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 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2015 A$'000		30 June 2014 A$'000	
Revenue from ordinary activities	84,857	Up 54.5%	From	54,935
Profit from ordinary activities after tax attributable to members	16,959	Up 74.6%	From	9,713
Net profit for the period attributable to members	16,959	Up 74.6%	From	9,713

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 1.25 % will be applied.	48 cents	100%

Record Date for determining entitlements to the dividend.	17 September 2015
Last date for receipt of an election notice for participation in the DRP	18 September 2015
Payment date for dividend	16 October 2015

The 2015 Annual General meeting is to be held at 11.00am, Friday 27 November 2015 at Level 2 RACV Club, 501 Bourke Street, Melbourne.

This full year report should be read in conjunction with the 2015 Annual Financial Report.

ASX ADDITIONAL INFORMATION

Additional information, current as at 30 June 2015, and not shown elsewhere in this report, follows:

	30 June 2015	30 June 2014
Net tangible asset backing / per share		
Net tangible asset backing per share, based on shares on issue of 19,693,727 (2014: 19,104,667).	2.44	9.50

The material decrease 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 2015

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 2015 Annual Financial Report.

Year ended 30 June 2014

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

Audit

The Financial Statements for the year ended 30 June 2015 have been audited and an unqualified opinion provided.

Commentary

This full year report should be read in conjunction with the 2015 Annual Financial Report.

For a comprehensive overview of the 2015 results please refer to the separate ASX release covering the Announcement of Results and Shareholder Presentation.

Equity Trustees Limited

and Controlled Entities

ABN 46 004 031 298

Annual Financial Report
for the financial year ended
30 June 2015

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), Hon LL D (Deakin) (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, GAICD (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 27 November 2015
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 2015

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 2015. 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

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.

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), and Corporate Trustee Services (CTS). Further details pertaining to the activities of the business units are summarised below.

REVIEW OF OPERATIONS

Result

For the year ended 30 June 2015, the Group earned a net profit after tax of $17.0m, a 75% increase over the prior year amount of $9.7m. The result was materially improved following the acquisition of Equity Trustees Wealth Services Limited (ETWSL) (formerly known as ANZ Trustees Limited), effective 4 July 2014, as well as through organic business growth. The material increase in 2015 profit was despite the impact of non-operating costs primarily relating to the acquisition and integration of ETWSL. The net after-tax cost of these non-operating items was $2.9m (2014: $0.7m). In addition, the 2015 result was impacted by the amortisation of finite life intangibles of $1.3m (2014: $0.2m).

The operating profit after-tax, excluding the non-operating items, increased by 104%, from $10.4m to $21.2m. The operating margin increased from 27.1% to 34.9%. The effective tax rate on operating profit has increased slightly, from 28.1% to 28.5%. Both the TWS and CTS Business Units made strong contributions to the Group operating profit and generated good margins. The CTS unit in particular continued its very positive recent trend in organic revenue growth.

The increase in weighted average shares and the level of non-recurring expenses both affected reported earnings per share (EPS), which was 87.8 cps compared to 88.6 cps in the prior year.

Capital and Balance Sheet

The number of weighted average shares on issue during the year to 30 June 2015 was 19.32m, up from 10.96m in the prior year. As part of the need to increase capital to meet regulatory purposes, the portion of the 2015 interim dividend not subject to dividend reinvestment was underwritten.

During the year the Group considered a capital structure plan to facilitate greater flexibility and efficiency in relation to the capital, operating and licensing structures. As advised in an ASX announcement in July 2015 the Group is planning a restructure whereby a new non-operating holding company will be introduced. This will enable the Group to have greater flexibility to raise capital via equity, debt, bank guarantee, or a combination thereof. The new structure will also facilitate further steps to be taken to provide more efficient operating and licensing models. The new holding company proposal will be put to shareholders for approval at the 2015 Annual General Meeting.

Consistent with the timing to introduce a new holding company, the Group has been granted an extension to meet a new minimum Net Tangible Asset (NTA) requirement for ASIC regulatory purposes. This relief applies from 1 July 2015 until 31 December 2015. The minimum level of NTA required during this period is $32m, which is accommodated within the Group's existing and projected NTA. At 1 January 2016 we expect that the additional capital of $15m to $20m will be met by either debt, equity, guarantee or a combination of these.

The balance sheet remains debt free, however, as a result of the capital efficiency project it is possible that some form of debt or guarantee facility may be introduced to pursue a lower overall cost of capital, which in turn would have a positive impact on earnings per share and return on equity.

In line with the need to increase capital to meet regulatory capital standards, and consistent with the approach in prior years, the Dividend Reinvestment Plan (DRP) will operate for the 2015 final dividend but at a reduced discount of 1.25%. The 2015 final dividend will be fully franked and payable on 16 October 2015.

The Statement of Financial Position discloses that net assets have increased during the year, primarily due to an increase in issued capital arising from capital raised through the Dividend Reinvestment Plan (DRP), for the two dividends paid during the year, and the underwriting of the 2015 interim dividend. As a result, net assets increased by 4.7% from $230m to $241m. The major movement in assets relates to the acquisition of ETWSL on 4 July 2014. At 30 June 2014 the capital raised to fund the acquisition remained in cash prior to payment to the vendors on 4 July 2014. The purchase price of $156m was split into tangible assets of $11.6m and goodwill/intangibles of $144.4m. The most recent impairment review test, using future discounted cash flows, re-confirmed that there is good headroom above the carrying values of goodwill/intangibles.

Dividend

In determining the 2015 final dividend the Board had regard to the expanded capital base to support the ETWSL acquisition, the impact of the 2015 non-operating costs, and likely future trading performance, and approved a fully franked final dividend of 48 cps, giving a total 2015 fully franked dividend of 94 cps, unchanged from the prior year. The 2015 full year dividend of 94 cps represents a payout ratio of 109%, which is above the Board's stated payout range of 70% to 90%, however, it should be noted that it is 91.5% of 2015 underlying profit after tax (which includes amortisation of finite life intangibles, but excludes acquisition and integration items). The full year dividend represents a current yield of approximately 4.0%.

Business Conditions and Strategic Directions

The overall business environment provided variable conditions during the year. Although the local equity market experienced some strongly positive months there were periods of sharp retractment and for the year as a whole the index was effectively unchanged. Consumer and business confidence reflected this variability. Local interest rates remain at what are regarded as stimulatory, historically-low levels and, given the high level of exposure to international markets in the company's total funds under administration, the impact of exchange rate movements was also relevant to business results.

The Group now earns a higher proportion of revenue from asset-based fees, following the acquisition of ETWSL in July 2014, than in recent prior periods. However, the continuing strong growth of the Australian financial services market, driven by compulsory superannuation and population demographics, ensures that the sector remains an attractive one for business and investors. The financial advice sector continued to be exposed to negative publicity, arising from past activities or practices at some major participating companies, and although these affected consumer perceptions the need for personal financial advice and services can only be expected to grow. The forthcoming substantial wealth transfer between generations will provide a long-term positive stimulus for the Group's activities in the private client sector.

Both operating business units can benefit from the positive long-term trends or factors noted here and the company's stance as an independent fiduciary should resonate well with investors and clients. The two operating business units are different in nature and will experience varying organic growth rates, as well as different business risks arising from the nature of their clientele, but both are well placed to take advantage of these opportunities. It should also be noted that during the year the Group continued to make a significant investment in increasing the capabilities and resources of its support business units to ensure that these critical aspects of overall functionality maintain the levels of professionalism and expertise expected of the Group in the current and future environment. This will continue into the next financial periods.

Business Activities

Trustee and Wealth Services (TWS)

During the year the major immediate focus for TWS was to integrate the ETWSL business. At the time of acquiring ETWSL the stated goals in the short-term were to achieve annualised pre-tax cost synergies of $4m, comprising $1m within 12 months of acquisition and a further $3m within 18 months of acquisition. The expected cost to achieve these synergies was up to $5m.

The integration process was complete by 30 June 2015, and the annualised cost synergies of $4m have been achieved. This was achieved below the expected one-off cost. The integration phase is now being replaced by initiatives to pursue revenue synergy growth from both the existing revenue base and the referral agreement in place with ANZ Banking Group Limited. These initiatives are showing positive early signs. Overall, the acquisition has been very successful, providing further scale in the traditional trustee space.

In addition to the ETWSL acquisition, the TWS business continues to focus on strategies in relation to organic growth initiatives. There has been a continuation of investment in business-generating staff along the eastern seaboard and in Perth. Some of this expenditure is being incurred ahead of material revenue from new initiatives, to gear up for further growth in new client numbers via partnerships with external financial planning groups.

The TWS business unit, including the acquired ETWSL business generated operating revenue of $59.3m, up 90% on the prior year (which excluded ETWSL). The ETWSL contribution to this operating revenue was $23.3m

Cross-selling between TWS business lines continues to be an important part of the TWS organic growth initiatives. Funds under management, advice or administration in TWS increased by 81% to $7.8b, of which $2.7b related to ETWSL.

Corporate Trustee Services (CTS)

Continuing on from solid progress in recent years CTS again achieved very good growth in its responsible entity and funds distribution activities, with a net increase of 14 in the number of funds for which we provide responsible entity services from 185 to 199. In addition, CTS was able to successfully pursue a number of new service lines as a fiduciary, beyond the historical focus on pure responsible entity activity. The number of investment managers for which we provide responsible entity services also increased from 76 to 82 over the period. This translated into operating revenue growth of 14.8%, from $21.3m to $24.4m. Overall, CTS Funds under Management/ Administration increased by 28% from $35.6b to $45.4b.

Support Business Units

The Group continues to initiate efficiency projects to help streamline transaction processing, as well as provide greater support for the client-orientated front-line staff.

As a further refinement to the importance of risk management the Group has established a formal Board Risk Committee. In addition, the Group's risk and compliance team has undergone further expansion to meet the extensive regulatory, compliance and governance expectations. The Board is committed to ensuring that the Group is at the forefront of these obligations in the best interests of clients. Material further development and enhancement of the risk management framework and plan will continue over the next 12 months.

The two business units, their functions and 2015 revenue performance is summarised as follows:

Business unit	***Key functions***	***2015 performance***
Trustee & Wealth Services	The provision of personal financial, superannuation and asset management 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 90% to $59.3m (2014: $31.3m) Funds/Assets under management up 81% to $7.8b (2014: $4.3b)
Corporate Trustee Services	Responsible Entity 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 14.8% to $24.4m(2014: $21.3m) Funds under management/ administration up 28% to $45.4b (2014: $35.6b)

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

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 2014:

i. 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.

ii. A final dividend of 48 cps, franked to 100 % at 30 % corporate income tax rate, was paid to holders of fully paid ordinary shares on 16 October 2014.

In respect of the financial year ended 30 June 2015:

i. 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 2015.

ii. Subsequent to 30 June 2015, 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 2015.

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, 17 Board meetings, 11 Committee of the Board meetings, 7 Remuneration, Human Resources & Nominations Committee (Remuneration Committee) meetings,14 Audit & Compliance Committee (A&CC) meetings, 4 Board Investment Committee (BIC) meetings and 1 Board Risk Committee (BRC) meeting were held.

Directors in attendance	***Board meetings***		***Committee of the Board meetings***[1]		***Remuneration Committee meetings***		***A&CC meetings***		***Board Investment Committee meetings***		***Board Risk 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**	**Eligible to attend**[2]	**Attended**
JA (Tony) Killen	17	17	7	7	4	4	n/a	n/a	n/a	n/a	1	1
RBO Burns	17	17	8	8	n/a	n/a	n/a	n/a	4	4	1	1
DF Groves	17	16	8	8	3	3	14	14	2	2	1	1
AJM Williams	17	17	7	7	7	7	n/a	n/a	4	4	1	1
JG Kennett	17	17	6	6	7	7	n/a	n/a	n/a	n/a	1	1
AM O'Donnell	17	17	6	6	3	2	14	13	n/a	n/a	1	1
KJ Eley	17	17	10	10	n/a	n/a	14	14	2	2	1	1
MJ O'Brien[3]	16	16	10	10	n/a	n/a	14	14	2	2	1	1

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.
3 Mr O'Brien was appointed a Director of the Company effective 28 July 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	380,105
KJ Eley	92,603
JG Kennett	37,397
JA (Tony) Killen	30,345
MJ O'Brien	10,000
AM O'Donnell	7,606
RBO Burns	24,759
AJM Williams	4,140

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.

To assist in performing its duties and making recommendations to the Board, the Remuneration, Human Resources and Nominations Committee (Remuneration Committee) seeks independent advice from external consultants on various remuneration related matters. The Remuneration Committee follows protocols regarding the engagement and use of external remuneration consultants to ensure compliance with the relevant executive remuneration legislation.

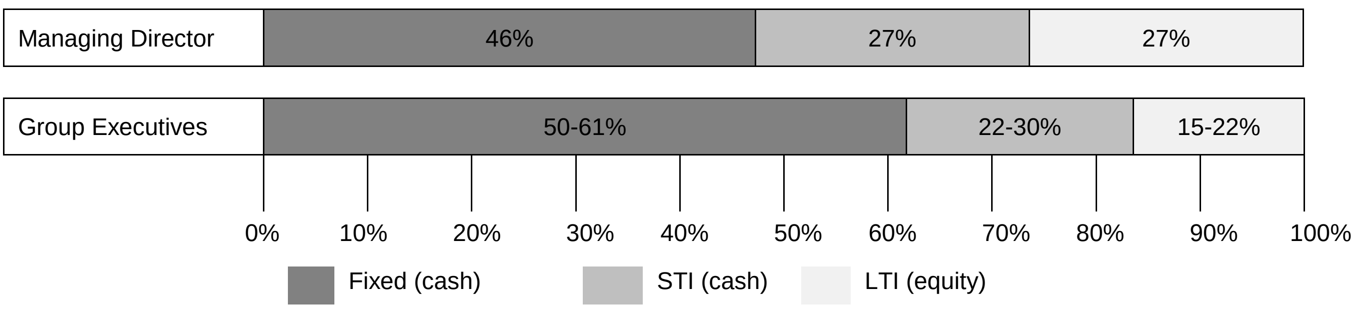
The Equity Trustees executive remuneration structure comprises fixed salary and short and long-term variable components and the table below illustrates the remuneration strategy and approach. Executive package components are reviewed and structured annually to focus individuals on, and to reward achievement 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) • 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 Benefits Tax (FBT) o *Post-employment:* Superannuation Guarantee Charge (SGC)	**Short-Term Incentives (STI)** • Annual 'at risk' component based on company, business unit and individual performance. o *Maximum:* The maximum opportunity for executives is in the range of 25% to 60% o *Settlement:* Payment as cash through payroll system	**Long-Term Incentive Plan (LTiP)** • 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 Adjusted Earnings Per Share (AEPS) for all participants (Refer to page 12 for detail of AEPS calculations) ▪ 25% vesting when 5% p.a. growth in pre-tax AEPS achieved over three years ▪ 100% vesting when 15% p.a. growth in pre-tax AEPS 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 remuneration mix if maximum variable elements are achieved for the Managing Director and Group executive roles.



Details of incentive plans

Short-term performance incentives:

These are calculated by reference to agreed key performance indicators for the year ended 30 June 2015. These include Group and Business Unit 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. Short-term incentives are paid in cash through the payroll system.

For the year ended 30 June 2015 the key performance criteria, being Group revenue and profitability and business unit revenue, were partially achieved. Accordingly, across all staff, approximately 33% (2014: 40%) of the maximum short-term incentive opportunity was accrued or paid.

Long-term performance incentives:

These are offered to executives via the grant of LTiP awards (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 $840,588 accrued for the year to 30 June 2015 (2014: $337,774).

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 positive 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 2015.

Table 1

	30 June 2015 $'000	*30 June 2014 $'000*	*30 June 2013 $'000*	*30 June 2012 $'000*	*30 June 2011 $'000*
Revenue	84,857	54,935	47,482	43,647	39,865
Net profit before tax	24,158	13,406	12,517	11,691	11,484
Net profit after tax	16,959	9,713	8,671	8,381	8,229

	30 June 2015	*30 June 2014*	*30 June 2013*	*30 June 2012*	*30 June 2011*
Share price at start of year	$20.98	$14.90	$11.06	$13.90	$15.20
Share price at end of year	$20.39	$20.98	$14.90	$11.06	$13.90
Interim dividend[1]	46 cps	46 cps	42 cps	40 cps	50 cps
Final dividend[1,2]	48 cps	48 cps	50 cps	45 cps	50 cps
Total dividend	94 cps	94 cps	92 cps	85 cps	100 cps
Earnings per share[3]	87.80 cps	88.64 cps	87.58 cps	87.66 cps	87.90 cps
Reported earnings per share	87.80 cps	88.64 cps	96.65 cps	96.74 cps	97.01 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 2011 to 2013 have been restated to reflect the Rights issue in April/May 2014.

Directors' Remuneration
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. After three years of no increases, Directors' fees were increased effective 1 January 2015, to reflect the increased size and complexity of the business, renewal of the Board and market rate movements.

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

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								
2015	172,500	-	-	16,388	779	-	-	189,667
2014	165,000	-	-	15,263	1,518	-	-	181,781
DF Groves, Deputy Chairman								
2015	99,595	-	5,000	32,280	2,059	-	-	138,934
2014	101,495	-	5,000	19,142	9,036	-	-	134,673
AJM Williams								
2015	95,000	-	5,000	9,500	-	-	-	109,500
2014	87,500	-	5,000	8,556	-	-	-	101,056
JG Kennett								
2015	86,250	-	5,000	8,669	-	-	-	99,919
2014	80,000	-	5,000	7,862	-	-	-	92,862
AM O'Donnell								
2015	103,750	-	5,000	10,331	-	-	-	119,081
2014	129,587	-	5,000	12,450	-	-	-	147,037
KJ Eley								
2015	96,667	-	5,000	20,152	-	-	-	121,819
2014	97,500	-	5,000	9,481	-	-	-	111,981
MJ O'Brien[5]								
2015	89,583	-	-	19,460	-	-	-	109,043
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Executive Director								
RBO Burns, Managing Director								
2015	551,575	139,200	9,642	18,783	-	14,130	282,512	1,015,842
2014	474,015	150,000	8,210	17,775	-	4,610	182,384	836,994

1 Non-monetary items include eligible salary sacrificed items and any FBT. 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 2012/13, 2013/14 and 2014/15. Refer also to footnote 3 on page 10.
5 Mr MJ O'Brien was appointed a Director of the company effective 28 July 2014.

There were no termination payments made to Directors during the year ended 30 June 2015 (2014: 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 (TEC)*	*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								
2015	340,017	5,000	34,983	380,000	137,700	4,518	117,227	639,445
2014	302,225	5,000	17,775	325,000	85,000	1,415	43,123	454,538
HH Kalman, Executive General Manager Corporate Trustee Services								
2015	311,575	9,642	18,783	340,000	92,820	9,824	112,148	554,792
2014	298,890	8,335	17,775	325,000	60,500	9,183	33,852	428,535
T Ryan, CFO & Company Secretary								
2015	295,575	9,642	34,783	340,000	38,250	9,319	112,148	499,717
2014	291,759	8,466	24,775	325,000	65,600	8,666	33,852	433,118
RE Bessemer, Chief Operations Officer								
2015	263,169	8,048	18,783	290,000	134,800	4,929	90,167	519,896
2014	242,118	-	17,882	260,000	50,000	1,930	29,538	341,468
PB Maddox, Corporate Counsel & Company Secretary								
2015	230,266	-	24,734	255,000	17,850	6,611	85,903	365,364
2014	226,087	-	20,913	247,000	30,000	5,176	26,173	308,349
SF Clancy Executive General Manager HR, Marketing and Communications[4]								
2015	200,189	6,454	14,088	220,731	39,000	698	34,907	295,336
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G Boubouras, Chief Investment Officer[5]								
2015	247,022	-	4,696	251,718	-	(940)	(21,869)	228,909
2014	332,225	-	17,775	350,000	37,500	940	21,869	410,309

1 Non-monetary items include eligible salary sacrificed items and any FBT. 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 AEPS 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 AEPS criterion for the 2012/13 Series which ended on 30 June 2015 was achieved at 96.86% of the maximum. Where an executive ceases employment during the year, there is a write-back of prior year AEPS 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 2012/13 Series which ended on 30 June 2015 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 Ms Clancy become a key management person effective 1 September 2014. Therefore, comparative figures are not applicable.

5 Mr Boubouras departed the company 13 August 2014. The salary component of the remuneration includes a termination payment of $180,288.

n/a Not Applicable.

Short-term incentive: targets and outcomes

At the end of the performance period, short-term incentive targets were assessed by the Board in respect of the Managing Director, and the Managing Director in respect of executives and then 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	580,000	348,000	139,200	40
GR Rimmer	380,000	378,000	137,700	36
HH Kalman	340,000	204,000	92,820	46
T Ryan	340,000	170,000	38,250	23
RE Bessemer	290,000	216,000	134,800	62
PB Maddox	255,000	102,000	17,850	18
SF Clancy	300,000	120,000	39,000	33

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 2014/15 criteria, when compared to actual 2014/15 performance, approximately 40% (2014: 40%) of the maximum short-term incentive opportunity has been awarded to eligible employees. Individual awards to executives were in the range of 18 % to 62 % of maximum possible short-term incentives. In both FY2014 and FY2015 short – term incentives payments to some executives included amounts awarded to reflect specific individual contributions to material projects or initiatives, in addition to annual performance incentive criteria. These amounts are included in the "*STI awarded*" and the *"% awarded in the year*" columns above.

In relation to the long-term incentive measurement criteria, as described below, eligible participants were awarded 96.86 % of their individual award for the EPS measure for the 2011/12 Series which ended 30 June 2015. For the 2011/12 Series TSR measure, 100% of awards were achieved.

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 other executives, the designated notice period is between four weeks and three months.

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
    - AEPS 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 Diversified Financials Index and a vesting scale applied;
  - The vesting scale for live TSR Awards for series 2013/14 and 2014/15 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;
- AEPS is based on normalised operating profit before tax, which excludes approved non-operating items such as acquisition and integration expenses and approved adjustments for certain material share issues. The AEPS is compared to the base year and a vesting scale applied to calculate earned entitlements;
  - The vesting scale for live AEPS Awards is:
    - Growth in pre-tax operating AEPS of 5% p.a. over the three year measurement period achieves 25% of the available Award; or
    - Growth in pre-tax operating AEPS 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 there is no Award achieved after the initial three year period, a fourth year measurement period is undertaken. If there is a partial achievement after the initial three year period, there is no fourth year assessment. There is no fourth year AEPS 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 up to twelve 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 Equity Trustees employees.

In accordance with the Plan, variations to the above features may apply, where approved by the Board.
The grant date for the 2014/15 Series was 25 July 2014 for Executives and 31 October 2014 for the Managing Director. There were no alterations to terms or conditions of the 2014/15 Series compared to the prior year.

In relation to the 2012/13 Series, 96.86% of the AEPS criterion was achieved at the conclusion of the three year measurement period ended 30 June 2015. This has resulted in 57,637 EQT shares being awarded and the forfeiture of 4,586 AEPS Awards. In addition, 10,993 shares (100%) where awarded under the TSR criterion. During the year, departed employees received 1,075 shares under the 2013/14 series.

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

Award Series	***Number at 30 June 2015***	***Grant date***	***Expiry date***	***Exercise price***	***Fair value at Grant date***	***Total maximum future accounting value of Grant****
				$	**$**	**$**
2014/15 Series	65,496	**	30/06/17	Nil	16.18	706,359
2013/14 Series	60,215	***	30/06/16	Nil	12.52	338,212
Totals	125,711					1,044,571

* The minimum future accounting value of each Grant is nil.
** The Grant date for executives was 25 July 2014 and for the Managing Director, 31 October 2014.
*** The Grant date for executives was 26 July 2013 and for the Managing Director, 26 October 2013.

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.

Inputs into the model	***2014/15 Series***		***2013/14 Series***	
	Managing Director	***Other Participants***	***Managing Director***	***Other Participants***
Grant date share price	$19.20	$20.20	$18.80	$14.72
Exercise price	Nil	Nil	Nil	Nil
Expected volatility	25%	25%	25%	25%
Share entitlement life*	3 years	3 years	3 years	3 years
Dividend yield	5.5%	5.5%	6.5%	6.5%
Risk-free interest rate	2.57%	2.68%	2.66%	3.0%

*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 zero 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:

	2015	***2014***
	Number of share entitlements	***Number of share entitlements***
Balance of Awards not vested at beginning of the financial year	147,928	126,480
New Awards granted during the financial year	65,496	74,712
Awards exercised into shares during the financial year	(5,097)	-
Awards vested during the financial year	(64,608)	(33,350)
Awards forfeited during the year	(18,008)	(19,914)
Balance of Awards not vested at end of the financial year[1]	125,711	147,928
Vested and Exercisable Awards – Balance at end of the financial year[1]	135,984	75,471

[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 556 days (2014: 549 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 none of the performance criteria is 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:

2015	*Balance of Awards at 1 July 2014*	*Awards granted as compensation*	*Awards exercised into shares*	*Awards forfeited[1]*	*Balance of Awards at 30 June 2015*	*Awards vested & exercisable (excluding those already exercised)*	*Balance of Awards not vested at 30 June 2015[2]*	*Vested during 2015 year*
	No.	*No.*	*No.*	*No.*	*No.*	*No.*	*No.*	*No.*
RBO Burns	41,902	19,194	-	(345)	60,751	(21,641)	39,110	21,641
T Ryan	17,616	7,501	-	(307)	24,810	(9,464)	15,346	9,464
HH Kalman	17,616	7,501	-	(307)	24,810	(9,464)	15,346	9,464
GR Rimmer	17,616	8,383	-	(307)	25,692	(9,464)	16,228	9,464
PB Maddox	13,681	5,626	-	(242)	19,065	(7,477)	11,588	7,477
RE Bessemer	13,604	6,398	-	(230)	19,772	(7,098)	12,674	7,098
G Boubouras	9,052	-	-	(9,052)	-	-	-	-
SF Clancy	-	6,067	-	-	6,067	-	6,067	-

[1] The value of Awards forfeited for key management personnel during the year ended 30 June 2015 was $14,880 for the 2012/13 Series.

[2] The balance of Awards not vested at 30 June 2015 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.

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)[2] No.	Balance of Awards not vested at 30 June 2014[3] 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 value of the shares received on exercise of options during the year ended 30 June 2015 was $662,436.
[3] 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.

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:

	Balance at 1 Jul 14	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 Jun 15
2015	No.	No.	No.	No.	No.
Directors					
DF Groves	379,798	-	-	248	380,046
KJ Eley	89,033	-	-	3,510	92,543
JG Kennett	35,495	-	-	1,842	37,337
JA (Tony) Killen	29,045	-	-	1,300	30,345
RBO Burns	6,778	-	17,981	-	24,759
M O'Brien	-	-	-	10,000	10,000
AM O'Donnell	7,076	-	-	470	7,546
AJM Williams	2,811	-	-	1,269	4,080
Key management personnel					
HH Kalman	25,394	-	3,927	85	29,406
T Ryan	23,193	-	3,927	1,298	28,418
PB Maddox	18,238	-	3,103	1,022	22,363
GR Rimmer	6,330	-	-	248	6,578
RE Bessemer	-	-	1,589	-	1,589
SF Clancy	-	-	-	-	-

	Balance at 1 Jul 13	*Granted as compensation*	*Received on exercise of options*	*Net other change*	*Balance at 30 Jun 14*
2014	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
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	-	-	-	-	-

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 19 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 27 August 2015

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 2015 is as follows:

JA (Tony) Killen OAM - Chairman
BA, FAICD, FAIM
Chairman – Appointed 30 August 2007
Non-Executive Director – Appointed September 2002
Chairman of the Board Risk Committee since May 2015

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 B O Burns - Managing Director
DipAcc, FAICD
Executive Director since 1 March 2010
Member of the Board Investment Committee from 1 July 2013. Member of the Board Risk Committee since May 2015.

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 29 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.
Member of the Audit & Compliance Committee since January 2002. Chairman from January 2003 to January 2015. Member of the Remuneration, Human Resources & Nominations Committee and Board Investment Committee since January 2015. Member of the Board Risk Committee since May 2015.

David is a director of Pipers Brook Vineyard Pty Ltd and Tasman Sea Salt Pty Ltd. Since March 2015, he has been a member of the Australian Rugby Foundation Advisory Board.

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 the 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 the Board Risk Committee since May 2015. Member of 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, Port of Melbourne Corporation, Cooper Energy, Barristers' Chambers Ltd and the Foreign Investment Review Board. Alice is also a council member at the Cancer Council of Victoria and a member of the Djerriwarrh Investment Committee.

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, Victorian Funds Management Corporation and a Vice President at JP Morgan Australia.

The Hon Jeffrey G Kennett AC - Director
Hon D Bus (Ballarat), Hon LL D (Deakin)
Non-Executive Director – Appointed September 2008
Member of the Remuneration, Human Resources & Nominations Committee since September 2008. Member of the Board Risk Committee since May 2015.

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 the State from 1992 to 1999.

Jeff is Chairman of *beyondblue:* the national depression initiative and Chairman of The Torch, a program assisting incarcerated Indigenous men and women.

Jeff is Chairman of Primary Opinion Limited and a Director of Seven West Media Ltd.

He is also Chairman of Open Windows Australia Proprietary Limited, Chairman of CT Management Group Pty Ltd, Chairman of Amtek Corporation Pty Ltd and Chairman of LEDified Lighting Corporation Pty Ltd.

Jeff is Patron of The Royal District Nursing Service and Sovereign Hill Ballarat and associated with many other community organisations.

In 2005, he 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 the Audit & Compliance Committee since December 2010.
Member of the Remuneration, Human Resources & Nominations Committee since January 2015.
Member of the Board Risk Committee since May 2015.

Anne has some 35 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, Chair of the IP Australia Audit Committee, a member of the Investment, Audit & Risk Committee of the Winston Churchill Memorial Trust and a member of the Nominations Committee of Goodwin Aged Care Services Ltd.

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 the Audit & Compliance Committee from November 2011 and appointed Chair in January 2015.
Member of Board Risk Committee since May 2015.

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 where he remains as a non-executive director.

Other current non-executive directorships include: Milton Corporation Limited and PO Valley Energy Limited.

In the previous three years, Kevin sat on Kresta Holdings Limited Board and prior to that had numerous other listed company Board positions.

Michael Joseph O'Brien – Director
FIAA, CFA, GAICD
Non-Executive Director – Appointed August 2014

Member of Audit & Compliance Committee from 1 January 2015.
Chairperson of the Board Investment Committee from 1 January 2015.
Member of the Board Risk Committee from May 2015.

Mick is a Fellow of the Institute of Actuaries of Australia and holds the Chartered Financial Analyst designation.

He is a non-executive director of Templeton Global Growth Fund Limited and Franklin Global Property Limited and a member of the Actuaries Institute Wealth Management Committee.

Mick has broad wealth management experience in superannuation, investment management, insurance and advice, spanning over 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

27 August 2015

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 2015, 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 2015

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, 27 August 2015

Equity Trustees Limited
ABN 46 004 031 298
Statement of Profit or Loss
for the financial year ended 30 June 2015

	Note	Consolidated		Company	
		2015	2014	2015	2014
		$	$	$	$
Revenue	6	83,735,281	52,584,757	42,919,966	36,025,775
Other revenue	6	1,122,027	2,349,842	39,053,314	11,404,224
Total revenue	6	**84,857,308**	**54,934,599**	**81,973,280**	**47,429,999**
Employee benefits expenses	8	39,433,097	26,863,735	39,432,455	23,809,791
Other employment and contracting expenses		3,348,953	1,576,134	3,348,953	1,392,113
Audit and tax advice expenses		1,275,398	507,073	1,117,282	448,447
Depreciation and amortisation expenses	8	1,795,960	1,340,544	1,659,109	1,254,111
Management rights amortisation	8	1,345,651	197,030	-	-
Insurance expenses		847,921	583,232	840,421	392,323
Legal, consulting and regulatory expenses		2,481,266	3,003,217	2,432,153	2,957,102
Marketing expenses		1,692,548	1,327,099	1,688,350	1,182,324
Information technology expenses		3,784,362	2,361,586	3,778,544	2,176,152
Occupancy expenses		2,334,267	1,736,939	2,339,540	1,391,600
Other expenses		2,359,622	2,031,614	2,446,971	1,770,158
Total expenses		**60,699,045**	**41,528,203**	**59,083,778**	**36,774,121**
Profit before income tax expense		**24,158,263**	**13,406,396**	**22,889,502**	**10,655,878**
Income tax expense	9	7,198,841	3,692,984	1,776,911	1,622,214
Profit for the year		**16,959,422**	**9,713,412**	**21,112,591**	**9,033,664**
Attributable to:					
Owners of the Company		16,959,422	9,713,412	21,112,591	9,033,664
		16,959,422	**9,713,412**	**21,112,591**	**9,033,664**
Earnings per share					
Basic (cents per share)	28	87.80	88.64		
Diluted (cents per share)	28	87.16	87.51		

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 2015

	Note	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Profit for the year		**16,959,422**	**9,713,412**	**21,112,591**	**9,033,664**
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)	-	(196,977)
Increase/(decrease) from revaluation of available-for-sale investments		(72,950)	277,071	(72,950)	277,071
Income tax relating to items that may be reclassified subsequently		21,885	(24,099)	21,885	(24,099)
Total comprehensive income for the year		**16,908,357**	**9,769,407**	**21,061,526**	**9,089,659**
Attributable to:					
Owners of the Company		16,908,357	9,769,407	21,061,526	9,089,659
		16,908,357	**9,769,407**	**21,061,526**	**9,089,659**

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 2015

	Note	Consolidated		Company	
		2015	2014	2015	2014
		$	$	$	$
Current assets					
Cash and cash equivalents	36	24,954,173	170,237,019	22,175,858	169,498,122
Trade and other receivables	12	9,650,987	6,636,276	8,387,139	7,268,515
Accrued income and other current assets	13	6,638,168	3,128,106	3,645,310	2,671,223
Other financial assets	15	5,150,000	3,150,000	-	3,000,000
Total current assets		**46,393,328**	**183,151,401**	**34,208,307**	**182,437,860**
Non-current assets					
Trade and other receivables	14	1,209,919	108,186	1,209,919	108,186
Other financial assets	15	10,493,785	5,508,589	200,736,452	37,143,226
Furniture, equipment and leasehold	16	1,191,672	1,501,880	1,168,268	1,443,504
Intangible assets	17	86,752,879	35,126,825	7,173,473	5,841,585
Deferred tax assets	9	4,115,928	3,959,616	4,033,628	3,704,761
Goodwill	18	102,176,744	9,507,853	-	-
Total non-current assets		**205,940,927**	**55,712,949**	**214,321,740**	**48,241,262**
Total assets		**252,334,255**	**238,864,350**	**248,530,047**	**230,679,122**
Current liabilities					
Trade and other payables	19	1,175,274	1,157,824	957,904	933,130
Provisions	20	5,479,604	4,958,472	5,092,207	4,562,012
Other current liabilities	21	113,276	135,318	87,934	119,243
Current tax payable	9	2,332,676	702,117	2,332,676	702,117
Total current liabilities		**9,100,830**	**6,953,731**	**8,470,721**	**6,316,502**
Non-current liabilities					
Provisions	22	1,941,163	1,399,132	1,817,163	1,054,401
Other non-current liabilities	23	164,353	290,544	264,363	390,554
Deferred tax liabilities - investment revaluation	9	100,369	122,254	100,369	122,254
Total non-current liabilities		**2,205,885**	**1,811,930**	**2,181,895**	**1,567,209**
Total liabilities		**11,306,715**	**8,765,661**	**10,652,616**	**7,883,711**
Net assets		**241,027,540**	**230,098,689**	**237,877,431**	**222,795,411**
Equity					
Issued capital	25	227,651,922	216,116,476	227,651,922	216,116,476
Investment revaluation reserve	27	234,198	285,263	234,198	285,263
Other reserves	26	1,892,277	1,348,909	1,892,277	1,348,909
Retained earnings		11,249,143	12,348,041	8,099,034	5,044,763
Equity attributable to owners of the Company		**241,027,540**	**230,098,689**	**237,877,431**	**222,795,411**
Total equity		**241,027,540**	**230,098,689**	**237,877,431**	**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 Changes in Equity
for the financial year ended 30 June 2015

Consolidated	Fully paid ordinary shares $	Reserves: Investment revaluation $	Reserves: Retained earnings $	Reserves: Equity settled employee benefits $	Total equity $
Balance at 1 July 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
Profit for the period	-	-	16,959,422	-	16,959,422
Decrease from revaluation of available for sale investments	-	(72,950)	-	-	(72,950)
Related income tax	-	21,885	-	-	21,885
Total comprehensive income for the period	-	(51,065)	16,959,422	-	16,908,357
Shares issued under employee salary sacrifice share plan	61,908	-	-	-	61,908
Shares issued under dividend reinvestment plan	6,108,145	-	-	-	6,108,145
Shares issued under employee share acquisition plan	220,196	-	-	(220,196)	-
Shares issued under executive share scheme	371,824	-	-	(371,824)	-
Shares issued under share placement	4,953,325	-	-	-	4,953,325
Share issue costs	(257,075)	-	-	-	(257,075)
Related income tax	77,123	-	-	-	77,123
Provision for executive share entitlements	-	-	-	859,192	859,192
Provision for employee share acquisition plan	-	-	-	276,196	276,196
Payment of dividends	-	-	(18,058,320)	-	(18,058,320)
Balance at 30 June 2015	227,651,922	234,198	11,249,143	1,892,277	241,027,540

Company	Fully paid ordinary shares $	Reserves: Investment revaluation $	Reserves: Retained earnings $	Reserves: Equity settled employee benefits $	Total equity $
Balance at 1 July 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
Profit for the period	-	-	21,112,591	-	21,112,591
Decrease from revaluation of available for sale investments	-	(72,950)	-	-	(72,950)
Related income tax	-	21,885	-	-	21,885
Total comprehensive income for the period	-	(51,065)	21,112,591	-	21,061,526
Shares issued under employee salary sacrifice share plan	61,908	-	-	-	61,908
Shares issued under dividend reinvestment plan	6,108,145	-	-	-	6,108,145
Shares issued under employee share acquisition plan	220,196	-	-	(220,196)	-
Shares issued under executive share scheme	371,824	-	-	(371,824)	-
Shares issued under share placement	4,953,325	-	-	-	4,953,325
Share issue costs	(257,075)	-	-	-	(257,075)
Related income tax	77,123	-	-	-	77,123
Provision for executive share entitlements	-	-	-	859,192	859,192
Provision for employee share acquisition plan	-	-	-	276,196	276,196
Payment of dividends	-	-	(18,058,320)	-	(18,058,320)
Balance at 30 June 2015	227,651,922	234,198	8,099,034	1,892,277	237,877,431

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 2015

	Note	Consolidated		Company	
		2015 $	2014 $	2015 $	2014 $
Cash flows from operating activities					
Receipts from customers		94,424,686	61,289,215	74,703,134	44,155,545
Payments to suppliers and employees		(73,770,916)	(48,168,861)	(68,032,033)	(39,846,026)
Income tax paid		(5,347,571)	(4,139,798)	(5,347,571)	(4,139,798)
Net cash provided by operating activities	36 (b)	**15,306,199**	**8,980,556**	**1,323,530**	**169,721**
Cash flows from investing activities					
Payment for investment securities		(10,000,000)	(4,150,000)	-	(4,000,000)
Proceeds on sale of investment securities		3,000,000	7,938,376	3,000,000	7,938,376
Interest received		953,048	521,258	634,261	500,640
Dividends received		1,491	164,794	1,491	164,794
Proceeds from repayment of related party loans		-	-	5,900,000	8,949,683
Payment for furniture, equipment and leasehold		(548,136)	(633,891)	(548,136)	(633,891)
Payment for intangible assets		(2,168,272)	(1,503,308)	(2,168,272)	(1,503,308)
Payment for shares in a subsidiary		(145,370,794)	-	(156,008,756)	-
Net cash provided by/(used in) investing activities		**(154,132,663)**	**2,337,229**	**(149,189,412)**	**11,416,294**
Cash flows from financing activities					
Proceeds from issues of equity securities		5,750,684	163,153,729	5,750,684	163,153,729
Dividend received from related party		-	-	7,000,000	-
Payment for share issue cost		(257,075)	(7,484,420)	(257,075)	(7,484,420)
Dividend paid to members of the parent entity (net of shares issued under dividend reinvestment plan)		(11,949,991)	(6,642,009)	(11,949,991)	(6,642,009)
Net cash provided by financing activities		**(6,456,382)**	**149,027,300**	**543,618**	**149,027,300**
Net (decrease)/ increase in cash held		(145,282,846)	160,345,085	(147,322,264)	160,613,315
Cash and cash equivalents at beginning of financial year		170,237,019	9,891,934	169,498,122	8,884,807
Cash and cash equivalents at end of financial year	36 (a)	**24,954,173**	**170,237,019**	**22,175,858**	**169,498,122**

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 34.

2. Application of new and revised Accounting Standards

2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end. The amendments and New Interpretations that are relevant to the Group are listed below.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	The Annual Improvements 2010-2012 has made number of amendments to various AASBs. The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.
AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

The application of the new and revised Standards has had no impact on basic and diluted earnings per share (2014: nil).

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, there were a number of Standards and Interpretations in issue but not yet effective. The Standards and Interpretations in issue but not yet effective relevant to the Group are listed below.

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 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

At the date of authorisation of the financial statements, there were no IASB Standards and IFRIC Interpretations that were issued but not yet effective.

2. **Application of new and revised Accounting Standards (cont'd)**

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 'Financial Instruments', and the relevant amending standards
AASB 9 issued in December 2009 introduced new requirements for the classification and measurement of financial assets. AASB 9 was subsequently amended in December 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in December 2013 to include the new requirements for general hedge accounting. Another revised version of AASB 9 was issued in December 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. Key requirements of AASB 9 that are relevant to the group are 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. Any 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.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in AASB 139 but provide greater flexibility.

The Directors anticipate that AASB 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 July 2018 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 15 'Revenue from Contracts with Customers'
AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 'Revenue,' AASB 111 'Construction Contracts' and the related Interpretations when it becomes effective.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is

2. **Application of new and revised Accounting Standards (cont'd)**

satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Directors anticipate that the application of AASB 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 15 until the Group performs a detailed review.

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 include 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 27 August 2015.

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 'Impairment of Assets'.

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.

3. Significant accounting policies (cont'd)

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).

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.

3. Significant accounting policies (cont'd)

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.

3. Significant accounting policies (cont'd)

Fee and commission income
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.

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.

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. Significant accounting policies (cont'd)

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).

3. Significant accounting policies (cont'd)

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.

Investment in tax-consolidated group
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	1 – 6 years
Office furniture and equipment	1 –10 years
Leasehold improvements	3 – 6 years

3.13 Intangible assets
Intangible assets acquired separately
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.

3. Significant accounting policies (cont'd)

Internally-generated intangible assets - research and development expenditure
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 and customer contract intangibles
Management rights and customer contract intangibles arising in relation to acquisitions are carried at cost as non-current intangible assets. Where the management rights and customer contract intangibles have an indefinite useful life they are not amortised but are subject to an ongoing impairment test (refer note 3.14). Where the management rights and customer contract intangibles have a finite useful life they 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	1-10 years
Management rights and customer contract intangibles	4-16 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.

3. Significant accounting policies (cont'd)

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.

Effective interest method
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.

Available-for-sale financial assets
Equities 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 38. 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.

3. Significant accounting policies (cont'd)

Loans and receivables
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.

3. Significant accounting policies (cont'd)

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.

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

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

<u>Impairment of goodwill, and indefinite life management rights and customer contract intangibles</u>
Determining whether goodwill or the indefinite life management rights/ customer contract 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 2015 the carrying amount of goodwill is $ 102,176,744 and $79,269,443 for the management rights and customer contract intangibles (2014: $9,507,853 goodwill and $28,863,094 management rights and customer contract intangibles). No impairment has been identified (30 June 2014: nil).

<u>Intangible assets</u>
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.

<u>Recoverability of internally generated intangible assets in progress</u>
At 30 June 2015, the Directors reviewed the status of the Group's internally generated intangible assets arising from development of in-house software in progress, which is included in the consolidated statement of financial position at 30 June 2015 amounting to $280,658 (30 June 2014: $1,283,431). 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.

<u>Useful lives of furniture, equipment and leasehold improvements</u>
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.

<u>Provisions</u>
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 (2014: nil)

6 Revenue

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
The following is an analysis of the Group's revenue for the year:				
Revenue from service activities	83,735,281	52,584,757	42,919,966	36,025,775
Interest revenue:				
-Bank deposits	683,736	1,137,430	377,094	1,116,812
-Investments	185,067	144,990	127,996	144,990
Dividends from non-related companies	253,224	253,736	253,224	253,736
Dividends from wholly owned companies	-	-	16,500,000	5,000,000
Gain on sale of available-for-sale investments	-	813,686	-	813,686
Service charges	-	-	21,795,000	4,075,000
	1,122,027	2,349,842	39,053,314	11,404,224
Total revenue	84,857,308	54,934,599	81,973,280	47,429,999
The following is an analysis of investment revenue earned on financial assets by category of asset:				
Available-for-sale financial assets	438,291	1,212,412	381,220	1,212,412
Loans and receivables (including cash and bank balances)	683,736	1,137,430	377,094	1,116,812
Total investment income for financial assets not designated as at fair value through the profit and loss	1,122,027	2,349,842	758,314	2,329,224

7 Finance cost

Neither the Group nor the Company have any borrowings. The finance cost for the year is nil (2014: nil).

8 Profit for the year

There is no profit or loss attributable to non-controlling interests (2014: nil).

Profit for the year has been arrived at after crediting/(charging) the following gains and (losses):	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Gain from disposal of available-for-sale investments	-	813,686	-	813,686
Gain/(loss) on disposal of property, plant and equipment	(12,416)	(2,005)	(648)	(2,005)
	(12,416)	811,681	(648)	811,681
Profit for the year includes the following expenses:				
Depreciation and amortisation:				
Depreciation of non-current assets	649,347	548,146	620,639	517,075
Amortisation of non-current assets	1,146,613	792,398	1,038,470	737,036
	1,795,960	1,340,544	1,659,109	1,254,111
Amortisation of management rights	1,345,651	197,030	-	-
	3,141,611	1,537,574	1,659,109	1,254,111
Operating lease rental expenses:				
Minimum lease payments	1,906,378	1,453,139	1,906,378	1,166,554
Employee benefit expense:				
Post employment benefits:				
-Superannuation contributions	2,597,799	1,746,463	2,597,799	1,567,099
Share-based payments:				
-Equity-settled share-based payments	1,197,297	577,671	1,197,297	577,671
Other employee benefits	35,638,001	24,539,601	35,637,359	21,665,021
	39,433,097	26,863,735	39,432,455	23,809,791

9 Income taxes

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Income tax expense comprises:				
Current income tax expense	6,949,201	3,966,752	1,354,716	1,852,290
Prior year tax adjustments recognised in the current year	(22,012)	(400,699)	(22,012)	(396,310)
Deferred tax expense relating to the origination and reversal of temporary differences	249,767	68,273	422,322	107,576
Deferred tax reclassified from equity to profit or loss	21,885	58,658	21,885	58,658
Total income tax expense	7,198,841	3,692,984	1,776,911	1,622,214
The income tax expense for the year can be reconciled to accounting profit as follows:				
Profit before tax from continuing operations	24,158,263	13,406,396	22,889,502	10,655,878
Income tax expense calculated at 30%	7,247,479	4,021,919	6,866,851	3,196,763
Non-deductible expenses	501,747	407,257	97,017	343,825
Non-assessable income	(503,044)	(313,866)	(5,139,616)	(1,500,437)
Franked dividends	(25,329)	(21,627)	(25,329)	(21,627)
	7,220,853	4,093,683	1,798,923	2,018,524
Prior year tax adjustments	(22,012)	(400,699)	(22,012)	(396,310)
	7,198,841	3,692,984	1,776,911	1,622,214

The tax rate used in the above 2015 and 2014 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 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Income tax expense/ (credit) recognised directly in equity:				
Current tax:				
Share issue expenses deductible over 5 years	(470,822)	(457,223)	(470,822)	(457,223)
Deferred tax:				
Arising on transactions with equity participants:				
Share issue expenses deductible over 5 years	393,699	(1,788,101)	393,699	(1,788,101)
Total income tax recognised directly in equity	(77,123)	(2,245,324)	(77,123)	(2,245,324)
Income tax expense/ (credit) recognised in other comprehensive income:				
Deferred tax:				
Movement in revaluation of available-for-sale investments	(21,885)	82,757	(21,885)	82,757
Reclassification from equity to profit and loss:				
Realised gain on sale of available-for-sale investments	-	(58,658)	-	(58,658)
	(21,885)	24,099	(21,885)	24,099
Current tax liabilities:				
Income tax payable	2,332,676	702,117	2,332,676	702,117
Deferred tax balances are presented in the statement of financial position as follows:				
Deferred tax asset	4,115,928	3,959,616	4,033,628	3,704,761
Deferred tax liability - investment revaluation	100,369	122,254	100,369	122,254

9 Income taxes (cont'd)

	Consolidated				
2015	**Opening balance $**	**Charged to income $**	**Charged to equity $**	**Other $**	**Closing balance $**
Gross deferred tax assets:					
Provisions	1,933,704	445,663		299,900	2,679,267
Expenditure deductible over 5 years	2,326,908	(100,517)	(393,699)		1,832,692
Property, plant and equipment	(38,212)	(22,057)			(60,269)
Intangible assets	(262,784)	(72,978)			(335,762)
	3,959,616	250,111	(393,699)	299,900	4,115,928
Gross deferred tax liabilities:					
Available-for-sale investments	(122,254)	-	21,885	-	(100,369)
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)

	Company				
2015	**Opening balance $**	**Charged to income $**	**Charged to equity $**	**Other $**	**Closing balance $**
Gross deferred tax assets:					
Provisions	1,748,993	612,617		299,900	2,661,510
Expenditure deductible over 5 years	2,326,908	(100,517)	(393,699)		1,832,692
Property, plant and equipment	(108,356)	(16,456)			(124,812)
Intangible assets	(262,784)	(72,978)			(335,762)
	3,704,761	422,666	(393,699)	299,900	4,033,628
Gross deferred tax liabilities:					
Available-for-sale investments	(122,254)	-	21,885	-	(100,369)
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)
Intangible assets	(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)

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 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
The aggregate compensation made to key management personnel of the Company and the Group is set out below:				
Short-term employee benefits	3,861,722	3,362,012	3,861,722	3,362,012
Post employment benefits (Superannuation)	280,462	207,424	280,462	207,424
Other long-term benefits	51,927	42,474	51,927	42,474
Share awards	813,143	370,791	813,143	370,791
	5,007,254	3,982,701	5,007,254	3,982,701

Full details of the remuneration of key management personnel for the year ended 30 June 2015 are outlined in the Directors' Report.
The share awards of key management personnel for the year ended 30 June 2015 are outlined in the Directors' Report.

11 Auditors' remuneration

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Auditors - Deloitte Touche Tohmatsu				
Corporate entities				
Audit & Assurance Services				
Audit and review of the consolidated financial statements	320,762	219,189	238,415	183,415
Audit services in accordance with regulatory requirements	95,074	70,820	50,571	49,457
Other Assurance Services	10,000	-	10,000	-
	425,836	290,009	298,986	232,872
Other services				
Tax compliance services in respect of Group corporate entities	10,291	10,300	10,291	10,300
Other services	154,635	27,150	154,635	27,150
Total remuneration for corporate entities	590,762	327,459	463,912	270,322

Managed funds and superannuation funds	**2015** $	**2014** $
Audit & Assurance Services		
Audit and review of managed and superannuation funds	1,419,316	1,040,436
Audit services in accordance with regulatory requirements	449,987	391,403
Other assurance services	-	-
	1,869,303	1,431,839
Other services		
Taxation compliance services and review of constitutions, disclosure documents and tax returns for the Group's managed funds	644,977	490,117
Other services	97,910	76,250
Total remuneration for managed funds and superannuation funds	2,612,190	1,998,206

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 fees above for managed funds, charitable entities and superannuation funds are incurred by the individual managed funds, charitable entities and superannuation funds.

12 Current trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Trade receivables	4,893,836	3,443,209	4,707,040	3,401,317
Allowance for doubtful debts	(14,363)	(12,972)	(14,363)	(12,972)
Other	4,771,514	3,206,039	3,694,462	3,880,170
	9,650,987	6,636,276	8,387,139	7,268,515

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 $506,164 (2014: $372,283) 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 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Under 30 days	276,332	143,546	264,292	143,546
30-60 days	98,601	74,337	98,601	71,810
Over 60 days	131,231	154,400	128,471	152,442
	506,164	372,283	491,364	367,798

Movement in the allowance for doubtful debts

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Balance at beginning of the year	(12,972)	(82,383)	(12,972)	(78,183)
Impairment losses recognised on trade receivables	(31,352)	(27,977)	(31,352)	(23,217)
Amounts written off as uncollectible	2,810	2,173	2,810	2,173
Impairment losses reversed	27,151	95,215	27,151	86,255
Balance at end of year	(14,363)	(12,972)	(14,363)	(12,972)

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 Accrued income and other current assets

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Prepayments	1,597,736	1,088,351	1,597,736	1,080,851
Accrued income	5,040,432	2,039,755	2,047,574	1,590,372
	6,638,168	3,128,106	3,645,310	2,671,223

14 Non-current trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Corpus commission earned but not collected	108,186	108,186	108,186	108,186
Other receivables	1,101,733	-	1,101,733	-
	1,209,919	108,186	1,209,919	108,186

15 Other financial assets

	Consolidated 2015 $	Consolidated 2014 $	Company 2015 $	Company 2014 $
Investment in subsidiaries at cost:				
Shares in subsidiaries	-	-	161,139,864	4,188,735
Available-for-sale investments carried at fair value:				
Managed investments schemes	10,493,785	5,508,589	5,435,639	5,508,589
Loans and receivables carried at amortised cost:				
Intercompany loans	-	-	34,160,949	27,445,902
Term deposits	5,150,000	3,150,000	-	3,000,000
Total	15,643,785	8,658,589	200,736,452	40,143,226

The intercompany loans are non-interest bearing and repayable on demand. The parent entity will not require repayment of the intercompany balances owing to it within the next thirteen months.

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 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
Additions	204,810	55,844	87,085	347,739
Disposals	(263,006)	(4,630)	(12,723)	(280,359)
Balance at 30 June 2015	2,457,770	1,290,037	918,860	4,666,667
Accumulated depreciation/ amortisation and impairment				
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
Disposals	(261,958)	(4,630)	(5,171)	(271,759)
Depreciation expense	435,196	120,585	93,566	649,347
Balance at 30 June 2015	1,695,493	1,101,937	677,565	3,474,995
Net book value				
As at 30 June 2014	993,711	252,841	255,328	1,501,880
As at 30 June 2015	762,277	188,100	241,295	1,191,672

	Company			
	Computer hardware & equipment at cost	**Leasehold improvements at cost**	**Office furniture & equipment at cost**	**Total**
Gross carrying amount	**$**	**$**	**$**	**$**
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 1 July 2014	2,483,542	955,093	569,567	4,008,202
Additions	204,811	54,154	87,085	346,050
Disposals	(254,500)	-	-	(254,500)
Balance at 30 June 2015	2,433,853	1,009,247	656,652	4,099,752
Accumulated depreciation/ amortisation and impairment				
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 1 July 2014	1,498,969	704,853	360,876	2,564,698
Disposals	(253,853)	-	-	(253,853)
Depreciation expense	426,460	117,354	76,825	620,639
Balance at 30 June 2015	1,671,576	822,207	437,701	2,931,484
Net book value				
As at 30 June 2014	984,573	250,240	208,691	1,443,504
As at 30 June 2015	762,277	187,040	218,951	1,168,268

	Consolidated		Company	
Aggregate depreciation recognised as an expense during the year:	**2015**	**2014**	**2015**	**2014**
	$	$	$	$
Computer hardware & equipment	435,196	387,671	426,460	380,320
Leasehold improvements	120,585	91,976	117,354	86,663
Office furniture and equipment	93,566	68,499	76,825	50,092
	649,347	548,146	620,639	517,075

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 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 1 July 2014	9,630,905	234,000	30,271,561	40,136,466
Additions	2,406,989	-	51,752,000	54,158,989
Disposals	(192,810)	-	-	(192,810)
Balance at 30 June 2015	11,845,084	234,000	82,023,561	94,102,645
Accumulated amortisation and impairment				
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 1 July 2014	3,456,588	144,586	1,408,467	5,009,641
Amortisation expense	1,119,323	27,290	1,345,651	2,492,264
Disposals	(152,139)	-	-	(152,139)
Balance at 30 June 2015	4,423,772	171,876	2,754,118	7,349,766
Net book value				
As at 30 June 2014	6,174,317	89,414	28,863,094	35,126,825
As at 30 June 2015	7,421,312	62,124	79,269,443	86,752,879

	Company			
	Computer Software	Leasehold makegood	Management rights	Total
Gross carrying amount	$	$	$	$
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 1 July 2014	9,082,190	110,000	-	9,192,190
Additions	2,406,989	-	-	2,406,989
Disposals	(183,595)	-	-	(183,595)
Balance at 30 June 2015	11,305,584	110,000	-	11,415,584
Accumulated amortisation and impairment				
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 1 July 2014	3,319,437	31,167	-	3,350,604
Amortisation expense	1,016,470	22,000	-	1,038,470
Disposals	(146,963)	-	-	(146,963)
Balance at 30 June 2015	4,188,944	53,167	-	4,242,111
Net book value				
As at 30 June 2014	5,762,753	78,833	-	5,841,585
As at 30 June 2015	7,116,640	56,833	-	7,173,473

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 significant management rights and customer contract intangibles. All these are externally generated intangibles.

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Equity Trustees Wealth Services Limited - indefinite life	42,742,000	-	-	-
Equity Trustees Wealth Services Limited - fixed life	7,831,000	-	-	-
EquitySuper Master Trust - indefinite life	28,187,616	28,187,616	-	-
Freedom of Choice - fixed life	332,773	418,215	-	-
Equity Superannuation Management Pty Limited - fixed life	6,619	46,334	-	-
Aged Care - fixed life	169,435	210,929	-	-
	79,269,443	28,863,094	-	-

The above indefinite life intangibles have been allocated for impairment testing purposes to the Trustee & Wealth Services (TWS) cash-generating unit. The carrying amount of the indefinite life intangibles allocated to the TWS cash-generating unit is $70,929,616 (2014: $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 intangibles and has determined that these indefinite life intangibles continue to have indefinite lives. In undertaking this review management has considered the economic, competitor and political environment in relation to the Trustee Company and Superannuation industries, the contractual rights and contractual relationships in relation to these indefinite life intangibles, and ability of the indefinite life intangibles to continue to have value into the foreseeable future.

18 Goodwill

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Cost	102,176,744	9,507,853	-	-
Accumulated impairment losses	-	-	-	-
	102,176,744	9,507,853	-	-
Balance at beginning of the financial year	9,507,853	9,507,853	-	-
Amounts recognised during the year	92,668,891	-	-	-
Balance at end of the financial year	102,176,744	9,507,853	-	-

There are no accumulated impairment losses (2014: nil).
During the financial year the Group assessed the recoverable amount of goodwill and determined that no impairment had occurred (2014: 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)
- Trustee & Wealth Services (TWS)

The carrying amount of goodwill was allocated to the following cash-generating units.

	Consolidated	
	2015	2014
	$	$
CTS	3,679,743	3,679,743
TWS	98,497,001	5,828,110
	102,176,744	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 cash flows are discounted at 10.95% (2014: 12.44%). 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 cash flows are discounted at 10.95% (2014: 12.44%). 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 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	
	2015	2014	2015	2014
	$	$	$	$
Trade payables	453,518	634,817	453,518	630,939
Goods and services tax payable	287,615	311,621	91,372	102,687
Other	434,141	211,386	413,014	199,504
	1,175,274	1,157,824	957,904	933,130

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 2014	3,156,163	1,802,309	4,958,472
Additional provisions recognised	-	1,108,804	1,108,804
Decrease arising from payments	-	(1,727,344)	(1,727,344)
Decrease arising from re-measurement or settlement without cost	-	(74,965)	(74,965)
Other movements	1,214,636	-	1,214,636
Balance at 30 June 2015	4,370,799	1,108,804	5,479,603

	Company		
	Employee Benefits (note 24)	Other	Total
	$	$	$
Balance at 1 July 2014	2,816,847	1,745,165	4,562,012
Additional provisions recognised	-	721,408	721,408
Decrease arising from payments	-	(1,670,200)	(1,670,200)
Decrease arising from re-measurement or settlement without cost	-	(74,965)	(74,965)
Other movements	1,553,952	-	1,553,952
Balance at 30 June 2015	4,370,799	721,408	5,092,207

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	
	2015	2014	2015	2014
At amortised cost:	$	$	$	$
Corpus commission collected but not earned	60,194	-	34,852	-
Other	53,082	135,318	53,082	119,243
	113,276	135,318	87,934	119,243

22 Non-current provisions

	Consolidated		
	Makegood	Employee Benefits (note 24)	Total
	$	$	$
Balance at 1 July 2014	236,500	1,162,632	1,399,132
Additional provisions recognised	-	544,531	544,531
Other movements	(2,500)	-	(2,500)
Balance at 30 June 2015	234,000	1,707,163	1,941,163

	Company		
	Makegood	Employee Benefits (note 24)	Total
	$	$	$
Balance at 1 July 2014	110,000	944,401	1,054,401
Additional provisions recognised	-	762,762	762,762
Other movements	-	-	-
Balance at 30 June 2015	110,000	1,707,163	1,817,163

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	
	2015	2014	2015	2014
	$	$	$	$
Amounts owing to controlled entity	-	-	100,010	100,010
Lease related liabilities	129,358	255,549	129,358	255,549
Corpus commission collected but not earned	34,995	34,995	34,995	34,995
	164,353	290,544	264,363	390,554

24 Employee benefits

The aggregate employee benefits liability recognised and included in the financial statements is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Provision for employee benefits:				
Current (note 20)				
- Annual leave	1,931,019	1,336,446	1,931,019	1,094,410
- Long service leave	212,558	97,881	212,558	73,816
- Bonus	2,021,470	1,518,921	2,021,470	1,445,706
- Directors' retiring allowance	205,752	202,915	205,752	202,915
	4,370,799	3,156,163	4,370,799	2,816,847
Non-current (note 22)				
- Long service leave	1,707,163	1,162,632	1,707,163	944,401
	6,077,962	4,318,795	6,077,962	3,761,248

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		Company	
	2015	2014	2015	2014
	$	$	$	$
19,693,727 fully paid ordinary shares (2014: 19,104,667)	227,651,922	216,116,476	227,651,922	216,116,476

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.

	2015		2014	
	No.	$	No.	$
Fully paid ordinary shares				
Balance at beginning of financial year	19,104,667	216,116,476	9,049,621	49,601,432
Shares issued under employee share scheme	10,166	220,196	11,180	169,936
Shares issued under executive share scheme	38,447	371,824	11,346	161,680
Shares issued under employee salary sacrifice	3,056	61,908	2,346	44,369
Shares issued under share placement	235,089	4,953,325	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)	302,302	6,108,145	125,844	2,334,221
Share issue costs net of tax	-	(179,952)	-	(5,239,096)
Balance at end of financial year	19,693,727	227,651,922	19,104,667	216,116,476

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 2015, eligible executives have share entitlements over 125,711 ordinary shares (2014: 147,928), in aggregate. Further details of the Plan are contained in the remuneration report within the Directors' Report.

26 Other Reserves

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Employee equity-settled benefits reserve	1,892,277	1,348,909	1,892,277	1,348,909

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 ongoing basis as deemed appropriate. There is $240,000 provided for ESAP in 2015 (2014: $184,000).

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 2015 Cents per share	Consolidated 2014 Cents per share
Basic earnings per share	87.80	88.64
Diluted earnings per share	87.16	87.51

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 2015	Consolidated 2014
	$	$
Earnings	16,959,422	9,713,412
	2015 No.	**2014 No.**
Weighted average number of ordinary shares for the purposes of basic earnings per share	19,315,827	10,958,664

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 2015	Consolidated 2014
	$	$
Earnings	16,959,422	9,713,412
	2015 No.	**2014 No.**
Weighted average number of ordinary shares for the purposes of diluted earnings per share	19,457,450	11,100,294

There were no discontinued operations (2014: 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 2015 No.	Consolidated 2014 No.
Weighted average number of ordinary shares used in the calculation of basic earnings per share	19,315,827	10,958,664
Shares deemed to be issued for no consideration in respect of employee share entitlements	141,623	141,630
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	19,457,450	11,100,294

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

29 Dividends

	2015 Cents per share	2015 $	2014 Cents per share	2014 $
Recognised amounts				
Fully paid ordinary shares				
Interim dividend: Fully franked (Prior year: Fully franked)	46	8,865,316	46	4,442,641
Final dividend: Fully franked (Prior year: Fully franked)	48	9,193,004	50	4,534,808
		18,058,320		8,977,449
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend: Fully franked (Prior year: Fully franked)	48	9,453,256	48	9,190,937

	Company 2015	Company 2014
	$	$
Franking account balance at 1 July	7,623,518	7,268,710
Tax paid	5,347,571	4,139,798
Franking credits received	35,632	62,488
Franking credits attached to interim and final dividends	(7,739,280)	(3,847,478)
Franking account balance at 30 June	5,267,441	7,623,518
Franking credits that will arise from income tax payable at reporting date	2,332,676	702,117
Franking credits that will arise from receipt of dividends recognised as receivables at reporting date	-	639
Franking credits to be attached to dividends declared but not recognised	(4,051,395)	(3,938,973)
Adjusted franking account balance	3,548,722	4,387,301

30 Commitments for expenditure

	Consolidated		Company	
	2015	2014	2015	2014
Capital expenditure commitments	$	$	$	$
Intangible Assets				
Not longer than 1 year	30,880	-	30,880	-
Plant and equipment				
Not longer than 1 year	-	68,500	-	68,500

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 equipment leases with expiry dates occurring in 2017 to 2018. These leases have minimum monthly lease payments.

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Non-cancellable operating lease payments				
Not longer than 1 year	1,284,869	1,964,477	898,828	1,568,443
Longer than 1 year and not longer than 5 years	567,162	1,513,943	567,162	1,127,901
	1,852,031	3,478,420	1,465,990	2,696,344

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

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Lease incentives				
Current	76,928	138,888	76,928	138,888
Non-current	37,281	114,209	37,281	114,209
	114,209	253,097	114,209	253,097

The Group has no onerous lease contracts.

There are no non-cancellable operating sub-leases (2014: no non-cancellable operating sub-lease).

31 Contingent liabilities and assets

There are no contingent liabilities (2014: nil).
There are no contingent assets (2014: nil).

32 Subsidiaries

Name of entity	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 2015	2014
Parent entity				
Equity Trustees Limited	Financial services	Australia		
Subsidiaries				
Equity Trustees Wealth Services Limited	Trustee services	Australia	100%	0%
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 2015	2014
Traditional trustee services	Australia	1	0
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 no significant restrictions (2014: The Company had cash and cash equivalents of $170m at balance date of which approximately $155m was used to acquire Equity Trustees Wealth Services Limited from ANZ Banking Group on settlement date 4 July 2014 with a further payment of approximately $1m made on agreement of the Completion Statements).

33 Business combinations

Acquisition of businesses

Effective 4 July 2014, the Group acquired 100% of the shares of Equity Trustees Wealth Services Limited (ETWSL) (formerly ANZ Trustees Limited). ETWSL is a trustee company that has a strategic fit with the Group's existing trustee company business.

Year ended 30 June 14

No acquisitions

	2015	2014
Consideration	$	$
Cash	156,008,756	-

Acquisition related costs incurred to date total $8,923,512. Acquisition related costs totalling $32,094 have been recognised as an expense in the statement of profit and loss in the current year. During the year ended 30 June 2014 acquisition related costs totalling $1,535,426 were recognised as an expense in the statement of profit and loss and acquisition related costs totalling $7,355,992 were recognised in issued capital.

Assets acquired and liabilities assumed at the date of acquisition	2015	2014
Current assets	$	$
Cash and cash equivalents	10,637,962	-
Other current assets	1,975,532	-
Non-current assets		
Intangible assets	51,752,000	-
Other financial assets	58,146	-
Liabilities		
Employee Provisions	(942,373)	
Provisions	(141,402)	-
	63,339,865	-

Trade receivables acquired with a fair value of $31,941 had gross contractual amounts of $31,941. The best estimate at acquisition date of the contractual cash flows not expected to be collected is nil. (2014: nil).

Goodwill arising on acquisition	2015	2014
	$	$
Consideration	156,008,756	-
less fair value of identifiable net assets acquired	63,339,865	-
Goodwill arising on consolidation	92,668,891	-

Goodwill arose in relation to the acquisition of the ETWSL business because the consideration paid effectively includes amounts in relation to the benefit of expected synergies, revenue growth including from the acquired Will Bank and future market developments. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising in relation to this acquisition is expected to be tax deductible.

	2015	2014
Net cash outflow arising on acquisition	$	$
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

The amount included in the profit after tax for the year attributable to ETWSL entity is $8,328,926 (2014: nil). The revenue for the year includes $24,387,637 in respect of ETWSL entity (2014: nil). The profit after tax and revenue for the year attributable to ETWSL entity are the statutory amounts included in the financial statements of the ETWSL legal entity and do not necessarily reflect the contribution of the acquired ETWSL business to the Trustee & Wealth Services segment as shown in note 34.

34 Segment information

Information reported to the Group's Managing Director (chief operating decision maker) 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. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable segments under AASB 8 are as follows:

Trustee & 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
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 (2014: nil).

	Consolidated	
	2015	2014
	$	$
Segment revenue		
Trustee & Wealth Services	59,883,745	31,317,124
Corporate Trustee Services	24,973,563	21,267,633
	84,857,308	52,584,757
Unallocated	-	2,349,842
Total revenue per statement of profit or loss	84,857,308	54,934,599

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (2014: nil).
No single customer accounts for 10% or more of the Group's revenue.

Segment net profit before tax		
Trustee & Wealth Services	16,206,390	6,981,534
Corporate Trustee Services	12,031,331	6,670,809
	28,237,721	13,652,343
Unallocated	(4,079,458)	(245,947)
Total net profit before tax per statement of profit or loss	24,158,263	13,406,396

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 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.

	Consolidated	
	2015	2014
Revenue by product and service	$	$
Trustee & Wealth Services	59,883,745	31,317,124
Corporate Trustee Services	24,973,563	21,267,633
	84,857,308	52,584,757

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.

35 Related party disclosures

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.

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 2015 (2014: 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.

During the year Ms Williams was 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 was 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 invested.

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 (2014: nil).

Transactions with subsidiaries

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. The total amounts owed by the Company to its controlled entities are disclosed in note 23.
During the year, the parent entity received service charge revenue from Equity Trustees Wealth Services Limited, Equity Investment Management Limited and EQT Aged Care Services Limited. The aggregate amount of the service charge revenue is included in note 6.
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) 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.

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.

Apart from the above there were no other transactions with related parties.

36 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	
	2015	2014	2015	2014
	$	$	$	$
Cash and cash equivalents	24,954,173	170,237,019	22,175,858	169,498,122

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

	Consolidated		Company	
	2015	2014	2015	2014
	$	$	$	$
Profit for the period	16,959,422	9,713,412	21,112,591	9,033,664
Income tax expense recognised in profit and loss	7,198,841	3,692,984	1,776,911	1,622,214
(Profit) / loss on sale of investments	-	(813,686)	-	(813,686)
Depreciation and amortisation of non-current assets	1,795,960	1,340,544	1,659,109	1,254,111
Amortisation of management rights	1,345,651	197,030	-	-
(Profit) / loss on sale of plant and equipment	12,416	2,005	648	2,005
Equity-settled share-based payments	1,197,297	577,671	1,197,297	577,671
Interest income received and receivable	(868,803)	(1,282,420)	(505,090)	(1,261,802)
Dividends received and receivable	(253,224)	(253,736)	(7,253,224)	(5,253,736)
	27,387,560	13,173,804	17,988,242	5,160,441
Movements in working capital				
(Increase)/decrease in trade and other receivables	(7,108,911)	(1,649,470)	(14,159,191)	(1,407,590)
(Increase)/decrease in other assets	(752,209)	(158,444)	2,267,058	(230,714)
Increase /(decrease) in trade and other payables	224,470	(940,253)	24,774	401,576
Increase /(decrease) in other provisions	902,860	2,694,717	550,218	385,806
Cash generated from operations	20,653,770	13,120,354	6,671,101	4,309,519
Income taxes paid	(5,347,571)	(4,139,798)	(5,347,571)	(4,139,798)
Net cash generated by operating activities	15,306,199	8,980,556	1,323,530	169,721

(c) Non-cash financing activities

Non-cash financing activities during the year were dividend reinvestments of $6,108,144 (2014: $2,334,221) and employee salary sacrifice share issues $61,908 (2014: $44,369).

37 Subsequent events

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.

(2014: Equity Trustees Limited acquired 100% of the shares in ANZ Trustees Limited for $156m.)

38 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) and cash flow projection/liquidity requirements currently imposed by regulatory authorities, as well as planning for future changes to these regulatory requirements.

The Group's overall strategy for 2015 remains unchanged from 2014 but details of planned changes that will affect the 2016 and future years are outlined below. The Group has met its NTA and cash flow projection/liquidity regulatory requirements throughout the 2015 year as well as the NTA regulatory requirements that applied for the 2014 year throughout that year.

The capital structure currently consists only of equity (refer note 25 for details regarding equity instruments issued). The Group operates only in Australia. It is subject to Net Tangible Asset (NTA) and cash flow projection/liquidity requirements regulatory requirements under Australian Financial Services Licences (AFSL) and Registrable Superannuation Entity (RSE) Licence held by entities within the Group. There are no other externally imposed capital requirements (2014: nil).

Operating cash flows 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 cash flows are also used to fund routine payments of tax and dividends.

The Group's policy up to the end of the 2015 year has been 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 has been reviewed in light of the Group's long-term strategy, prudential management of resources, dividend policy, market conditions, changing regulatory requirements in relation to its AFSLs and RSE licence and achieving shareholder returns.

Planned restructure for 2016 year

The Group has commenced a staged corporate restructure which, subject to shareholder approval, will include a new, non-operating holding company. This restructure will be implemented during the year ending 30 June 2016.

The establishment of the new holding company, together with implementation of a number of other stages of the restructure project will deliver considerable benefits, including more efficient capital usage, licensing and business structures and greater funding flexibility. Further information in relation to the restructure will be provided to shareholders prior to the 2015 Annual General Meeting to be held on 27 November 2015, at which time shareholders will be asked to approve implementation of the new holding company arrangements.

In the context of the more efficient capital and funding structure the company is seeking to achieve through the above restructure, ASIC has provided relief to allow the Group to hold a reduced level of Net Tangible Assets (NTA) for regulatory purposes. This relief applies from 1 July 2015 until 31 December 2015. The minimum level of NTA required during this period is $32m, and is already accommodated within the Group's existing and projected NTA. At 1 January 2016, the Directors expect that additional capital of $15m to $20m will be required and do not anticipate any difficulty raising this by debt, equity, guarantee or a combination of these.

(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	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Cash and cash equivalents	24,954,173	170,237,019	22,175,858	169,498,122
Loans and receivables - trade receivables	4,879,473	3,430,237	4,692,677	3,388,345
Loans and receivables - term deposits	5,150,000	3,150,000	-	3,000,000
Available-for-sale financial assets - cash/mortgage fund	8,058,146	3,000,000	3,000,000	3,000,000
Available-for-sale financial assets - managed investment scheme	2,435,639	2,508,589	2,435,639	2,508,589
	45,477,431	182,325,845	32,304,174	181,395,056
Financial liabilities				
Amortised at cost	453,518	634,817	453,518	630,939

During the 2015 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 (2014: nil). No financial assets have been pledged as collateral for either liabilities or contingent liabilities (2014: nil). No assets are held as collateral (2014: 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 management and Board committees that manage and monitor particular activities and their related financial risks. There is also the Board Risk Committee which monitors overall risk.

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. There is also a Board Investment Committee (BIC) which oversees investment policy and the management of investment risk.

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 management

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. For the year ended 30 June 2015 and prior years, neither the Group nor the Company had any borrowings nor did 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, BIC 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.

38 Financial instruments (cont'd)

(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 Group has a policy of placing interest bearing investments with Australian banks with good credit ratings. This minimises the risk of default and also ensures regulatory requirements regarding liquidity of NTA reserves are met. Within these parameters the Group seeks to make interest bearing investments at the best available rates with Australian Banks that meet its credit rating and security criteria. These investment processes and reviews are managed by the MIC and BIC.

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 2015 (2014: 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-2015	Interest rate risk -1%		Interest rate risk +1%	
2015		**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Cash and cash equivalents	24,954,173	(165,945)	n/a	165,945	n/a
Loans and receivables - term deposits	5,150,000	(75,379)	n/a	75,379	n/a
Available-for-sale financial assets - cash/mortgage fund	8,058,146	(55,376)	n/a	55,376	n/a
	38,162,319	(296,700)	n/a	296,700	n/a

Consolidated	Carrying amount at 30-Jun-2014	Interest rate risk -1%		Interest rate risk +1%	
2014		**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
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

Company	Carrying amount at 30-Jun-2015	Interest rate risk -1%		Interest rate risk +1%	
2015		**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Cash and cash equivalents	22,175,858	(122,798)	n/a	122,798	n/a
Loans and receivables - term deposits	-	(22,356)	n/a	22,356	n/a
Available-for-sale financial assets - mortgage fund	3,000,000	(30,000)	n/a	30,000	n/a
	25,175,858	(175,154)	n/a	175,154	n/a

Company	Carrying amount at 30-Jun-2014	Interest rate risk -1%		Interest rate risk +1%	
2014		**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
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

(g) Other price risk management

The Group and the Company are exposed to other price risk from their investment in an Australian managed investment scheme. 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 and the BIC.

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% (2014: Australian managed investment scheme 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 (2014: calculated using the average balance (calculated on a quarterly basis) held throughout the year).

Consolidated	Carrying amount at 30-Jun-2015	Plus/minus impact %	Other price risk – Minus impact		Other price risk – Plus impact	
2015			**Profit**	**Equity**	**Profit**	**Equity**
	$		**$**	**$**	**$**	**$**
Available-for-sale investments:						
Managed investment schemes	2,435,639	10%	n/a	(243,564)	n/a	243,564

Consolidated	Carrying amount at 30-Jun-2014	Plus/minus impact %	Other price risk – Minus impact		Other price risk – 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

38 Financial instruments (cont'd)

(g) Other price risk (cont'd)

Company 2015	Carrying amount at 30-Jun-2015 $	Plus/minus impact %	Other price risk: Minus impact Profit $	Minus impact Equity $	Plus impact Profit $	Plus impact Equity $
Available-for-sale investments:						
Managed investment schemes	2,435,639	10%	n/a	(243,564)	n/a	243,564

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

(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 and BIC 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.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics (2014: $164m term deposits with ANZ 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.

As outlined in note 35, 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 2015	Fair value as at 2014	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship unobservable inputs to fair value
Consolidated						
Managed investment schemes	2,435,639	2,508,589	Level 2	Daily published prices	n/a	n/a
Company						
Managed investment schemes	2,435,639	2,508,589	Level 2	Daily published prices	n/a	n/a

There was no transfer between Level 1 and 2 (2014: $2,508,589 was transferred from level 1 to level 2). The Group classifies the investment in the managed investment scheme as 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.

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.

38 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.

	Weighted average effective interest rate %	Less than 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	5+ years $
Consolidated						
2015						
Non-interest bearing -trade creditors	nil	453,518	-	-	-	-
Financial guarantee contracts	nil	-	-	-	-	-
		453,518	-	-	-	-
2014						
Non-interest bearing -trade creditors	nil	634,817	-	-	-	-
Financial guarantee contracts	nil	-	-	-	-	-
		634,817	-	-	-	-
Company						
2015						
Non-interest bearing -trade creditors	nil	453,518	-	-	-	-
Financial guarantee contracts	nil	-	-	-	-	-
		453,518	-	-	-	-
2014						
Non-interest bearing -trade creditors	nil	630,939	-	-	-	-
Financial guarantee contracts	nil	-	-	-	-	-
		630,939	-	-	-	-

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 (2014: nil). The maximum amount payable under these guarantees is $903,336 (2014: $933,232).

(k) Financing facilities

	Consolidated		Company	
	2015 $	2014 $	2015 $	2014 $
Bank overdraft facility				
Amount used	-	-	-	-
Amount unused	1,000,000	1,000,000	1,000,000	1,000,000
	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 2015, the statement of profit or loss**,** the statement of profit and loss and other 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 20 to 60.

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 2015 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 as set out on pages 7 to 15 of the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Brown
Partner
Chartered Accountants

Melbourne, 27 August 2015