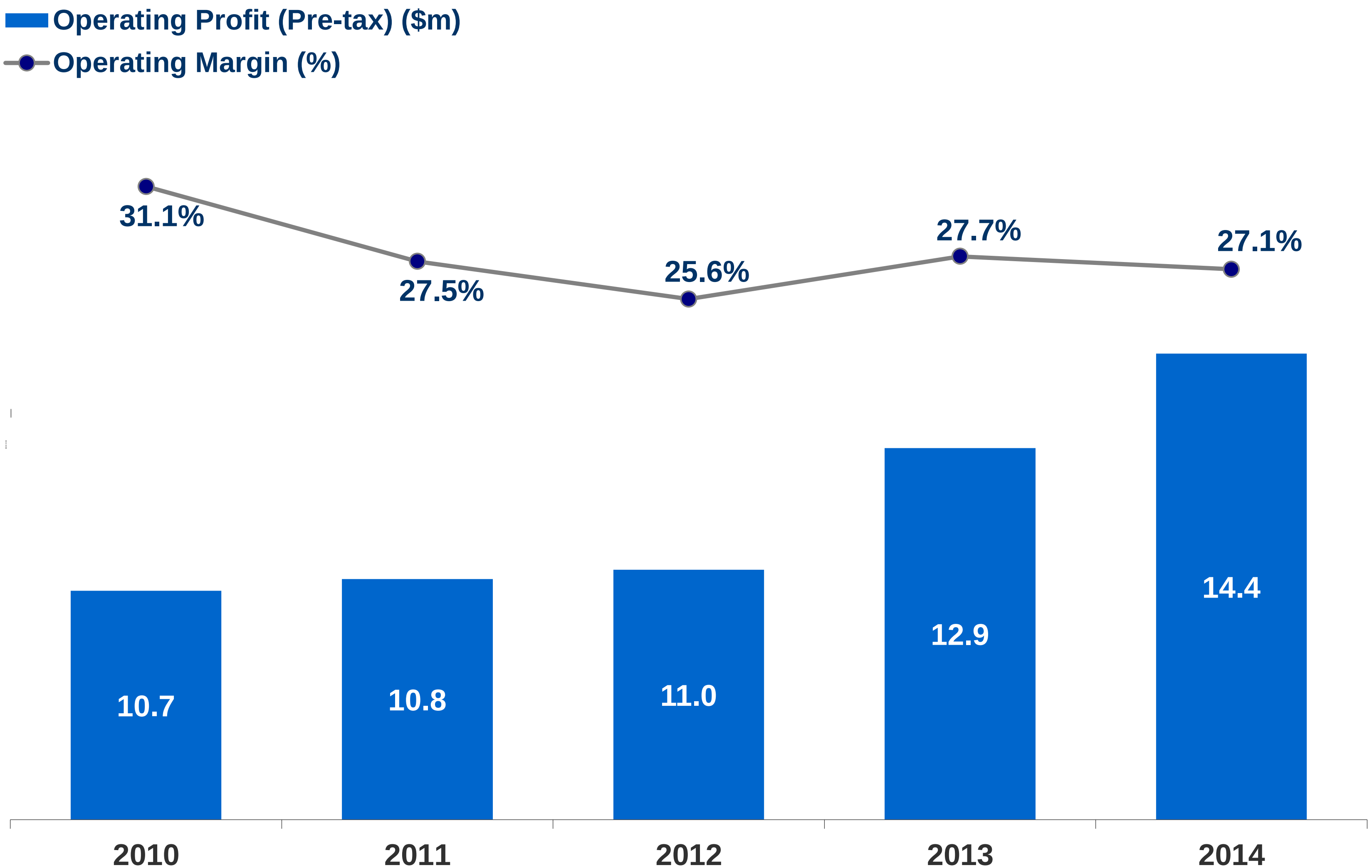


Expenses

Operating costs ($m)

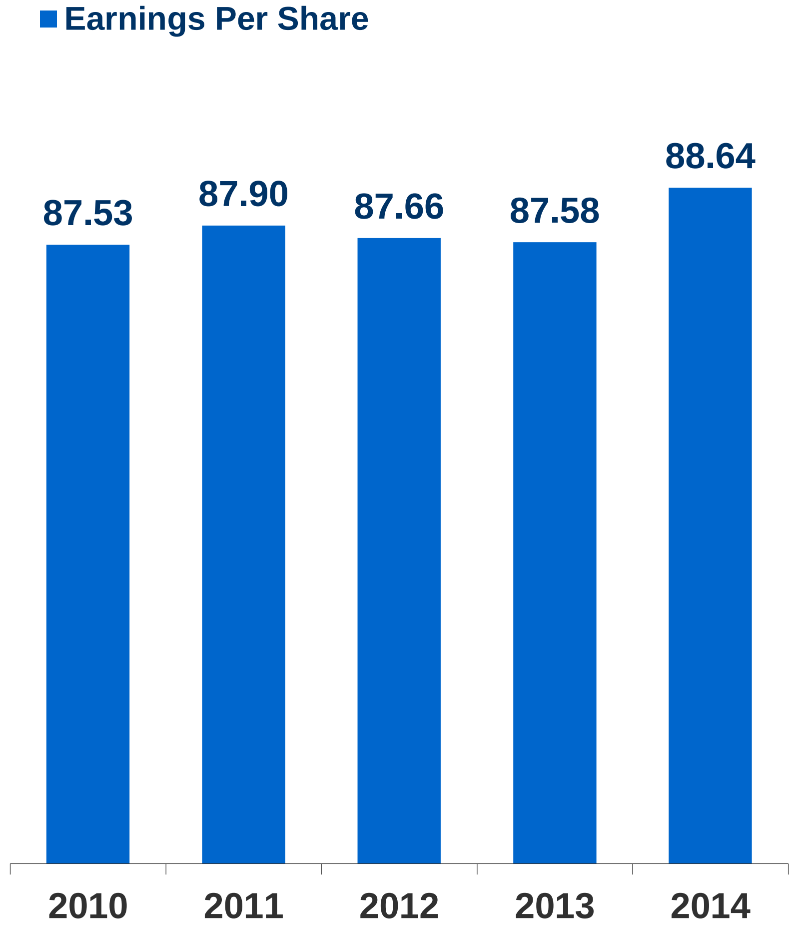


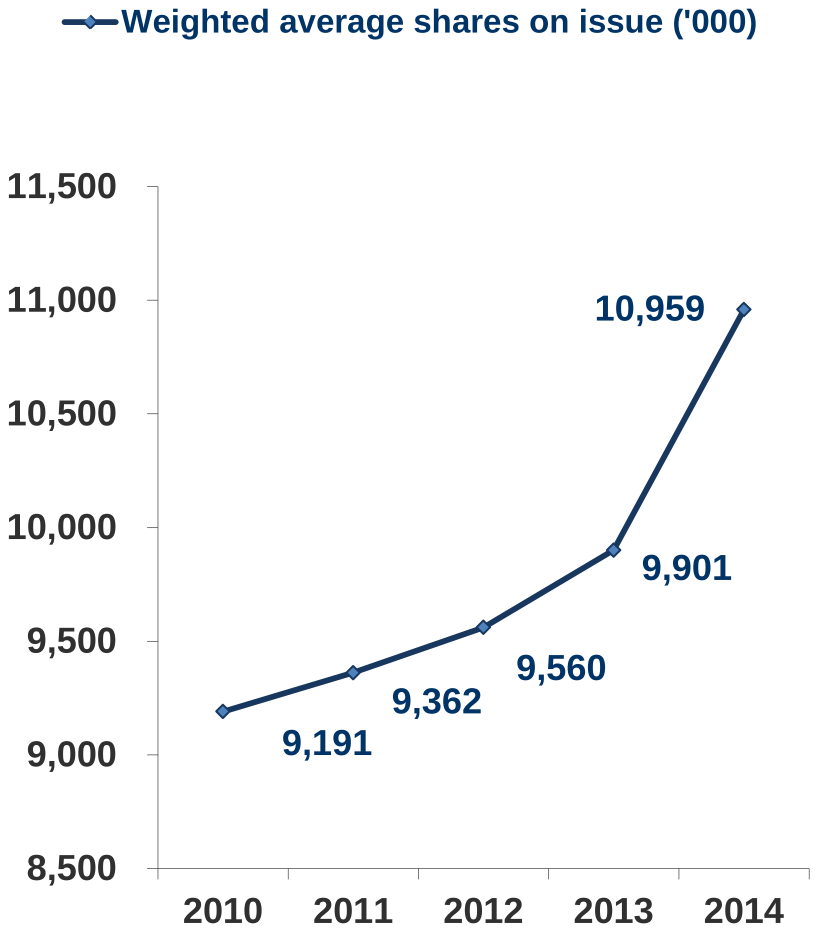
Operating margin



Reported earnings per share

Reported earnings per share at 88.64¢ per share





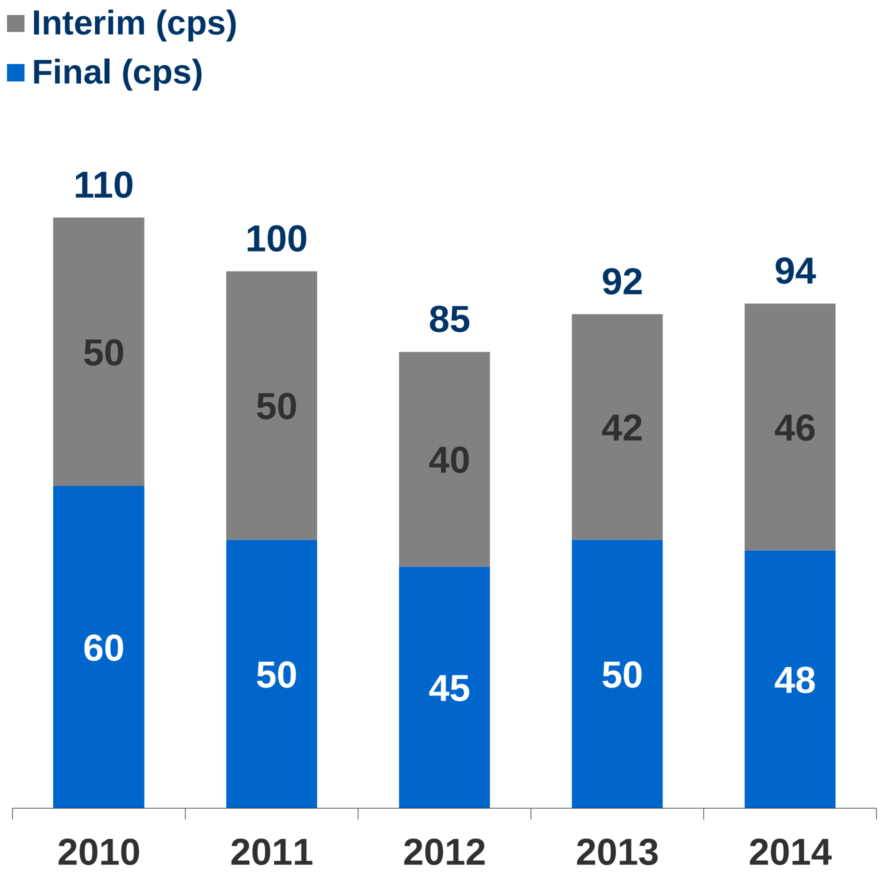
Note: 2010 to 2013 EPS and Weighted average shares on issue have been restated to reflect the Rights issue in April/May 2014.

Returns to shareholders

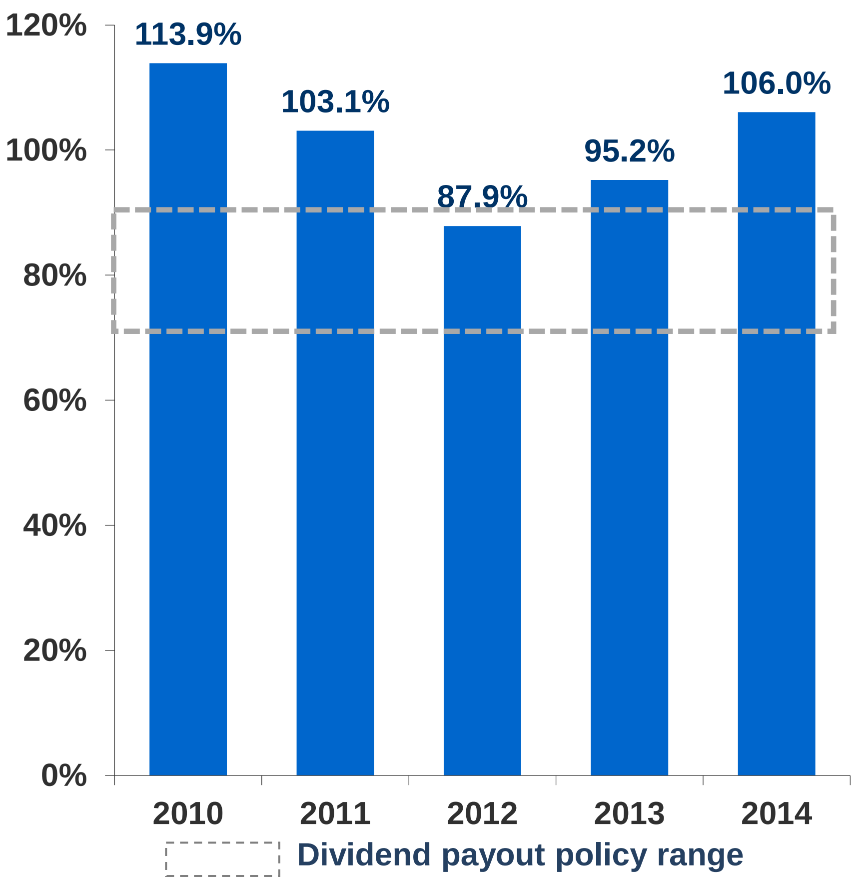
EQUITY Trustees

Full-year, fully-franked dividend

Reflecting a current yield of approximately 4.3% before franking credits

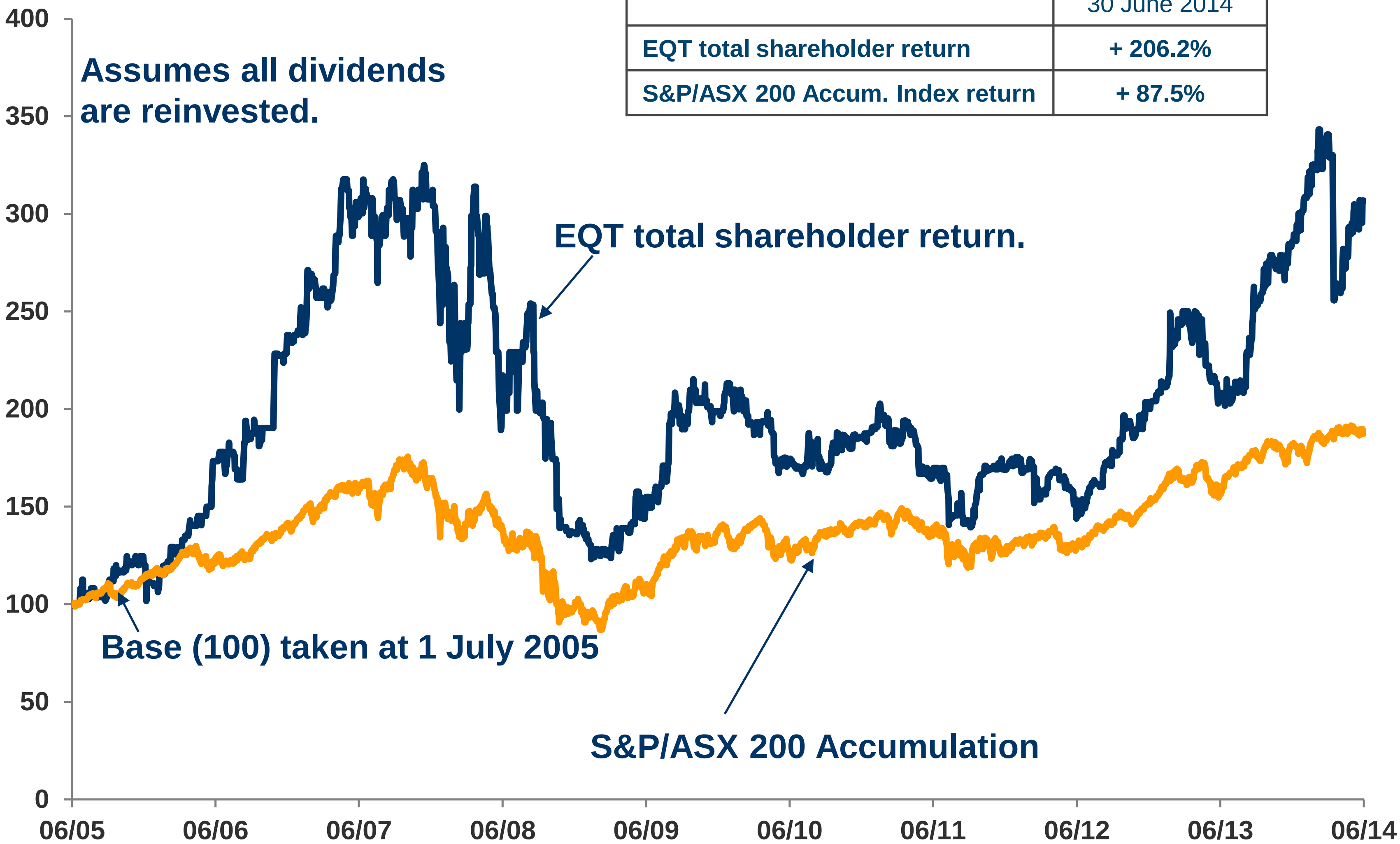


Full-year dividend as percentage of Reported EPS



Sustained shareholder return

	1 July 2005 to 30 June 2014
EQT total shareholder return	**+ 206.2%**
S&P/ASX 200 Accum. Index return	**+ 87.5%**

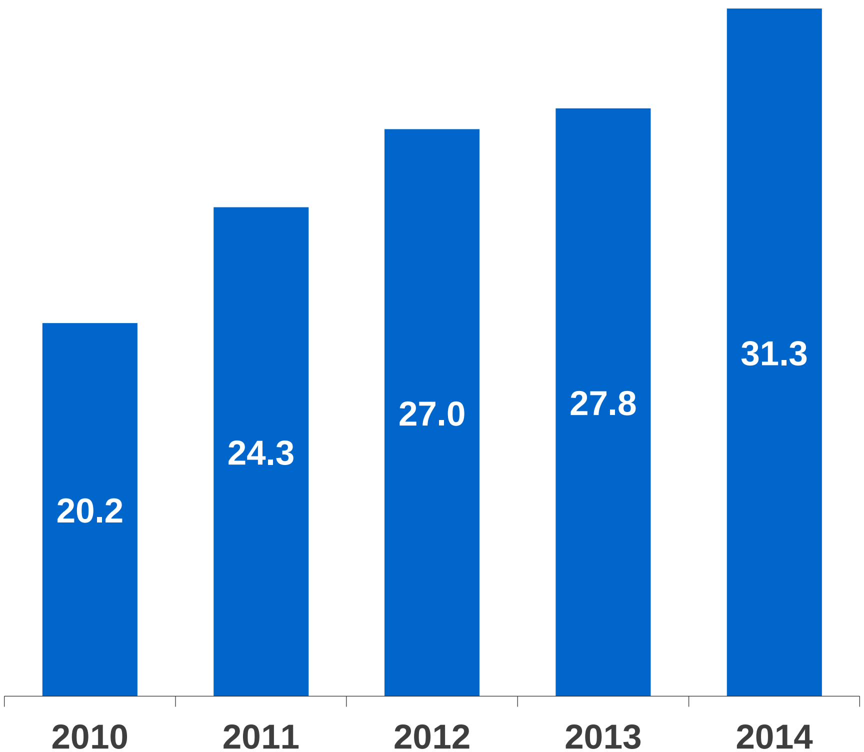


Business units – operations & performance

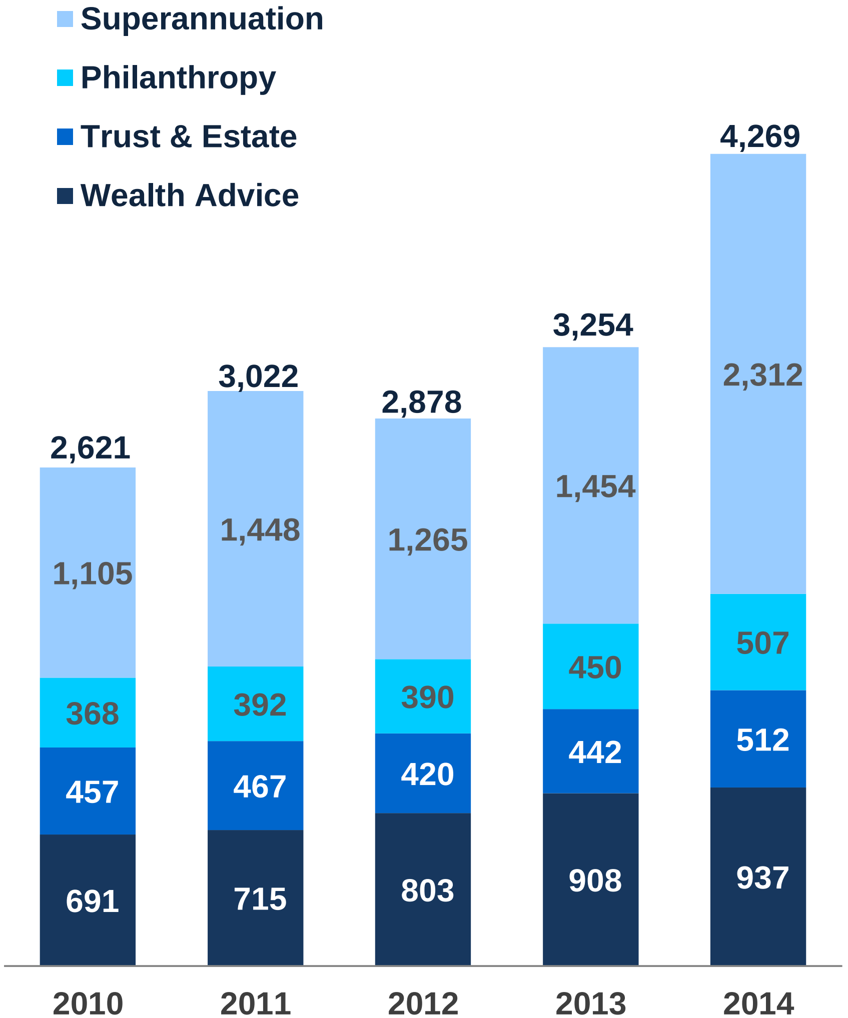
Business unit	Key services	Target market / channel	Revenue 2014 vs 2013	FUM/FUA 2014 vs 2013
Trustee & Wealth Services (TWS)	• Personal Estates & Trusts • Philanthropy • Wealth management • Asset management • Aged care advisory services • Employer and personal superannuation	• Private clients • Business to business referrals • Small-medium size corporates • Members • External distribution via planning networks	$31.3m + 12.7%	$4.3b + 31.2%
Corporate Trustee Services (CTS)	• Distribution • Product management for EQT co-branded funds (managed by external specialists) • Responsible entity	• Platforms/IDPS • Financial planners • Investment managers	$21.3m + 14.6%	$35.2b + 21.3%

Business unit overview – TWS

Operating revenue up 12.7% to $31.3m



FUM/FUA at 30 June 2014 up 31.2% to $4.3b

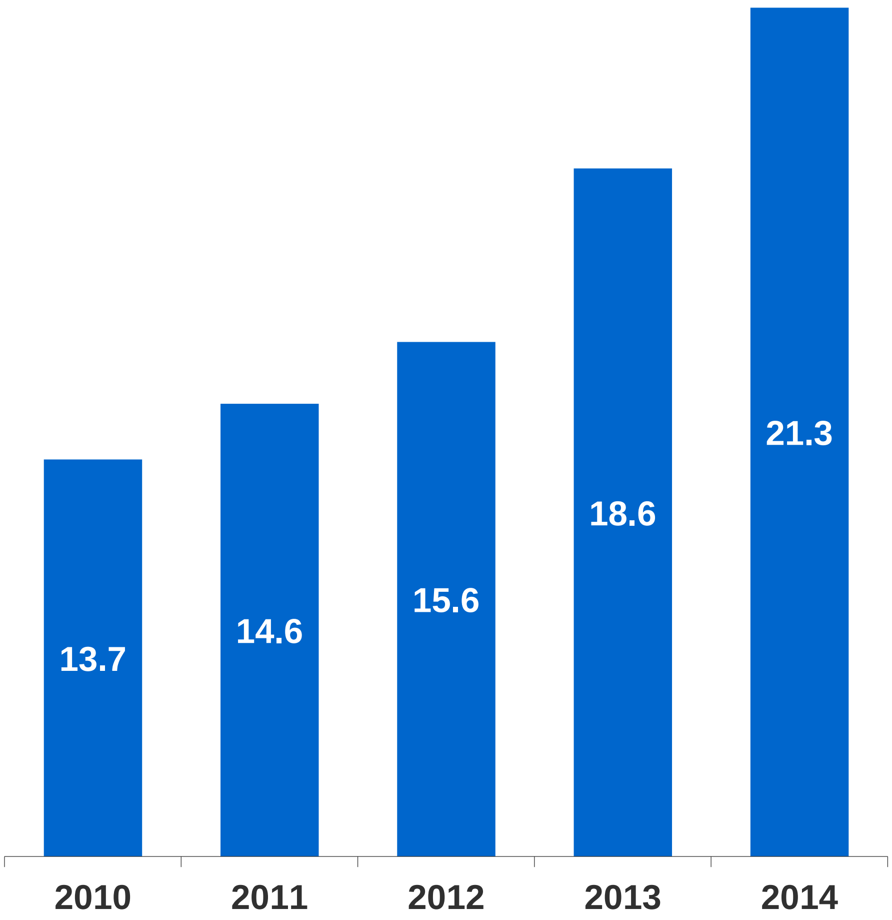


Business unit overview – TWS

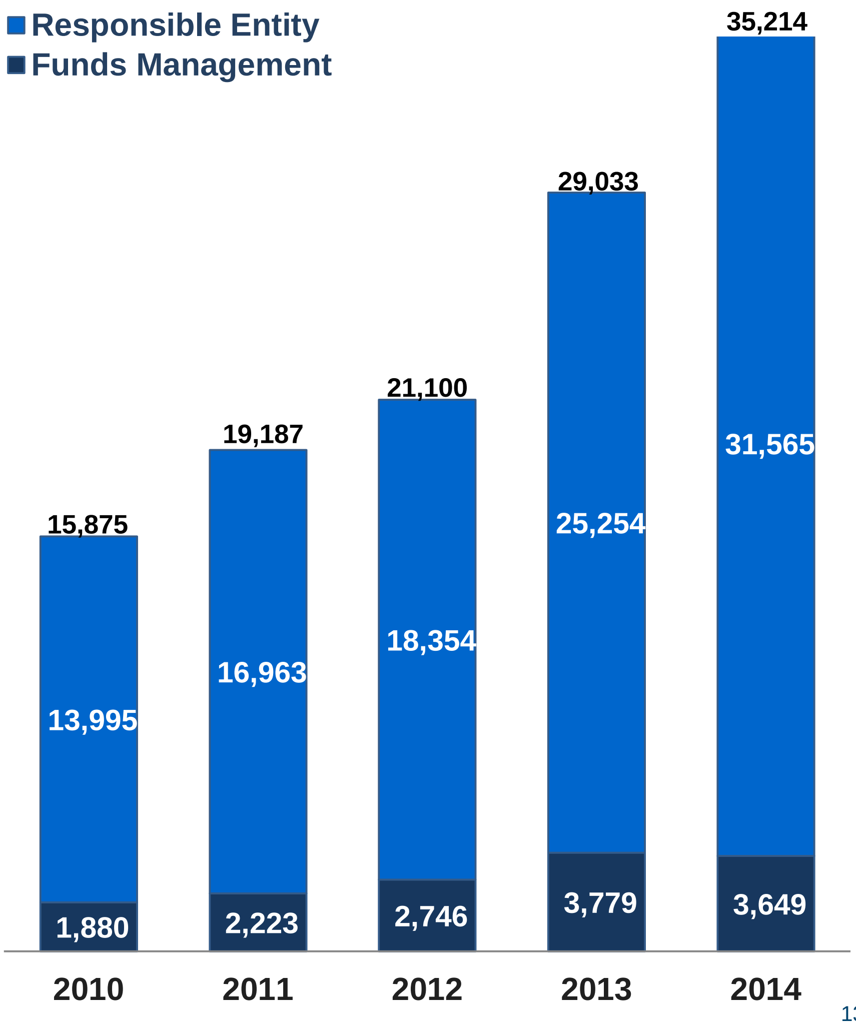
2014 highlights	• Revenue up 12.7% to $31.3m • FUM up 31.2% to $4.3b • Organic growth continues across all business lines. • Additional external partners in place to provide referrals for estate planning services, with approx one third recording EQT as Executor – provides growth in Will Bank • Successful MySuper authorisation for Superannuation mastertrust business • A new Superannuation Trustee Office established to dedicate management to new corporate RSE business initiatives • Philanthropy business strong • EQT appointed to VCAT panel as a recommended service provider. • Development and growth projects continue to improve distribution, cross-sell, revenue per client. • Asset management team – New focus on consistency of investment strategy across all funds under EQT's fiduciary responsibility • Completed acquisition of ANZ Trustees – effective date of 4 July 2014
2015 outlook	• The integration of ANZ Trustees is the main priority in 2015 – refer to later slide • Continue with organic growth initiatives for existing business, focussing on cross-selling strategies.

Business unit overview – CTS

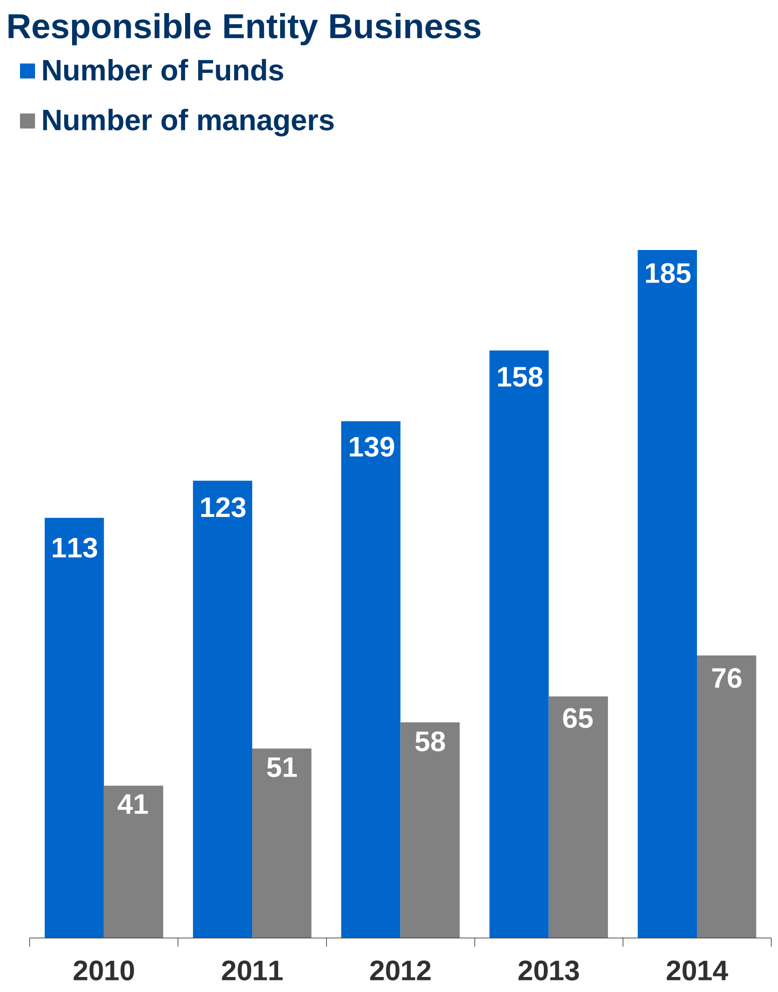
Operating revenue up 14.6% to $21.3m

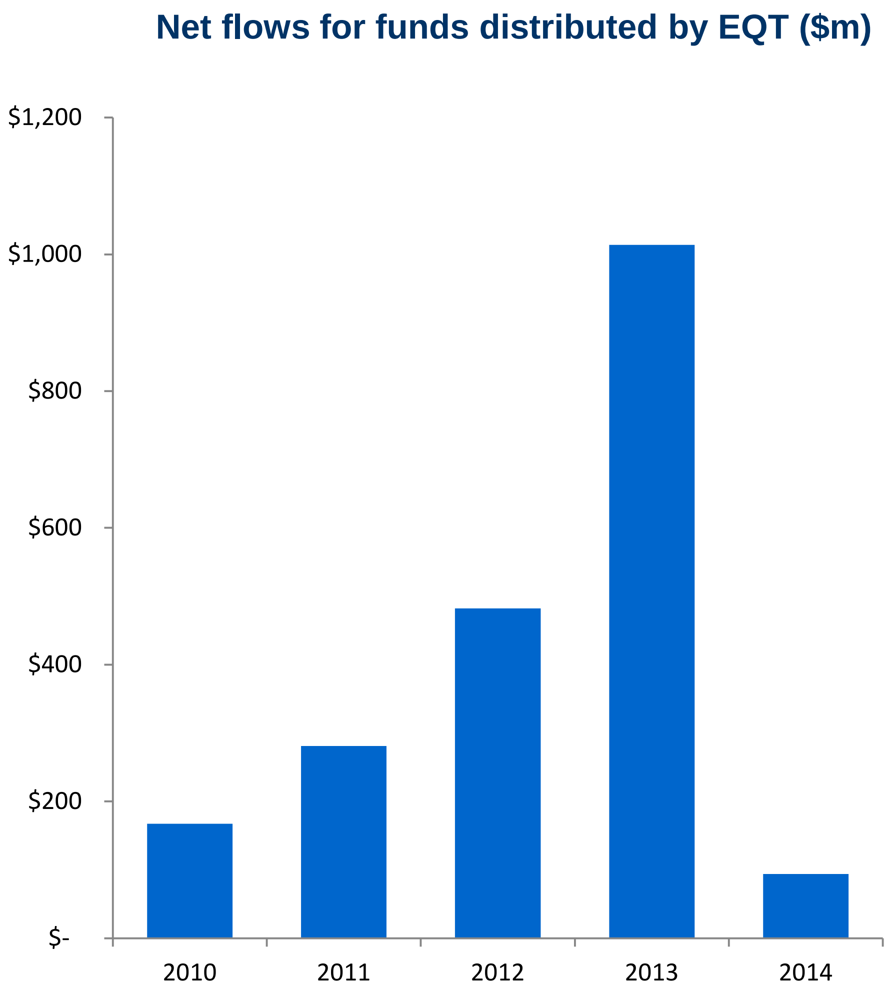


FUM/FUA at 30 June 2014 up 21.3% to $35.2b



Business unit overview – CTS





Business unit overview – CTS

2014 highlights	**Business Unit:** • Revenue up by 14 .6% to $21.3m • FUM increased from $29b to $35b **Corporate Trustee Services:** • Added a net 27 funds to 185 funds, servicing 76 managers - net increase of 11. • Expanded service offering to include wider trustee roles. • Foundation member of ASX sponsored mFunds settlement service - 25 funds admitted at launch. **Funds Distribution:** • During challenging conditions, Co-branded funds generated net inflows of $100m. • Inflows skewed towards income producing (defensive) assets. • PIMCO named as Professional Planner/Zenith Fund Awards 2013 – Global & Diversified Fixed Interest (Winner) • SGH ICE named as 2014 Morningstar Fund Manager of the Year – Undiscovered Manager.
2015 outlook	• New RE opportunities are strong – Australia seen as an attractive market by global operators. • Well positioned to benefit from flows into growth asset classes. • Defensive asset funds still likely to perform strongly. • Strong partnerships with investment managers and service providers.

Business update and summary

The environment

- Overall wealth industry growth – but outcomes from FSI, publicity re advice model problems, MySuper, FoFA all yet to be experienced. Increased business complexity and costs.
- Impending wealth transition and need for advice post-retirement are positive trends. Problems elsewhere may enhance benefits of an ‘independent’ brand. “Trustee” brings positive values.
- Role of ACNC under review. No other expected outcomes from CAMAC review of philanthropy roles.
- Industry, market, government focus on superannuation – regime, model, investing, costs, scale, tax.
- Consolidation drive abated, but advice industry under the microscope.
- Investors re-balanced or directed flows to growth assets.
- EQT’s business model and brand naturally aligned to the higher wealth clients with more complex needs. Focus has been on accessing external distribution and on cross-sell.
- Australia attractive for fund managers due to market size (but more competitive than appears).
- Changes in model for aged care funding just implemented – outcome uncertain.

Acquisition of ANZ Trustees Limited

Acquisition of ANZ Trustees Limited

- *10 April 2014 – Announced acquisition and capital raising*
- *3:4 capital raising at $17.00 per share – Approx 50% via placement and insto entitlement – approx 50% via retail entitlement*
- *4 July 2014 – Completion Date*
- *Acquisition cost of $1.8m (after tax)expensed to P&L, and $5.1m (after tax) of share issue costs charged against share capital*
- *As per Retail Entitlement Offer Booklet:*
  - *2014 BAU EBIT = $11.2m on FUM of $2.7b*
  - *Revenue - 73% of $23.3m is enduring*
  - *45,000 Will Bank*
  - *280 Charitable Trusts*
  - *Integration to take approx 18 months at one-off cost of approx $5m*
  - *Expense synergy savings of $4m, with $1m in first year*
  - *Revenue synergy benefit of $2m, after first year*
  - *5 year referral agreement with ANZ to provide further EQT revenue opportunities*
- *EQT's Reported EPS to be impacted by one-off costs during initial 18 month period, but then positive*

Directions

- Acquisition of ANZ Trustees enables EQT to enter ASX300 – Inclusion in index possible
- Market Capitalisation now approximately $400m
- Share Register contains a much broader spread of institutions
- Only remaining independent listed trustee company
- Trustee Wealth Services provides significant growth opportunity – using existing growth initiatives across expanded Business Unit. Significant increase in Will bank and philanthropic clients
- Continuing growth in RE roles. Exploring other potential trustee roles.
- Increasing capital to meet new ASIC requirements at 1 July 2015. A review of a new structure for licenced subsidiaries is underway – to achieve an efficient capital structure for the future. The DRP will operate for the next two dividends – we will assess need to underwrite the 2015 interim dividend in April 2015.
- Business mix changing – TWS now dominant activity. Reduces vulnerability to large clients. Acquisition diversifies TWS revenue, increases margin and long-term FUM.
- Administration and IT efficiency project completed.

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Where forward looking statements have been used in this presentation the information provided is based upon current expectations of future events and is subject to risk, uncertainty and assumptions that could cause actual outcomes to differ from those forecast.

Appendix 4E – Full Year Report

Name of entity

Equity Trustees Limited

ABN or equivalent company reference

46 004 031 298

Full Year Ended

30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2014 A$'000		30 June 2013 A$'000	
Revenue from ordinary activities	54,935	Up 15.7%	From	47,482
Profit from ordinary activities after tax attributable to members	9,713	Up 12%	From	8,671
Net profit for the period attributable to members	9,713	Up 12%	From	8,671

Dividends	**Amount per Security**	**Franked amount per Security**
Final Dividend The directors have declared a fully franked final dividend of 48 cents per share. The directors have also declared that the dividend reinvestment plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average price of EQT traded shares on the first 5 days of EQT share trading after Record Date. A discount of 2.5 % will be applied.	48 cents	100%

Record Date for determining entitlements to the dividend.	18 September 2014
Last date for receipt of an election notice for participation in the DRP	19 September 2014
Payment date for dividend	16 October 2014

The 2014 Annual General meeting is to be held at 11.00am, Friday 31 October 2014 at Level 2 RACV Club, 501 Bourke Street, Melbourne.

This full year report should be read in conjunction with the 2014 Annual Financial Report.

ASX ADDITIONAL INFORMATION

Additional information, current as at 30 June 2014, and not shown elsewhere in this report, follows:

	30 June 2014	30 June 2013
Net tangible asset backing / per share		
Net tangible asset backing per share, based on shares on issue of 19,104,667 (2013: 9,049,621).	9.50	1.89

The material increase in net tangible assets arises from a $160m capital raising during April and May 2014, prior to the settlement of the acquisition of Equity Trustees Wealth Services Limited (formerly known as ANZ Trustees Limited) on 4 July 2014. If the capital raising were notionally excluded, the net tangible asset backing per share at 30 June 2014 would be $2.22.

Control gained or lost over entities during the period

The following entities were acquired.

Year ended 30 June 2014

There were no entities where control was gained or lost during the period.

On 4 July 2014, the Group acquired 100% of the shares in Equity Trustees Wealth Services Limited from the ANZ Banking Group. For further details regarding this acquisition please refer to note 33 of the 2014 Annual Financial Report.

Year ended 30 June 2013

On 12 April 2013, the Group acquired the remaining 25% of the shares in Simple Wrap Pty Ltd.
Contribution to consolidated profit from ordinary activities since the date on which control was acquired was not material to the understanding of the financial report.

There were no entities where control was lost during the period.

Audit

The Financial Statements for the year ended 30 June 2014 have been audited and an unqualified opinion provided.

Commentary

For a comprehensive overview of the 2014 results please refer to the separate ASX release covering the Announcement of Results and Shareholder Presentation.

Summary comments are as follows:

The profit after tax of $9.7m (2013:$8.7m) represents an increase of 12.0%. The undiluted earnings per share of 88.64 cents (2013: 87.58) represents an increase of 1.2% (note the weighed average shares for 2013 have been adjusted for the rights issue during 2014).

The final dividend of 48 cents per share brings the total dividend for the 2014 year to 94 cents (2013: 92 cents) fully franked. Shareholders funds have increased by 267%, from $63m to $230m which includes the $153m from capital raising ($160m less capital raising costs) that was used to purchase Equity Trustees Wealth Services Limited from the ANZ Banking Group on 4 July 2014.

This full year report should be read in conjunction with the 2014 Annual Financial Report.

Equity Trustees Limited

and Controlled Entities

ABN 46 004 031 298

Annual Financial Report
for the financial year ended
30 June 2014

Directory

Board of Directors:
JA (Tony) Killen OAM, BA, FAICD, FAIM (Chairman, Non-executive)
Robin BO Burns, DipAcc, FAICD (Managing Director)
David F Groves, BCom, MCom, CA, FAICD (Deputy Chairman, Non-executive)
Alice JM Williams, BCom, FCPA, FAICD, ASFA AIF, CFA (Non-executive)
The Hon Jeffrey G Kennett AC, HonDBus (Ballarat) (Non-executive)
Anne M O'Donnell, BA (Bkg & Fin), MBA, FAICD, SF Fin (Non-executive)
Kevin J Eley, CA, F FIN, FAICD (Non-executive)
Michael J O'Brien, FIAA, CFA, MAICD (Non-executive)

Company Secretary:
Philip B Maddox, LLB, BA, GDipAppFin (Finsia)

Joint Company Secretary / Chief Financial Officer:
Terry Ryan, BBus, FCA, F Fin

Auditor:
Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne, Victoria 3000

Share Registry:
Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

Registered Office:
Level 2, 575 Bourke Street
Melbourne, Victoria 3000
Telephone: (03) 8623 5000
Facsimile: (03) 8623 5200
Email: equity@eqt.com.au

Annual General Meeting:
11.00am, Friday 31 October 2014
Level 2, RACV Club
501 Bourke Street, Melbourne

Equity Trustees Limited
ABN 46 004 031 298

Directors' Report for the financial year ended 30 June 2014

The Directors of Equity Trustees Limited (EQT, Equity Trustees or the Company) submit herewith the annual financial report for the financial year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report is as follows:

The names of Directors of the Company during or since the end of the financial year are:

JA (Tony) Killen OAM, Chairman
Robin BO Burns, Managing Director
David F Groves, Deputy Chairman
Alice JM Williams
The Hon Jeffrey G Kennett AC
Anne M O'Donnell
Kevin J Eley
Michael J O'Brien, appointed 28 July 2014

Details of directorships and experience are summarised in the Board of Directors' Profiles, following this report.

COMPANY SECRETARIES

Mr Philip B Maddox, Lawyer, held the office of joint Company Secretary during and since the end of the financial year. Mr Maddox joined Equity Trustees Limited in 2001 and previously held senior managerial and operational roles in the trustee industry. He is a member of the Law Institute of Victoria and currently holds a Legal Corporate Practising certificate

Mr Terry Ryan, Chartered Accountant, held the office of joint Company Secretary during and since the end of the financial year. Mr Ryan joined Equity Trustees Limited in 2003 and previously held senior finance, administration and secretarial roles in the financial services industry and is a fellow of the Institute of Chartered Accountants and the Financial Services Institute of Australasia.

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PRINCIPAL ACTIVITIES

The principal activities of the Equity Trustees Limited Group (the Group) during the course of the financial year involved the provision of a range of financial services to clients of Trustee & Wealth Services (TWS) , previously known as Private Wealth Services, and Corporate Trustee Services (CTS), previously known as Corporate Fiduciary & Financial Services. Further details pertaining to the activities of the business units are summarised below.

REVIEW OF OPERATIONS

For the year ended 30 June 2014, the Group earned a net profit after tax of $9,713,412 compared to the prior year amount of $8,671,401, a 12.0% increase. Although this increase is pleasing, it was materially impacted by various non-operating items primarily relating to the acquisition of Equity Trustees Wealth Services Limited (formerly known as ANZ Trustees Limited), and to the offer for The Trust Company Limited (which was not successful). The effective date of the Equity Trustees Wealth Services Limited acquisition was 4 July 2014. Refer to further details under subsequent events. The net after-tax cost of all non-operating items was $681,251 (2013: $673,161).

The operating profit after-tax, excluding the non-operating items, increased by 11.2%, from $9,344,562 to $10,394,663. The 2014 performance maintains the operating margin in excess of 27%, assisted by a 14.1% increase in revenue.

The earnings per share (EPS) has lifted by 1.2% to 88.64 cents per share (cps), compared to 87.58 cps (re-stated) in the prior year. The prior year reported EPS was 96.65 cps, but has been re-stated to reflect the dilutionary impact of the rights issue in the later part of the current financial year. New shares were issued in April and May 2014 in the lead up to the acquisition of Equity Trustees Wealth Services Limited on 4 July 2014.

In assessing the quantum of the 2014 final dividend, the Board had regard to the expanded capital base to support the Equity Trustees Wealth Services Limited acquisition, the impact of the non-operating costs, and the anticipated investment to achieve integration synergies in 2015, and approved a fully franked final dividend of 48 cps, giving a total 2014 fully franked dividend of 94 cps, up 2c (2.2%) from the prior year. The 2014 dividend of 94 cps equates to a payout ratio of 106%, which is above the Board's stated payout range of 70% to 90%, however, it should be noted that it is 85.5% of 2014 underlying profit (which excludes non-operating items and the impact of a major capital raising in April/May 2014). The full year dividend represents a current yield of approximately 4.3%.

In terms of business unit performance, both TWS and CTS made solid contributions to Group profit and generated satisfactory margins.

TWS continued with major initiatives to grow revenue and earnings, with investment in additional development resources committed during the year. Revenue was up 12.7% from $27.8m to $31.3m during the 2014 year. In future years we expect to see improved revenue growth as a result of the current initiatives. The cross-selling between business lines has been a focus for development, especially in relation to estate management and aged care services. We have entered into further referral partnerships with major wealth management organisations which will lead to growth in EQT's estate planning and will writing services. Funds under management, advice or administration in TWS increased by 31.2% from $3.3b to $4.3b.

CTS achieved very good growth in its responsible entity and funds distribution activities, with a net increase of 27 in the number of funds for which we provide responsible entity services, from 158 to 185. The number of investment managers for which we provide responsible entity services increased from 65 to 76 over the period. This increased base has resulted in strong revenue growth of 14.6%, from $18.6m to $21.3m. In addition to the growth in Funds under Management/Administration arising from new responsible entity relationships, there is a continuing net inflow into existing funds. For the co-branded funds, where EQT is also responsible for distribution and marketing, the net inflows were approximately $100m. Overall, CTS Funds under Management/Administration increased by 21.3%, from $29.0b to $35.2b.

In relation to the support business units, the Group previously announced a major efficiency project to streamline the transaction processing, administration, systems and procedures on a group-wide basis. This project is now substantially complete, with consequent efficiencies being realised.

During 2014 the re-structure and enhancement of the in-house asset management team was completed. This has resulted in a single investment approach being applied across all of the business units. The asset management function is overseen by the Board Investment Committee.

As a financial services organisation we place great importance on risk management, compliance and governance issues. During the latter part of the year major enhancements were made to the Group's risk and compliance activities, with the appointment of a Chief Risk Officer to head the function. Development and enhancement of the risk management framework and plan will continue over the next 12 months. Significant work continued in relation to the implementation of the Future of Financial Advice (FoFA) and Stronger Super initiatives. External consulting and implementation costs continued to be incurred for these initiatives, which formed part of the overall increase in operating expenses.

The general investment climate showed continued improvement in terms of equity-related investments during the year and therefore assisted with revenue growth, however, the growth in defensive asset classes was more subdued. The Group continued to earn a higher percentage of revenue from fees-for-service than in previous periods. Although we anticipate that this trend will continue in certain revenue areas, the integration of Equity Trustees Wealth Services, which has a higher proportion of asset-based fees, will affect the overall ratio. Overall growth in the total investment and superannuation sectors in Australia and the forthcoming significant wealth transfer between generations provides a positive impetus for the Group's activities.

The Statement of Financial Position discloses that net assets have increased significantly during the latter part of the year, due to a $160m capital raising to fund the acquisition of Equity Trustees Wealth Services Limited. As a result, net assets increased by 267% from $62.6m to $230.1m, of which goodwill and intangible assets amount to $44.6m, up from $43.7m. The most recent impairment review test, using future discounted cashflows, reconfirmed that there is good headroom above the carrying values of goodwill and intangibles.

The after-tax return on equity for the year ($9.713m as a percentage of $66.344m average) was 14.6%, compared to 14.2% for the prior year. For the purposes of this calculation, the $160m capital raising was excluded. The balance sheet remains debt free.

In addition to the need to maintain a satisfactory capital position for business purposes, companies in the Group are obliged to meet a number of regulatory capital standards. An increased capital standard to support responsible entity activities will apply to the holding company on 1 July 2015. The Group has been anticipating this obligation and consistent with prior dividends, the Dividend Reinvestment Plan (DRP) will operate for the 2014 final dividend. The 2014 final dividend will be fully franked and payable on 16 October 2014.

The overall capital position remains an area of continuing Board oversight and will be monitored in relation to the acquisition of Equity Trustees Wealth Services Limited. Refer to an outline of the takeover offer under *Subsequent Events*.

The Group's immediate future focus will be to smoothly integrate the Equity Trustees Wealth Services Limited business after the completion date of 4 July 2014. Significant work has been undertaken to ensure the integration is a success, including the use of external consultants to assist with the Steering Committee oversight. As stated in the Retail Entitlement Offer Booklet, it is expected that a portion of expense synergies will be earned during the first 12 months, with full expense synergies of $4m per annum commencing during the second 12 months. It is expected that the cost of integration will be approximately $5m.

Apart from the abovementioned acquisition, organic growth opportunities will continue in each of the business units. The need and demand for advice on personal financial matters, at different life stages is expected to continue to grow and the re-shaping of the advice services sector over future periods should provide an environment that benefits Equity Trustees.

The two business units, their functions and 2014 revenue performance is summarised as follows:

Business unit	***Key functions***	***2014 performance***
Trustee & Wealth Services	The provision of personal financial and superannuation services including: • Personal Estates and Trusts – estate planning, trustee, executor, taxation, and philanthropic services; • Wealth Management – personalised portfolio management and support services; • Asset Management – overseeing the investment process for internal and external clients and managing internal funds; • Aged Care Services – financial planning advice, placement advice and training services specialising in the aged care sector; • Portfolio Services – employer services, personal superannuation and managed accounts in the superannuation sector	Operating revenue up 12.7% to $31.3m (2013: $27.8m) Funds/Assets under management up 31.2% to $4.3b (2013: $3.3b)
Corporate Trustee Services	Responsible Entity trustee services for managed funds on behalf of local and international managers and sponsors. Management and coordination of distribution and marketing for Equity Trustees co-branded retail and wholesale funds.	Operating revenue up 14.6% to $21.3m (2013: $18.6m) Funds under management/ administration up 21.3% to $35.2b (2013: $29.0b)

CHANGES IN THE STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

The following provides a summary of the key points relating to a major acquisition by the Company:

- On 10 April 2014, Equity Trustees Limited (ASX: EQT) announced its intention to acquire 100% of the shares in ANZ Trustees Limited for $150m. The acquisition was subject to certain conditions, approvals and adjustments and funded by a fully underwritten equity raising. It was expected that the completion date for the transaction would be early July 2014.

- On 14 April 2014, EQT announced that the placement and institutional component of the equity entitlement offer had been completed, with approximately $83.5m raised. The entitlement component was offered to existing institutional investors at $17.00 per share, based on a ratio of three new shares for each four shares held.
- On 24 April 2014, EQT issued 4,907,186 new EQT shares to sophisticated and professional investors at $17.00 per share, pursuant to the share placement and entitlement offer.
- On 14 May 2014, EQT issued 4,504,085 new EQT shares to retail investors at $17.00 per share, pursuant to the retail entitlement offer.
- On 6 June 2014, EQT announced that Ministerial Approval had been received. As such, the Sale and Purchase Agreement with the ANZ Bank became unconditional. It was announced that the target completion date would be 4 July 2014.
- On 4 July 2014, EQT completed the acquisition of ANZ Trustees Limited and changed the company name to Equity Trustees Wealth Services Limited.
- On 7 July 2014, EQT announced that the acquisition was completed for $150m, plus an adjustment to reflect changed licencing requirements that commenced on 1 July 2014.

Apart from the above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

FUTURE DEVELOPMENTS

Apart from matters disclosed elsewhere in this report, disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations, is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

DIVIDENDS

In respect of the financial year ended 30 June 2013:

i. An interim dividend of 42 cps, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 17 April 2013.

ii. A final dividend of 50 cps, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 16 October 2013.

In respect of the financial year ended 30 June 2014:

iii. An interim dividend of 46 cps, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 16 April 2014.

iv. Subsequent to 30 June 2014, the directors declared a final dividend of 48 cps, franked to 100% at 30% corporate income tax rate, payable to holders of fully paid ordinary shares on 16 October 2014.

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors, company secretaries and officers of the Group against a liability incurred as a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify a director, a company secretary, an officer or auditor of the Company or any related body corporate against a liability incurred as such a director, company secretary, officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 29 Board meetings, 10 Committee of the Board meetings, 4 Remuneration, Human Resources & Nominations Committee (Remuneration Committee) meetings, 12 Audit & Compliance Committee (A&CC) meetings and 5 Board Investment Committee (BIC) meetings were held.

Directors in attendance	*Board meetings*		*Committee of the Board meetings*[1]		*Remuneration Committee meetings*		*A&CC meetings*		*Board Investment Committee meetings*	
	Eligible to attend[2]	Attended	Eligible to attend[2]	Attended	Eligible to attend[2]	Attended	Eligible to attend[2]	Attended	Eligible to attend[2]	Attended
JA (Tony) Killen	29	29	5	5	4	4	-	-	-	-
RBO Burns	29	29	8	8	-	-	-	-	5	5
DF Groves	29	29	8	8	-	-	12	11	-	-
AJM Williams	29	29	5	5	4	4	-	-	5	5
JG Kennett	29	28	4	4	4	4	-	-	-	-
AM O'Donnell	29	28	9	9	-	-	12	12	5	5
KJ Eley	29	29	10	10	-	-	12	12	5	5

1 Committee of the Board meetings are constituted by at least any two Directors acting pursuant to the authority of the full Board.
2 Meetings held that the Director was eligible to attend whilst holding office.

As Mr O'Brien was appointed a Director of the Company effective 28 July 2014, he did not attend any meetings during the financial year ended 30 June 2014.

DIRECTORS' SHAREHOLDING

The following table sets out each Director's relevant interest in shares as at the date of this report. All shares are fully paid ordinary shares.

Director	*Number of shares*
DF Groves	379,859
KJ Eley	89,094
JG Kennett	35,556
JA (Tony) Killen	29,045
MJ O'Brien	10,000
AM O'Donnell	7,137
RBO Burns	6,778
AJM Williams	2,871

REMUNERATION REPORT

The Board's policy on executive remuneration is designed to attract and retain high calibre staff and to reward executives for achieving financial and other business goals, which in turn, increases shareholder wealth.

The EQT executive remuneration structure comprises fixed salary and short and long-term variable components and the table below illustrates EQT's remuneration strategy and approach. Executive package components are reviewed and structured annually to focus individuals on, and to reward achievement of, specific measures and targets with both short and medium-term horizons.

Remuneration Strategy	
Aligned with Equity Trustees Performance • Assess rewards against short and long-term company targets • Make short and long-term components of remuneration 'at risk' • Align rewards to building shareholder value	**Attract and retain high calibre executives** • Be market competitive with rewards and remuneration • Continually review strategy and research

Remuneration Components		
Fixed Total Employment Costs (TEC)	**Short-Term Incentives (STI)**	**Long-Term Incentive Plan (LTiP)**
• Based on employee's level of responsibility, experience, skills and performance. Includes: o *Salary:* fixed annual remuneration o *Non-monetary:* eligible salary sacrifice items and Fringe Benefit Tax (FBT) o *Post-employment:* Superannuation Guarantee Charge (SGC)	• Annual 'at risk' component based on company performance. o *Maximum:* The maximum opportunity for executives is in the range of 25% to 60%	• Delivered in equity (shares) based on prescribed performance hurdles o *Range:* 25% to 60% of TEC • Remuneration Committee to consider and recommend LTiP participation to the Board • Applied over three year period • Aligned to long-term growth strategy o Total Shareholder Return (TSR) for Managing Director ▪ 50% vesting when 50th percentile achieved ▪ 100% vesting when 75th percentile achieved o Earnings Per Share (EPS) for all participants ▪ 25% vesting when 5% p.a. growth in pre-tax EPS achieved over three years ▪ 100% vesting when 15% p.a. growth in pre-tax EPS achieved over three years

Remuneration Mix

The Managing Director and all Group Executives continue to have a significant portion of their remuneration linked to performance and at risk. This is shown in the table below which shows the optimal remuneration mix for the Managing Director and Group Executive roles.

Managing Director	46%	27%	27%
Group Executives	50% - 64%	18% - 30%	18% - 20%

Fixed (cash)
STI (cash)
LTI (equity)

Details of incentive plans

Short-term performance incentives:

These are calculated by reference to agreed key performance indicators for the year ended 30 June 2014. These include Group profitability, revenue growth, expense control, and other performance criteria specific to the respective executive's responsibilities. These performance criteria were chosen so as to provide a suitable incentive for executive performance for the benefit of shareholders and other stakeholders. The measurement of criteria is assessed by adopting a balanced scorecard approach, with each criterion given a threshold representing the minimum incentive and a stretch threshold representing an excellent achievement, for which the maximum incentive is paid. In all cases, the Remuneration Committee confirms the appropriateness of the criteria, appropriate thresholds and, at the conclusion of the measurement period, confirms the level of achievement.

Across all staff, the maximum short-term incentive opportunity is in the range of 5% to 60% of TEC.

For the year ended 30 June 2014 the key performance criteria, being Group revenue and profitability and business unit revenue, were partially achieved. Accordingly, across all staff, approximately 40% (2013: 59%) of the maximum short-term incentive opportunity was accrued or paid.

Long-term performance incentives:

These are offered to executives via the grant of Awards which confer the right to acquire shares at no cost, subject to meeting prescribed performance hurdles. The details of these incentives are outlined under the heading, *Executive Performance Share Plan*. The accounting cost of long-term performance incentives is spread over the measurement (vesting) period, with a cost of $337,774 accrued for the year to 30 June 2014 (2013: $272,224).

The maximum share based long-term performance incentive is in the range of 25% to 60% of TEC.

The operational and financial performance of the Group over the last five years has been solid, relative to challenging economic conditions, and the Board is of the view that the remuneration policy has enabled the Group to attract and retain high quality management, and that financial rewards to executives are considered appropriate having regard to the Group's relative performance.

The table below provides summary information outlining the Group earnings and movements in shareholder wealth for the five years to 30 June 2014:

Table 1

	30 June 2014 $'000	*30 June 2013 $'000*	*30 June 2012 $'000*	*30 June 2011 $'000*	*30 June 2010 $'000*
Revenue	54,935	47,482	43,647	39,865	35,277
Net profit before tax	13,406	12,517	11,691	11,484	11,477
Net profit after tax	9,713	8,671	8,381	8,229	8,045

	30 June 2014	*30 June 2013*	*30 June 2012*	*30 June 2011*	*30 June 2010*
Share price at start of year	$14.90	$11.06	$13.90	$15.20	$14.50
Share price at end of year	$20.98	$14.90	$11.06	$13.90	$15.20
Interim dividend[1]	46 cps	42 cps	40 cps	50 cps	50 cps
Final dividend[1,2]	48 cps	50 cps	45 cps	50 cps	60 cps
Total dividend	94 cps	92 cps	85 cps	100 cps	110 cps
Earnings per share[3]	88.64 cps	87.58 cps	87.66 cps	87.90 cps	87.53 cps
Reported earnings per share	88.64 cps	96.65 cps	96.74 cps	97.01 cps	96.60 cps

1 All dividends are franked to 100% at 30% corporate income tax rate.
2 The final dividend was declared after balance date and is not reflected in the financial statements as at 30 June.
3 Earnings per share figures for 2010 to 2013 have been restated to reflect the Rights issue in April/May 2014.

Directors' Remuneration
The following table discloses the directors of Equity Trustees Limited during the year, together with remuneration entitlements.

Directors' fees were increased effective 1 July 2011 after three years of no increases and to reflect renewal of the Board and market rate movements. Apart from increased allowances for Directors' involvement in a new Board Committee during 2013/14, no increases were made to base director fees during the 2012/13 and 2013/14 years. As Chairperson of a wholly owned subsidiary company, Equity Trustees Superannuation Limited, Ms Anne O'Donnell received additional fees for that role.

Directors' fees are reviewed annually by the Remuneration Committee, having regard to analysis of the market and industry based data and trends. Fees are set to attract and retain high calibre directors and to reflect the workload and contribution required, the significant number of meetings scheduled each year and their role and responsibilities on the various committees of the Board. Non-Executive Directors' remuneration consists of a fixed annual fee with no element of performance-related pay.

Table 2

Directors	*Short-term benefits*			*Post-employment benefits*		*Long-term employee benefits*	*Share-based payments*[4]	*Total*
Non-Executive Directors	Fee/ salary $	Bonus $	Non-monetary[1] $	Superannuation[2] $	DRA[3] $	$	$	$
JA (Tony) Killen, Chairman								
2014	165,000	-	-	15,263	1,518	-	-	181,781
2013	165,000	-	-	14,850	2,819	-	-	182,669
DF Groves, Deputy Chairman								
2014	101,495	-	5,000	19,142	9,036	-	-	134,673
2013	99,620	-	5,000	20,730	5,523	-	-	130,873
AJM Williams								
2014	87,500	-	5,000	8,556	-	-	-	101,056
2013	82,500	-	5,000	7,875	-	-	-	95,375
JG Kennett								
2014	80,000	-	5,000	7,862	-	-	-	92,862
2013	80,000	-	5,000	7,650	-	-	-	92,650
AM O'Donnell								
2014	129,587	-	5,000	12,450	-	-	-	147,037
2013	124,587	-	5,000	11,663	-	-	-	141,250
KJ Eley								
2014	97,500	-	5,000	9,481	-	-	-	111,981
2013	90,000	-	5,000	8,550	-	-	-	103,550
Executive Director								
RBO Burns, Managing Director								
2014	474,015	150,000	8,210	17,775	-	4,610	182,384	836,994
2013	425,689	181,440	7,841	16,470	-	3,905	153,319	788,664

1 Non-monetary items include eligible salary sacrificed items and any fringe benefits tax. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan.
2 Superannuation includes the SGC and, in some cases, additional superannuation payments that have been sacrificed from directors' fees and entitlements.
3 Directors' Retiring Allowance (DRA) represents the movement in the accrual for directors' retiring allowance and is calculated in accordance with the accounting policy as outlined in note 3.8 to the financial statements. At the 2005 AGM, shareholders approved an increase in the directors' fees cap on the condition that the DRA scheme was grandfathered for existing directors and closed to future directors. The DRA for then participating directors was frozen as at 31 December 2005, however, the frozen amounts are inflation adjusted annually for the movement in CPI. Upon retirement, Directors participating in the DRA scheme are paid their DRA balance.
4 This is the expensed accounting cost of the actual and potential outcomes of the Awards made in 2011/12, 2012/13 and 2013/14. Refer also to footnote 3 on page 11.

As Mr O'Brien was appointed a Director of the Company effective 28 July 2014, there was no remuneration paid during the year ended 30 June 2014.
There were no termination payments made to directors during the year ended 30 June 2014 (2013: nil).

Executive Remuneration

Remuneration entitlements of the key management personnel of the Group during the year are made up of a cash component, as well as an accounting-based accrual for such items as long-term employee benefits and share based payments, as per the following table:

Table 3

Executives	*Short-term employee benefits*		*Post employment benefits*	*Total Employment Cost*	*Short-term bonus/ incentive*	*Long-term employee benefits*	*Share based payments*[3]	*Total*
	Salary $	Non-monetary[1] $	Super-annuation[2] $	$	$	$	$	$
GR Rimmer Executive General Manager, Trustee & Wealth Services								
2014	302,225	5,000	17,775	325,000	85,000	1,415	43,123	454,538
2013	259,644	5,000	28,171	292,815	86,220	1,145	31,954	412,134
T Ryan, CFO & Company Secretary								
2014	291,759	8,466	24,775	325,000	65,600	8,666	33,852	433,118
2013	266,819	8,311	24,870	300,000	95,970	5,166	48,026	449,162
HH Kalman, Executive General Manager Corporate Trustee Services								
2014	298,890	8,335	17,775	325,000	60,500	9,183	33,852	428,535
2013	277,243	6,287	16,470	300,000	115,524	2,536	48,026	466,086
G Boubouras, Chief Investment Officer[8]								
2014	332,225	-	17,775	350,000	37,500	940	21,869	410,309
2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
RE Bessemer, Chief Operations Officer								
2014	242,118	-	17,882	260,000	50,000	1,930	29,538	341,468
2013	206,422	-	16,470	222,892	59,832	2,966	33,486	319,176
PB Maddox, Corporate Counsel/Company Secretary								
2014	226,087	-	20,913	247,000	30,000	5,176	26,173	308,349
2013	217,431	-	19,569	237,000	40,725	1,594	37,814	317,133
PJ Galagher, Head of Wealth Management[4]								
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	174,776	8,266	7,825	190,867	-	(1,587)	(15,685)	173,595
LD Wraith, Head of Personal Estates & Trusts[5]								
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	165,184	-	14,491	179,675	-	(14,738)	(40,275)	124,662
SR Manuell, Head of Asset Management[6]								
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	109,316	-	9,607	118,923	18,578	2,760	(45,637)	94,624

AD Young, Managing Director, Equity Trustees Superannuation Limited[7]								
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	40,077	719	1,754	42,550	-	(3,555)	-	38,995

1 Non-monetary items include eligible salary sacrificed items and any fringe benefits tax. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan.
2 Superannuation includes the SGC and, in some cases, additional superannuation payments that have been sacrificed from salary.
3 Share-based payments relate to the value of Awards. The value attributable to Awards is based on the accounting cost, using the fair value at grant date. For the EPS criterion an assessment is made of the likely achievement of performance hurdles over the three year measurement period and the accounting cost is adjusted accordingly. The EPS criterion for the 2011/12 Series which ended on 30 June 2014 was achieved at 53.53% of the maximum. Where an executive ceases employment during the year, there is a write-back of prior year EPS accounting costs which can result in a negative figure in the current year. For the TSR criterion the accounting standard requires the accounting cost to be spread over the measurement period regardless of the extent of achievement of the criterion. The TSR for the 2010/11 Series which ended on 30 June 2013 was not achieved, however, in accordance with the TSR arrangements, a fourth year re-test was conducted during the year ending 30 June 2014 and 66% of Awards achieved. The TSR for the 2011/12 Series which ended on 30 June 2014 was 100% achieved. Regardless of the outcome of TSR Awards, 100% of the accounting cost is charged against executive remuneration packages, even though the executive may receive a lesser award when measures are finalised.
4 Mr PJ Galagher ceased to be a key management person effective 1 February 2013.
5 Mr LD Wraith ceased to be a key management person effective 31 December 2012.
6 Mr SR Manuell ceased to be a key management person effective 9 January 2013.
7 Mr AD Young ceased to be a key management person effective 31 July 2012.
8 Mr G Boubouras became a key management person effective 1 July 2013. Therefore, comparative figures are not applicable.

n/a Not Applicable.

Short-term incentive: targets and outcomes

At the end of the performance period, their targets were assessed by the Managing Director and considered and approved by both the Remuneration Committee and the Board. The outcome of each assessment is set out below:

Executives	TEC	STI opportunity	STI awarded	% awarded in year
	$	$	$	
RBO Burns	550,000	330,000	150,000	45
G Boubouras	375,000	150,000	37,500	25
GR Rimmer	325,000	195,000	85,000	44
T Ryan	325,000	162,500	65,600	40
HH Kalman	325,000	195,000	60,500	31
RE Bessemer	260,000	104,000	50,000	48
PB Maddox	247,000	98,800	30,000	30

Link between profit outcomes and executive remuneration

In line with the short-term incentive criteria, short-term incentives and sales related bonuses were earned by members of the executive team. Based on 2013/14 criteria, when compared to actual 2013/14 performance, approximately 40% (2013: 59%) of the maximum short-term incentive opportunity has been awarded to eligible employees. Individual awards to executives were in the range of 25% to 72% of maximum possible short-term incentives.

In relation to the long-term incentive measurement criteria, as described below, eligible participants were awarded 53.53% of their individual award for the EPS measure for the 2011/12 Series which ended 30 June 2014. A fourth year re-test of the 2010/11 Series TSR measure was conducted during the year ending 30 June 2014 and 66% earned. In addition, 100% of the 2011/12 TSR Series was earned.

Employment agreements

The employment agreements for the Managing Director and key management personnel are ongoing, permanent full-time agreements which do not have a stipulated fixed term. The designated notice period for the Managing Director is six months. For Mr GR Rimmer it is three months, otherwise, notice periods are based on minimum statutory standards.

Executive Performance Share Plan

LTiP awards (Awards) are offered to executives under the Equity Trustees Limited Executive Performance Share Plan 1999 (the Plan). The first issue of Awards commenced with the 2005/06 Series and has continued in each subsequent year.

The structure of the Plan approved by the Remuneration Committee forms part of the remuneration structure of eligible executives, in particular, the long-term incentive component of remuneration.

The following is an overview of the key features of the Plan as determined by the Remuneration Committee and approved by the Board:

- the Remuneration Committee will consider and approve participants under the Plan;
- the value of the Award is determined by the Remuneration Committee;
- the number of share entitlements issued to each participant for a particular Series is calculated by dividing the value of the Award by the weighted average share price of EQT shares traded during the three month period to 30 June of each year;
- the performance criteria are based on:
  - TSR for the Managing Director only; and
  - EPS for all participants;
- the criteria are selected as they are aligned to long-term growth in shareholder value;
- TSR is defined as the increase in share price over the three year measurement period, plus dividends reinvested over the three year period. This is compared to a Comparator Group based on the ASX 200 Index and a vesting scale applied;
  - the vesting scale for live TSR Awards for series 2012/13 is:
    - a TSR ranking of 50th percentile achieves 50% of the available Award; or
    - a TSR ranking of 75th percentile or above, achieves 100% of the available Award;
- EPS is based on normalised operating profit before tax, which excludes approved non-operating items such as profits/losses on the sale of investments and acquisition-related items. The EPS is compared to the base year and a vesting scale applied to calculate earned entitlements;
  - the vesting scale for live EPS Awards is:
    - growth in pretax operating EPS of 5% p.a. over the three year measurement period achieves 25% of the available Award; or
    - growth in pretax operating EPS of 15% p.a. over three year measurement period achieves 100% of the available Award;
- the term of each Award series is a three year period, with additional performance assessments during the fourth year, if applicable. In relation to Awards aligned to the TSR criterion, if the full Award is not achieved after the initial three year period, a fourth year measurement period is undertaken. There is no fourth year EPS performance assessment, regardless of the outcome after the initial three year period;
- each share entitlement converts to one ordinary share of EQT on exercise;
- no amounts are paid or payable by participants on receipt of the share entitlements;
- the share entitlements carry neither rights to dividends nor voting rights;
- the number of share entitlements on issue is adjusted for any capital reconstructions during the measurement period;
- holders of share entitlements do not have a right, by virtue of the entitlements held, to participate in any new share issue of the Company;
- the participant must be employed within the Group for the duration of the measurement period to exercise any share entitlements;
- shares are subject to forfeiture conditions during the three year measurement period;
- shares can be assigned disposal restrictions of between zero and four years which will apply to shares issued following the three year measurement period;
- dividends are received by participants once awards are vested into shares;
- the use of hedging or derivative techniques is not permitted until shares are released from the forfeiture condition. If hedging or derivative techniques are used during the period when there is still a forfeiture condition in place, then the shares are forfeited; and
- the EQT Securities Dealing Policy also makes reference to the ban on hedging or derivative techniques and applies to all EQT employees.

In accordance with the Plan, variations to the above features may apply, where approved by the Board. The grant date for the 2013/14 Series was 26 July 2013 for Executives and 25 October 2013 for the Managing Director. There were no alterations to terms or conditions of the 2013/14 Series compared to the prior year.

In relation to the 2011/12 Series, 53.53% of the EPS criterion was achieved at the conclusion of the three year measurement period ended 30 June 2014. This has resulted in 19,783 EQT shares being awarded and the forfeiture of 17,179 EPS Awards. In relation to the TSR criterion, 5,309 EQT shares were issued under the 2010/11 Series and 8,254 EQT shares were issued under the 2011/12 Series.

The following unvested share-based payment arrangements under the LTiP were in existence during the period:

Award Series	***Number at 30 June 2014***	***Grant date***	***Expiry date***	***Exercise price***	***Fair value at Grant date***	***Total maximum future accounting value of Grant****
				$	**$**	**$**
2013/14 Series	74,712	**	30/06/2016	Nil	12.52	734,972
2012/13 Series	73,216	***	30/06/2015	Nil	10.22	301,054

* The minimum future accounting value of each Grant is nil.
** The Grant date for executives was 26 July 2013 and for the Managing Director, 25 October 2013.
*** The Grant date for executives was 26 July 2012 and for the Managing Director, 26 October 2012.

The share entitlements were valued by PricewaterhouseCoopers using an adjusted form of the Black-Scholes Option Pricing Model that incorporates a Monte Carlo simulation analysis. The model has been modified to incorporate an estimate of the probability of achieving the TSR hurdle and the number of share entitlements vesting.

	2013/14 Series		***2012/13 Series***	
Inputs into the model	***Managing Director***	***Other participants***	***Managing Director***	***Other participants***
Grant date share price	$18.80	$14.72	$14.50	$11.80
Exercise price	Nil	Nil	Nil	Nil
Expected volatility	25%	25%	27%	27%
Share entitlement life*	3 years	3 years	3 years	3 years
Dividend yield	6.5%	6.5%	6.5%	6.5%
Risk-free interest rate	2.66%	3.0%	2.63%	2.25%

*In accordance with the Plan, the measurement of performance criteria is at the end of the three year period ending 30 June, however, if the TSR performance criterion (Managing Director only) is not fully achieved a further assessment at the end of the fourth year will apply.

The following reconciles the outstanding share entitlements granted under the Plan at the beginning and end of the financial year:

	2014	***2013***
	Number of share entitlements	***Number of share entitlements***
Balance of Awards not vested at beginning of the financial year	126,480	118,392
New Awards granted during the financial year	74,712	88,036
Awards exercised into shares during the financial year	-	-
Awards vested during the financial year	(33,350)	(8,330)
Awards forfeited during the year	(19,914)	(71,618)
Balance of Awards not vested at end of the financial year[1]	147,928	126,480
Vested and Exercisable Awards – Balance at end of the financial year[1]	75,471	42,121

[1] The share entitlements outstanding at the end of the financial year had an exercise price of nil. The share entitlements outstanding at the end of the financial year, excluding the share entitlements exercisable at the end of financial year, had a weighted average remaining contractual life of 549 days (2013: 576 days). For the TSR component of the Managing Director's award, a further TSR test may be available at the end of the fourth year if the performance criteria is not achieved at the end of the three year measurement period.

The following is a summary of movements in Awards in respect of key management personnel:

2014	Balance of Awards at 1 July 2013 No.	Awards granted as compensation No.	Awards exercised into shares No.	Awards forfeited[1] No.	Balance of Awards at 30 June 2014 No.	Awards vested & exercisable (excluding those already exercised) No.	Balance of Awards not vested at 30 June 2014[2] No.	Vested during 2014 year No.
RBO Burns	46,538	19,916	-	(6,571)	59,883	(17,981)	41,902	17,981
T Ryan	17,108	7,845	-	(3,410)	21,543	(3,927)	17,616	3,927
HH Kalman	17,108	7,845	-	(3,410)	21,543	(3,927)	17,616	3,927
PB Maddox	13,515	5,962	-	(2,693)	16,784	(3,103)	13,681	3,103
RE Bessemer	10,297	6,276	-	(1,380)	15,193	(1,589)	13,604	1,589
GR Rimmer	9,771	7,845	-	-	17,616	-	17,616	-
G Boubouras	-	9,052	-	-	9,052	-	9,052	-

[1] The value of awards forfeited for key management personnel during the year ended 30 June 2014 was $27,870 for the 2010/11 Series and $120,857 for the 2011/12 Series.

[2] The balance of awards not vested at 30 June 2014 does not necessarily represent awards that will be vested in the future. The balance will remain until the respective measurement periods have been completed and a final assessment is made.

2013	Balance of Awards at 1 July 2012 No.	Awards granted as compensation No.	Awards exercised into shares No.	Awards forfeited[1] No.	Balance of Awards at 30 June 2013 No.	Awards vested & exercisable (excluding those already exercised) No.	Balance of Awards not vested at 30 June 2013[2] No.	Vested during 2013 year No.
RBO Burns	32,596	21,986	-	(6,033)	48,549	(2,011)	46,538	2,011
T Ryan	26,237	9,771	-	(5,394)	30,614	(13,506)	17,108	1,798
HH Kalman	26,237	9,771	-	(5,394)	30,614	(13,506)	17,108	1,798
PB Maddox	21,975	7,719	-	(4,353)	25,341	(11,826)	13,515	1,451
RE Bessemer	2,969	7,328	-	-	10,297	-	10,297	-
GR Rimmer	-	9,771	-	-	9,771	-	9,771	-
SR Manuell	23,516	8,306	(11,097)	(20,725)	-	-	-	-
LD Wraith	10,988	-	-	(10,988)	-	-	-	-
PJ Galagher	4,891	6,514	-	(11,405)	-	-	-	-

[1] The value of awards forfeited for key management personnel during the year ended 30 June 2013 was $270,162 for the 2010/11 Series.

[2] The balance of awards not vested at 30 June 2013 does not necessarily represent awards that will be vested in the future. The balance will remain until the respective measurement periods have been completed and a final assessment is made.

Director and key management personnel equity holdings

Director and key management personnel relevant interests in fully paid ordinary shares of Equity Trustee Limited are as follows:

Consolidated	Balance at 1 Jul 13	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 Jun 14	Balance held nominally
2014	No.	No.	No.	No.	No.	No.
Directors						
DF Groves	640,961	-	-	(261,163)	379,798	
KJ Eley	34,832	-	-	54,201	89,033	
JG Kennett	19,279	-	-	16,216	35,495	
JA (Tony) Killen	15,982	-	-	13,063	29,045	
AM O'Donnell	1,050	-	-	6,026	7,076	
RBO Burns	1,000	3,017	2,011	750	6,778	
AJM Williams	436	-	-	2,375	2,811	

Consolidated	*Balance at 1 Jul 13*	*Granted as compensation*	*Received on exercise of options*	*Net other change*	*Balance at 30 Jun 14*	*Balance held nominally*
Key management personnel						
HH Kalman	12,674	-	1,798	10,922	25,394	
T Ryan	17,914	-	1,798	3,481	23,193	
PB Maddox	15,911	-	1,451	876	18,238	
GR Rimmer	3,759	-	-	2,571	6,330	
RE Bessemer	-	-	-	-	-	
G Boubouras	-	-	-	-	-	

Consolidated	*Balance at 1 Jul 12*	*Granted as compensation*	*Received on exercise of options*	*Net other change*	*Balance at 30 Jun 13*	*Balance held nominally*
2013	No.	No.	No.	No.	No.	No.
Directors						
DF Groves	617,900	-	-	23,061	640,961	
KJ Eley	20,226	-	-	14,606	34,832	
JG Kennett	17,857	-	-	1,422	19,279	
JA (Tony) Killen	7,580	-	-	8,402	15,982	
AM O'Donnell	640	-	-	410	1,050	
RBO Burns	1,000	-	-	-	1,000	
AJM Williams	411	-	-	25	436	
Key management personnel						
T Ryan	16,875	-	-	1,039	17,914	
PB Maddox	14,987	-	-	924	15,911	
HH Kalman	12,618	-	-	56	12,674	
GR Rimmer	-	-	-	3,759	3,759	
RE Bessemer	-	-	-	-	-	

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 11 to the financial statements.

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is included on page 20 of the financial report.

LICENSED TRUSTEE

Equity Trustees Limited is licensed under the *Corporations Act 2001* to provide traditional trustee company services. This includes performing estate management functions, preparing a will, preparing a trust instrument, preparing a power of attorney or preparing an agency agreement, applying for probate of a will, applying for grant of letter of administration or electing to administer a deceased estate, and establishing and operating common funds. Assets and liabilities of trusts, estates and agencies for which the Company acts as trustee, executor or agent, are not included in the Company's financial statement.

On behalf of the Directors

Mr Robin BO Burns
Managing Director
Dated 28 August 2014

BOARD OF DIRECTORS' PROFILES

The qualifications and experience of the Board of Directors of Equity Trustees Limited, before, during and since the year ended 30 June 2014 is as follows:

JA (Tony) Killen OAM - Chairman
BA, FAICD, FAIM
Chairman – Appointed 30 August 2007
Non-Executive Director – Appointed September 2002
Member of Equity Trustees' Remuneration, Human Resources & Nominations Committee since September 2004.
Tony is Chairman of listed company Templeton Global Growth Fund Ltd and Chairman of CCI Asset Management Ltd. He is also a non-executive director of Victoria Golf Club Limited and Catholic Church Insurance Ltd.
Tony is a former Group Managing Director and Chief Executive Officer of AXA Asia Pacific Holdings Ltd, having had a 36 year career with the National Mutual/AXA Group. He was also Chairman of Australia's largest not-for-profit health services provider, Sisters of Charity Health Service Ltd. Tony was also a non-executive director of listed company IRESS Market Technology Ltd and Chairman of Sisters of Charity Community Care Ltd.
In 2011, Mr Killen was awarded the Medal of the Order of Australia.

Robin BO Burns - Managing Director
DipAcc, FAICD
Executive Director since 1 March 2010
Member of the newly created Board Investment Committee from 1 July 2013.
Robin was appointed Managing Director of Equity Trustees on 1 March 2010. Before joining Equity Trustees he was, from 2002, Chief Executive Officer of Equipsuper Pty Ltd, the trustee company for the Equipsuper multi-employer superannuation fund. Robin is a non-executive director of the Financial Services Council.
Robin previously worked for AXA Asia Pacific, where he held the positions of General Manager, Corporate Affairs and Chief Executive, Risk Insurance and for the stockbroking firm Prudential-Bache Securities (Australia), where he was Managing Director, having joined the firm as Chief Financial Officer.
Robin has 28 years of experience in the financial services industry. He gained his initial professional qualification as a chartered accountant in the UK in 1981.

David F Groves – Deputy Chairman
BCom, MCom, CA, FAICD
Deputy Chairman since December 2007
Non-Executive Director since November 2000
Chairman of Equity Trustees' Audit & Compliance Committee since January 2003.

David is a director of Pipers Brook Vineyard Pty Ltd, BCD Resources NL & Tasman Sea Salt Pty Ltd. He is also an executive director of a number of private companies.

David is a former director of Tassal Group Limited, GrainCorp Limited, Mason Stewart Publishing, Camelot Resources NL and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.

Alice J M Williams - Director
BCom, FCPA, FAICD, ASFA AIF, CFA
Non-Executive Director – Appointed September 2007
Member of Equity Trustees' Remuneration, Human Resources & Nominations Committee since July 2011. Appointed Chairman in August 2011.
Member of the Board Investment Committee from 1 July 2013.
Member of Equity Trustees' Audit & Compliance Committee between September 2007 and February 2012.

Alice has over 25 years' senior management and Board level experience in the corporate and Government sectors specialising in investment management, corporate advisory and equity fundraising. Other non-executive directorships include; Djerriwarrh Investments Ltd, Defence Health, Guild Group Holdings Limited, Strategic Analytics (Australia) Pty Ltd, Victorian Funds Management Corporation and Port of Melbourne Corporation and Cooper Energy Limited. Alice is a member of the Felton Bequest Committee and a council member at the Cancer Council of Victoria.
Alice was formerly a director of Avion Technology Pty Ltd, State Trustees, NM Rothschild and Sons (Australia) Limited, Director of Strategy and Planning for Ansett Australia Holdings Limited and a Vice President at JP Morgan Australia.

The Hon Jeffrey G Kennett AC - Director
HonDBus (Ballarat)
Non-Executive Director – Appointed September 2008
Member of Equity Trustees' Remuneration, Human Resources & Nominations Committee since September 2008.
Jeff was an Officer in the Royal Australian Regiment, serving at home and overseas. He was a Member of the Victorian Parliament for 23 years, and was Premier of Victoria from 1992 to 1999.
Jeff is currently Chairman of Open Windows Australia Proprietary Limited, CT Management Group Pty Ltd, Amtek Corporation Pty Ltd and beyondblue, the national depression initiative. He is also Chairman of Ledified Lighting Corporation Pty Ltd and a Director of Primary Opinion Limited. He is currently patron of a number of community organisations and was formerly President of the Hawthorn Football Club.
In 2005, Mr Kennett was awarded the Companion of the Order of Australia.

Anne M O'Donnell – Director
BA (Bkg & Fin), MBA, FAICD, SF Fin
Non-Executive Director – Appointed September 2010
Member of Equity Trustees' Audit & Compliance Committee since December 2010.
Anne has some 34 years' experience in the finance sector. She is an experienced executive and non-executive director in the listed, not-for-profit, and mutual sectors.
Anne is a director of the Australian Institute of Company Directors, Community CPS Australia Ltd (trading as Beyond Bank Australia), Eastwoods Pty Ltd and The Winston Churchill Memorial Trust. Anne is also an external member of the UBS Global Asset Management (Australia) Ltd Compliance Committee and a member of IP Australia Audit and Evaluation Committee.
Anne is the former Managing Director of Australian Ethical Investment Ltd. Anne was formerly a director of the Financial Services Council, The Centre for Australian Ethical Research Pty Ltd, the ANZ Staff Superannuation Fund and The Grain Growers Association Ltd.

Kevin J Eley – Director
CA, F FIN, FAICD
Non-Executive Director – Appointed November 2011
Member of Equity Trustees' Audit & Compliance Committee since November 2011.
Chairman of the Board Investment Committee from 1 July 2013.
Kevin is a Chartered Accountant and a Fellow of the Financial Services Institute of Australia. He has over 30 years' experience in management, financing and investment and has worked for a major international accounting firm, two investment banks and was CEO of HGL Limited and remains as a non-executive director.
Other current non-executive directorships include: Milton Corporation Limited and PO Valley Energy Limited.
Kevin's previous public company directorships were Kresta Holdings Limited, Desane Group Holdings Limited, Solander Holdings Limited, Leutenneger Limited, Laubman and Pank Limited and Sabre Group Limited.

Michael J O'Brien - Director
FIAA, CFA, MAICD
Non-Executive Director – Appointed 28 July 2014
Member of Equity Trustees' Audit & Compliance Committee
Mick is a Fellow of the Institute of Actuaries of Australia and holds the Chartered Financial Analyst designation.

Mick has broad wealth management experience in superannuation, investment management, insurance and advice, spanning 30 years in both retail and institutional markets. Mick was formerly CEO and director of Invesco Australia Limited, director of Alliance Capital Management Australia and Chief Investment Officer of AXA Australia and New Zealand where he was also a director of all AXA's Responsible Entities and Regulated Superannuation Entities.

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The Board of Directors
Equity Trustees Limited
Level 2, 575 Bourke Street
MELBOURNE VIC 3000

28 August 2014

Dear Board Members

Equity Trustees Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Equity Trustees Limited.

As lead audit partner for the audit of the financial statements of Equity Trustees Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Brown
Partner
Chartered Accountants

Equity Trustees Limited
ABN 46 004 031 298

Directors' Declaration for the financial year ended 30 June 2014

The directors declare that:

a) 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;

b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3 to the financial statements;

c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the Group; and

d) the directors have received from the Managing Director and the Chief Financial Officer the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors

Mr Robin BO Burns
Managing Director
Melbourne, 28 August 2014

Equity Trustees Limited
ABN 46 004 031 298
Statement of Profit or Loss
for the financial year ended 30 June 2014

	Note	Consolidated		Company	
		2014	2013	2014	2013
		$	$	$	$
Revenue	6	52,584,757	46,271,766	36,025,775	31,963,935
Other revenue	6	2,349,842	1,210,028	11,404,224	4,127,842
Total revenue	6	**54,934,599**	**47,481,794**	**47,429,999**	**36,091,777**
Employee benefits expenses	8	26,863,735	23,984,849	23,809,791	18,238,950
Other employment and contracting expenses		1,576,134	1,081,422	1,392,113	767,296
Audit and tax advice expenses		507,073	345,011	448,447	282,011
Depreciation and amortisation expenses	8	1,340,544	1,126,302	1,254,111	1,022,806
Management rights amortisation	8	197,030	238,765	-	-
Insurance expenses		583,232	564,668	392,323	434,460
Legal, consulting and regulatory expenses		3,003,217	2,085,184	2,957,102	1,855,704
Marketing expenses		1,327,099	1,153,714	1,182,324	919,849
Information technology expenses		2,361,586	1,645,591	2,176,152	1,255,560
Occupancy expenses		1,736,939	1,586,965	1,391,600	984,493
Other expenses		2,031,614	1,151,961	1,770,158	645,608
Total expenses		**41,528,203**	**34,964,432**	**36,774,121**	**26,406,737**
Profit before income tax expense		**13,406,396**	**12,517,362**	**10,655,878**	**9,685,040**
Income tax expense	9	3,692,984	3,845,961	1,622,214	2,354,305
Profit for the year		**9,713,412**	**8,671,401**	**9,033,664**	**7,330,735**
Attributable to:					
Owners of the Company		9,713,412	8,671,401	9,033,664	7,330,735
		9,713,412	**8,671,401**	**9,033,664**	**7,330,735**
Earnings per share					
Basic (cents per share)	28	88.64	87.58		
Diluted (cents per share)	28	87.51	86.54		

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
ABN 46 004 031 298
Statement of Profit or Loss and Other Comprehensive Income
for the financial year ended 30 June 2014

	Note	Consolidated		Company	
		2014	2013	2014	2013
		$	$	$	$
Profit for the year		**9,713,412**	**8,671,401**	**9,033,664**	**7,330,735**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Realised (gain)/loss on sale of available-for-sale investments		(196,977)	(692,563)	(196,977)	(692,563)
Increase/(decrease) from revaluation of available-for-sale investments		277,071	417,151	277,071	417,151
Income tax relating to items that may be reclassified subsequently		(24,099)	80,214	(24,099)	80,214
Total comprehensive income for the year		**9,769,407**	**8,476,203**	**9,089,659**	**7,135,537**
Attributable to:					
Owners of the Company		9,769,407	8,476,203	9,089,659	7,135,537
		9,769,407	**8,476,203**	**9,089,659**	**7,135,537**

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
ABN 46 004 031 298
Statement of Financial Position
at 30 June 2014

	Note	Consolidated		Company	
		2014	**2013**	**2014**	**2013**
		$	$	$	$
Current assets					
Cash and cash equivalents	37	170,237,019	9,891,934	169,498,122	8,884,807
Trade and other receivables	12	6,636,276	5,575,576	7,268,515	6,165,676
Other	13	3,128,106	2,441,146	2,671,223	2,161,141
Other financial assets	15	3,150,000	-	3,000,000	-
Total current assets		**183,151,401**	**17,908,656**	**182,437,860**	**17,211,624**
Non-current assets					
Trade and other receivables	14	108,186	108,186	108,186	108,186
Other financial assets	15	5,508,589	5,450,883	37,143,226	37,612,456
Furniture, equipment and leasehold	16	1,501,880	1,446,219	1,443,504	1,359,397
Intangible assets	17	35,126,825	34,183,899	5,841,585	5,042,613
Deferred tax assets	9	3,959,616	1,764,129	3,704,761	1,468,550
Goodwill	18	9,507,853	9,507,853	-	-
Total non-current assets		**55,712,949**	**52,461,169**	**48,241,262**	**45,591,202**
Total assets		**238,864,350**	**70,369,825**	**230,679,122**	**62,802,826**
Current liabilities					
Trade and other payables	19	1,157,824	791,865	933,130	531,554
Provisions	20	4,958,472	3,768,854	4,562,012	3,423,248
Other current liabilities	21	135,318	60,691	119,243	55,470
Current tax payable	9	702,117	1,205,708	702,117	1,190,544
Total current liabilities		**6,953,731**	**5,827,118**	**6,316,502**	**5,200,816**
Non-current liabilities					
Provisions	22	1,399,132	1,470,496	1,054,401	1,053,319
Other non-current liabilities	23	290,544	384,056	390,554	484,066
Deferred tax liabilities - investment revaluation	9	122,254	98,155	122,254	98,155
Total non-current liabilities		**1,811,930**	**1,952,707**	**1,567,209**	**1,635,540**
Total liabilities		**8,765,661**	**7,779,825**	**7,883,711**	**6,836,356**
Net assets		**230,098,689**	**62,590,000**	**222,795,411**	**55,966,470**
Equity					
Issued capital	25	216,116,476	49,601,432	216,116,476	49,601,432
Investment revaluation reserve	27	285,263	229,268	285,263	229,268
Other reserves	26	1,348,909	1,147,222	1,348,909	1,147,222
Retained earnings		12,348,041	11,612,078	5,044,763	4,988,548
Equity attributable to owners of the Company		**230,098,689**	**62,590,000**	**222,795,411**	**55,966,470**
Total equity		**230,098,689**	**62,590,000**	**222,795,411**	**55,966,470**

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
ABN 46 004 031 298
Statement of Changes in Equity
for the financial year ended 30 June 2014

Consolidated	Fully paid ordinary shares $	Reserves: Investment revaluation $	Reserves: Retained earnings $	Reserves: Equity settled employee benefits $	Reserves: Non-controlling interests $	Total equity $
Balance at 1 July 2012	47,481,389	424,466	10,728,240	846,017	(3,710)	59,476,402
Profit for the period	-	-	8,671,401	-	-	8,671,401
Increase from revaluation of available for sale investments	-	417,151	-	-	-	417,151
Related income tax	-	(125,510)	-	-	-	(125,510)
Gain on sale of available for sale investments	-	(692,563)	-	-	-	(692,563)
Related income tax	-	205,724	-	-	-	205,724
Total comprehensive income for the period	-	(195,198)	8,671,401	-	-	8,476,203
Acquisition of non-controlling interest	-	-	(3,735)	-	3,710	(25)
Shares issued under dividend reinvestment plan	1,913,406	-	-	-	-	1,913,406
Shares issued under share placement	176,256	-	-	(176,256)	-	-
Shares issued - salary sacrifice	39,865	-	-	-	-	39,865
Share issue costs	(13,549)	-	-	-	-	(13,549)
Related income tax	4,065	-	-	-	-	4,065
Provision for executive share entitlements	-	-	-	307,205	-	307,205
Provision for employee share acquisition plan	-	-	-	170,256	-	170,256
Payment of dividends	-	-	(7,783,828)	-	-	(7,783,828)
Balance at 30 June 2013	49,601,432	229,268	11,612,078	1,147,222	-	62,590,000
Profit for the period	-	-	9,713,412	-	-	9,713,412
Increase from revaluation of available for sale investments	-	277,071	-	-	-	277,071
Related income tax	-	(82,757)	-	-	-	(82,757)
Gain on sale of available for sale investments	-	(196,977)	-	-	-	(196,977)
Related income tax	-	58,658	-	-	-	58,658
Total comprehensive income for the period	-	55,995	9,713,412	-	-	9,769,407
Shares issued under employee salary sacrifice share plan	44,369	-	-	-	-	44,369
Shares issued under dividend reinvestment plan	2,334,221	-	-	-	-	2,334,221
Shares issued under employee share acquisition plan	169,936	-	-	(169,936)	-	-
Shares issued under executive share scheme	161,680	-	-	(161,680)	-	-
Shares issued under share placement	2,979,707	-	-	-	-	2,979,707
Shares issued for ANZ Trustees acquisition	159,991,607	-	-	-	-	159,991,607
Shares issued for The Trust Company shares	6,072,620	-	-	-	-	6,072,620
Share issue costs	(7,484,420)	-	-	-	-	(7,484,420)
Related income tax	2,245,324	-	-	-	-	2,245,324
Provision for executive share entitlements	-	-	-	356,367	-	356,367
Provision for employee share acquisition plan	-	-	-	176,936	-	176,936
Payment of dividends	-	-	(8,977,449)	-	-	(8,977,449)
Balance at 30 June 2014	216,116,476	285,263	12,348,041	1,348,909	-	230,098,689

Company	Fully paid ordinary shares $	Reserves: Investment revaluation $	Reserves: Retained earnings $	Reserves: Equity settled employee benefits $	Reserves: Non-controlling interests $	Total equity $
Balance at 1 July 2012	47,481,389	424,466	5,441,641	846,017	-	54,193,513
Profit for the period	-	-	7,330,735	-	-	7,330,735
Increase from revaluation of available for sale investments	-	417,151	-	-	-	417,151
Related income tax	-	(125,510)	-	-	-	(125,510)
Gain on sale of available for sale investments	-	(692,563)	-	-	-	(692,563)
Related income tax	-	205,724	-	-	-	205,724
Total comprehensive income for the period	-	(195,198)	7,330,735	-	-	7,135,537
Shares issued under dividend reinvestment plan	1,913,406	-	-	-	-	1,913,406
Shares issued under share placement	176,256	-	-	(176,256)	-	-
Shares issued - salary sacrifice	39,865	-	-	-	-	39,865
Share issue costs	(13,549)	-	-	-	-	(13,549)
Related income tax	4,065	-	-	-	-	4,065
Provision for executive share entitlements	-	-	-	307,205	-	307,205
Provision for employee share acquisition plan	-	-	-	170,256	-	170,256
Payment of dividends	-	-	(7,783,828)	-	-	(7,783,828)
Balance at 30 June 2013	49,601,432	229,268	4,988,548	1,147,222	-	55,966,470
Profit for the period	-	-	9,033,664	-	-	9,033,664
Increase from revaluation of available for sale investments	-	277,071	-	-	-	277,071
Related income tax	-	(82,757)	-	-	-	(82,757)
Gain on sale of available for sale investments	-	(196,977)	-	-	-	(196,977)
Related income tax	-	58,658	-	-	-	58,658
Total comprehensive income for the period	-	55,995	9,033,664	-	-	9,089,659
Shares issued under employee salary sacrifice share plan	44,369	-	-	-	-	44,369
Shares issued under dividend reinvestment plan	2,334,221	-	-	-	-	2,334,221
Shares issued under employee share acquisition plan	169,936	-	-	(169,936)	-	-
Shares issued under executive share scheme	161,680	-	-	(161,680)	-	-
Shares issued under share placement	2,979,707	-	-	-	-	2,979,707
Shares issued for ANZ Trustees acquisition	159,991,607	-	-	-	-	159,991,607
Shares issued for The Trust Company shares	6,072,620	-	-	-	-	6,072,620
Share issue costs	(7,484,420)	-	-	-	-	(7,484,420)
Related income tax	2,245,324	-	-	-	-	2,245,324
Provision for executive share entitlements	-	-	-	356,367	-	356,367
Provision for employee share acquisition plan	-	-	-	176,936	-	176,936
Payment of dividends	-	-	(8,977,449)	-	-	(8,977,449)
Balance at 30 June 2014	216,116,476	285,263	5,044,763	1,348,909	-	222,795,411

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
ABN 46 004 031 298
Statement of Cash Flows
for the financial year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Cash flows from operating activities					
Receipts from customers		61,289,215	54,695,142	44,155,545	39,296,686
Payments to suppliers and employees		(48,168,861)	(40,754,267)	(39,846,026)	(30,403,248)
Income tax paid		(4,139,798)	(3,324,370)	(4,139,798)	(3,324,370)
Net cash provided by operating activities	37 (b)	**8,980,556**	**10,616,505**	**169,721**	**5,569,068**
Cash flows from investing activities					
Payment for investment securities		(4,150,000)	(3,000,000)	(4,000,000)	(3,000,000)
Proceeds on sale of investment securities		7,938,376	773,977	7,938,376	773,977
Interest received		521,258	422,780	500,640	400,596
Dividends received		164,794	32,134	164,794	32,134
Proceeds from repayment of related party loans		-	-	8,949,683	3,477,924
Payment for furniture, equipment and leasehold		(633,891)	(943,709)	(633,891)	(943,709)
Payment for intangible assets		(1,503,308)	(1,950,882)	(1,503,308)	(1,950,882)
Payment for shares in a subsidiary		-	(75,000)	-	-
Net cash provided by/(used in) investing activities		**2,337,229**	**(4,740,700)**	**11,416,294**	**(1,209,960)**
Cash flows from financing activities					
Proceeds from issues of equity securities		163,153,729	-	163,153,729	-
Dividend received from related party		-	-	-	1,000,000
Payment for share issue cost		(7,484,420)	(13,549)	(7,484,420)	(13,549)
Dividend paid to members of the parent entity (net of shares issued under dividend reinvestment plan)		(6,642,009)	(5,868,978)	(6,642,009)	(5,868,978)
Net cash provided by financing activities		**149,027,300**	**(5,882,527)**	**149,027,300**	**(4,882,527)**
Net (decrease)/ increase in cash held		160,345,085	(6,722)	160,613,315	(523,419)
Cash and cash equivalents at beginning of financial year		9,891,934	9,898,656	8,884,807	9,408,226
Cash and cash equivalents at end of financial year	37 (a)	170,237,019	9,891,934	169,498,122	8,884,807

The above statement should be read in conjunction with the accompanying notes to the financial statements.

1. **General information**

Equity Trustees Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "EQT"), incorporated in Australia and operating solely in Australia.

Equity Trustees Limited's registered office and its principal place of business is Level 2, 575 Bourke St, Melbourne, Victoria 3000, Australia. Equity Trustees Limited and its subsidiaries (refer note 32) are referred to as 'the Group' in the following notes. The principal activities of the Group are described in note 35.

2. **Application of new and revised Accounting Standards**

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	This standard removes the individual key management personnel disclosure requirements in AASB 124 'Related Party Disclosures'. The Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124, the disclosure presentation is unchanged from the previous year.
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	The Group has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments does not have any material impact on the consolidated financial statements.
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	The Annual Improvements to AASBs 2009 - 2011 have made a number of amendments to AASBs. The amendments that are relevant to the Group are the amendments to AASB 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position. The adoption of this amending standard does not have any material impact on the consolidated financial statements.
AASB 2012-9 'Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039'	This standard makes amendment to AASB 1048 'Interpretation of Standards' following the withdrawal of Australian Interpretation 1039 'Substantive Enactment of Major Tax Bills in Australia'. The adoption of this amending standard does not have any material impact on the consolidated financial statements.
AASB CF 2013-1 'Amendments to the Australian Conceptual Framework' and AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part A Conceptual Framework)	This amendment has incorporated IASB's Chapters 1 and 3 Conceptual Framework for Financial Reporting as an Appendix to the Australian Framework for the Preparation and Presentation of Financial Statements. The amendment also included not-for-profit specific paragraphs to help clarify the concepts from the perspective of not-for-profit entities in the private and public sectors. As a result the Australian Conceptual Framework now supersedes the objective and the qualitative characteristics of financial statements, as well as the guidance previously available in Statement of Accounting Concepts SAC 2 'Objective of General Purpose Financial Reporting'. The adoption of this amending standard does not have any material impact on the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In August 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising AASB 10 'Consolidated Financial Statements', AASB 11 'Joint Arrangements', AASB 12 'Disclosure of Interests in Other Entities', AASB 127 (as revised in 2011) 'Separate Financial Statements' and AASB 128 (as revised in 2011) 'Investments in Associates and Joint Ventures'. Subsequent to the issue of these standards, amendments to AASB 10, AASB 11 and AASB 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group has applied for the first time AASB 10, AASB 12 and AASB 128 (as revised in 2011) together with the amendments to AASB 10 and AASB 12 regarding the transitional guidance. AASB 11, AASB 127 (as revised in 2011) are not applicable to the Group as AASB 11 deals with joint ventures (the Group has none) and AASB 127 deals only with separate financial statements.

The impact of the application of these standards is set out below.

AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group. The Directors of the Group have made an assessment at the date of the initial application of AASB 10 as to whether or not the Group has control over certain managed investment schemes that the Group invests in and for which it acts as the responsible entity. The Directors have determined that the Group does not have control.
AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements.
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes). AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13' (cont'd)	AASB 13 requires prospective application from 1 July 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2013 comparative period . Other than the additional disclosures, the application of AASB 13 does not have any material impact on the amounts recognised in the consolidated financial statements.
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	This standard amends AASB 10 and various Australian Accounting Standards to revise the transition guidance on the initial application of those Standards . This standard also clarifies the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of this amending standard does not have any material impact on the consolidated financial statements.
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time. AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The Group does not have defined benefit plans. The adoption of this amending standard does not have any material impact on the consolidated financial statements.

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 135 – Recoverable Amount Disclosures for Non- Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
INT 21 'Levies'	1 January 2014	30 June 2015

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Narrow-scope amendments to IAS 19 Employee Benefits entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014	30 June 2015
Annual Improvements to IFRSs 2010-2012 Cycle	1 July 2014	30 June 2015
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014	30 June 2015
IFRS 14 Regulatory Deferral Accounts	1 January 2016	30 June 2017
IFRS 15 Revenue from Contracts with Customers	1 January 2017	30 June 2018

Changes in accounting policies

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The following existing group accounting policies will change on adoption of these pronouncements:

AASB 9

AASB 9 'Financial Instruments' issued in December 2009 introduces new requirements for the classification and measurement of financial assets. AASB 9 amended in December 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition. Key requirements of AASB 9 are described as follows:

AASB 9 requires all recognised financial assets that are within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' to be subsequently measured at amortised cost or fair value. Under AASB 9 debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at their fair values. Also under AASB 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under AASB 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss. In relation to Equity Trustees, it is anticipated the main impact will be in relation to the classification and measurement of financial assets. In broad terms, the amendments require financial assets to be measured at fair value through profit and loss unless the criteria for amortised cost measurement are met or the entity qualifies and elects to recognise gains and losses on equity securities that are not held for trading directly in other comprehensive income. Currently, the Group's investments are designated as available for sale and any unrealised movements are taken to an investment revaluation reserve. Where an available for sale investment suffers a significant or prolonged impairment it must be written down through the profit and loss. However, any reversal of an unrealised impairment loss on equities is not taken to profit and loss but directly to reserves. On adoption of the Standard the non-equity investments in the portfolio will be measured at fair value through the profit and loss (if they do not qualify for amortised cost accounting) and all realised and unrealised gains and losses will be taken to the income statement. The equity investments will either be measured at fair value through the profit and loss, or if an election is made, at fair value through the statement of other comprehensive income. In the latter case the realised and unrealised movements will be taken up through the statement of other comprehensive income and will not be reclassified to profit and loss on disposal of the equity investments.

The directors anticipate that AASB 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2017 and that the application of the new Standard will have an impact on amounts reported in respect of the Groups' financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

AASB 10

The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities. The directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

AASB 132

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and simultaneous realisation and settlement’. The directors of the Company do not anticipate that the application of these amendments to AASB 132 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Other than as noted above, the adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Group’s accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective date

3. Significant accounting policies

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements includes the separate financial statements of the Company and the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group and the Company comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 28 August 2014.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below:

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.
Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.
When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 ‘Income Taxes’ and AASB 119 ‘Employee Benefits’ respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 ‘Share-based Payment’ at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 ‘Noncurrent Assets Held for Sale and Discontinued Operations’ are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.5 Goodwill
Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see 3.4 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable on an accruals basis. Revenue is reduced for rebates and other similar allowances.

<u>Fee and commission income</u>
Fee and commission income is recognised when the related service has been performed. In relation to corpus commission a percentage of revenue is recognised on completion of each stage of the estate administration starting with the grant of probate and ending with the finalisation of the estate.

Dividend and interest revenue

Dividend and interest revenue are recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Dividend revenue from investments is recognised when the Group's right to receive payment has been established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.7 Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and directors' retiring allowance when it is probable that settlement will be required and they are capable of being measured reliably. The directors' retiring allowance was frozen as at 31 December 2005 except for an annual inflation adjustment in line with the movement in CPI.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Payments to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.9 Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date. The Group has two types of equity settled share-based payments: the Long-term Incentive Awards and the Employee Share Acquisition Plan.

Fair value of the Long-term Incentive Awards is measured by using an adjusted form of the Black-Scholes option pricing model that incorporates a Monte Carlo simulation analysis. The model has been modified to incorporate an estimate of the probability of achieving the performance hurdle and the number of Awards vesting. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2003 and vested after 1 January 2006. No amounts have been recognised in the financial statements in respect of other equity-settled shared-based payments.

Shares issued under the Employee Share Acquisition Plan are valued at fair value determined at the date of issue to employees and this amount is expensed in the income statement with a corresponding entry in issued capital.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Equity Trustees Limited is the head entity in the tax-consolidated group and the other members are identified in note 32. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. The Company and each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for the tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

<u>Investment in tax-consolidated group</u>
Under Australian tax law, the taxable profit made by a tax-consolidated group in relation to an entity leaving the Group depends on a range of factors, including the tax values and/or carrying values of assets and liabilities of the leaving entity, which vary in line with the transactions and events recognised in each entity. The taxable profit or loss ultimately made on any disposal of the investments within the tax-consolidated group will therefore depend upon when each entity leaves the tax-consolidated group and the assets and liabilities that the leaving entity holds at that time.

Because the consolidated entity has no current intention to dispose of any subsidiaries within the Group, a deferred tax liability has not been recognised in relation to investments within the tax-consolidated group. Furthermore, temporary differences that might arise on disposal of the entities in the tax-consolidated group cannot be reliably measured because of their inherent uncertainties surrounding the nature of any future disposal that might occur.

3.11 Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

3.12 Furniture, equipment and leasehold improvements
Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on furniture and equipment is recognised so as to write off the cost or valuation of the assets less their residual values over their useful lives using the straight-line method. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

An item of furniture, equipment or leasehold improvement is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of furniture, equipment or leasehold improvement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Computer hardware and equipment	2 – 8 years
Office furniture and equipment	1 - 15 years
Leasehold improvements	3 – 6 years

3.13 Intangible assets
<u>Intangible assets acquired separately</u>
Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

<u>Internally-generated intangible assets - research and development expenditure</u>
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (if finite life intangible) and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Management rights
Management rights relating to the EquitySuper Master Trust business are carried at cost as a non-current intangible asset. The asset has an indefinite useful life and is accordingly not amortised but is subject to an ongoing impairment test (refer note 3.14). Management rights relating to the Freedom of Choice, Equity Superannuation Management, Holdfast Fund Services and Aged Care businesses are recorded at cost less accumulated amortisation and accumulated impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Useful lives of finite life intangible assets
The following useful lives are used in the calculation of amortisation expense:

Software	2-10 years
Management rights	5-12 years
Makegood asset	5 years

3.14 Impairment of tangible and intangible assets other than goodwill
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.15 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (where the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

3.16 Financial instruments
Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.17 Financial assets
Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity’ investments, ‘available-for-sale’ financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group does not have any financial assets classified as at ‘fair value through profit or loss’ or ‘held-to-maturity’. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

<u>Effective interest method</u>
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

<u>Available-for-sale financial assets</u>
Australian listed shares, and investments in managed investment schemes held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in note 39. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group’s right to receive payments is established.

<u>Loans and receivables</u>
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have taken place in the technological, investment market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment for unlisted shares classified as available-for-sale.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18 Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial guarantee contract liabilities
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated at fair value through the profit and loss, are subsequently at the higher of:

- the amount of the obligation under the contract, as determined under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'; and
- the amount initially recognised less, where appropriate, cumulative amortisation in accordance with AASB 118 Revenue.

Other financial liabilities
The financial liabilities of the Group are classified as other financial liabilities. There are no financial liabilities classified as fair value through the profit and loss. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.19 Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

4. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates, and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty used in the preparation of the financial statements that have a significant impact on the amounts recognised in the consolidated financial statements.

Employee entitlements
Judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future increases in on-costs; and
- experience of employee departures and probability of period of service being achieved.

Impairment of goodwill and indefinite life management rights
Determining whether goodwill or the indefinite life management rights are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and the indefinite life management rights have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and an appropriate discount rate in order to calculate present value.

At 30 June 2014 the carrying amount of goodwill is $9,507,853 and $28,863,094 for the management rights (2013: $9,507,853 goodwill and $29,060,124 management rights). No impairment has been identified (30 June 2013: nil).

Intangible assets
The useful lives of intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

Recoverability of internally generated intangible asset
At 30 June 2014, the directors reviewed the status of the Group's internally generated intangible assets arising from development of in-house software, which is included in the consolidated statement of financial position at 30 June 2014 $1,283,431 (30 June 2013: $1,293,893). The projects are progressing well, the developments are technically feasible to complete, there is adequate resourcing to complete and there is the intention and ability to use the completed software. A number of the projects as at 30 June 2014 have been successfully completed and are now being amortised.

Useful lives of furniture, equipment and leasehold improvements
As described in note 3.12, the Group reviews the estimated useful lives of furniture and equipment and leasehold improvements at the end of each annual reporting period. During this financial year, the directors have not determined any changes should be made to the useful lives of furniture and equipment and leasehold improvements.

Provisions
As referred to in note 3.15, the amounts included in provisions represents the directors' best estimate of the future outflow of economic benefits that will be required to settle identified outstanding issues.

5. **Discontinued operations**

The Group did not have any discontinued operations (2013: nil)

6 Revenue

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
The following is an analysis of the Group's revenue for the year:				
Revenue from service activities	52,584,757	46,271,766	36,025,775	31,963,935
Interest revenue:				
-Bank deposits	1,137,430	276,471	1,116,812	254,285
-Investments	144,990	57,116	144,990	57,116
Dividends from non-related companies	253,736	123,878	253,736	123,878
Dividends from wholly owned companies	-	-	5,000,000	3,000,000
Gain on sale of available-for-sale investments	813,686	692,563	813,686	692,563
Service charges	-	-	4,075,000	-
Other revenue	-	60,000	-	-
	2,349,842	1,210,028	11,404,224	4,127,842
Total revenue	54,934,599	47,481,794	47,429,999	36,091,777

The following is an analysis of investment revenue earned on financial assets by category of asset:

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Available-for-sale financial assets	1,067,422	816,441	1,067,422	816,441
Loans and receivables (including cash and bank balances)	1,282,420	333,587	1,261,802	311,401
Total investment income for financial assets not designated as at fair value through the profit and loss	2,349,842	1,150,028	2,329,224	1,127,842

7 Finance cost

Neither the Group nor the Company have any borrowings. The finance cost for the year is nil (2013: nil).

8 Profit for the year

There is no profit or loss attributable to non-controlling interests (2013: $nil).

Profit for the year has been arrived at after crediting/(charging) the following gains and (losses):	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Gain from disposal of available-for-sale investments	813,686	692,563	813,686	692,563
Gain/(loss) on disposal of property, plant and equipment	(2,005)	(5,706)	(2,005)	-
	811,681	686,857	811,681	692,563
Profit for the year includes the following expenses:				
Depreciation and amortisation:				
Depreciation of non-current assets	548,146	425,077	517,075	386,867
Amortisation of non-current assets	792,398	701,225	737,036	635,939
	1,340,544	1,126,302	1,254,111	1,022,806
Amortisation of management rights	197,030	238,765	-	-
Reversal of impairment of financial instrument	-	(44,617)	-	(44,617)
	1,537,574	1,320,450	1,254,111	978,189
Operating lease rental expenses:				
Minimum lease payments	1,453,139	1,383,092	1,166,554	932,212
Employee benefit expense:				
Post employment benefits:				
-Superannuation contributions	1,746,463	1,651,951	1,567,099	1,117,682
Share-based payments:				
-Equity-settled share-based payments	577,671	517,326	577,671	517,326
Other employee benefits	24,539,601	21,815,572	21,665,021	16,603,942
	26,863,735	23,984,849	23,809,791	18,238,950

9 Income taxes

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Income tax expense comprises:				
Current income tax expense	3,966,752	3,549,767	1,852,290	1,994,742
Prior year tax adjustments recognised in the current year	(400,699)	(20,638)	(396,310)	(19,524)
Deferred tax expense relating to the origination and reversal of temporary differences	68,273	111,108	107,576	173,363
Deferred tax reclassified from equity to profit or loss	58,658	205,724	58,658	205,724
Total income tax expense	3,692,984	3,845,961	1,622,214	2,354,305

The income tax expense for the year can be reconciled to accounting profit as follows:

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Profit before tax from continuing operations	13,406,396	12,517,362	10,655,878	9,685,040
Income tax expense calculated at 30%	4,021,919	3,755,209	3,196,763	2,905,512
Non-deductible expenses	407,257	455,457	343,825	398,956
Non-assessable income	(313,866)	(310,802)	(1,500,437)	(897,374)
Franked dividends	(21,627)	(33,265)	(21,627)	(33,265)
	4,093,683	3,866,599	2,018,524	2,373,829
Prior year tax adjustments	(400,699)	(20,638)	(396,310)	(19,524)
	3,692,984	3,845,961	1,622,214	2,354,305

The tax rate used in the above 2014 and 2013 reconciliations is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Income tax expense/ (credit) recognised directly in equity:				
Current tax:				
Share issue expenses deductible over 5 years	(457,223)	(9,111)	(457,223)	(9,111)
Deferred tax:				
Arising on transactions with equity participants:				
Share issue expenses deductible over 5 years	(1,788,101)	5,046	(1,788,101)	5,046
Total income tax recognised directly in equity	(2,245,324)	(4,065)	(2,245,324)	(4,065)
Income tax expense/ (credit) recognised in other comprehensive income:				
Deferred tax:				
(Increase)/decrease revaluation of available-for-sale investments	82,757	125,510	82,757	125,510
Reclassification from equity to profit and loss:				
Realised gain on sale of available-for-sale investments	(58,658)	(205,724)	(58,658)	(205,724)
	24,099	(80,214)	24,099	(80,214)
Current tax liabilities:				
Income tax payable	702,117	1,205,708	702,117	1,190,544
Deferred tax balances are presented in the statement of financial position as follows:				
Deferred tax asset	3,959,616	1,764,129	3,704,761	1,468,550
Deferred tax liability - investment revaluation	122,254	98,155	122,254	98,155

9 Income taxes (cont'd)

	Consolidated				
	Opening balance	**Charged to income**	**Charged to equity**	**Other**	**Closing balance**
2014	**$**	**$**	**$**	**$**	**$**
Gross deferred tax assets:					
Provisions	1,875,570	58,134	-	-	1,933,704
Expenditure deductible over 5 years	65,230	473,577	1,788,101	-	2,326,908
Property, plant and equipment	161,719	(199,931)	-	-	(38,212)
Intangible assets	(338,390)	75,606	-	-	(262,784)
	1,764,129	407,386	1,788,101	-	3,959,616
Gross deferred tax liabilities:					
Available-for-sale investments	(98,155)	58,658	(82,757)	-	(122,254)
2013					
Gross deferred tax assets:					
Provisions	1,631,456	244,114	-	-	1,875,570
Expenditure deductible over 5 years	49,499	20,777	(5,046)	-	65,230
Property, plant and equipment	147,942	13,777	-	-	161,719
Property, plant and equipment	(205,191)	(133,199)	-	-	(338,390)
	1,623,706	145,469	(5,046)	-	1,764,129
Gross deferred tax liabilities:					
Available-for-sale investments	(185,796)	205,724	(125,510)	7,427	(98,155)

	Company				
	Opening balance	**Charged to income**	**Charged to equity**	**Other**	**Closing balance**
2014	**$**	**$**	**$**	**$**	**$**
Gross deferred tax assets:					
Provisions	1,657,022	91,971	-	-	1,748,993
Expenditure deductible over 5 years	65,230	473,577	1,788,101	-	2,326,908
Property, plant and equipment	84,438	(192,794)	-	-	(108,356)
	(338,140)	75,356	-	-	(262,784)
	1,468,550	448,110	1,788,101	-	3,704,761
Gross deferred tax liabilities:					
Available-for-sale investments	(98,155)	58,658	(82,757)	-	(122,254)
2013					
Gross deferred tax assets:					
Provisions	1,348,982	308,040	-	-	1,657,022
Expenditure deductible over 5 years	49,499	20,777	(5,046)	-	65,230
Property, plant and equipment	69,096	15,342	-	-	84,438
Intangible assets	(201,307)	(136,833)	-	-	(338,140)
	1,266,270	207,326	(5,046)	-	1,468,550
Gross deferred tax liabilities:					
Available-for-sale investments	(185,796)	205,724	(125,510)	7,427	(98,155)

The Group has no unrecognised deferred tax balances.

Tax consolidation

For information regarding tax consolidation, tax funding and tax sharing arrangements refer to note 3.10.

10 Key management personnel remuneration

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
The aggregate compensation made to key management personnel of the Company and the Group is set out below:				
Short-term employee benefits	3,362,012	3,435,525	3,362,012	3,394,729
Post employment benefits (Superannuation)	207,424	235,511	207,424	233,757
Other long-term benefits	42,474	8,534	42,474	12,090
Share awards	370,791	251,028	370,791	251,028
	3,982,701	3,930,598	3,982,701	3,891,604

Full details of the remuneration of key management personnel for the year ended 30 June 2014 are outlined in the Directors' Report.
The share awards of key management personnel for the year ended 30 June 2014 are outlined in the Directors' Report.

11 Auditors' remuneration

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Auditors - Deloitte Touche Tohmatsu				
Corporate entities				
Audit & Assurance Services				
Audit and review of the consolidated financial statements	219,189	237,875	183,415	201,028
Audit services in accordance with regulatory requirements	70,820	72,944	49,457	50,941
	290,009	310,819	232,872	251,969
Other services				
Tax compliance services in respect of Group corporate entities	10,300	60,291	10,300	60,291
Other services	27,150	36,000	27,150	36,000
Total remuneration for corporate entities	327,459	407,110	270,322	348,260
Managed funds and superannuation funds				
Audit & Assurance Services				
Audit and review of managed and superannuation funds	1,040,436	1,019,769	867,989	889,961
Audit services in accordance with regulatory requirements	391,403	342,975	257,803	291,525
Other assurance services	-	8,000	-	8,000
	1,431,839	1,370,744	1,125,792	1,189,486
Other services				
Taxation compliance services and review of constitutions, disclosure documents and tax returns for the Group's managed funds	490,117	602,043	420,233	584,558
Other services	76,250	-	76,250	-
Total remuneration for managed funds and superannuation funds	1,998,206	1,972,787	1,622,275	1,774,044

The 'Other services' amounts paid to Deloitte Touche Tohmatsu are in accordance with the Company's auditor independence policy as outlined in the Corporate Governance Statement.
The above fees for managed funds and superannuation funds were paid by the individual managed funds and superannuation funds.

12 Current trade and other receivables

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade receivables	3,443,209	3,574,608	3,401,317	3,294,580
Allowance for doubtful debts	(12,972)	(82,383)	(12,972)	(78,183)
Other	3,206,039	2,083,351	3,880,170	2,949,279
	6,636,276	5,575,576	7,268,515	6,165,676

The trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.
The terms of payment for all trade receivables is 14 days from invoice date. All accounts receivable outstanding more than 30 days are monitored and actively managed. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts relating to outstanding trade receivables as determined by a specific review of outstanding accounts. Factors considered in this review include the nature of the debtor, the relationship with the debtor, length of time the debt has been outstanding and knowledge of the reason for the delay in payment.

Before accepting significant new clients the credit worthiness of these clients is assessed by either executive management or the Due Diligence Committee (DDC) depending on the type of client. Other new client credit worthiness is assessed by business managers as is appropriate to the size and nature of those clients and also whether the client has funds deposited with the Company/Group from which the Company/Group is permitted to withdraw payment of its fees.

Included within the Group's trade receivable balance are debtors with a carrying amount of $372,283 (2013: $783,446) which are past due at the reporting date but these have not been provided for as there has not been a significant change in credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

Other receivables include corpus commission, dividends and interest receivable. These receivables are with Australian Securities Exchange listed companies, Australian banks, Australian managed investment schemes and client accounts administered by the Company. These amounts are all considered recoverable.

Trade receivables ageing of past due but not impaired

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Under 30 days	143,546	312,035	143,546	296,792
30-60 days	74,337	147,020	71,810	92,320
Over 60 days	154,400	324,391	152,442	174,849
	372,283	783,446	367,798	563,961

Movement in the allowance for doubtful debts

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Balance at beginning of the year	(82,383)	(46,354)	(78,183)	(46,354)
Impairment losses recognised on trade receivables	(27,977)	(114,295)	(23,217)	(77,716)
Amounts written off as uncollectible	2,173	41,837	2,173	41,837
Impairment losses reversed	95,215	36,429	86,255	4,050
Balance at end of year	(12,972)	(82,383)	(12,972)	(78,183)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

13 Other current assets

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Prepayments	1,088,351	759,189	1,080,851	652,909
Accrued income	2,039,755	1,681,957	1,590,372	1,508,232
	3,128,106	2,441,146	2,671,223	2,161,141

14 Non-current trade and other receivables

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Corpus commission earned but not collected	108,186	108,186	108,186	108,186

15 Other financial assets

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Investment in subsidiaries at cost:				
Shares in subsidiaries	-	-	4,188,735	4,188,735
Available-for-sale investments carried at fair value:				
Australian equities and managed investments schemes	5,508,589	5,450,883	5,508,589	5,450,883
Loans and receivables carried at amortised cost:				
Intercompany loans	-	-	27,445,902	27,972,838
Term deposits	3,150,000	-	3,000,000	-
Total	8,658,589	5,450,883	40,143,226	37,612,456

The intercompany loans are non-interest bearing.

16 Furniture, equipment and leasehold

	Consolidated			
	Computer hardware & equipment at cost	**Leasehold improvements at cost**	**Office furniture & equipment at cost**	**Total**
Gross carrying amount	**$**	**$**	**$**	**$**
Balance at 1 July 2012	1,888,605	959,749	681,362	3,529,716
Additions	525,204	303,195	137,933	966,332
Disposals	(33,184)	(29,921)	(1,943)	(65,048)
Balance at 1 July 2013	2,380,625	1,233,023	817,352	4,431,000
Additions	571,374	16,567	27,146	615,087
Disposals	(436,033)	(10,767)	-	(446,800)
Balance at 30 June 2014	2,515,966	1,238,823	844,498	4,599,287
Accumulated depreciation/ amortisation and impairment				
Balance at 1 July 2012	1,254,446	896,487	468,800	2,619,733
Disposals	(32,429)	(25,345)	(2,255)	(60,029)
Depreciation expense	338,508	32,443	54,126	425,077
Balance at 1 July 2013	1,560,525	903,585	520,671	2,984,781
Disposals	(425,941)	(9,579)	-	(435,520)
Depreciation expense	387,671	91,976	68,499	548,146
Balance at 30 June 2014	1,522,255	985,982	589,170	3,097,407
Net book value				
As at 30 June 2013	820,100	329,438	296,681	1,446,219
As at 30 June 2014	993,711	252,841	255,328	1,501,880

	Company			
	Computer hardware & equipment at cost	**Leasehold improvements at cost**	**Office furniture & equipment at cost**	**Total**
Gross carrying amount	**$**	**$**	**$**	**$**
Balance at 1 July 2012	1,676,746	668,450	421,214	2,766,410
Additions	522,489	303,194	121,207	946,890
Disposals	(30,537)	(28,488)	-	(59,025)
Balance at 1 July 2013	2,168,698	943,156	542,421	3,654,275
Additions	571,374	11,937	27,146	610,457
Disposals	(256,530)	-	-	(256,530)
Balance at 30 June 2014	2,483,542	955,093	569,567	4,008,202
Accumulated depreciation/ amortisation and impairment				
Balance at 1 July 2012	1,073,228	614,931	275,696	1,963,855
Disposals	(30,536)	(25,308)	-	(55,844)
Depreciation expense	323,212	28,567	35,088	386,867
Balance at 1 July 2013	1,365,904	618,190	310,784	2,294,878
Disposals	(247,255)	-	-	(247,255)
Depreciation expense	380,320	86,663	50,092	517,075
Balance at 30 June 2014	1,498,969	704,853	360,876	2,564,698
Net book value				
As at 30 June 2013	802,794	324,966	231,637	1,359,397
As at 30 June 2014	984,573	250,240	208,691	1,443,504

	Consolidated		Company	
Aggregate depreciation recognised as an expense during the year:	**2014**	**2013**	**2014**	**2013**
	$	$	$	$
Computer hardware & equipment	387,671	338,508	380,320	323,212
Leasehold improvements	91,976	32,443	86,663	28,567
Office furniture and equipment	68,499	54,126	50,092	35,088
	548,146	425,077	517,075	386,867

No depreciation was capitalised.
Depreciation expense is included in the line item 'depreciation and amortisation expenses' of the statement of profit or loss.

17 Intangible assets

	Consolidated			
	Computer Software	Leasehold makegood	Management rights	Total
Gross carrying amount	$	$	$	$
Balance at 1 July 2012	6,005,507	124,000	30,271,561	36,401,068
Additions	1,950,882	110,000	-	2,060,882
Disposals	(10)	-	-	(10)
Balance at 1 July 2013	7,956,379	234,000	30,271,561	38,461,940
Additions	3,462,925	-	-	3,462,925
Disposals	(1,788,399)	-	-	(1,788,399)
Balance at 30 June 2014	9,630,905	234,000	30,271,561	40,136,466
Accumulated amortisation and impairment				
Balance at 1 July 2012	2,262,540	102,839	972,672	3,338,051
Amortisation expense	695,935	5,290	238,765	939,990
Disposals	-	-	-	-
Balance at 1 July 2013	2,958,475	108,129	1,211,437	4,278,041
Amortisation expense	755,941	36,457	197,030	989,428
Disposals	(257,828)	-	-	(257,828)
Balance at 30 June 2014	3,456,588	144,586	1,408,467	5,009,641
Net book value				
As at 30 June 2013	4,997,904	125,871	29,060,124	34,183,899
As at 30 June 2014	6,174,317	89,414	28,863,094	35,126,825

	Company			
	Computer Software	Leasehold makegood	Management rights	Total
Gross carrying amount	$	$	$	$
Balance at 1 July 2012	5,677,151	-	-	5,677,151
Additions	1,950,882	110,000	-	2,060,882
Disposals	-	-	-	-
Balance at 1 July 2013	7,628,033	110,000	-	7,738,033
Additions	3,066,758	-	-	3,066,758
Disposals	(1,612,601)	-	-	(1,612,601)
Balance at 30 June 2014	9,082,190	110,000	-	9,192,190
Accumulated amortisation and impairment				
Balance at 1 July 2012	2,059,481	-	-	2,059,481
Amortisation expense	635,939	-	-	635,939
Disposals	-	-	-	-
Balance at 1 July 2013	2,695,420	-	-	2,695,420
Amortisation expense	705,869	31,167	-	737,036
Disposals	(81,852)	-	-	(81,852)
Balance at 30 June 2014	3,319,437	31,167	-	3,350,604
Net book value				
As at 30 June 2013	4,932,613	110,000	-	5,042,613
As at 30 June 2014	5,762,753	78,833	-	5,841,586

Amortisation expense is included in the line item 'depreciation and amortisation expenses' of the statement of profit or loss.

Significant intangible assets

The Group holds the following management rights. Management rights relating to the EquitySuper Master Trust superannuation business have an indefinite life and the other management rights have finite lives.

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
EquitySuper Master Trust	28,187,616	28,187,616	-	-
Freedom of Choice	418,215	503,656	-	-
Equity Superannuation Management Pty Limited	46,334	86,050	-	-
Holdfast Fund Services Pty Limited	-	30,379	-	-
Aged Care	210,929	252,423	-	-
	28,863,094	29,060,124	-	-

The indefinite life management rights (EquitySuper Master Trust) have been allocated for impairment testing purposes to the Trustee & Wealth Services (TWS) cash-generating unit. The carrying amount of the indefinite life management rights allocated to the TWS cash-generating unit is $28,187,616 (2013: $28,187,616).

Details of the TWS cash-generating unit, the value-in-use calculation of the recoverable amount and key assumptions are contained in note 18.

Management has reviewed the useful life of the indefinite life management rights and has determined that these management rights continue to have an indefinite life. In undertaking this review management has considered the economic, competitor and political environment in relation to the superannuation industry, the contractual rights and contractual relationships in relation to these management rights, and ability of the management rights to continue to have value into the foreseeable future.

18 Goodwill

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Cost	9,507,853	9,507,853	-	-
Accumulated impairment losses	-	-	-	-
	9,507,853	9,507,853	-	-
Balance at beginning of the financial year	9,507,853	9,432,878	-	-
Amounts recognised during the year	-	74,975	-	-
Balance at end of the financial year	9,507,853	9,507,853	-	-

There are no accumulated impairment losses (2013: nil).
During the financial year the Group assessed the recoverable amount of goodwill and determined that no impairment had occurred (2013: nil).

Allocation of goodwill to cash-generating units
Goodwill has been allocated for impairment testing purposes to the following cash-generating units:
- Corporate Trustee Services (CTS) (previously called Corporate Fiduciary and Financial Services)
- Trustee & Wealth Services (TWS) (previously called Private Wealth Services)

The carrying amounts of goodwill allocated to CTS and TWS are significant in comparison with the total carrying amount of goodwill. The carrying amount of goodwill was allocated to the following cash-generating units.

	Consolidated 2014 $	Consolidated 2013 $
CTS	3,679,743	3,679,743
TWS	5,828,110	5,828,110
	9,507,853	9,507,853

Corporate Trustee Services (CTS)

The recoverable amount of the CTS operating segment is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five year period, together with a terminal value based on a conservative rate of growth. These cashflows are discounted at 12.44% (2013: 12.19%). Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CTS operating segment.

The key assumptions used in the value-in-use calculations are the growth rate of funds under management, basis point fee levels, and expense growth rate.

Trustee & Wealth Services (TWS)

The recoverable amount of the TWS cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five year period, together with a terminal value based on a conservative rate of growth. These cashflows are discounted at 12.44% (2013: 12.19%). Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the TWS cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth in rate of funds under management and growth in ongoing services revenue, growth in one-off advisory services and expense growth rate.

19 Current trade and other payables

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade payables	634,817	303,275	630,939	269,178
Goods and services tax payable	311,621	277,956	102,687	155,223
Other	211,386	210,634	199,504	107,153
	1,157,824	791,865	933,130	531,554

The Group's policy regarding trade payables is to pay all invoices by the due date. No interest charges have been incurred on trade payables.

20 Current provisions

	Consolidated		
	Employee Benefits (note 24)	Other	Total
	$	$	$
Balance at 1 July 2013	3,304,603	464,251	3,768,854
Additional provisions recognised	-	1,802,310	1,802,310
Decrease arising from payments	-	(444,776)	(444,776)
Decrease arising from re-measurement or settlement without cost	-	(19,476)	(19,476)
Other movements	(148,440)	-	(148,440)
Balance at 30 June 2014	3,156,163	1,802,309	4,958,472

	Company		
	Employee Benefits (note 24)	Other	Total
	$	$	$
Balance at 1 July 2013	2,961,597	461,651	3,423,248
Additional provisions recognised	-	1,745,166	1,745,166
Decrease arising from payments	-	(442,176)	(442,176)
Decrease arising from re-measurement or settlement without cost	-	(19,476)	(19,476)
Other movements	(144,750)	-	(144,750)
Balance at 30 June 2014	2,816,847	1,745,165	4,562,012

Other provisions includes the directors' best estimate of amounts required to meet fringe benefit tax and other trade payment obligations that are owing.

21 Other current liabilities

	Consolidated		Company	
	2014	2013	2014	2013
At amortised cost:	$	$	$	$
Corpus commission collected but not earned	-	24,738	-	24,738
Other	135,318	35,953	119,243	30,732
	135,318	60,691	119,243	55,470

22 Non-current provisions

	Consolidated		
	Makegood	**Employee Benefits (note 24)**	**Total**
	$	**$**	**$**
Balance at 1 July 2013	236,500	1,233,996	1,470,496
Additional provisions recognised	-	-	-
Other movements	-	(71,364)	(71,364)
Balance at 30 June 2014	236,500	1,162,632	1,399,132

	Company		
	Makegood	**Employee Benefits (note 24)**	**Total**
	$	**$**	**$**
Balance at 1 July 2013	110,000	943,319	1,053,319
Additional provisions recognised	-	-	-
Other movements	-	1,082	1,082
Balance at 30 June 2014	110,000	944,401	1,054,401

The makegood provision represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to settle the Group's obligations to makegood its leased premises at the end of the leases.

23 Other non-current liabilities

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Amounts owing to controlled entity	-	-	100,010	100,010
Lease related liabilities	255,549	349,061	255,549	349,061
Corpus commission collected but not earned	34,995	34,995	34,995	34,995
	290,544	384,056	390,554	484,066

24 Employee benefits

	Consolidated		Company	
The aggregate employee benefits liability recognised and included in the financial statements is as follows:	**2014**	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Provision for employee benefits:				
Current (note 20)				
- Annual leave	1,336,446	1,111,348	1,094,410	786,821
- Long service leave	97,881	68,406	73,816	49,927
- Bonus	1,518,921	2,070,629	1,445,706	2,070,629
- Directors' retiring allowance	202,915	54,220	202,915	54,220
	3,156,163	3,304,603	2,816,847	2,961,597
Non-current (note 22)				
- Long service leave	1,162,632	1,095,856	944,401	805,179
- Directors' retiring allowance	-	138,140	-	138,140
	1,162,632	1,233,996	944,401	943,319
	4,318,795	4,538,599	3,761,248	3,904,916

The above employee benefit provisions are the directors' best estimate of the future outflow of economic benefits that will be required to settle these future payment obligations.

25 Issued capital

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
19,104,667 fully paid ordinary shares (2013: 9,049,621)	216,116,476	49,601,432	216,116,476	49,601,432

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2014 No.	2014 $	2013 No.	2013 $
Fully paid ordinary shares				
Balance at beginning of financial year	9,049,621	49,601,432	8,907,676	47,481,389
Shares issued under employee share scheme	11,180	169,936	13,770	176,256
Shares issued under executive share scheme	11,346	161,680	-	-
Shares issued under employee salary sacrifice	2,346	44,369	2,881	39,865
Shares issued under share placement	174,150	2,979,707	-	-
Shares issued for ANZ Trustees acquisition	9,411,271	159,991,607	-	-
Shares issued for The Trust Company shares	318,909	6,072,620	-	-
Shares issued under dividend reinvestment plan (DRP)	125,844	2,334,221	125,294	1,913,406
Share issue costs net of tax	-	(5,239,096)	-	(9,484)
Balance at end of financial year	19,104,667	216,116,476	9,049,621	49,601,432

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share Awards

In accordance with the provisions of the Equity Trustees Limited Executive Performance Share Plan 1999 (the Plan), as at 30 June 2014, eligible executives have share entitlements over 147,928 ordinary shares (2013: 126,480), in aggregate. Further details of the Plan are contained in the remuneration report within the Directors' Report.

26 Other Reserves

	Consolidated 2014 $	Consolidated 2013 $	Company 2014 $	Company 2013 $
Employee equity-settled benefits reserve	1,348,909	1,147,222	1,348,909	1,147,222

The movements in the above reserve account is shown in the statement of changes in equity.

Employee equity-settled benefits reserve

The employee equity-settled benefits reserve arises on the granting of share entitlements to eligible employees under the Equity Trustees Limited Executive Performance Share Plan 1999 (the Plan) (refer Directors' Report) and on the provision for shares to be issued to staff under the Employee Share Acquisition Plan (ESAP). The ESAP is in place to allow eligible employees to participate in share allotments as approved by the Board on an on-going basis as deemed appropriate. There is $184,000 provided for ESAP in 2014 (2013: $177,000).

27 Investment revaluation reserve

The movement in the investment revaluation reserve account is shown in the Statement of Changes in Equity.

The investment revaluation reserve arises on the revaluation of investment financial assets that are accounted for as available-for-sale (refer note 3.17). Where a revalued asset is sold, that part of the revaluation reserve that relates to the sold asset is transferred to the income statement and where a revalued asset is impaired, the portion of the reserve which exceeds the fair value of the impaired asset is transferred to the statement of profit or loss.

28 Earnings per share

	Consolidated	
	2014 Cents per share	2013 Cents per share
Basic earnings per share	88.64	87.58
Diluted earnings per share	87.51	86.54

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:	Consolidated 2014 $	2013 $
Earnings	9,713,412	8,671,401
	2014 No.	**2013 No.**
Weighted average number of ordinary shares for the purposes of basic earnings per share	10,958,664	9,900,681

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in in the calculation of diluted earnings per share are as follows:	Consolidated 2014 $	2013 $
Earnings	9,713,412	8,671,401
	2014 No.	**2013 No.**
Weighted average number of ordinary shares for the purposes of diluted earnings per share	11,100,294	10,020,650

The weighted average number of shares for the basic and diluted earnings per share for 2013 have been adjusted for the rights issue during the 2014 year.

There were no discontinued operations (2013: nil).

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:	Consolidated 2014 No.	2013 No.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	10,958,664	9,900,681
Shares deemed to be issued for no consideration in respect of employee share entitlements	141,630	119,969
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	11,100,294	10,020,650

There have been no changes in accounting policies that have had an impact on earnings per share.

29 Dividends

	2014		2013	
Recognised amounts	**Cents per**	**$**	**Cents per**	**$**
Fully paid ordinary shares				
Interim dividend: Fully franked (Prior year: Fully franked)	46	4,442,641	42	3,768,743
Final dividend: Fully franked (Prior year: Fully franked)	50	4,534,808	45	4,015,085
		8,977,449		7,783,828
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend: Fully franked (Prior year: Fully franked)	48	9,190,937	50	4,534,808

	Company 2014 $	2013 $
Franking account balance at 1 July	7,268,710	7,232,745
Tax paid	4,139,798	3,324,370
Franking credits received	62,488	47,521
Franking credits attached to interim and final dividends	(3,847,478)	(3,335,926)
Franking account balance at 30 June	7,623,518	7,268,710
Franking credits that will arise from income tax payable at reporting date	1,162,791	897,181
Franking credits that will arise from receipt of dividends recognised as receivables at reporting date	639	2,880
Franking credits to be attached to dividends declared but not recognised	(3,938,973)	(1,939,308)
Adjusted franking account balance	4,847,975	6,229,463

30 Commitments for expenditure

	Consolidated		Company	
	2014	2013	2014	2013
Capital expenditure commitments	$	$	$	$
Intangible Assets				
Not longer than 1 year	-	60,000	-	60,000
Plant and equipment				
Not longer than 1 year	68,500	230,000	68,500	230,000

Operating lease commitments

The Group has operating leases relating to leases of office premises with lease terms of between 18 months and six years. Apart from the 18 month lease the leases are subject to annual rent reviews.

The Group has a number of printer leases with expiry dates occurring in 2015 to 2016. These leases have minimum monthly lease payments and additional charges if usage exceeds a set number of monthly prints.

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Non-cancellable operating lease payments				
Not longer than 1 year	1,964,477	1,535,187	1,568,443	1,121,721
Longer than 1 year and not longer than 5 years	1,513,943	2,842,698	1,127,901	2,054,561
	3,478,420	4,377,885	2,696,344	3,176,282

In respect of non-cancellable operating leases the following liabilities have been recognised:

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Lease incentives				
Current	138,888	129,255	138,888	129,255
Non-current	114,209	219,806	114,209	219,806
	253,097	349,061	253,097	349,061

The Group has no onerous lease contracts.

There are no non-cancellable operating sub-leases (2013: no non-cancellable operating sub-lease).

31 Contingent liabilities and assets

Contingent liabilities exist in respect of certain trust and estate accounts that are overdrawn, however, these contingent liabilities are mitigated by the assets held by these trust and estate accounts which are considered ample to cover any contingent liability. This position is unchanged from 30 June 2014.

Apart from the above there are no other contingent liabilities (2013: Success-based fee of $1,500,000, less retainers fees paid up until a successful transaction, payable to the company's financial adviser, Lion Capital in relation to the proposed acquisition of The Trust Company.)

There are no contingent assets (2013: nil).

32 Subsidiaries

Name of entity	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2014	2013
Parent entity				
Equity Trustees Limited	Financial services	Australia		
Subsidiaries				
Equity Investment Management Limited	Superannuation administration	Australia	100%	100%
Equity Trustees Superannuation Limited	Superannuation trustee services	Australia	100%	100%
EQT Aged Care Services Pty Ltd	Aged care advice & placement	Australia	100%	100%
Non-trading subsidiaries				
Equity Nominees Limited	Non-trading	Australia	100%	100%
Equity Superannuation Management Pty Limited	Non-trading	Australia	100%	100%
Equity Superannuation Administration Pty Limited	Non-trading	Australia	100%	100%
Super.com. Pty Limited	Non-trading	Australia	100%	100%
Super.com.au Pty Limited	Non-trading	Australia	100%	100%
Holdfast Fund Services Pty Limited	Non-trading	Australia	100%	100%
Apex Super Limited	Non-trading	Australia	100%	100%
Simple Wrap Pty Ltd	Non-trading	Australia	100%	100%

Equity Trustees Limited is the head entity within the tax consolidated group.
All the above subsidiaries are members of the tax-consolidated group.

Information about the composition of the group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2014	2013
Superannuation administration	Australia	1	1
Superannuation trustee services	Australia	1	1
Aged care advice & placement	Australia	1	1
Non-trading	Australia	8	8

Significant restrictions

The Company has cash and cash equivalents of $170m of which approximately $155m will be used to acquire Equity Trustees Wealth Services Limited (formerly ANZ Trustees Limited) from ANZ Banking Group on settlement date 4 July 2014 with a future payment of approximately $1m on agreement of the Completion Statements (refer note 33 and note 38 for further details) (2013: no significant restrictions).

33 Business combinations
Acquisition of businesses

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration transferred
2014				
Equity Trustees Wealth Services Limited (ETWSL) (formerly ANZ Trustees Limited)	Trustee services	4 Jul 14	100%	156,008,756

2013
There were no business acquisitions during the year.

ETWSL was acquired to increase the size of the Trustee & Wealth Services business, gain synergies on the merging of the two similar businesses and to enable the Group to become a leading provider of trustee services in Australia.

Consideration	2014 $	2013 $
Cash	156,008,756	-

The consideration transferred was in cash with an initial payment of $155,000,000 on settlement date 4 July 2014 and a final payment of $1,008,756 on 22 August 2014 following agreement of the completion balance sheet. (2013: nil).
Acquisition-related costs incurred during the year ended 30 June 2014 of $8,891,418 have been excluded from the consideration transferred. It is estimated further expenses of approximately $50,000 will be incurred post 30 June 2014 in relation to the acquisition of ETWSL. For the year ended 30 June 2014 $1,535,426 of the acquisition-related expenses has been recognised as an expense in the statement of profit or loss under legal, consulting and regulatory expenses and $7,355,992 has been recognised in issued capital as relating to costs associated with issuing capital to finance the acquisition (2013: nil).

Assets acquired and liabilities assumed at the date of acquisition	2014 $	2013 $
Current assets		
Cash and cash equivalents	10,637,962	-
Trade and other receivables	1,975,533	-
Other current assets	58,146	-
Current liabilities		-
Trade and other payables	(58,522)	-
Employee entitlements	(923,388)	-
Provisions	(82,880)	-
Non-current liabilities		-
Employee entitlements	(318,885)	-
	11,287,966	-

The initial accounting for the acquisition of ETWSL has only been provisionally determined at the end of this reporting period. For tax purposes, the tax values of ETWSL's assets are required to be reset based on market values of the assets. At the date of the finalisation of these financial statements, the necessary valuations and other calculations had not been finalised and the fair values of the assets and liabilities have not yet been determined.

The amount of goodwill and other intangibles arising from the acquisition cannot yet be provisionally determined as the necessary valuations and other calculations have not yet been completed. The unallocated amount of the purchase price that will be allocated upon the necessary valuations and other calculations being completed is approximately $144.7 million.
Trade receivables acquired with a fair value of $64,722 had gross contractual amounts of $64,722. The best estimate at acquisition date of the contractual cashflows not expected to be collected is nil. (2013:nil).

Net cash outflow arising on acquisition	2014 $	2013 $
Consideration paid in cash	156,008,756	-
less cash and cash equivalent balances acquired	(10,637,962)	-
	145,370,794	-

Impact of acquisition on the results of the Group
As the acquisition occurred on 4 July 2014 no amounts attributable to ETWSL are included in revenue or the profit for the year (refer above for the disclosure regarding acquisition costs incurred by the Group included in the profit for the year).

Had the ETWSL acquisition been effected at 1 July 2013 the revenue of the Group from continuing operations would have been approximately $78m and profit before tax of the Group from continuing operations approximately $24.6m.

The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and are a reasonable reference point for comparison in future periods.

In determining the ‘pro-forma’ revenue and profit of the Group had ETWSL been acquired at the beginning of the current year, the directors have assumed that the forecast result for ETWSL for the year ending 30 September 2014 is not materially different from a result for the year ended 30 June 2014.

34 Non-controlling interests

	Consolidated 2014 $	Consolidated 2013 $
Balance at beginning of the year	-	(3,710)
Acquisition of non-controlling interests	-	3,710
Share of profit/(loss) for the year	-	-
Balance at end of year	-	-

35 Segment information

Information reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of performance is focused on the categories of services provided to customers. The principal categories of services are Trustee & Wealth Services and Corporate Trustee Services. The Group's reportable segments under AASB 8 are as follows:

Trustee & Wealth Services (formerly called Private Wealth Services)
The provision of personal financial and superannuation services, including in relation to personal estates and trusts, wealth management, asset management, aged care services, and portfolio services. Further details are included in the Directors' Report.
Corporate Trustee Services (formerly called Corporate Fiduciary and Financial Services)
Responsible Entity trustee services for managed funds on behalf of local and international managers and sponsors. Management and coordination of distribution and marketing for Equity Trustees co-branded retail and wholesale funds.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. There were no discontinued operations (2013: nil).

	Consolidated 2014 $	Consolidated 2013 $
Segment revenue		
Trustee & Wealth Services	31,317,124	27,769,840
Corporate Trustee Services	21,267,633	18,561,926
	52,584,757	46,331,766
Unallocated	2,349,842	1,150,028
Total revenue per statement of profit or loss	54,934,599	47,481,794

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (2013: nil).
No single customer accounts for 10% or more of the Group's revenue.

	Consolidated 2014 $	Consolidated 2013 $
Segment net profit before tax		
Trustee & Wealth Services	6,981,534	6,039,367
Corporate Trustee Services	6,670,809	6,443,675
	13,652,343	12,483,042
Unallocated	(245,947)	34,320
Total net profit before tax per statement of profit or loss	13,406,396	12,517,362

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the contribution earned by each segment without the allocation of acquisition related expenditure, investment portfolio income or income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Revenue by product and service	Consolidated 2014 $	Consolidated 2013 $
Trustee & Wealth Services	31,317,124	27,769,840
Corporate Trustee Services	21,267,633	18,561,926
	52,584,757	46,331,766

For the purpose of monitoring performance the chief operating decision maker reviews balance sheet items for the Group as a whole. The Group's assets and liabilities are not allocated to the reportable segments for management reporting purposes.

Geographic segment
The Group operates only in Australia which is treated as one geographic segment.

36 Related party disclosures

Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 32 to the financial statements.
The Company does not hold any interests in associates, joint ventures or other related parties.

Transactions with key management personnel

(a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 10 to the financial statements and in the Directors' Report.

(b) Loans to key management personnel

The Group had nil key management personnel loans as at 30 June 2014 (2013: nil).

(c) Director and key management personnel equity holdings

Director and key management personnel relevant interests in fully paid ordinary shares of Equity Trustees Limited are disclosed in the Directors' Report.

(d) Entitlements to shares of Equity Trustees Limited issued under the Executive Performance Share Plan 1999.

Details of entitlements to Equity Trustees Limited shares issued under the Executive Performance Share Plan 1999, are disclosed in the Directors' Report.

(e) Vested shares awards

Details of vested share awards are disclosed in the Directors' Report.

(f) Other transactions with key management personnel

Some directors, key management personnel and their associates have investments in managed investment schemes for which the Company acts as responsible entity. These investments are made at arms length and in the ordinary course of business. Some directors, key management personnel and their associates receive wealth management, superannuation and other financial services from the Group. These services are provided at arms length and in the ordinary course of business except the directors, key management personnel and their associates are entitled to receive the normal available staff discount or other customary discount available in relation to size of business.

Ms Williams is a director of Victorian Funds Management Corporation (VFMC), Defence Health (DH) and Guild Group Holdings Limited (GGHL) which, on behalf of VFMC, DH and GGHL clients, invests in various managed investment schemes, some of which have the Company as responsible entity. In her role as director of VFMC, DH and GGHL, Ms Williams is not actively involved in investment selections or the appointment of the Company as responsible entity to managed investment schemes in which VFMC, DH or GGHL invests.

Ms O'Donnell is a director and is on the Investment, Audit and Risk Committee of the Winston Churchill Memorial Trust which invests in a managed investment scheme, which has the Company as responsible entity. The investment in the managed investment scheme was undertaken before Ms O'Donnell became involved with the Trust. The Trust is advised by an independent investment manager. Ms O'Donnell does not participate in investment decisions relating to the managed investment scheme and was not actively involved in the appointment of the Company as responsible entity to the managed investment scheme.

There were no other related party transactions between the Group or the parent entity and key management personnel or their related entities apart from the above (2013: nil).

Transactions with other related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The Company had an interest free intercompany account with each of its controlled entities. The total amounts owed to the Company by its controlled entities are disclosed in note 15.

During the year, the parent entity received service charge revenue from Equity Investment Management Limited and EQT Aged Care Services Limited.

The Company and its controlled entities have entered into a tax sharing arrangement, as disclosed in note 3.10.

During the year, controlled entities acted as trustee and administrator for the EquitySuper Master Trust (also incorporating Apex Super, Mutualsuper and Freedom of Choice sub-plans), the Public Eligible Rollover Fund and EquitySuper Pooled Superannuation Trust from which they received trustee and administration fees. These fees were contractually agreed with members.

During the year, a controlled entity received fees and commissions from the EquitySuper Master Trust for work undertaken on behalf of the EquitySuper Master Trust. Another controlled entity was the Trustee of the Trust.

During the year, a controlled entity, Equity Investment Management Limited, received administration and service charges from its subsidiary company, Equity Trustees Superannuation Limited.

All other transactions took place on normal commercial terms and conditions.

Parent Entity

The parent entity of the Group is Equity Trustees Limited.
The ultimate Australian parent entity and ultimate parent entity is Equity Trustees Limited.

Investments in Managed Investment Schemes

Included in the investment portfolio of the Company are investments in managed investment schemes where the Company acts as responsible entity. These investments are made on normal commercial terms and conditions.

37 Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the consolidated statement of financial position as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash and cash equivalents	170,237,019	9,891,934	169,498,122	8,884,807

(b) Reconciliation of profit for the period to net cash flows from operating activities

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Profit for the period	9,713,412	8,671,401	9,033,664	7,330,735
Income tax expense recognised in profit and loss	3,692,984	3,845,961	1,622,214	2,354,305
(Profit) / loss on sale of investments	(813,686)	(692,563)	(813,686)	(692,563)
Depreciation and amortisation of non-current assets	1,340,544	1,126,302	1,254,111	1,022,806
Impairment of financial instruments (reversal)	-	(44,617)	-	(44,617)
Amortisation of management rights	197,030	238,765	-	-
(Profit) / loss on sale of plant and equipment	2,005	5,706	2,005	-
Equity-settled share-based payments	577,671	517,326	577,671	517,326
Interest income received and receivable	(1,282,420)	(333,587)	(1,261,802)	(311,401)
Dividends received and receivable	(253,736)	(123,878)	(5,253,736)	(3,123,878)
	13,173,804	13,210,816	5,160,441	7,052,713
Movements in working capital				
(Increase)/decrease in trade and other receivables	(1,649,470)	(927,883)	(1,407,590)	(1,201,863)
(Increase)/decrease in other assets	(158,444)	882,638	(230,714)	972,375
Increase /(decrease) in trade and other payables	(940,253)	(113,369)	401,576	261,849
Increase /(decrease) in other provisions	2,694,717	888,673	385,806	1,808,364
Cash generated from operations	13,120,354	13,940,875	4,309,519	8,893,438
Income taxes paid	(4,139,798)	(3,324,370)	(4,139,798)	(3,324,370)
Net cash generated by operating activities	8,980,556	10,616,505	169,721	5,569,068

(c) Non-cash financing activities

Non-cash financing activities during the year were dividend reinvestments of $2,334,221 (2013: $1,913,406) and employee salary sacrifice share issues $44,369 (2013: $39,865).

38 Subsequent events

The following provides a summary of the key points relating to a major acquisition by the Company:

- On 10 April 2014, Equity Trustees Limited (ASX: EQT) announced its intention to acquire 100% of the shares in ANZ Trustees Limited for $150m. The acquisition was subject to certain conditions, approvals and adjustments and funded by a fully underwritten equity raising. It was expected that the completion date for the transaction would be early July 2014.
- On 14 April 2014, EQT announced that the placement and institutional component of the equity entitlement offer had been completed, with approximately $83.5m raised. The entitlement component was offered to existing institutional investors at $17.00 per share, based on a ratio of three new shares for each four shares held.
- On 24 April 2014, EQT issued 4,907,186 new EQT shares to sophisticated and professional investors at $17.00 per share pursuant to the share placement and entitlement offer.
- On 14 May 2014, EQT issued 4,504,085 new EQT shares to retail investors at $17.00 per share pursuant to the retail entitlement offer.
- On 6 June 2014, EQT announced that Ministerial Approval had been received. As such, the Sale and Purchase Agreement with the ANZ became unconditional. It was announced that the target completion date be 4 July 2014.
- On 4 July 2014, EQT completed the acquisition of ANZ Trustees Limited and changed the company name to Equity Trustees Wealth Services Limited.
- On 7 July 2014, EQT announced that the acquisition was completed for $150m, plus an adjustment to reflect changed licencing requirements that commenced on 1 July 2014.

Apart from the above, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

39 Financial instruments

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while balancing achieving shareholder returns with prudential management of resources, achieving its long-term strategy and meeting the Net Tangible Asset (NTA) requirements imposed by regulatory authorities.

The Group's overall strategy remains unchanged from 2013. The Group has met its NTA requirements throughout the 2014 year as well as throughout the 2013 year.

The capital structure consists only of equity (refer note 25 for details regarding equity instruments issued). The Group operates only in Australia and is subject to a requirement under its RSE licence to maintain NTA of $5m. There are no other externally imposed capital requirements (2013: nil).

Operating cashflows are used to maintain and expand the Group's financial services activities including providing funds for acquiring suitable businesses that align with the existing financial services activities of the Group. Operating cashflows are also used to fund routine payments of tax and dividends.
The Group's current policy is to fund its activities, including business acquisitions by using accumulated surplus operating cashflow and raising funds through the issue of ordinary shares in the head company, Equity Trustees Limited. This policy is periodically reviewed in light of the Group's long-term strategy, prudential management of resources, dividend policy, market conditions, and NTA requirements and achieving shareholder returns.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses) for each class of financial assets, financial liability and equity instrument are disclosed in note 3.

(c) Categories of financial instruments

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Cash and cash equivalents	170,237,019	9,891,934	169,498,122	8,884,807
Loans and receivables - trade receivables	3,430,237	3,492,225	3,388,345	3,216,397
Loans and receivables - term deposits	3,150,000	-	3,000,000	-
Available-for-sale financial assets - mortgage fund	3,000,000	3,000,000	3,000,000	3,000,000
Available-for-sale financial assets - equities and managed investment schemes	2,508,589	2,450,883	2,508,589	2,450,883
	182,325,845	18,835,042	181,395,056	17,552,087
Financial liabilities				
Amortised at cost	634,817	303,275	630,939	269,178

During the 2014 financial year there were no financial assets or liabilities designated as at fair value through profit or loss for either the Group or the Company (2013: nil). No financial assets have been pledged as collateral for either liabilities or contingent liabilities (2013: nil). No assets are held as collateral (2013: nil).

(d) Financial risk management objectives

The Group's and the Company's main financial instrument risk exposures relate to market risk (including price and interest rate risk), credit risk, and liquidity risk. Neither the Group nor the Company has any borrowings. The Group and the Company manage financial instrument risk through a combination of executive management monitoring key financial risks and the use of committees that manage and monitor particular activities and their related financial risks.

Both the executive management and committees report to the Board on a regular basis regarding their activities and the related financial risks. The committees include a Due Diligence Committee (DDC) and a Management Investment Committee (MIC). The DDC reviews new business proposals including the credit risk associated with the counter parties. The MIC responsibilities include reviewing and managing the Group's investment portfolio and its associated financial risks.

The liquidity position of the Group and Company are continuously monitored by executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets is considered prior to the transaction being approved.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group's investment policy is to hold financial instruments for the long-term to support capital and NTA requirements. The asset allocation of the portfolio is conservative and any changes to investments are approved by the Board. The Group does not use hedging to manage its financial risks.

(e) Market risk

The Group's and the Company's primary exposure in relation to financial instruments is to interest rate risk and price risk. These exposures primarily arise in relation to the Group's and Company's investment portfolio. Neither the Group nor the Company has any borrowings nor do they have any exposure to foreign currency risk in relation to their financial instruments. Neither the Group nor the Company uses derivatives to manage market risks as executive management do not believe these risks warrant the use of derivatives due to their nature and relative low level of risk.
At both the Group and Company level, market risks in relation to financial instruments are managed by executive management and MIC monitoring and review which includes sensitivity analysis. There has been no change from the previous period to the Group's or the Company's exposure to market risk or the manner in which these risks are managed and measured.

(f) Interest rate risk management

The Group and the Company are exposed to interest rate risk in relation to their financial instruments as they have funds invested in variable interest rate investments. Neither the Group nor the Company has any borrowings. The risk is primarily managed by maintaining prudent asset allocations within the investment portfolio, to minimise the impact of movements in interest rates on the overall portfolio whilst maintain acceptable levels of returns, and by continuously monitoring the quality and performance of the investments. These investment processes and reviews are managed by the MIC.

39 Financial instruments (cont'd)
(f) Interest rate risk management (cont'd)

Interest rate sensitivity analysis

A sensitivity analysis in relation to the Group's and Company's exposure to interest rate movements is set out below. Management has assessed the reasonably possible change in interest rates to be plus/minus 100 basis points for 2014 (2013: plus/minus 100 basis points) based on a review of market conditions. This assumes both long and short-term interest rates will have the same basis point movement.

The sensitivity analysis is calculated using the end of year balance of the financial instrument where this balance is representative of the balance throughout the year. If the end of year balance is not representative of the balance throughout the year, then the sensitivity analysis is calculated using the average balance (calculated on a quarterly basis) held throughout the year.

Consolidated	Carrying amount at 30-Jun-2014	Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2014	$	$	$	$	$
Cash and cash equivalents	170,237,019	(519,839)	n/a	519,839	n/a
Loans and receivables - term deposits	3,150,000	(28,584)	n/a	28,584	n/a
Available-for-sale financial assets - mortgage fund	3,000,000	(30,247)	n/a	30,247	n/a
	176,387,019	(578,670)	n/a	578,670	n/a

Consolidated	Carrying amount at 30-Jun-2013	Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2013	$	$	$	$	$
Cash and cash equivalents	9,891,934	(95,928)	n/a	95,928	n/a
Available-for-sale financial assets - mortgage	3,000,000	(12,603)	n/a	12,603	n/a
	12,891,934	(108,531)	n/a	108,531	n/a

Company	Carrying amount at 30-Jun-2014	Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2014	$	$	$	$	$
Cash and cash equivalents	169,498,122	(511,176)	n/a	511,176	n/a
Loans and receivables - term deposits	3,000,000	(27,828)	n/a	27,828	n/a
Available-for-sale financial assets - mortgage fund	3,000,000	(30,247)	n/a	30,247	n/a
	175,498,122	(569,251)	n/a	569,251	n/a

Company	Carrying amount at 30-Jun-2013	Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2013	$	$	$	$	$
Cash and cash equivalents	8,884,807	(84,120)	n/a	84,120	n/a
Available-for-sale financial assets - mortgage fund	3,000,000	(12,603)	n/a	12,603	n/a
	11,884,807	(96,723)	n/a	96,723	n/a

(g) Other price risk

The Group and the Company are exposed to other price risk from their investment in an Australian managed investment scheme (2013: Australian managed investment scheme and Australian equities). This investment is held for long-term investment purposes and supports the NTA requirement. It is not held for trading purposes and it is not actively traded.

The risk is primarily managed by maintaining prudent asset allocations within the investment portfolio, to minimise the impact of movements in equity prices on the overall portfolio whilst maintaining acceptable levels of returns, and by continuously monitoring the quality and performance of the investments. These investment processes and reviews are managed by the MIC.

Price sensitivity analysis

A sensitivity analysis in relation to the Group's and Company's exposure to other price movements is set out below. This sensitivity analysis has been determined based on the exposure to the investment in an Australian managed investment scheme that invests in Australian equities. Management has assessed the reasonably possible change in the Australian managed investment scheme as plus/minus 10% (2013: Australian equities plus/minus 10%, and Australian managed investment scheme plus/minus 10% or plus/minus 10%) based on a review of market conditions.

The sensitivity analysis is calculated using the end of year balance of the financial instrument as this balance is representative of the balance throughout the year (2013: calculated using the average balance (calculated on a quarterly basis) held throughout the year).

Consolidated	Carrying amount at 30-Jun-2014	Plus/minus impact %	Other price risk			
			Minus impact		Plus impact	
			Profit	Equity	Profit	Equity
2014	$		$	$	$	$
Available-for-sale investments:						
Managed investment schemes	2,508,589	10%	n/a	(250,859)	n/a	250,859

Consolidated	Carrying amount at 30-Jun-2013	Plus/minus impact %	Other price risk			
			Minus impact		Plus impact	
			Profit	Equity	Profit	Equity
2013	$		$	$	$	$
Available-for-sale investments:						
Australian equities	201,096	10%	n/a	(55,653)	n/a	55,653
Managed investment schemes	2,249,787	10%	n/a	(219,709)	n/a	219,709
	2,450,883		n/a	(275,362)	n/a	275,362

39 Financial instruments (cont'd)

(g) Other price risk (cont'd)

Company	Carrying amount at 30-Jun-2014	Plus/minus impact %	Other price risk			
			Minus impact		Plus impact	
2014	$		Profit $	Equity $	Profit $	Equity $
Available-for-sale investments:						
Managed investment schemes	2,508,589	10%	n/a	(250,859)	n/a	250,859

Company	Carrying amount at 30-Jun-2013	Plus/minus impact %	Other price risk			
			Minus impact		Plus impact	
2013	$		Profit $	Equity $	Profit $	Equity $
Available-for-sale investments:						
Australian equities	201,096	10%	n/a	(55,653)	n/a	55,653
Managed investment schemes	2,249,787	10%	n/a	(219,709)	n/a	219,709
	2,450,883		n/a	(275,362)	n/a	275,362

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The main source of credit risk in relation to financial instruments is from outstanding accounts receivables and investments with banks and managed investment schemes.

Executive management and where applicable the DDC reviews significant new clients before the take on of these clients is approved. The review process includes establishing the credit worthiness of the client. Other new clients are reviewed by business managers for credit worthiness as is appropriate to the size and nature of the client. The MIC reviews and monitors the investments with banks and managed investment schemes including any credit risk issues.

Accounts receivable consists of a large number of customers. Ongoing evaluation is performed on the financial condition of outstanding accounts receivables by the applicable business managers.

Apart from the term deposits of $164m with the ANZ Banking Group, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Apart from the exposure to the ANZ Banking Group, the credit risk on liquid funds is limited because the Group holds its liquid funds with counterparties that are banks with high credit-ratings assigned by international credit-rating agencies and in managed investment schemes which have a low risk of default. The directors consider the credit risk regarding the exposure to the ANZ Banking Group is low due to the ANZ Banking Group's credit rating and the exposure is short term pending the payment of funds to the ANZ Banking Group for the acquisition of Equity Trustees Wealth Services Limited (formerly ANZ Trustees Limited) on 4 July 2014.

As outlined in note 36, included in the investment portfolio of the Company and Group are investments in managed investment schemes where the Company acts as responsible entity. Although the Company has a prima facie credit exposure from these investments, this risk is not significant due to the existence of suitable controls including monitoring by the MIC of the quality and security of these investments.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's and Group's maximum exposure to credit risk without taking account of any collateral obtained.

(i) Fair value of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period.

Financial assets	Fair value as at 2014	Fair value as at 2013	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship unobservable inputs to fair value
Consolidated						
Australian equities	-	201,096	Level 1	Quoted prices	n/a	n/a
Managed investment schemes	2,508,589	2,249,787	Level 2	Daily published prices	n/a	n/a
Company						
Australian equities	-	201,096	Level 1	Quoted prices	n/a	n/a
Managed investment schemes	2,508,589	2,249,787	Level 2	Daily published prices	n/a	n/a

The investment in managed investment scheme $2,508,589 (2013: $2,249,787) was transferred from level 1 to level 2 during the year. The Group has transferred the investments in managed investment schemes from level 1 to level 2 in the fair value hierarchy on the basis that although there are quoted market prices, active markets with significant trading frequency and market volume did not exist (2013: no transfers between Level 1 and 2).

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

39 Financial instruments (cont'd)

(j) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have put in place a suitable risk management framework to manage the Group's and Company's short, medium and long-term funding and liquidity management requirements.

The Group and Company manage liquidity risk by maintaining adequate reserves and banking facilities. The liquidity position of the Group and Company are continuously monitored by executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets is considered prior to the transaction being approved.

Neither the Group nor the Company has any derivative financial instruments.

Liquidity and interest risk table

The following tables detail the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company/Group can be required to pay. None of the amounts in the table are interest bearing.

Consolidated	Weighted average effective interest rate %	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years
2014		$	$	$	$	$
Non-interest bearing -trade creditors	0%	634,817	-	-	-	-
Financial guarantee contracts	0%	-	-	-	-	-
		634,817	-	-	-	-
2013						
Non-interest bearing -trade creditors	0%	303,275	-	-	-	-
Financial guarantee contracts	0%	-	-	-	-	-
		303,275	-	-	-	-
Company						
2014						
Non-interest bearing -trade creditors	0%	630,939	-	-	-	-
Financial guarantee contracts	0%	-	-	-	-	-
		630,939	-	-	-	-
2013						
Non-interest bearing -trade creditors	0%	269,178	-	-	-	-
Financial guarantee contracts	0%	-	-	-	-	-
		269,178	-	-	-	-

At the year end it was not probable that the counterparty to the financial guarantee contracts will claim under the contracts. Consequently, the amount included above is nil (2013: nil). The maximum amount payable under these guarantees is $933,232 (2013:$783,188).

(k) Financing facilities

	Consolidated		Company	
	2014	2013	2014	2013
	$	$	$	$
Bank overdraft facility				
Amount used	-	-	-	-
Amount unused	1,000,000	-	1,000,000	-
	1,000,000	-	1,000,000	-

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Independent Auditor's Report to the Members of Equity Trustees Limited

Report on the Financial Report

We have audited the accompanying financial report of Equity Trustees Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss**,** the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the 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 year's end as set out on pages 21 to 63.

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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, 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 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 judgement, 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 control, relevant to the company's preparation of the financial report that gives a true and fair view, 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 company's internal control. 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.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Equity Trustees Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Deloitte.

Opinion

In our opinion:

(a) the financial report of Equity Trustees Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

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

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 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 Equity Trustees Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Brown
Partner
Chartered Accountants

Melbourne, 28 August 2014