

Appendix 4E

EQT Holdings Limited

ABN 22 607 797 615



Results for announcement to the market for the full year ended 30 June 2017

	30 June 2017 \$'000		30 June 2016 \$'000	
Revenue from ordinary activities	79,928	Down 4.5%	From	83,696
Profit after tax from ordinary activities attributable to members	15,437	Up 16.2%	From	13,288
Net profit for the period attributable to members	15,437	Up 16.2%	From	13,288
	30 June 2017 cents per share		30 June 2016 cents per share	
Dividends ¹				
Interim Dividend		35		34
Final Dividend		36		34
Key dates				
Record date for determining entitlements to the final dividend	12 September 2017			
Last date for the receipt of an election notice for participation in the DRP	13 September 2017			
Payment date for final dividend	10 October 2017			

¹ 2017 and 2016 interim and final dividends are fully franked.

The directors have declared a fully franked final dividend of 36 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 market price of EQT traded shares on the first five days of EQT share trading after Record Date. A 1.5% discount will be applied.

The 2017 Annual General Meeting is to be held at 11.00am, Friday 27 October 2017 at the RACV City Club, 501 Bourke Street, Melbourne.

ASX Additional Information

Additional information, current as at 30 June 2017, and not shown elsewhere in this report, follows:

Net tangible asset backing per share

Net tangible asset backing / per share ¹	30 June 2017	30 June 2016
Net tangible asset backing per share	1.73	1.70
Adjusted net tangible asset backing per share ²	2.68	2.59

¹Based on shares on issue of 2017: 20,124,887 (2016: 19,958,965).

²The adjusted net tangible asset backing per share is calculated by excluding the value of estimated tax on unrealised income associated with indefinite life intangible assets, which is brought to account as a deferred tax liability in the financial statements.

Control gained or lost over entities during the period

Year ended 30 June 2017

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

Year ended 30 June 2016

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

Audit

The Financial Statements for the year ended 30 June 2017 have been audited and an unqualified opinion has been issued by the auditors.

Commentary

Additional Appendix 4E disclosure requirements can be found in the Annual Report, which contains the Directors' Report and the 30 June 2017 Financial Statements and accompanying notes.

For a comprehensive overview of the 2017 results, please refer to the separate ASX release covering the Announcement of Results and Shareholder Presentation.

From the Chairman

JA (Tony) Killen OAM

Positioned for growth

There has been a significant improvement in financial performance and the business is well positioned to pursue further growth in the year ahead.

Equity Trustees has continued to build on the foundation established by the corporate restructure and reshaping of its strategy, and it is encouraging to see the benefits starting to flow through.

A highlight of the year was the acquisition of the Sandhurst Trustees estates and trust business from the Bendigo and Adelaide Bank. We are pleased that the Bank recognised the capability and experience of Equity Trustees and as a result we have entered a five -year strategic partnership with them to cross-refer clients.

Another excellent achievement was the completion of the Operating Model Review, which has improved the group's servicing of clients and contributed to a strong financial result.

Improved results and dividend

Profit After Tax was \$15.4 million, significantly up on the prior year result of \$13.3 million. This reflects the outcomes of the Operating Model Review, strong sales growth in Corporate Trustee Services and disciplined investment decisions.

While revenue was lower in 2017 due to the exit of corporate funds distribution and restructure of the superannuation business, both operating expenses and one-off expenses were well managed and markedly lower, contributing to this much improved bottom-line profit.

A final dividend of 36 cents per share, fully franked, has been declared. This is a 2 cent increase on the 2016 final dividend of 34 cents per share. This takes total dividends for the year to 71 cents per share, up 4.4% from 68 cents per share last year.

Continued strengthening of Board

We continue to strengthen the Board by adding non-executive directors with significant industry experience and expertise.

In August 2016 we appointed Mr D Glenn Sedgwick, a former partner of Accenture with more than 30 years' experience advising Australian and Asian companies in the financial services and information technology sectors.

In January 2017 we appointed Mr Jim Minto. Mr Minto has extensive experience in financial services and trusteeship. During his tenure as Managing Director of Tower Australia he delivered substantial growth in shareholder wealth.

In August I announced my intention to retire from the Board after 15 years' service, including 10 as Chairman. It has been a privilege to lead this company and witness the transformation that has taken place in that time.

The Honourable Jeffrey Kennett AC will assume the role of Chairman at the conclusion of the Annual General Meeting. I am confident that Mr Kennett will provide strong leadership and passionate advocacy for the company and its shareholders, clients and staff.

Mr Kennett will offer himself for re-election at the Annual General Meeting in October, and Mr Minto will offer himself for election.

Stable governance

The corporate restructure of 2016 continued to serve the company well, allowing the Board to bring more focus to strategic issues. No change has been made to the governance structure this year.

The Board Audit and Risk Committees were again capably chaired by Mr Kevin Eley and the Board Remuneration, Human Resources and Nomination Committee by Ms Alice Williams.

During the year Ms Anne O'Donnell stepped down as Chair of the Equity Trustees Limited Compliance Committee and Mr Kennett assumed this role.

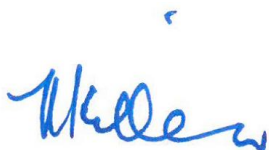
Mr John Crocker continued to chair Equity Trustees Superannuation Limited, our primary superannuation subsidiary, marking his 10-year anniversary in that role.

I would like to thank my fellow Directors for their diligence and contribution throughout the year.

Focused leadership and caring for the community

In finishing, on behalf of shareholders and Board I would like to thank our employees for their achievements during a busy year.

Our plans have sharpened under a new leadership team and the focus is firmly centred on growing the business for our shareholders, clients and staff and continuing the enormous contribution we make to the Australian community via our philanthropy services.



Mr JA (Tony) Killen OAM

Chairman

From the Managing Director

Mick O'Brien

Year of achievement

This has been a year of great change and achievement for Equity Trustees.

We have delivered on our commitments to shareholders, clients and staff, notwithstanding a restructure of the business. The new leadership team has sharpened its client focus while keeping a firm eye on delivering shareholder returns. Profit has improved significantly on last year and the business is well positioned for the year ahead.

Highlights for the year include:

- The acquisition of the Sandhurst Trustees trusts and estates business, a business with a rich history and similar operations to Equity Trustees. The integration is complete and we look forward to deepening our relationship with the Bendigo community;
- Our first client engagement survey, which revealed that 80% of the more than 400 clients surveyed were satisfied or very satisfied with our service. It confirmed that people are our greatest asset, rating our staff as the most important driver of satisfaction;
- Completion of the Operating Model Review 12 months ahead of schedule. Service to clients is starting to show further improvement and the review has delivered \$2.7million in annualised savings, accruing from February 2017;
- Our staff engagement survey showed an 18% improvement following actions to empower staff to deliver better client service;
- Our philanthropy team managed grants of almost \$70 million to many wonderful charitable and not-for-profit causes that have such a deep impact on our community;
- We increased our efforts to improve social outcomes for first Australians, by working with Aboriginal communities in trust management and other philanthropic endeavours. We have formalised our commitment to reconciliation through the development of a Reflect Reconciliation Action Plan, which we are currently working with Reconciliation Australia to finalise.

Forging ahead: a growth agenda

The success of the restructure and operating review places us in a strong position to actively pursue growth in each of our core businesses.

Trustee and Wealth Services - Private clients

We will engage more regularly with clients, particularly in our extensive Will Bank, to ensure we're providing high quality advice and support to clients, and that our products and services are well understood by them.

We are also developing several new markets where we have specialist capability:

- Building our living donor business
- Providing support for Aboriginal and Torres Strait Island communities
- Serving compensatory trust clients

Trustee and Wealth Services - Superannuation Trustee Services

We are well placed to capitalise on the market trend to merge funds, or streamline or outsource certain functions. Our superannuation professionals will work with our newly-designed trustee services model to structure leading-edge effective solutions for clients.

Corporate Trustee Services

Key areas of focus are helping our clients with leading product design, the Asian Fund Passport initiative, responding to regulatory developments and the development of Collective Investment Vehicles. Fund managers can rely on Equity Trustees to support them so they can focus on investment management and securing clients.

We expect new global and domestic managers to continue to enter the Australian market and provide an environment for strong growth.

We are developing our business to provide trustee services for various structured finance arrangements such as securitisations and debt issues.

Finally, we are investigating offshore opportunities for fiduciary services in Europe and Asia.

Continuing as the Australian market leader

Equity Trustees enjoys a unique position of trust. Whether we are servicing private or corporate clients, we can be relied on to meet their needs expertly and professionally, but also with understanding and empathy. It's a privileged position that we take seriously.

Our goal is to continue to be Australia's leading specialist trustee company.

We will remain a leader and continue to grow in our core areas – philanthropy, estate and trust management, corporate responsible entity services and superannuation trustee services.

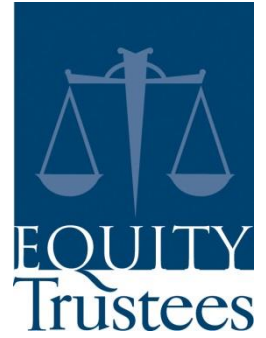
We will focus on markets that offer strong growth prospects and have a need for our specialist services.

On behalf of the management team I would like to thank our employees for their dedication and professionalism throughout the year, their commitment to our core values, and their care of our clients. I also thank our shareholders and Board for their support. Finally, it's an honour to support our loyal clients and beneficiaries, who are what a trustee business is all about.



Mr Mick O'Brien

Managing Director



**EQT Holdings Limited
and Controlled Entities
ABN 22 607 797 615**

**Annual Financial Report
for the Financial Year Ended
30 June 2017**

Board of Directors

JA (Tony) Killen OAM, BA, FAICD, FAIM (Chairman, Independent)
Kevin J Eley, CA, F FIN, FAICD (Independent)
The Hon Jeffrey G Kennett AC, HonDBus (Ballarat), Hon LL D (Deakin) (Independent)
James (Jim) Minto, GAICD, FCA, (Independent) (Appointed 1 March 2017)
Michael J O'Brien, FIAA, CFA, GAICD (Managing Director)
Anne M O'Donnell, BA (Bkg & Fin), MBA, FAICD, SF Fin (Independent)
D Glenn Sedgwick, BCom, FAICD, FCA (Independent) (Appointed 8 August 2016)
Alice JM Williams, BCom, FCPA, FAICD, ASFA AIF, CFA (Independent)

Former Directors

Robin BO Burns, DipAcc, FAICD (Managing Director)

Company Secretary

Carmen O Lunderstedt, BCom, GradCertFinPlan, AGIA, ACIS

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 1, 575 Bourke Street
Melbourne, Victoria 3000
Telephone: (03) 8623 5000
Facsimile: (03) 8623 5200
Email: equity@eqt.com.au

Corporate Governance Statement

Our Corporate Governance Statement is available on our website eqt.com.au

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Directors' Report

for the Financial Year Ended 30 June 2017

The Directors of EQT Holdings Limited (Equity Trustees, or the Company) present the annual financial report for EQT Holdings Limited and its subsidiaries (the Group) for the financial year ended 30 June 2017, and the independent auditors' report thereon.

BOARD OF DIRECTORS

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

Current Board Members

JA (Tony) Killen OAM

CHAIRMAN AND INDEPENDENT DIRECTOR

BA, FAICD, FAIM

Appointed Director in September 2002 and Chairman on 30 August 2007.

Mr Killen 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 Chair of Australia's largest not-for-profit health services provider – Sisters of Charity Health Service Ltd, Chair of Sisters of Charity Community Care Ltd and non-executive director of listed company, IRESS Market Technology Ltd.

Mr Killen is currently Captain of Victoria Golf Club Limited and a Finance Councillor at the Bishops Commission for Administration and Information, Australian Catholic Bishops Conference. In 2011, Mr Killen was awarded the Medal of the Order of Australia.

In addition to more than 20 years' experience in the management of trustee companies, Mr Killen brings to the Board a deep knowledge of the financial services industry and governance expertise.

Listed company directorships held during the past three financial years:

- Chair of Templeton Global Growth Fund Ltd (October 2012 to February 2017)

Michael J O'Brien

MANAGING DIRECTOR

FIAA, CFA, GAICD

Appointed Director on 28 July 2014, Executive Director on 28 April 2016, and Managing Director on 1 July 2016.

Mr O'Brien is a Fellow of the Institute of Actuaries of Australia, and holds the Chartered Financial Analyst designation. Mr O'Brien 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 AXA's Responsible Entities and Regulated Superannuation Entities.

With a career spanning more than 30 years in both retail and institutional markets, Mr O'Brien brings to the Board broad wealth management experience in superannuation, investment management, insurance and advice. Mr O'Brien is a director on a number of the Group's subsidiaries, including Equity Trustees Superannuation Limited.

Mr O'Brien is a member of the Board Risk Committee.

Listed company directorships held during the past three financial years:

- Templeton Global Growth Fund Limited (from August 2014 to the present, with leave between May and September 2016)

Kevin J Eley

INDEPENDENT DIRECTOR

CA, F FIN, FAICD

Appointed Director in November 2011.

Mr Eley is a Chartered Accountant with experience in management, finance and investment. He was Chief Executive Officer for 20 years of listed diversified investment company HGL Limited, where he remains as a non-executive director. Previously he worked in Australia and overseas for a major international accounting firm and in the corporate finance divisions of a local and international investment bank.

Mr Eley brings to the Board extensive experience in the areas of managing businesses, strategic development, finance and investment.

Mr Eley is Chair of the Board Audit Committee and Chair of the Board Risk Committee.

Listed company directorships held during the past three financial years:

- HGL Limited (from October 1985 to the present)
- Milton Corporation Limited (from November 2011 to the present)
- Pengana Capital Group Limited (from June 2017 to the present)
- PO Valley Energy Limited (from June 2012 to April 2016)
- Chair of Hunter Hall International Limited (Director from October 2015 and Chair from May 2016 to June 2017)

The Hon Jeffrey G Kennett AC

INDEPENDENT DIRECTOR

Hon DBus (Ballarat), Hon LL D (Deakin)

Appointed Director in September 2008.

Mr Kennett was an Officer in the Royal Australian Regiment, serving at home and overseas. He was a Member of the Victorian Parliament for 23 years; Leader of the Opposition 1982-1989 and 1991-1992; and was Premier of the State from 1992 to 1999.

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

Mr Kennett is the Chairman of The Torch, a program assisting incarcerated Aboriginal and Torres Strait Island men and women and post their release. Mr Kennett was the founder of beyondblue: the national depression, anxiety and suicide initiative and was Chairman from 2000 to 2017. Mr Kennett is Patron of The Royal District Nursing Service and Sovereign Hill Ballarat, and associated with many other community organisations.

He was previously President of the Hawthorn Football Club from 2005 to 2011. He was awarded the Companion of the Order of Australia in 2005.

Mr Kennett brings to the Board, among other things, experience in client and community relations, and government.

He is a member of the Remuneration, Human Resources and Nomination Committee, and Chair of the Equity Trustees Limited Compliance Committee (a subsidiary committee) from October 2016.

Listed company directorships held during the past three financial years:

- Seven West Media Limited (from June 2015 to the present)
- Primary Opinion Limited (April 2004 to November 2015)

James (Jim) Minto

INDEPENDENT DIRECTOR

GAICD, FCA

Appointed Director in March 2017.

Mr Minto held a diverse career in financial services, with a strong ongoing focus in the areas of risk management, technology, sustainability and regulation.

Mr Minto was CEO and Managing Director for TAL Limited (renamed from TOWER Australia) from 2006 to 2015 and for a number of TAL/TOWER companies over the previous 16 years, including 12 years as Managing Director of TOWER Trust NZ (previously Trustees Executors). Mr Minto was also Chairman of the TAL's Australian superannuation trustee companies from 2003 to 2015.

Mr Minto was a director of the Trustee Corporations Association of New Zealand for nine years to 1997, with the remaining three years serving as Chairman. He is a director for Dai-ichi Life Asia Pacific in Singapore, a director of the National Disability Insurance Agency and also Chairman of NZ life insurer Partners Life Limited.

Mr Minto is a member of the Board Risk Committee, the Board Audit Committee, and the Remuneration, Human Resources and Nominations Committee.

Listed company directorship held during the past three financial years:

- Australian Finance Group Ltd (April 2015 to June 2017)

Anne M O'Donnell

INDEPENDENT DIRECTOR

BA (Bkg & Fin), MBA, FAICD, SF Fin

Appointed Director in September 2010.

Ms O'Donnell has some 35 years' experience in the finance sector and is an experienced executive and non-executive director in the listed, not-for-profit and mutual sectors.

Ms O'Donnell is the Chair of Community CPS Australia Ltd (trading as Beyond Bank Australia) and a director of Eastwoods Pty Ltd, The Motor Trades Association of Australia Superannuation Fund Pty Ltd, and The Winston Churchill Memorial Trust. In addition, she is an external member of the UBS Global Asset Management (Australia) Ltd Compliance Committee, external Chair of the IP Australia Audit Committee, a member of each of the Investment, Audit & Risk Committee and the Nominations and Remuneration Committee of the Winston Churchill Memorial Trust, and an external member of the Nominations Committee of Goodwin Aged Care Services Ltd.

A former Managing Director of Australian Ethical Investment Ltd, Ms O'Donnell was also formerly a director of the Financial Services Council, The Centre for Australian Ethical Research Pty Ltd, the ANZ Staff Superannuation Fund, The Grain Growers Association Ltd and the Australian Institute of Company Directors. Ms O'Donnell brings to the Board extensive knowledge of the wealth management industry.

Ms O'Donnell was a member of the Company's Board Risk Committee until March 2017 and Chair of the Equity Trustees Limited Compliance Committee (a subsidiary committee) until October 2016, and is a member of the Company's Board Audit Committee and the Remuneration, Human Resources and Nominations Committee.

D Glenn Sedgwick

INDEPENDENT DIRECTOR

BCom, FAICD, FCA

Appointed Director on 8 August 2016.

Mr Sedgwick has more than 30 years' experience as a consultant to listed and unlisted Australian, Chinese and other Asian enterprises across financial services and information technology. A former partner in Accenture (then Arthur Andersen & Co.), he was previously Managing Director of Accenture's Asia Pacific Insurance and Wealth Management business.

He has lived in China and the UK over the course of his career.

Mr Sedgwick is Chairman of Australian Life Insurance Group (ALI), a Councillor of Queens College (University of Melbourne), a member of the Foundation Committee of the Melbourne Symphony Orchestra and, until more recently, Chair of Australian Tourist Park Management (ATPM).

With strengths in financial reporting and risk management, Mr Sedgwick also brings to the Board extensive knowledge in strategy development.

Mr Sedgwick is a member of the Board Audit Committee and Board Risk Committee, effective 8 August 2016.

Alice JM Williams

INDEPENDENT DIRECTOR

BCom, FCPA, FAICD, ASFA AIF, CFA

Appointed Director in September 2007.

Ms Williams is a Director of Victorian Funds Management Corporation, Cooper Energy, Defence Health and Djerriwarrh Investments Limited. She is also a Non-Executive Director of Racing Victoria Limited, Barristers Chambers Limited and Foreign Investment Review Board (FIRB).

She was formerly a Director of Port of Melbourne Corporation, Guild Group, Airservices Australia, State Trustees Limited, Western Health, the Australian Accounting Standards Board, Telstra Sale Company and V/Line Passenger Corporation.

She previously held senior management positions in the financial services sector, including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia.

Ms Williams is Chair of the Remuneration, Human Resources and Nominations Committee and a member of the Equity Trustees Limited Compliance Committee (a subsidiary committee).

Listed company directorships held during the past three financial years:

- Djerriwarrh Investments Limited (from May 2010 to the present)
- Cooper Energy Limited (from August 2013 to the present)

Former Board Members

Robin BO Burns

MANAGING DIRECTOR

DipAcc, FAICD

Managing Director between March 2010 and 1 July 2016.

Before joining Equity Trustees Mr Burns was, from 2002, Chief Executive Officer of Equipsuper Pty Ltd, the trustee company for the Equipsuper multi-employer superannuation fund. Mr Burns retired as a non-executive director of the Financial Services Council in April 2016.

Mr Burns 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.

Mr Burns was a member of the Board Investment Committee until April 2016.

Company Secretaries

Carmen O Lunderstedt

BCom, GradCertFinPlan, AGIA, ACIS

Ms Lunderstedt was appointed Company Secretary in January 2016. With a background in corporate governance, compliance and risk management, she is a Chartered Secretary with experience in administering unlisted and listed companies in multiple jurisdictions. Ms Lunderstedt acts as Company Secretary for all of Equity Trustees' subsidiaries.

M Geoffroy Walsh

BBus, MBA, GAICD

Mr Walsh was joint Company Secretary from January 2016 to 9 June 2017.

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).

	Board		Board Committee*		Remuneration, Human Resources, Nomination Committee		Board Audit Committee		Board Risk Committee	
Directors										
Current Directors	A	B	A	B	A	B	A	B	A	B
JA Killen	15	15	1	1	n/a	n/a	n/a	n/a	n/a	n/a
KJ Eley	15	15	1	1	n/a	n/a	5	5	4	4
JG Kennett	15	15	n/a	n/a	4	3	n/a	n/a	n/a	n/a
JR Minto ²	6	5	1	1	3	2	1	1	1	1
MJ O'Brien	15	15	n/a	n/a	n/a	n/a	n/a	n/a	4	4
AM O'Donnell	15	15	n/a	n/a	4	4	5	5	3	2
DG Sedgwick ¹	13	13	n/a	n/a	n/a	n/a	5	5	4	4
AJM Williams	15	14	1	1	4	4	n/a	n/a	n/a	n/a
Former Directors	A	B	A	B	A	B	A	B	A	B
RBO Burns ³	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

A = Meetings eligible to attend

B = Meetings attended

n/a = Not applicable

¹ Mr Sedgwick was appointed to the Company's Board and appointed as a member of the Board Audit Committee and Board Risk Committee on 8 August 2016.

² Mr Minto was appointed to the Company's Board and appointed as a member of the Board Audit Committee, Board Risk Committee and Remuneration, Human Resources and Nominations Committee on 1 March 2017.

³ Mr Burns was on approved leave of absence for one of the Board's meetings.

* Board Committee meetings are constituted by at least any two Directors acting pursuant to the authority of the full Board.

Directors' shareholdings

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
JA (Tony) Killen	50,506
KJ Eley	115,334
JG Kennett	48,070
JR Minto	10,000
MJ O'Brien	11,000
AM O'Donnell	10,319
DG Sedgwick	10,000
AJM Williams	7,210

Principal activities

The principal activities of the Group during the course of the financial year were trustee and responsible entity services, philanthropic and estate management services, portfolio management, funds management, investment administration and custody services, executor services and financial planning.

OPERATING AND FINANCIAL REVIEW OF THE GROUP

Strategy

Equity Trustees aims to be Australia's leading independent provider of trustee services. The Group has two business units under which we offer our services to both retail and corporate clients:

- Corporate Trustee Services (CTS) provides a range of Responsible Entity (RE) and trustee services for managed investment trusts on behalf of local and international fund managers and sponsors, as well as specialised trustee services for corporates and structured multi-party transactions;
- Trustee & Wealth Services (TWS) provides a range of Private Client, Philanthropic and Superannuation services including estate planning and management; charitable, compensation, community and personal trust services; wealth management and advice.

Equity Trustees has steadily and assuredly grown its business since 1888, and continues to grow strongly through the generation of new business, and through careful acquisition of companies and businesses that are complementary and align to the Group's strategic objectives. The Group acquired ANZ Trustees (now known as Equity Trustees Wealth Services Limited) during 2015 and the estates business of Sandhurst Trustees Limited (the "STL estates business") more recently during 2017. These acquisitions have delivered increased scale to the Group and extended the reach of its services, which has allowed the Group to capitalise on opportunities in its traditional business lines, as well as emerging areas of opportunity for trustees.

The results of the Group for the year ended 30 June 2017 reflect the efforts of Management to restructure the business, improve productivity and ensure that the Group's operations and activities are closely aligned to its strategic objectives. The outlook for the Group remains very positive, with clear opportunities for growth in both the Group's core and emerging markets. The Group continues to consider the possibility of extending its services into key international markets, and the Directors and Management continue to refine the strategy around this opportunity.

Group financial performance

The following table summarises the Group's performance in FY17 and FY16.

	FY17 \$'000	FY16 \$'000	FY17 v FY16 \$'000	FY17 v FY16 %
Financial summary				
Revenue	79,928	83,696	(3,768)	(4.5%)
Operating expenses	54,634	56,958	(2,324)	(4.1%)
Non-operating expenses	3,028	7,825	(4,797)	(61.3%)
Net Profit Before Tax (NPBT)	22,266	18,913	3,353	17.7%
Net Profit After Tax (NPAT)	15,437	13,288	2,149	16.2%
NPBT margin (%)	27.9%	22.6%		5.3%
NPAT margin (%)	19.3%	15.9%		3.4%
Earnings Per Share (EPS) (cents)	77.00	66.98	10.02	15.0%
Diluted EPS ¹ on NPAT (cents)	76.90	66.47	10.43	15.7%
Dividends (cps)	71	68	3	4.4%
Return on equity on NPAT (%)	6.3%	5.5%		0.8%

¹Diluted EPS is calculated using the weighted average number of shares and potential ordinary shares on issue of 20,073,583 for FY17 (FY16: 19,990,973).

Revenue

The main drivers of revenue for Group activities are Funds Under Management, Administration, Advice and Supervision (FUMAS). These are influenced by existing client inflows and outflows, new client flows and to varying extents the financial markets. CTS primarily earns its revenue from Funds Under Supervision (FUS), which are affected by global and domestic equity and fixed income markets along with the value of the AUD\$. In TWS, which has funds that are affected by all of the aforementioned drivers, FUMAS are principally affected by the level of the Australian equity markets, and to a lesser extent by fixed income and global equity markets.

TWS FUMAS is approximately 50-60% exposed to Australian equity market movements. This exposure closely tracks the average daily S&P/ASX 200 Price Index, which was 7.8% higher through 2017 vs 2016. Based on the level of the S&P/ASX 200 at the end of June 2017, a 1% movement in the S&P/ASX 200 impacts annualised TWS revenue by approximately \$0.3m to \$0.4m.

CTS revenues are more exposed to global equity markets and a 1% change in the MSCI World Index impacts annualised CTS revenue by approximately \$0.1m. In addition, CTS revenues are exposed to changes in the AUD\$/US\$. A 1% change in the AUD\$/US\$ impacts annualised CTS revenue by approximately \$0.1m to \$0.2m.

Please note this revenue sensitivity is a guide only and may vary due to a number of factors including, but not limited to, changing asset allocations, the market relative performance of FUS, inflows and outflows, distributions and changes in pricing policy.

The reduction in revenue of 4.5% during FY17 is the consequence of three main impacts to the business. First, the superannuation upgrade completed in FY16 saw the Group cease operating as a superannuation administrator, allowing the business to focus on its core activities as a superannuation trustee. Second, one large CTS client departed in FY17 and, finally, the exit of the CTS funds distribution business in FY16 also affected full-year revenues in FY17.

Operating expenses

Total operating expenses in FY17 were \$54.7m, down 4.1% from \$57.0m in FY16. The key drivers of improvement in operating expenses were the benefits arising from the completion of the operating model review, the superannuation upgrade and the exit of the CTS funds distribution. The review has resulted in significant salary and temporary staff cost savings across the Group.

Other savings to information technology costs and general expenses have been identified and secured during the year, as a result of the Company's continued focus on operational efficiency.

Non-operating expenses

Non-operating expenses for the year were down 61.3% or \$4.8m from \$7.8m in FY16 to \$3.0m in FY17. A number of substantial projects concluded during FY16, such as the corporate restructure and superannuation upgrade, and the business assurance project was completed during the current financial year.

The following table summarises the Group's non-operating expenses in FY17 and FY16.

	FY17	FY16	FY17 v FY16	FY17 v FY16
Non-operating items	\$'000	\$'000	\$'000	%
STL estates business acquisition	250	-		
Operating model review (including related restructuring costs)	1,643	-		
Business assurance project	753	1,951		
Corporate restructure	-	899		
Superannuation upgrade	-	2,596		
Other (incl. non-project redundancies)	382	2,379		
Total non-operating expenses	3,028	7,825	(4,797)	(61.3%)

During FY17, significant focus has been placed on ensuring that projects and initiatives undertaken create timely and tangible outcomes for the Group. The Group's two key projects for FY17 have met these requirements. First, the successful acquisition of the STL estates business, and its subsequent integration into the Group has been completed, anticipated synergies have been validated, and it is expected that the acquisition will be earnings accretive for the full FY18 year. Second, the operating model review, which was first reported on at the half-year ended 31 December 2016 has been completed. The operating model review was a multi-faceted program with a number of objectives, including:

- the assessment of outsourcing opportunities for some operational activities currently performed within the business;
- a change in the Group's front and middle office structures with greater focus on client experience;
- enhancing product performance and appropriateness to customer needs.

As a result of this review, Group staff numbers (employees, excluding contractors) have reduced by over 9% on the prior period, the business has a proportionately greater number of staff directly servicing clients, and a reduction of inefficient processes, double-handling of information and data management has been eliminated. The Group is now leaner, with annualised cost savings of \$2.7m, and is a more focused organisation that is well positioned to respond to growth opportunities as they arise.

Business Unit performance summary

Corporate Trustee Services

Key Products and Services

- Responsible Entity services for managed funds on behalf of local and international managers and sponsors.
- Corporate trustee services for structured products and security and escrow arrangements.

The CTS result for the financial year reflects strong underlying growth, offset by the loss of one large client during FY17.

Pleasingly, a strong year of performance by CTS has meant that the FUS associated with this client has already been replaced by new clients and underlying FUS growth, and CTS starts FY18 strongly positioned and with a well-diversified client base. CTS fund manager client numbers increased by 15%, from 96 to 110, and the number of funds was up 25%, from 212 to 264. Normalising for the aforementioned client loss, CTS returned revenue growth of 18.9% for FY17, an outstanding result.

Trustee & Wealth Services

Key Products and Services

The provision of:

- Superannuation and Portfolio services to superannuation funds and members.
- Philanthropy services, including perpetual charitable trusts, living donors and investment management for not-for-profit organisations.
- Wealth and asset management advice and services.
- Estate Planning advice and the management of deceased estates.
- Trustee administration and services including personal, compensation and community trusts.

Equity Trustees is a leader in the provision of philanthropic, trust and estate services. TWS FUMAS was up 11% to \$9.4b reflecting the acquisition of the STL estates business, the Group's appointment as Trustee of the AMG Superannuation Fund (with FUM of more than \$520 million) and market growth over 2017. The lower revenue result for TWS predominantly reflects the changes to the superannuation business undertaken during FY16. These changes were necessary to ensure that the core superannuation offering of the Group was market competitive in light of recent market trends associated with superannuation fund fees and charges. These changes have also allowed the creation of a superannuation centre of excellence within the Group, which is focused on the Group's key value propositions around superannuation, being trusteeship and investment management.

The acquisition of the STL estates business during late FY17 has allowed the Group to extend further into regional Victoria and represents the acquisition of a highly complementary business. Through this acquisition, the Group has identified opportunities to leverage its existing back office capability to support the delivery of services to new and existing clients in the Bendigo region. The STL estates business was acquired at the start of April 2017, so while the full costs of acquisition and transition have been borne during FY17, only around a quarter of the attributable revenue has been taken up for the year. Acquisition of complementary businesses remains a key pillar of the Group's strategy.

Group financial position

Summary consolidated Balance Sheet

As at 30 June	FY17 \$'000	FY16 \$'000
Assets		
Cash and cash equivalents	40,328	48,723
Trade receivables and accrued income	18,502	18,657
Goodwill and intangible assets	210,375	206,749
Other assets	22,905	1,463
Total Assets	292,110	275,592
Liabilities		
Trade payables and other liabilities	10,133	7,048
Borrowings	15,000	8,000
Other non-current liabilities	21,729	19,790
Total Liabilities	46,862	34,838
Equity		
Issued Capital	234,586	231,780
Reserves	897	832
Retained earnings	9,765	8,142
Total Equity	245,248	240,754

Balance Sheet analysis

- **Cash and cash equivalents** – decreased from \$48.7m to \$40.3m due to the investment of funds (\$18m) in higher returning assets, a draw-down from the Group's debt facility (\$7m) and the payment for the STL estates business (approx. \$5m), plus ordinary working capital movements.
- **Trade receivables** – broadly consistent with the prior period 2% of receivables are greater than 30 days.
- **Goodwill and intangible assets** – made up of Management Rights, Goodwill acquired and capitalised Computer Software. Management rights and Goodwill associated with the STL estates business of approximately \$5m have been added during FY17.
- **Borrowings** – a \$7m draw-down occurred during the year to support liquidity and working capital needs.
- **Issued Capital** – increased by \$2.8m, primarily attributable to the Dividend Reinvestment Plan.

Capital management

Equity Trustees overarching capital management objectives are as follows:

- the Group should have a clear and sustainable capital structure that reflects the size of the organisation and supports the Group's core strategic goals and objectives;
- the Group should seek to maximise returns to shareholders over the medium term;
- the capital structure should provide flexibility to comfortably meet regulatory capital requirements as well as flexibility to take advantage of future opportunities;
- capital should be managed in a prudent manner in line with the Group's risk appetite and to enable the Group to withstand adverse events.

Equity Trustees maintains a conservative balance sheet with low gearing. The Group continually reviews funding options to ensure it is optimising both the use and mix of its capital to achieve its capital management objectives.

In December 2015, shareholders approved the establishment of a new holding company, EQT Holdings Limited, to be the new parent and ASX listed entity by way of a Scheme of Arrangement. This has enabled improved regulatory capital efficiency through consolidation of licences, enhanced borrowing flexibility and more effective governance arrangements. Further improvements were made to the ownership structure of Group subsidiaries during FY17 to allow for more efficient allocation of capital between Group entities. The Dividend Reinvestment Plan will continue to operate for the 2017 final dividend, with a 1.5% discount. The 2017 final dividend will be fully franked and payable on 20 October 2017.

Cash Flow

For year ended 30 June	FY17 \$'000	FY16 \$'000
Cash from operating activities		
Receipts from customers	84,711	94,590
Payment to suppliers and employees	(57,281)	(75,456)
Operating cash flow before income tax	27,430	19,134
Income tax paid	(4,951)	(7,135)
Net cash from operating activities	22,479	11,999
Net cash provided by/(used in) investing activities	(26,667)	15,213
Net cash (used in)/provided by financing activities	(4,207)	(3,443)
Net increase/(decrease) in cash and cash equivalents	(8,395)	23,769

Cash Flow analysis

Cash and cash equivalents decreased by \$8.4m in FY17 compared to an increase of \$23.8m in FY16. The following are the key inflows and outflows.

Inflows:

- \$10.5m increase in net cash flows (after tax) from operating activities compared to FY16, in part due to an improved operating margin
- \$7.0m in flows from borrowings

Outflows:

- \$18m in payments for the purchase of investments in liquid securities
- \$5m purchase of the STL estates business in FY17 (no acquisitions in FY16)
- \$4.2m in payments for the fit out of premises in Sydney and Melbourne
- \$1.8m decrease in dividend payments to shareholders in relation to payment of the final FY16 dividend

Debt

For year ended 30 June		FY17	FY16
Corporate debt	\$'000	15,000	8,000
Corporate debt to capital ratio (corporate debt/corporate debt + equity)	%	6.0%	3.2%
Net tangible assets per share¹		1.73	1.70
Adjusted net tangible assets per share²		2.68	2.59

¹Net tangible asset is calculated using total assets less intangible assets and all liabilities.

²A change in accounting policy in the current and prior years has resulted in changes to the calculation of net tangible assets per share. Adjusted net tangible assets per share is calculated by excluding the value of estimated tax on unrealised income associated with indefinite life intangible assets, which is brought to account as a deferred tax liability in the financial statements. Refer to note 5 for further information on this accounting policy change.

During the year, the Group increased its \$20m banking facility with ANZ Bank to \$30m to provide additional capital flexibility, including the ability to fund small acquisitions. As at 30 June 2017, \$15m of this facility was drawn. The facility was renewed for a period of two years.

Financial covenants associated with the unsecured debt facility include minimum tangible net worth, leverage and interest cover. During FY17, the Group was in compliance with all its debt covenants.

Shareholder returns and dividends

In determining the FY17 final dividend, the Board considered the improvement in one-off non-operating costs, solid operating performance, likely future capital needs and prospective trading performance. The Board approved a fully franked final dividend of 36 cents per share (cps), a 1 cent per share increase on the interim dividend and bringing the total FY17 dividend to 71cps. This represents a dividend payout ratio of 92.4% of NPAT.

	FY17	FY16	FY17 V FY16 %
Shareholder returns for the period			
Diluted EPS on NPAT (cps) ¹	76.90	66.47	15.7%
Annualised ROE on NPAT (%)	6.3%	5.5%	14.5%
Dividends for the period			
Fully franked dividends paid/payable (\$'000)	14,265	13,545	5.3%
Fully franked dividends per ordinary share (cps)	71	68	4.4%
Dividend payout ratio ²	92.3%	102.3%	(9.8%)
Dividends paid/payable as a proportion of NPAT ³	92.4%	101.9%	(9.3%)

1. Diluted EPS is calculated using the weighted average number of ordinary and potential ordinary shares on issue.

2. Dividend payout ratio is calculated using dividend(s) paid or resolved to be paid for the relevant period divided by the diluted EPS.

3. Based on ordinary fully paid shares at the end of each reporting period.

Dividends

In respect of the financial year ended 30 June 2016:

- An interim dividend of 34cps, fully franked, was paid to holders of fully paid ordinary shares on 15 April 2016.
- Subsequent to 30 June 2016, the Directors declared a final dividend of 34cps, fully franked, paid to holders of fully paid ordinary shares on 14 October 2016.

In respect of the financial year ended 30 June 2017:

- An interim dividend of 35cps, fully franked, was paid to holders of fully paid ordinary shares on 31 March 2017.
- A final dividend of 36cps, fully franked, will be paid to holders of fully paid ordinary shares on 20 October 2017.

Business Risks

The Group's approach to risk management is outlined in the Group Risk Management Framework (RMF) which describes the overarching risk principles, policies and systems established to ensure that the Group manages its risks appropriately. The RMF is a key component of the Governance hierarchy, which also includes the Governance Management Framework (GMF) and the Compliance Management Framework (CMF), and is aligned with the Group's Risk Appetite Statement.

The RMF comprises the totality of the systems, processes, structures, policies and people involved in identifying, assessing, mitigating and monitoring risks. The RMF supports the Board and management in obtaining an appropriate view of the overall risk profile. The Group has a dedicated Enterprise Risk function, led by the Chief Risk Officer, which has day-to-day responsibility for the design, implementation and maintenance of the Group's RMF.

The following table outlines the key business risks faced by the Group:

Risk Category	Description
Strategic	The risk of loss arising from the Company's strategic and business plans and the changing external business environment.
Operational	The risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Under the RMF, this category also includes insurance risk.
Financial	The risk associated with the failure to effectively manage the Company's financial resources, including, but not limited to, revenue, expenses, capital and liquidity.
People	The risk arising from the failure to attract, motivate and retain key staff that have the skills to achieve the Company's goals; and act ethically, with integrity and transparency.
Outsourcing	The risk of loss arising from the outsourcing of the Company's core and non-core functions to related and/or external entities.
Investment	The risk of loss arising from the failure to effectively manage and monitor investment strategy and the investment process for clients. This risk includes investment governance risk.
Governance and Compliance	The risk arising from a lack of governance and non-compliance with laws, regulations, standards, and internal policies and procedures.

The RMF is underpinned by a "Three Lines of Assurance" model that drives accountability and responsibility for governance, risk management and compliance. The Three Lines of Assurance model comprises the Committees and Boards that govern the Group; First Line (business operations), Second Line (Enterprise Risk) and Third Line (Internal Audit).

Outlook

As a large, modern, resource rich country with a relatively small population situated in the economically vibrant Asia-Pacific region, Australia's long-term economic prospects are attractive. Within this context the long-term structural dynamics of an ageing demographic, combined with Government-mandated superannuation and unprecedented inter-generational wealth transfer in the next few decades, represent a substantial market opportunity for Equity Trustees.

The operating model review completed in FY17, which builds on other transformational projects undertaken and reported on during FY16, has allowed the Group to sharpen its focus in the delivery of outstanding service to its existing clients, while developing a clear strategy for the acquisition of new business for the years ahead.

This, along with a motivated workforce, means that the Group looks forward to further improved financial performance in the year ahead and beyond.

Events subsequent to Balance date

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.

Changes in the state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than previously referred to in this report.

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.

REMUNERATION REPORT

This Report details the remuneration framework and outcomes for Key Management Personnel (KMP) of Equity Trustees for the year ended 30 June 2017. It aims to communicate our remuneration practices, and their link to the creation of shareholder value, in a clear, concise and transparent way.

The information in this Remuneration Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001*.

Remuneration Overview

Key Management Personnel

This report covers Equity Trustees' Key Management Personnel (KMP). KMP are the people who have authority and responsibility for the planning, directing and controlling of activities of the Company, and includes all Non-Executive Directors, the Managing Director and Executives:

Name	Position	Term as KMP
Non-Executive Directors		
JA (Tony) Killen	Chairman	Full year
AJM Williams	Independent Non-Executive Director	Full year
JG Kennett	Independent Non-Executive Director	Full year
AM O'Donnell	Independent Non-Executive Director	Full year
KJ Eley	Independent Non-Executive Director	Full year
DG Sedgwick	Independent Non-Executive Director	Appointed 8 August 2016
JR Minto	Independent Non-Executive Director	Appointed 1 March 2017
Managing Director		
MJ O'Brien	Managing Director	Full year
Executives (KMP)		
MA Blair	General Manager TWS Superannuation Portfolio Services	Appointed 1 November 2016
PD Gentry	Chief Financial Officer and Chief Operating Officer	Full year
HH Kalman	Executive General Manager Corporate Trustee Services	Full year
SL Redenbach	General Manager Human Resources	Appointed 1 November 2016
IC Westley	Executive General Manager Private Clients	Appointed 1 November 2016
Former Executives (KMP)		Ceased Employment
RE Bessemer	Chief Technology Officer	2 December 2016
RBO Burns	Managing Director	1 July 2016
SF Clancy	Executive General Manager Human Resources, Marketing and Communications	10 October 2016
GR Rimmer	Executive General Manager Trustee & Wealth Services	4 October 2016
MG Walsh ¹	Chief Risk Officer	9 June 2017

¹ With the departure of MG Walsh, the Enterprise Risk Business Unit is being led by an Acting Chief Risk Officer until a replacement is appointed.

Summary – Executive Remuneration

The following table discloses the Executives of the Company during the year, together with their remuneration entitlements. Unless otherwise stated, the Executives held their position for the whole of the financial year and since the end of the financial year.

Remuneration entitlements of the Executives during the year comprise 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:

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 \$	\$	\$	Long Service Leave Accrual \$	\$	\$
Managing Director								
MJ O’Brien ⁷								
2017	579,259	10,125	30,616	620,000	250,000 ⁸	4,272	116,877	991,149
2016 (ED)	84,836	1,649	25,054	111,539	-	-	-	111,539
2016 (NED)	100,000	-	9,500	109,500	-	-	-	109,500
2016 (TOTAL)	184,836	1,649	34,554	221,039	-	-	-	221,039
Executives								
MA Blair, General Manager TWS Superannuation Portfolio Services ⁴								
2017	165,256	-	28,077	193,333	60,000	1,006	n/a	254,339
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PD Gentry, Chief Financial Officer and Chief Operating Officer ⁹								
2017	369,036	10,125	19,616	398,776	135,000	1,889	71,583	607,248
2016	147,926	4,124	29,308	181,358	30,000	507	n/a	211,865
HH Kalman, Executive General Manager, Corporate Trustee Services								
2017	390,259	10,125	19,616	420,000	195,000	15,815	123,093	753,908
2016	350,593	10,099	19,308	380,000	85,000	16,710	(75,437)	406,273
SL Redenbach, General Manager, Human Resources ⁵								
2017	146,923	-	13,077	160,000	65,000	536	n/a	225,536
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IC Westley, Executive General Manager, TWS Private Clients ⁶								
2017	220,256	-	13,077	233,333	60,000	11,682	n/a	305,015
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

- 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.
- Superannuation includes the SGC and, in some cases, additional superannuation payments that have been sacrificed from salary.
- Share-based payments relate to the value of Awards. The value attributable to Awards is based on the accounting cost, using the fair value at grant date. For the EPS criterion, an assessment is made of the likely achievement of performance hurdles over the three-year measurement period and the accounting cost is adjusted accordingly. The EPS criterion for the 2014/15 Series which ended on 30 June 2017 was not awarded as the EPS performance criteria was not met. Where an executive ceases employment during the year, there is a write-back of prior year EPS accounting costs which can result in a negative figure in the current year. A negative figure can also occur where the accounting estimate of the proportion of an EPS that will be earned is revised. For the TSR criterion the Accounting Standard requires that the accounting cost be spread over the measurement period regardless of the extent of achievement of the performance criterion. 100% of the accounting cost is charged against executive remuneration packages, even though the executive may receive a lesser award when measures are finalised. For TSR where a service criterion is not achieved the related accounting cost is written back to profit or loss.
- Mr MA Blair became a KMP effective 1 November 2016; therefore, comparative figures are not applicable.
- Ms SL Redenbach became a KMP effective 1 November 2016; therefore, comparative figures are not applicable.
- Mr IC Westley became a KMP effective 1 November 2016; therefore, comparative figures are not applicable.
- Mr MJ O'Brien was formally a Non-Executive Director of the Company and was appointed Executive Director on the 28 April 2016. Mr O'Brien was subsequently appointed Managing Director of the Company on 1 July 2016.
- The Board has resolved to pay Mr MJ O'Brien's STI in two components - \$200,000 in cash and \$50,000 issue of EQT shares – subject to resolution at the 2017 AGM.
- Mr PD Gentry was appointed as KMP on 25 January 2016.
n/a Not applicable.

EQT Holdings Limited
ABN 22 607 797 615
Directors' Report

Former Executives' remuneration entitlements are displayed below:

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	Superannuation ²			Long Service Leave Accrual		
	\$	\$	\$	\$	\$	\$	\$	\$
Former Executives								
RE Bessemer, Chief Operations Officer ⁴								
2017	146,060	4,297	9,474	159,830	-	(17,170)	-	142,660
2016	280,593	10,099	19,308	310,000	40,000	6,234	(62,635)	293,599
RBO Burns, Managing Director ⁵								
2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2016	1,041,352	10,417	32,385		n/a	(45,672)	(156,824)	881,658
SF Clancy, Executive General Manager Human Resources, Marketing and Communications ⁶								
2017	271,001	2,765	12,904	286,670	-	(2,308)	-	284,362
2016	290,887	9,805	19,308	320,000	45,000	1,610	(34,907)	331,703
GR Rimmer, Executive General Manager Trustee & Wealth Services ⁷								
2017	316,736	-	19,834	336,570	-	(14,186)	-	322,384
2016	375,692	5,000	24,308	405,000	50,000	6,089	(80,514)	380,575
MG Walsh, Chief Risk Officer ⁸								
2017	402,843	-	35,000	437,843	-	(852)	-	436,991
2016	228,324	-	34,973	263,297	40,000	852	-	304,149

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 EPS criterion, an assessment is made of the likely achievement of performance hurdles over the three-year measurement period and the accounting cost is adjusted accordingly. Where an executive ceases employment during the year, there is a write-back of prior year EPS accounting costs which can result in a negative figure in the current year. A negative figure can also occur where the accounting estimate of the proportion of an EPS that will be earned is revised. For the TSR criterion the Accounting Standard requires that the accounting cost be spread over the measurement period regardless of the extent of achievement of the performance criterion. 100% of the accounting cost is charged against executive remuneration packages, even though the executive may receive a lesser award when measures are finalised. For TSR where a service criterion is not achieved the related accounting cost is written back to profit or loss.

4 Mr RE Bessemer departed as Chief Technology Officer on 2 December 2016.

5 Mr RBO Burns retired as Managing Director on 1 July 2016. The salary component of his remuneration includes a retirement payment of \$400,264 and \$50,813 of accumulated annual leave. The superannuation component includes \$13,077 SGC in relation to the retirement payment.

6 Ms SF Clancy departed as Executive General Manager, HR, Marketing & Communications on 10 October 2016. The salary component of her remuneration includes a redundancy payment of \$109,333.

7 Mr GR Rimmer departed as Executive General Manager Trustee & Wealth Services on 4 October 2016. The salary component of his remuneration includes a redundancy payment of \$92,396.

8 Mr MG Walsh departed as Chief Risk Officer on 9 June 2017. The salary component of his remuneration includes an in lieu of notice payment of \$102,795.
n/a Not applicable.

Summary – Non-Executive Directors Remuneration

Non-Executive Directors' fees are reviewed annually by the Remuneration, Human Resources and Nominations Committee (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, due to the scale and complexity of the Group.

Following a market review and changes to the Committee structure, some of the fees paid to Non-Executive Directors were changed effective 1 July 2016:

Board/Committee	Former Fee Effective 1 January 2015	New Fee Effective 1 July 2016
EQT Holdings Limited (Board)	\$180,000 (Chair) \$90,000 (Member)	No change No change
Board Risk Committee or Board Audit Committee ¹	\$30,000 (Chair) \$20,000 (Member)	\$15,000 (Chair) \$10,000 (Member)
The Remuneration Committee ²	\$10,000 (Chair) \$7,500 (Member)	\$15,000 (Chair) \$10,000 (Member)

1 The Audit and Compliance Committee was formerly a single Committee that dealt with both risk and compliance and audit matters. These responsibilities have now been divided between the Board Risk Committee and Board Audit Committee. Accordingly, the fees paid to members of these Committees have been changed to reflect the amended responsibilities.

2 The Remuneration, Human Resources and Nominations Committee has been adjusted to be consistent with other sub-Committees.

To ensure that independence and impartiality are maintained, Non-Executive Directors' remuneration consists of a fixed annual fee with no element of performance related pay. The following table discloses the Non-Executive Directors of EQT Holdings Limited during the year, together with their remuneration entitlements:

EQT Holdings Limited
ABN 22 607 797 615
Directors' Report

Directors	Short-term benefits			Post-employment benefits		Long-term employee benefits	Share-based payments	Total
Non-Executive Directors	Fee/salary \$	Bonus \$	Non-monetary ¹ \$	Superannuation ² \$	DRA ³ \$	\$	\$	\$
JA (Tony) Killen, Chairman								
2017	180,000	-	-	17,100	1,031	-	-	198,131
2016	180,000	-	-	17,100	849	-	-	197,949
AJM Williams								
2017	107,500	-	5,000	10,688	-	-	-	123,188
2016	102,500	-	5,000	10,212	-	-	-	117,712
JG Kennett								
2017	104,205	-	5,000	10,374	-	-	-	119,580
2016	92,500	-	5,000	9,263	-	-	-	106,763
AM O'Donnell								
2017	114,962	-	5,000	11,396	-	-	-	131,358
2016	112,500	-	5,000	11,163	-	-	-	128,663
KJ Eley								
2017	115,834	-	5,000	11,479	-	-	-	132,313
2016	107,490	-	5,000	18,910	-	-	-	131,400
DG Sedgwick								
2017	78,295	-	-	30,000	-	-	-	108,295
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
JR Minto								
2017	40,000	-	-	3,800	-	-	-	43,800
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
DF Groves ⁴								
2017	-	-	-	-	-	-	-	-
2016	54,200	-	2,500	17,213	1,321	n/a	n/a	75,234

- 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 3.9 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 Mr DF Groves retired as a Director on 14 December 2015. Mr Groves received a payment of \$121,667 in relation to his DRA in 2015/16. Mr Groves final DRA payment of \$28,886 was approved by Shareholders at the AGM on 28 October 2016 and paid during the 2016/17 financial year.

Remuneration Framework

Governance and Objectives

The role of the Remuneration Committee is to assist the Board of Directors of the Group in fulfilling its responsibilities regarding human resources matters generally, including remuneration, and to seek and nominate qualified candidates for election or appointment to the Group's Board of Directors.

The Remuneration Committee acts on behalf of the Board and Shareholders to provide Non-Executive oversight of the Company's remuneration and human resource policies and practices in the following areas:

Remuneration

- Reviews and recommends the Group's remuneration framework and policies to the Board to ensure effectiveness and compliance;
- Oversees superannuation arrangements of all employees and equity based remuneration plans; and
- Ensures remuneration information meets public disclosure requirements.

Human Resources

- Oversees and reviews the Group's human resource strategy;
- Oversees and reviews health and safety matters, as well as incidents and breaches of the Group's Code of Conduct; and
- Oversees and reviews the adequacy of the Group's training arrangements.

Nomination

- Reviews Board and Executive succession planning;
- Establishes the process for recruiting a new Director and the appointment and re-election of Directors;
- Ensures induction and continued professional development of Directors; and
- Develops and implements a process for evaluating the performance of the Board, its Committees, Directors and employees.

At the Remuneration Committee's invitation, the Managing Director and General Manager, Human Resources attend Committee meetings, except where matters associated with their own performance evaluation, development and remuneration are considered.

To assist in performing its duties and making recommendations to the Board, the Remuneration Committee seeks and considers advice from independent, external remuneration consultants on various remuneration related matters, where appropriate. No remuneration consultants were engaged in 2016/17.

Remuneration Policy

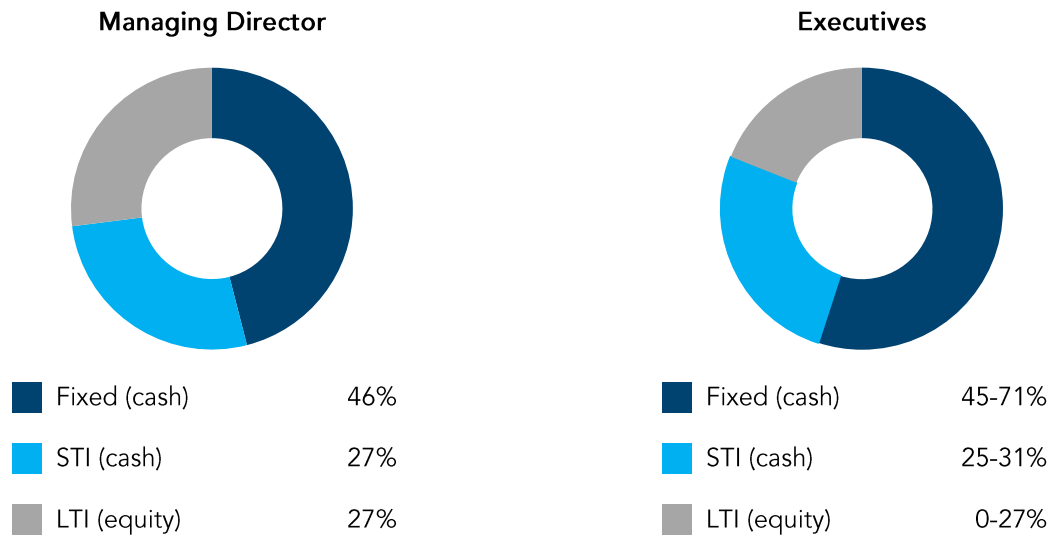
Unless otherwise stated in this section, reference to remuneration includes remuneration for Executives and the Managing Director. The Board's policy on Executive remuneration is designed to attract and retain high-calibre staff and to reward Executives for achieving financial and other business goals which, in turn, increases shareholder value.

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

Remuneration Strategy	
Align with EQT Holdings Limited's performance <ul style="list-style-type: none"> Assess rewards against short-term and long-term company targets Make short- and long-term components of remuneration 'at risk' Align rewards to building shareholder value Ensure appropriate focus on leadership, culture and compliance 	Attract and retain high calibre Executives <ul style="list-style-type: none"> Be market competitive with rewards and remuneration Continually review strategy and benchmark remuneration
Remuneration Components	
Fixed Total Employment Costs (TEC) <ul style="list-style-type: none"> Based on employee's level of responsibility, experience, skills and performance. Includes: <ul style="list-style-type: none"> Salary: fixed annual remuneration Non-monetary: eligible salary sacrifice items and Fringe Benefits Tax (FBT), where applicable Long term employee benefits: long service leave Post-employment: Superannuation Guarantee Charge (SGC) 	
Short-Term Incentives (STI) <ul style="list-style-type: none"> Annual 'at risk' component based on Company, business unit and individual performance. <ul style="list-style-type: none"> Maximum: The maximum opportunity for Executives is in the range of 40% to 60% Settlement: Normally paid as cash through the payroll system Remuneration Committee considers and recommends STI participation to the Board 	
Long-Term Incentive (LTI) <ul style="list-style-type: none"> Delivered in equity (shares) based on prescribed performance hurdles <ul style="list-style-type: none"> Range: 40% to 60% of TEC Remuneration Committee considers and recommends LTI participation to the Board Applied over three-year measurement period¹ Aligned to long-term growth strategy <ul style="list-style-type: none"> Total Shareholder Return (TSR) for Managing Director <ul style="list-style-type: none"> 50% vesting when 50th percentile achieved 100% vesting when 75th percentile achieved Earnings Per Share (EPS) for all participants (refer to <i>Executive Performance Share Plan</i> section for definition of EPS for LTI purposes) <ul style="list-style-type: none"> 25% vesting when 5% p.a. growth in EPS achieved over three years 100% vesting when 15% p.a. growth in EPS achieved over three years 	

¹ the TSR component may be re-tested after four years.

Executives continue to have a significant portion of their remuneration linked to performance and at risk. The diagrams below show the remuneration mix if maximum variable elements are achieved for the Managing Director and current Executives.



Company Performance and Reward

As outlined in the "Operating and Financial Review of the Group" section of the Director's Report, there was significant improvement (16.2%) in earnings (NPAT) from FY16 to FY17. While revenue growth has not completely replaced that revenue lost as part of the business changes during FY16, a significant management focus on efficiency and cost control as part of the group-wide operating model review, has resulted in a substantial uplift in bottom line earnings when compared to FY16. The improved bottom line performance is reflected in the Short-Term Incentives awarded to the Managing Director and Executives, as outlined the *Executive Short-Term Performance Incentives*.

The tables below provide summary information outlining the Group earnings and movements in shareholder value for the five years to 30 June 2017:

	30 June 2017 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2013 \$'000
Revenue	79,928	83,696	84,857	54,935	47,482
Net profit before tax	22,266	18,913	24,158	13,406	12,517
Net profit after tax	15,437	13,288	16,959	9,713	8,671

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Share price at start of year	\$16.44	\$20.39	\$20.98	\$14.90	\$11.06
Share price at end of year	\$17.71	\$16.44	\$20.39	\$20.98	\$14.90
Interim dividend ¹	35 cps	34 cps	46 cps	46 cps	42 cps
Final dividend ^{1,2}	36 cps	34 cps	48 cps	48 cps	50 cps
Total dividend	71 cps	68 cps	94 cps	94 cps	92 cps
Earnings per share ³	77.00	66.98 cps	87.80 cps	88.64 cps	87.58 cps
Reported earnings per share	77.00	66.98 cps	87.80 cps	88.64 cps	96.65 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 for each year.
3. Earnings per share figures for 2013 has been restated to reflect the Rights issue in April/May 2014.

Executive Remuneration Incentive Plans

Executive Short-Term Performance Incentives

At the beginning of each financial year, the Board agrees the balanced scorecard goals for Equity Trustees and each Business Unit for the coming year. The scorecard is considered 'balanced' because it includes a range of short-term financial and longer-term value measures. In FY17, these measures included Group and Business Unit (BU) profit before tax (PBT), expense control, employee engagement, service delivery, leadership and compliance. The weightings varied according to the specific responsibilities of the Executives.

Measure	Managing Director FY17 KPIs % Weighting	Revenue BU FY17 KPIs % Weighting	Support BU FY17 KPIs % Weighting
All			
Group PBT	50	30	30 – 50
Business Unit			
BU PBT	-	40	-
Expenses vs Budget	-	-	10 - 30
Staff Engagement	10	10	10
Service Delivery	-	-	10 - 30
Personal			
Leadership	5	10	10
Compliance	-	10	10
Mergers and Acquisitions	5	-	-
Strategy Development and Implementation	10	-	-
Board Support	5	-	-
Projects	15	-	-
	100%	100%	100%

These performance criteria were chosen to provide a suitable incentive for Executive performance for the benefit of shareholders and other stakeholders. Each criterion is given a threshold eligibility target for 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, the level of achievement. Short-term incentives are normally paid in cash through the payroll system.

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 assessed the performance of the Executives. The Remuneration Committee and the Board considered and approved these incentives. The outcome of each assessment is set out below.

Executives	TEC ¹ \$	STI opportunity \$	STI awarded \$	% of opportunity awarded %
MJ O'Brien	620,000	372,000	250,000 ²	67
MA Blair	290,000	116,000	60,000	52
PD Gentry	405,000	202,500	135,000	67
HH Kalman	420,000	252,000	195,000	77
SL Redenbach	240,000	96,000	65,000	68
IC Westley	350,000	157,500	60,000	38

1. TEC is current as at 30 June 2017.

2. The Board has resolved to pay the STI in two components: \$200,000 in cash and \$50,000 issued in EQT shares, subject to resolution at the 2017 AGM.

Executive Long-Term Performance Incentives

Long-term incentives (LTI) provide Executives with remuneration delivered in equity if conditions are met over a three-year period. LTI awards are granted annually, which provides ongoing benefits to Executives for increasing shareholder value and is a retention mechanism. The LTI awards (Awards) confer the right to acquire shares at no cost, subject to meeting prescribed performance hurdles. The accounting cost of long-term performance incentives is spread over the measurement (vesting) period. The maximum share-based long-term performance incentive for Executives is in the range of 40% to 60% of TEC. Further details regarding the long-term incentive scheme are in the *Executive Performance Share Plan* (the Plan) section below.

Link between profit outcomes and Executive remuneration

In accordance with the short-term incentive criteria, short-term incentives were earned by the Executives. Based on 2016/17 criteria, when compared to actual 2016/17 performance, approximately 64% (2016: 28%) of the maximum short-term incentive opportunity has been awarded to eligible Executives. Individual awards to Executives were in the range of 38% to 77% of maximum possible short-term incentives. In relation to the long-term incentive measurement criteria, as described in the *Executive Performance Share Plan* section below, the EPS and TSR criterion for the 2014/15 Series which ended on 30 June 2017 were not awarded as the EPS and TSR performance criteria were not met.

Executive Performance Share Plan

LTI awards (Awards) are offered to Executives under 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.

Key Terms and Conditions

- 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 Holdings shares (EQT) traded during the three-month period to 30 June of each year; and
 - The performance criteria are based on:
 - EPS for all participants, including the Managing Director;
 - TSR for the Managing Director only;
 - The Award for the Managing Director is weighted 50% to TSR and 50% to EPS; and
 - The criteria are selected as they are aligned to long-term growth in shareholder value.
-

EPS Terms

Series 2014/15

- EPS for Series 2014/15 is based on operating profit before tax, which may exclude approved non-operating items such as acquisition and integration expenses and approved adjustments for certain material share issues;
- The EPS is compared to the base year and a vesting scale applied to calculate earned entitlements:
 - The vesting scale for EPS Awards for Series 2014/15 was:
 - Growth in pre-tax operating EPS of 5% p.a. over the three-year measurement period achieves 15% of the available Award; or
 - Growth in pre-tax operating EPS of 25% p.a. over the three-year measurement period achieves 100% of the available Award.

Series 2015/16 and 2016/17

- EPS for Series 2015/16 and 2016/17 is the reported EPS as per the Group financial statements for the year immediately before the start of the series (i.e. 30 June 2015 and 2016 respectively);
 - The vesting scale for EPS Awards for Series 2015/16 and 2016/17 was:
 - Growth in reported EPS of 5% p.a. over the three-year measurement period achieves 25% of the available Award; or
 - Growth in reported EPS of 15% p.a. over the three-year measurement period achieves 100% of the available Award.

Vesting for EPS growth (for all active series) greater than 5% and less than 15% p.a. over the three-year measurement period is determined via interpolation. There is no fourth year EPS performance assessment, regardless of the outcome after the initial three-year period.

TSR Terms

The term of each Award series is a three-year period, with additional performance assessments during the fourth year, if applicable, for TSR criterion Awards. If there is no TSR criterion Award achieved after the initial three-year period, a fourth year measurement period is undertaken. If there is a partial achievement of a TSR criterion Award after the initial three-year period, there is no fourth year assessment.

Other Terms and Conditions

- 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 should 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 at the instigation of the recipient of up to 12 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 Group Securities Dealing Policy also makes reference to the ban on hedging or derivative techniques and applies to all Group employees.
-

EQT Holdings Limited
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Directors' Report

In accordance with the Plan, variations to the above features may apply, where approved by the Board. There were no alterations to terms or conditions of the 2016/17 Series.

For the 2014/15 Series EPS criterion which ended on 30 June 2017 no EQT shares were awarded and 62,903 EPS Awards were forfeited. For the 2014/15 Series TSR criterion 9,597 EQT shares were forfeited and none were awarded.

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

Award Series	Number at 30 June 2017	Grant date	Expiry date	Exercise price \$	Fair value at Grant date \$	Total maximum future accounting value of Grant ¹ \$
2016/17 Series TSR (MD only)	12,644	28/10/16	30/06/19	Nil	11.88	150,217
2016/17 Series EPS (MD only)	12,644	28/10/16	30/06/19	Nil	15.85	200,407
2016/17 Series EPS (Executives)	30,897	16/09/16	30/06/19	Nil	15.60	481,993
2015/16 Series	10,492	²	30/06/18	Nil	18.27	191,689
Totals						1,024,306

1. The minimum future accounting value of each Grant series is nil.

2. The Grant date for Executives was 27 August 2015 and for the Managing Director 27 November 2015.

The following is a summary of movements in Awards in respect of Executives:

	Balance of Awards at 1 July 2016	Awards granted as compens- -ation	Awards exercised into shares	Awards forfeited ¹	Balance of Awards at 30 June 2017	Awards vested & exercisable (excluding those already exercised)	Balance of Awards not vested at 30 June 2017 ²	Vested during 2017 year
2017	No.	No.	No.	No.	No.	No.	No.	No.
MJ O'Brien	-	25,288	-	-	25,288	-	25,288	-
MA Blair	-	-	-	-	-	-	-	-
PD Gentry	-	13,766	-	-	13,766	-	13,766	-
HH Kalman	19,541	17,131	(1,548)	(7,501)	27,623	-	27,623	-
SL Redenbach	-	-	-	-	-	-	-	-
IC Westley	-	-	-	-	-	-	-	-
Former Executives								
RBO Burns	5,283	-	(5,283)	-	-	-	-	-
GR Rimmer	21,113	17,131	(1,548)	(36,696)	-	-	-	-
RE Bessemer	13,342	8,593	(1,238)	(20,697)	-	-	-	-
SF Clancy	11,957	8,919	-	(20,876)	-	-	-	-
MG Walsh	5,890	8,919	-	(14,809)	-	-	-	-

1. The value of Awards forfeited for Executives during the year ended 30 June 2017 was \$359,936 for the 2014/15 Series, \$557,593 for the 2015/16 Series and \$679,567 for the 2016/17 Series.

2. The balance of Awards not vested at 30 June 2017 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.

EQT Holdings Limited
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Directors' Report

	Balance of Awards at 1 July 2015	Awards granted as compen- sation	Awards exercised into shares	Awards forfeited ¹	Balance of Awards at 30 June 2016	Awards vested & exercisable (excluding those already exercised)	Balance of Awards not vested at 30 June 2016 ²	Vested during 2016 year
2016	No.	No.	No.	No.	No.	No.	No.	No.
RBO Burns	60,751	17,119	(21,641)	(50,946)	5,283	(5,283)	-	5,283
T Ryan	24,810	-	(20,203)	(4,607)	-	-	-	10,739
HH Kalman	24,810	10,492	(9,464)	(6,297)	19,541	(1,548)	17,993	1,548
GR Rimmer	25,692	11,182	(9,464)	(6,297)	21,113	(1,548)	19,565	1,548
SF Clancy	6,067	5,890	-	-	11,957	-	11,957	-
RE Bessemer	19,772	5,706	(7,098)	(5,038)	13,342	(1,238)	12,104	1,238
MG Walsh	-	5,890	-	-	5,890	-	5,890	-
PD Gentry	-	-	-	-	-	-	-	-

1. The value of Awards forfeited for executives during the year ended 30 June 2016 was \$515,569 for the 2013/14 Series, \$520,285 for the 2014/15 Series and \$426,066 for the 2015/16 Series.
2. The balance of Awards not vested at 30 June 2016 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.

Employment agreements

The employment agreements for the Managing Director and Executives are ongoing, permanent full-time agreements that do not have a stipulated fixed term.

The designated notice period for the Managing Director is six months. For the Executives, the designated notice period ranges between four weeks and three months.

Remuneration Tables

Director and Executive equity holdings

Director and Executive relevant interests in fully paid ordinary shares of EQT Holdings Limited for the financial year are as follows:

	Balance at 1 Jul 2016	Received on exercise of share right	Net other change	Balance at 30 Jun 2017
2017	No.	No.	No.	No.
Directors				
JA (Tony) Killen	50,506	-	-	50,506
AJM Williams	4,490	-	2,649	7,139
JG Kennett	45,406	-	2,593	47,999
MJ O'Brien	11,000	-	-	11,000
AM O'Donnell	9,569	-	679	10,248
KJ Eley	112,813	-	2,450	115,263
DG Sedgwick	-	-	10,000	10,000
JR Minto	-	-	10,000	10,000
Executives				
MA Blair	1,000	-	56	1,056
PD Gentry	1,019	-	41	1,060
HH Kalman	38,957	1,548	(13,858)	26,647
SL Redenbach	-	-	-	-
IC Westley	1,234	-	56	1,290
Former Executives & Director				
GR Rimmer ¹	16,311	1,548	78	17,937
RBO Burns ¹	47,400	-	-	47,400
RE Bessemer ¹	8,687	1,238	-	9,925
SF Clancy ¹	-	-	-	-
MG Walsh ¹	-	-	-	-

1. The balance shown represents the number of shares held on the date that the Director or Executive ceased in that capacity.

There were no shares granted during the 2017 financial year as compensation.

EQT Holdings Limited
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Directors' Report

	Balance at 1 Jul 2015	Received on exercise of share right	Net other change	Balance at 30 Jun 2016
2016	No.	No.	No.	No.
Directors				
DF Groves ¹	380,046	-	115	380,161
KJ Eley	92,543	-	20,270	112,813
JG Kennett	37,337	-	8,069	45,406
JA (Tony) Killen	30,345	-	20,161	50,506
RBO Burns	24,759	21,641	1,000	47,400
MJ O'Brien	10,000	-	1,000	11,000
AM O'Donnell	7,546	-	2,023	9,569
AJM Williams	4,080	-	410	4,490
Executives				
HH Kalman	29,406	9,464	87	38,957
T Ryan ¹	28,418	20,203	-	48,621
GR Rimmer	6,578	9,464	269	16,311
RE Bessemer	1,589	7,098	-	8,687
SF Clancy	-	-	-	-
PD Gentry	-	-	1,019	1,019
MG Walsh	-	-	-	-

1. The balances shown for Mr Groves and Mr Ryan represent the number of shares held on the dates that they ceased to be a Director and Executive, respectively.

There were no shares granted during the 2016 financial year as compensation.

Additional Information

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, Company Secretary or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the coverage 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 of any related body corporate against a liability incurred as such a Director, Company Secretary, Officer or auditor.

Rounding-off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and, in accordance with the Corporations Instrument amounts in the Directors' Report and the Financial Statements, are rounded off to the nearest thousand dollars unless otherwise indicated.

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 12 to the Financial Statements.

Auditor's independence declaration

The auditors' independence declaration is included on page 34 of the Financial Report.

Licensed Trustees

Equity Trustees Limited and Equity Trustees Wealth Services Limited are 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 it acts as trustee, executor or agent, are not included in the Company's financial statement.

Equity Trustees Superannuation Limited is licensed under the *Corporations Act 2001* to provide superannuation trustee services. Assets and liabilities of superannuation funds for which it acts as trustee are not included in the Company's financial statement.

On behalf of the Directors



Mr JA (Tony) Killen
Chairman
Dated 25 August 2017

25 August 2017

The Board of Directors
EQT Holdings Limited
Level 1, 575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members


EQT Holdings 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 EQT Holdings Limited.

As lead audit partner for the audit of the financial statements of EQT Holdings Limited for the financial year ended 30 June 2017, 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



Neil Brown
Partner
Chartered Accountants

Directors' Declaration

EQT Holdings Limited
ABN 22 607 797 615

Directors' Declaration for the financial year ended 30 June 2017

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 JA (Tony) Killen OAM
Chairman
Dated 25 August 2017

Financial Report

for the Financial Year Ended 30 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the Financial Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Revenue	6	79,928	83,696
Expenses	7	(53,857)	(61,183)
Finance costs	8	(502)	(132)
Depreciation and amortisation	9	(3,303)	(3,468)
Profit before income tax expense		22,266	18,913
Income tax expense	10	(6,829)	(5,625)
Profit for the period		15,437	13,288
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Realised (gain)/loss on sale of available-for-sale investments		-	(238)
Increase/(decrease) from revaluation of available-for-sale investments		-	(96)
Income tax relating to items that may be reclassified subsequently		-	100
Total comprehensive income for the period		15,437	13,054
Profit for the period attributable to:			
Owners of the parent entity		15,437	13,288
Total comprehensive income attributable to:			
Owners of the parent entity		15,437	13,054
Earnings per share			
- Basic (cents per share)	29	77.00	66.98
- Diluted (cents per share)	29	76.90	66.47

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	37	40,328	48,723
Trade and other receivables	13	11,119	11,276
Accrued income and other current assets	14	6,828	5,556
Other financial assets	16	18,044	-
Total current assets		76,319	65,555
Non-current assets			
Trade and other receivables	15	555	1,825
Furniture, equipment and leasehold	17	4,861	1,463
Intangible assets	18	84,632	83,293
Goodwill	19	125,743	123,456
Total non-current assets		215,791	210,037
Total assets		292,110	275,592
Current liabilities			
Trade and other payables	20	2,511	978
Provisions	22	5,824	5,065
Borrowings	21	-	8,000
Other current liabilities	23	445	781
Current tax payable	10	1,353	224
Total current liabilities		10,133	15,048
Non-current liabilities			
Provisions	24	2,278	1,958
Borrowings	21	15,000	-
Other non-current liabilities	25	374	72
Deferred tax liabilities	10	19,077	17,760
Total non-current liabilities		36,729	19,790
Total liabilities		46,862	34,838
Net assets		245,248	240,754
Equity			
Issued capital	27	234,586	231,780
Other reserves	28	897	832
Retained earnings		9,765	8,142
Equity attributable to owners of the Company		245,248	240,754
Total equity		245,248	240,754

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the Financial Year Ended 30 June 2017

	Reserves				
	Fully paid ordinary shares \$'000	Investment revaluation \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Balance at 30 June 2015	227,652	234	11,249	1,892	241,027
Profit for the period	-	-	13,288	-	13,288
Decrease from revaluation of available-for-sale investments	-	(96)	-	-	(96)
Related income tax	-	29	-	-	29
Gain on sale of available-for-sale investments	-	(238)	-	-	(238)
Related income tax	-	71	-	-	71
Total comprehensive income for the period	-	(234)	13,288	-	13,054
Shares issued under employee salary sacrifice share plan	43	-	-	-	43
Shares issued under dividend reinvestment plan	3,067	-	-	-	3,067
Shares issued under employee share acquisition plan	226	-	-	(226)	-
Shares issued under executive share scheme	809	-	-	(809)	-
Share issue costs	(17)	-	-	-	(17)
Related income tax	-	-	-	-	-
Provision for executive share entitlements	-	-	-	(461)	(461)
Provision for employee share acquisition plan	-	-	-	286	286
Transfer to capital reserves	-	-	(150)	150	-
Payment of dividends	-	-	(16,245)	-	(16,245)
Balance at 30 June 2016	231,780	-	8,142	832	240,754
Profit for the period	-	-	15,437	-	15,437
Total comprehensive income for the period	-	-	15,437	-	15,437
Shares issued under employee salary sacrifice share plan	40	-	-	-	40
Shares issued under dividend reinvestment plan	2,438	-	-	-	2,438
Shares issued under employee share acquisition plan	207	-	-	(207)	-
Shares issued under executive share scheme	135	-	-	(135)	-
Share issue costs	(20)	-	-	-	(20)
Related income tax	6	-	-	-	6
Provision for executive share entitlements	-	-	-	300	300
Provision for employee share acquisition plan	-	-	-	107	107
Payment of dividends	-	-	(13,814)	-	(13,814)
Balance at 30 June 2017	234,586	-	9,765	897	245,248

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

CONSOLIDATED STATEMENT OF CASH FLOWS for the Financial Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Receipts from customers		84,711	94,590
Payments to suppliers and employees		(57,281)	(75,456)
Income tax paid		(4,951)	(7,135)
Net cash provided by operating activities	37 (b)	22,479	11,999
Cash flows from investing activities			
Payment for investment securities		(18,044)	-
Proceeds on sale of investment securities		-	15,547
Interest received		756	1,248
Payment for furniture, equipment and leasehold		(4,221)	(945)
Payment for intangible assets		(200)	(637)
Payment for shares in a subsidiary		(4,958)	-
Net cash provided by/(used in) investing activities		(26,667)	15,213
Cash flows from financing activities			
Proceeds from issues of equity securities		188	1,752
Proceeds from borrowings		7,000	8,000
Payment for share issue cost		(20)	(17)
Dividend paid to members of the parent entity (net of shares issued under dividend reinvestment plan)		(11,375)	(13,178)
Net cash provided by/(used in) financing activities		(4,207)	(3,443)
Net (decrease)/ increase in cash held		(8,395)	23,769
Cash and cash equivalents at beginning of financial year		48,723	24,954
Cash and cash equivalents at end of financial year	37 (a)	40,328	48,723

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

NOTES TO THE FINANCIAL STATEMENTS for the Financial Year Ended 30 June 2017

1. General information

EQT Holdings 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.

EQT Holdings Limited's registered office and its principal place of business is Level 1, 575 Bourke St, Melbourne, Victoria 3000, Australia. EQT Holdings Limited and its subsidiaries (refer note 33) are referred to as 'the Group' in the notes to the financial statements. The principal activities of the Group are described in note 35.

2. Application of new and revised Accounting Standards

2.1 Amendments to Australian Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new Accounting Standards, and amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB). These new Accounting Standards and amendments are mandatorily effective for accounting periods beginning on or after 1 July 2016, and are relevant for the current year end.

AASB 2015-9 <i>Amendments to Australian Accounting Standards – Scope and Application Paragraphs</i>	This Standard clarifies the application of AASB 8 <i>Operating Segments</i> , AASB 133 <i>Earnings Per Share</i> and AASB 1057 <i>Application of Australian Accounting Standards to certain types of entities</i> . Application of this Standard has no impact on the financial statements of the Group.
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	This Standard amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to clarify that the expected pattern of consumption of future economic benefits of an asset is the basis upon which depreciation and amortisation should be determined. The Standard clarifies that revenue based methods of calculating depreciation and amortisation are not appropriate. Application of this Standard has no impact on the financial statements of the Group.
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i>	This Standard makes amendments to a number of Australian Accounting Standards as part of the AASB's annual improvements project. Application of this Standard has no impact on the financial statements of the Group.
AASB 2015-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	This Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> , along with consequential amendments to AASB 7 <i>Financial Instruments: Disclosures</i> , AASB 134 <i>Interim Financial Reporting</i> and AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> to clarify the application of materiality to otherwise mandated note and accounting policy disclosures. These amendments permit the exclusion of some disclosures where their impact on the financial report is not material. The application of this Standard has been considered in the production of the Group's financial report, but has not resulted in material changes to disclosures.

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 that were issued but not yet effective. The Standards and Interpretations issued but not yet effective that are 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 , AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) , AASB 2014-1 Amendments to Australian Accounting Standards (Part E – Financial Instruments) , and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers , AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 , AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15 , and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	30 June 2019
AASB 16 Leases	1 January 2019	30 June 2020
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	30 June 2019
AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2017	30 June 2018

Impact of changes to Australian Accounting Standards and Interpretations

A number of Australian Accounting Standards and Interpretations are issued 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](#)

AASB 9 (issued 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 new requirements for general hedge accounting. A further revised version of AASB 9 was issued in December 2014 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.

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at either amortised cost or fair value. Specifically:

- Debt investments that are held within a business model whose objective is to collect 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 at the end of subsequent accounting periods;
- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI; and
- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under AASB 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

For measurement of financial liabilities designated as at fair value through profit or loss, AASB 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented 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. Under AASB 139 *Financial Instruments: Recognition and Measurement*, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

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 expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

The revised general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in AASB 139. Under AASB 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'.

Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

AASB 9 applies to annual periods beginning on or after 1 January 2018. Having reviewed the financial information of the Group, based on the current activities of the Group, the Group does not consider that the application of AASB 9 will have a material impact on the amounts reported as financial assets and financial liabilities in the Group financial statements.

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

AASB 15 contains prescriptive guidance to deal with specific revenue scenarios. Furthermore, extensive disclosures are required by AASB 15.

The Group's main sources of revenue arise through the provision of financial services to clients. These financial services include:

- traditional trustee services (incorporating estate executorship and administration services, as well as trust management and philanthropy services);
- estate planning;
- responsible entity services;
- superannuation trustee services; and
- investment management.

In accordance with the revenue recognition policies described in these financial statements, revenue is typically recognised as these services are delivered. Accordingly, the Directors' preliminary view is that the application of AASB 15 will have limited impact on the timing of revenue recognition and therefore the amounts recognised in the financial statements.

The Group is still in the process of assessing the full impact of the application of AASB 15 on the Group's financial statements. As a result, the above preliminary assessment is subject to change. The Group does not intend to early adopt the standard and intend to use the full retrospective method upon adoption.

AASB 16 Leases

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and related interpretations when it becomes effective.

AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability must be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, among others. Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

As at 30 June 2017, the Group has \$16,455,000 of non-cancellable operating lease commitments. AASB 117 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 31. A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all its leases, unless they qualify for low value or short-term leases upon the application of AASB 16. Accordingly, the application of AASB 16 is expected to have an impact on the amounts recognised in the Group financial statements.

The Group is currently reviewing the full impact of the application of AASB 16, and it is not practicable to provide a reasonable estimate of the full impact until the review is complete.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The Group does not anticipate that the application of these amendments will have a material impact on the Group's financial statements.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

AASB 2016-5 clarifies the treatment of vesting and non-vesting conditions for cash-settled share-based payments, net settlement features relating to employee tax obligations, and the correct process to account for modifications to share-based payments that result in changes in the nature of the arrangement from one which is cash-settled, to one which is equity-settled. The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The Group does not anticipate that the application of the amendments in the future will have a significant impact on the Group's financial statements.

AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

AASB 2017-2 amends AASB 12 *Disclosure of Interests in Other Entities*, to clarify the interaction of AASB 12 with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* to explain that disclosures under AASB 12 are required for interests in entities classified as held for sale or discontinued operations in accordance with AASB 5. The amendments apply to annual reporting periods beginning on or after 1 January 2017 on a retrospective basis. The Group does not anticipate that the application of the amendments will have a material impact on the Group's consolidated financial statements.

Other than as noted above, the future adoption of the various Australian Accounting Standards and Interpretations that are issued but not yet effective is not expected to have a material impact the Group's accounting policies. However, the future adoption of these pronouncements may 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 comprise 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 25 August 2017.

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 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 Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument* (Corporations Instrument), dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The principal accounting policies are set out below.

3.3 Basis of consolidation

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

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

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

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Australian Accounting Standards).

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 Payments* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree before 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. Further information regarding business combinations in the current year is contained within note 34.

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) 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. Further information regarding goodwill arising on business combinations during the current year is contained within note 19.

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.

Fee and commission income

Fee income comprises the main source of the Group's revenues. The Group earns revenue from a variety of services, including:

- **Trustee, management and service revenue**

The Group provides trustee, management, custody, administration and other services to managed schemes, superannuation funds, common funds, unit trusts, perpetual charitable trusts, estates and individual clients. These fees are calculated in accordance with the underlying commercial agreements in place and are recognised as the related services are performed.

- **Estate and administration revenue**

The Group provides traditional trustee services including estate administration to deceased estates. Revenue associated with these services is recognised as the related services are performed, on a percentage of completion basis.

Dividend, distribution and interest revenue

Dividend, distribution 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 and distribution 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.

Other income

The Group earns other types of income including fees for the provision of financial advice and the preparation of wills. Fees for other income types are recognised at the time the services are provided.

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 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to acquisition, construction or production of qualifying assets in which case the costs are capitalised.

3.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, bonus, 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 and closed to new participants 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 rates 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.

3.10 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: Long-term Incentive Awards (LTI) and the Employee Share Acquisition Plan (ESAP).

Fair value of the LTI 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 ESAP 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.

3.11 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 and other comprehensive income 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. EQT Holdings Limited is the head entity in the tax-consolidated group and the other members are identified in note 33. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

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

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.

3.12 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.

3.13 Furniture, computer hardware, equipment and leasehold improvements

Furniture, computer hardware, 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	2-10 years

3.14 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.

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 previously listed. 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. In 2017 there were no internally-generated intangible assets recognised (2016: none).

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 (for finite life intangibles) 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 3.15). 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	10 years

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

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

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

3.16 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.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group 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.

3.18 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 3.2. 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 and distributions on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive payments is established.

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.

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.

3.19 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 the revenue recognition policies.

Other financial liabilities

The financial liabilities of the Group are classified as other financial liabilities. 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.

3.20 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 judgments 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 judgments 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.

Impairment of goodwill, and indefinite life management rights and customer contract intangibles

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 2017 the carrying amount of goodwill is \$125,743,000 and \$79,882,000 for the management rights and customer contract intangibles (2016: \$123,456,000 goodwill and \$77,957,000 management rights and customer contract intangibles). No impairment has been identified (2016: nil).

Estate administration revenue

Revenue associated with estate administration activities is recognised using the percentage of completion method, which considers the stage of completion of each individual estate. The estate administration process is complex and includes a number of legal milestones that must occur until the point at which an estate is distributed to its beneficiaries. Judgment is required in determining the percentage of completion in accordance with the progress of the estate.

Intangible assets

The useful lives of intangible assets are reviewed at least 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. During 2017 no change has been made to the useful lives of intangible assets, as disclosed in note 3.14 (2016: no change).

Provisions

As referred to in note 3.16, 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 matters including employee benefit provisions. The aggregate value of current and non-current provisions at 30 June 2017 is \$8,102,000 (2016: \$7,023,000).

Income tax treatment

The ATO is undertaking a review of the tax treatment of an acquisition in the 2011 financial year in respect of the Group's ability to claim a right to future income deduction. The Group has received tax advice that the tax deduction is allowable and is of the opinion the tax deduction has been correctly calculated and claimed in the Group's income tax returns. However, the ultimate outcome of the ATO review is not yet known. Refer to note 32.

5. Changes in Accounting Policies and Restatement of Comparative Prior Information

Change in accounting policy – deferred tax measurement relating to indefinite life intangible assets

In November 2016, the IFRS Interpretations Committee issued its agenda decision related to the expected manner of recovery of indefinite life intangible assets. The Committee was asked to clarify how an entity determines the expected manner of recovery of an intangible asset with an indefinite useful life for deferred tax measurement purposes. The Committee indicated that the fact that an entity does not amortise an indefinite life intangible asset does not necessarily mean that the carrying amount will be recovered only through sale and not use. Therefore, the entity should determine the expected manner of recovery of the carrying amount of the intangible asset.

Previously the Group measured deferred tax liabilities relating to indefinite life intangible assets on the assumption of the tax consequences that would arise solely from the sale of the assets. Under its new policy, consideration is given to recovery of the carrying amount through use, as well as through sale. The Group has implemented this guidance on a retrospective basis as a change in accounting policy to AASB 112 Income Taxes.

The impact of these changes at 1 July 2015 and 30 June 2016 was to increase goodwill and deferred tax liabilities by \$21,437,000. These changes have been reflected in the Statement of Financial Position for both the current and prior period balances.

Restatement of comparative prior information

In the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the comparative amounts for expenses have been aggregated together, excluding finance costs, depreciation and amortisation, and disclosed as a single line item. In the prior period, this amount was disaggregated and disclosed separately by nature on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The disaggregated amounts of these expenses have been disclosed in note 7 to the financial statements.

Additionally, amounts separately disclosed as project expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the prior period, have been reallocated to their constituent components, classified by nature within note 7 to the financial statements. This has been done to facilitate greater comparability in the Group's financial performance between the current period and the prior period. This approach was first adopted in the interim financial statements for the period ending 31 December 2016.

6. Revenue

	2017 \$'000	2016 \$'000
The following is an analysis of the Group's revenue for the year:		
Revenue from service activities	78,593	82,459
Interest revenue	709	884
Distributions from managed investment scheme	59	115
Other income (expense recovery)	567	-
Gain on sale of available-for-sale investments	-	238
	1,335	1,237
Total revenue	79,928	83,696
The following is an analysis of investment revenue earned on financial assets by category of asset:		
Available-for-sale financial assets	59	650
Loans and receivables (including cash and bank balances)	709	587
Total investment income for financial assets not designated as at fair value through the profit or loss	768	1,237

7. Expenses

	2017 \$'000	2016 \$'000
The following is an analysis of the Group's expenses for the year:		
Employee benefits expenses	35,649	38,687
Other employment related expenses	2,661	4,068
Audit and tax advice expenses	1,076	927
Insurance expenses	671	622
Legal, consulting and regulatory expenses	2,862	4,823
Information technology expenses	3,861	4,287
Occupancy expenses	3,201	2,525
Other expenses	3,876	5,244
	53,857	61,183

8. Finance costs

The borrowing cost on the unsecured bank loan facility (refer note 21) for the year was \$502,000 (2016: \$132,000). No borrowing costs were capitalised (2016: nil).

9. Profit for the year

There is no profit or loss attributable to non-controlling interests (2016: nil).

	2017 \$'000	2016 \$'000
Profit for the year has been arrived at after crediting/(charging) the following gains and (losses):		
Gain from disposal of available-for-sale investments	-	238
Gain/(loss) on disposal of plant and equipment and software	(227)	(1,303)
	(227)	(1,065)
Profit for the year includes the following expenses:		
Depreciation and amortisation		
Depreciation of non-current assets	622	646
Amortisation of non-current assets	1,362	1,509
	1,984	2,155
Amortisation of management rights	1,319	1,313
	3,303	3,468
Operating lease rental expenses		
Minimum lease payments	2,720	2,088
Employee benefit expense		
Post-employment benefits:		
– Superannuation contributions	2,531	2,696
Share-based payments:		
– Equity-settled share-based payments	446	(133)
Other employee benefits	32,672	36,124
Total employee benefit expense	35,649	38,687

10. Income taxes

	2017 \$'000	2016 \$'000
Income tax expense comprises:		
Current income tax expense	7,113	5,739
Deferred tax expense relating to the origination and reversal of temporary differences	(284)	(143)
Deferred tax reclassified from equity to profit or loss	-	29
Total income tax expense	6,829	5,625
The income tax expense for the year can be reconciled to accounting profit as follows:		
Profit before tax from continuing operations	22,266	18,913
Income tax expense calculated at 30%	6,680	5,674
Non-deductible expenses	480	491
Non-assessable income	(331)	(540)
	6,829	5,625

The tax rate used in the above 2017 and 2016 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.

	2017 \$'000	2016 \$'000
Income tax expense/(credit) recognised directly in equity:		
Current tax		
Share issue expenses deductible over five years	(467)	(470)
Deferred tax		
Arising on transactions with equity participants:		
Share issue expenses deductible over five years	461	470
Total income tax recognised directly in equity	(6)	-
Income tax expense/(credit) recognised in other comprehensive income:		
Deferred tax		
Movement in revaluation of available-for-sale investments	-	(29)
Reclassification from equity to profit or loss		
Realised gain on sale of available-for-sale investments	-	(71)
	-	(100)
Current tax liabilities		
Income tax payable	1,353	224
Deferred tax balances are presented in the statement of financial position as follows:		
Deferred tax liabilities	(19,077)	(17,760)

	Opening balance \$'000	Charged to income \$'000	Charged to equity \$'000	Other \$'000	Closing balance \$'000
2017					
Temporary differences					
Provisions	2,352	(15)	-	-	2,337
Expenditure deductible over five years	1,370	(186)	(459)	-	725
Property, plant and equipment	(45)	(222)	-	-	(267)
Intangible assets	(21,437)	139	-	(574)	(21,872)
	(17,760)	(284)	(459)	(574)	(19,077)
2016					
Temporary differences					
Provisions	2,680	(328)	-	-	2,352
Expenditure deductible over five years	1,832	8	(470)	-	1,370
Property, plant and equipment	(60)	15	-	-	(45)
Intangible assets	(21,615)	178	-	-	(21,437)
Available-for-sale investments	(100)	29	71	-	-
	(17,263)	(98)	(399)	-	(17,760)

The Group has no unrecognised deferred tax balances.

Tax consolidation

For information regarding tax consolidation, tax funding and tax sharing arrangements refer to note 3.11.

11. Key management personnel remuneration

	2017 \$'000	2016 \$'000
The aggregate compensation made to key management personnel of the Company and the Group is set out below:		
Short-term employee benefits	3,810	3,994
Post-employment benefits (Superannuation)	201	317
Other long-term benefits	-	(12)
Share awards	312	(359)
	4,323	3,940

Full details of the remuneration of key management personnel for the year ended 30 June 2017 are outlined in the Directors' Report.

The share awards of key management personnel for the year ended 30 June 2017 are outlined in the Directors' Report.

12. Auditor's remuneration

	2017 \$'000	2016 \$'000
Auditors – Deloitte Touche Tohmatsu		
Corporate entities		
Audit & Assurance Services		
Audit and review of the consolidated financial statements	286	286
Audit services in accordance with regulatory requirements	65	93
Other assurance services	-	-
	351	379
Other Services		
Tax compliance services in respect of Group corporate entities	10	10
Other services	434	356
Total remuneration for corporate entities	795	745

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.

13. Current trade and other receivables

	2017 \$'000	2016 \$'000
Trade receivables	6,291	7,230
Allowance for doubtful debts	(26)	(34)
Other	4,854	4,080
	11,119	11,276

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 whether the client has funds deposited with the Group from which the Group is permitted to withdraw payment of its fees. Included within the Group's trade receivable balance are debtors with a carrying amount of \$1,248,000 (2016: \$1,099,000) 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, managed scheme distributions and interest receivable. These receivables are with Australian banks, Australian managed investment schemes and client accounts administered by the Group. These amounts are all considered recoverable.

	2017 \$'000	2016 \$'000
Trade receivables ageing of past due but not impaired		
Under 30 days	1,027	779
30-60 days	143	148
Over 60 days	78	172
	1,248	1,099

	2017 \$'000	2016 \$'000
Movement in the allowance for doubtful debts		
Balance at beginning of the year	(34)	(14)
Impairment losses recognised on trade receivables	(67)	(87)
Amounts written-off as uncollectible	5	33
Impairment losses reversed	70	34
Balance at end of year	(26)	(34)

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.

14. Accrued income and other current assets

	2017 \$'000	2016 \$'000
Prepayments	1,322	1,437
Accrued income	5,506	4,119
	6,828	5,556

15. Non-current trade and other receivables

	2017 \$'000	2016 \$'000
Corpus commission earned but not collected	108	108
Other receivables	447	1,717
	555	1,825

16. Other financial assets

	2017 \$'000	2016 \$'000
Available-for-sale investments carried at fair value:		
Managed investments schemes	18,044	-
Total	18,044	-

At 30 June 2017 the Group held an investment in the Mutual (Cash) Common Fund M1, which is a cash fund managed by the Group (2016: none). The investment is held to allow the Group to obtain a reasonable rate of return on capital.

17. Furniture, equipment and leasehold

	Computer hardware & equipment at cost \$'000	Leasehold improvement at cost \$'000	Office furniture & equipment at cost \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2015	2,458	1,290	918	4,666
Additions	818	1	98	917
Disposals	-	-	(43)	(43)
Balance at 30 June 2016	3,276	1,291	973	5,540
Additions	113	3,899	209	4,221
Disposals	(1,034)	(1,291)	(730)	(3,055)
Balance at 30 June 2017	2,355	3,899	452	6,706
Accumulated depreciation/amortisation and impairment				
Balance at 1 July 2015	1,695	1,102	677	3,474
Disposals	-	-	(43)	(43)
Depreciation expense	464	99	83	646
Balance at 30 June 2016	2,159	1,201	717	4,077
Disposals	(1,026)	(1,249)	(579)	(2,854)
Depreciation expense	439	100	83	622
Balance at 30 June 2017	1,572	52	221	1,845
Net book value				
As at 30 June 2016	1,117	90	256	1,463
As at 30 June 2017	783	3,847	231	4,861

	2017 \$'000	2016 \$'000
Aggregate depreciation recognised as an expense during the year		
Computer hardware and equipment	439	464
Leasehold improvements	100	99
Office furniture and equipment	83	83
	622	646

No depreciation was capitalised.

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

18. Intangible assets

	Computer Software \$'000	Leasehold makegood \$'000	Management rights \$'000	Total \$'000
Gross carrying amount				
Balance at 1 July 2015	11,845	234	82,024	94,103
Additions	665	-	-	665
Disposals	(1,938)	-	-	(1,938)
Balance at 30 June 2016	10,572	234	82,024	92,830
Additions	36	753	3,244	4,033
Disposals	(1,045)	(234)	-	(1,279)
Balance at 30 June 2017	9,563	753	85,268	95,584
Accumulated amortisation and impairment				
Balance at 1 July 2015	4,424	172	2,754	7,350
Disposals	(635)	-	-	(635)
Amortisation expense	1,482	27	1,313	2,822
Balance at 30 June 2016	5,271	199	4,067	9,537
Disposals	(1,043)	(223)	-	(1,266)
Amortisation expense	1,275	87	1,319	2,681
Balance at 30 June 2017	5,503	63	5,386	10,952
Net book value				
As at 30 June 2016	5,301	35	77,957	83,293
As at 30 June 2017	4,060	690	79,882	84,632

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.

	2017 \$'000	2016 \$'000
Indefinite life	72,843	70,930
Fixed life	7,039	7,027
	79,882	77,957

The indefinite and fixed life intangibles in the above table have been allocated for impairment testing purposes to the Trustee & Wealth Services (TWS) cash-generating unit. Details of the TWS cash-generating unit, the value-in-use calculation of the recoverable amount and key assumptions are contained in note 19.

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 regulatory 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.

19. Goodwill

	2017 \$'000	2016 \$'000
Cost	125,743	123,456
Accumulated impairment losses	-	-
	125,743	123,456
Balance at beginning of the financial year	123,456	123,456
Amounts recognised during the year	2,287	-
Balance at end of the financial year	125,743	123,456

There are no accumulated impairment losses (2016: nil).

During the financial year the Group assessed the recoverable amount of goodwill and determined that no impairment had occurred (2016: nil).

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units (CGUs):

- Corporate Trustee Services (CTS)
- Trustee & Wealth Services (TWS)

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

	2017 \$'000	2016 \$'000
Corporate Trustee Services	3,680	3,680
Trustee & Wealth Services	122,063	119,776
	125,743	123,456

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 of 2%. These cash flows are discounted using a pre-tax rate of 10.16% (2016: 10.16%). 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. These assumptions are evaluated each year to ensure their ongoing appropriateness.

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 of 2.5%. These cash flows are discounted using a pre-tax rate of 10.16% (2016: 10.16%). 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. These assumptions are evaluated each year to ensure their ongoing appropriateness.

Sensitivity to changes in key assumptions

Both CTS and TWS have been assessed as having no impairment in the current and prior years. The Group has evaluated the sensitivity of CGU recoverable amounts, and the related headroom over the carrying value of CGU assets, to consider reasonably possible changes in key assumptions. The following changes to headroom are reasonably possible, while holding all other assumptions constant:

- a 50 basis point increase in the pre-tax discount rate results in a reduction in headroom for CTS of \$20,300,000, and TWS of \$34,700,000, and does not result in an impairment to the carrying value of assets;
- a 50 basis point decrease in terminal growth rates results in a reduction in headroom for CTS of \$17,100,000 and TWS of \$29,800,000, and does not result in an impairment to the carrying value of assets;
- a 100 basis point reduction in revenue growth rates results in a reduction in headroom for CTS of \$13,400,000 and TWS of \$33,700,000, and does not result in an impairment to the carrying value of assets.

The combined effect of the above reasonably possible changes results in a further reduction of headroom, but does not result in the carrying amount of either CGU exceeding its recoverable amount.

20. Current trade and other payables

	2017 \$'000	2016 \$'000
Trade payables	1,858	267
Goods and services tax payable	394	428
Other	259	283
	2,511	978

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.

21. Borrowings

	2017 \$'000	2015 \$'000
Unsecured at amortised cost		
Current liabilities		
Loan from ANZ	-	8,000
Non-current liabilities		
Loan from ANZ	15,000	-
	15,000	8,000

On 22 December 2016, EQT Holdings Limited obtained a new unsecured bank loan facility of \$30,000,000 with Australia and New Zealand Banking Group Limited. The drawn down loan amounts bear interest at variable market rates and are repayable at the end at the term of the facility. As at 30 June 2017 the amount drawn down from this facility was \$15,000,000 (2016: \$8,000,000). The weighted average effective interest rate on the drawn down loans is 3.2% per annum (2016: 3.2%). The undrawn amount incurs a fixed charge. The loan facility has a term of two years. The Group's committed loan facility for 2016 totalled \$20,000,000.

22. Current provisions

	Employee benefits (note 26) \$'000	Other \$'000	Total \$'000
Balance at 1 July 2016	3,885	1,180	5,065
Additional provisions recognised	4,211	795	5,006
Decrease arising from payments	(1,376)	(1,180)	(2,556)
Other movements	(1,691)	-	1,691
Balance at 30 June 2017	5,029	795	5,824

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

23. Other current liabilities

	2017 \$'000	2016 \$'000
At amortised cost		
Corpus commission collected but not earned	15	15
Other	430	766
	445	781

24. Non-current provisions

	Make good \$'000	Employee benefits (note 26) \$'000	Total \$'000
Balance at 1 July 2016	234	1,724	1,958
Other movements	539	(219)	320
Balance at 30 June 2017	773	1,505	2,278

The make good 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 make good its leased premises at the end of the leases.

25. Other non-current liabilities

	2017 \$'000	2016 \$'000
Lease related liabilities	339	37
Corpus commission collected but not earned	35	35
	374	72

26. Employee benefits

The aggregate employee benefits liability recognised and included in the financial statements is as follows:	2017 \$'000	2016 \$'000
Provision for employee benefits		
Current (note 22)		
Annual leave	1,893	2,043
Long service leave	243	248
Bonus	2,835	1,508
Directors' Retiring Allowance	58	86
	5,029	3,885
Non-current (note 24)		
Long service leave	1,505	1,724
	6,534	5,609

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

27. Issued capital

	2017 \$'000	2016 \$'000
20,124,887 fully paid ordinary shares (2016: 19,958,965)	234,586	231,780

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.

		2017		2016
Fully paid ordinary shares	No. '000	\$'000	No. '000	\$'000
Balance at beginning of financial year	19,959	231,780	19,694	227,652
Shares issued under employee share scheme	12	207	10	226
Shares issued under executive share scheme	11	135	75	809
Shares issued under employee salary sacrifice	2	40	2	43
Shares issued under dividend reinvestment plan	141	2,438	178	3,067
Share issue costs net of tax	-	(14)	-	(17)
Balance at end of financial year	20,125	234,586	19,959	231,780

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

Share awards

In accordance with the provisions of the EQT Holdings Limited Executive Performance Share Plan 1999 (the Plan), as at 30 June 2017, eligible executives have share entitlements more than 66,678 ordinary shares (2016: 67,509), in aggregate. Further details of the Plan are contained in the remuneration report within the Directors' Report.

28. Other reserves

	Employee equity-settled benefits reserve \$'000	Capital reserve \$'000	Total \$'000
Balance at 1 July 2016	482	350	832
Shares issued	(342)	-	(342)
Movement in provision	407	-	407
Balance at 30 June 2017	547	350	897

Employee equity-settled benefits reserve

The employee equity-settled benefits reserve arises on the granting of share entitlements to eligible employees under the EQT Holdings 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 \$200,000 provided for ESAP in 2017 (2016: \$300,000).

Capital reserve

Entities within the Group are holding capital reserves in relation to their Registrable Superannuation Entity (RSE) licence requirements. These capital reserves are an interim measure until the Superannuation Funds that these entities act as RSE for have fully established their Operational Risk Financial Requirement reserves.

29. Earnings per share

Earnings per share	2017 Cents per share	2016 Cents per share
Basic earnings per share	77.00	66.98
Diluted earnings per share	76.90	66.47

Basic earnings per share	2017 \$'000	2016 \$'000
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings	15,437	13,288

	2017 No. '000	2016 No. '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	20,046	19,838

Diluted earnings per share	2017 \$'000	2016 \$'000
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:		
Earnings	15,437	13,288

	2017 No. '000	2016 No. '000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	20,072	19,991

There were no discontinued operations (2016: 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:	2017 No. '000	2016 No. '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	20,046	19,838
Shares deemed to be issued for no consideration in respect of employee share entitlements	26	153
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	20,072	19,991

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

30. Dividends

Fully paid ordinary shares	Date of payment	Cents per share	Total \$'000
Recognised amounts			
2017			
Final 2016 dividend (fully franked)	14 October 2016	34	6,794
Interim 2017 dividend (fully franked)	31 March 2017	35	7,020
Total amount		69	13,814
2016			
Final 2015 dividend (fully franked)	16 October 2015	48	9,494
Interim 2016 dividend (fully franked)	15 April 2016	34	6,751
Total amount		82	16,245
Fully paid ordinary shares			
Unrecognised amounts			
Final 2017 dividend (fully franked)	20 September 2017	36	7,245

	2017 \$'000	2016 \$'000
Franking account balance at 1 July	5,448	5,267
Tax paid	4,951	7,135
Franking credits received	-	8
Franking credits attached to interim and final dividends	(5,920)	(6,962)
Franking account balance at 30 June	4,479	5,448
Franking credits that will arise from income tax payable at reporting date	1,353	224
Franking credits to be attached to dividends declared but not recognised	(3,105)	(2,910)
Adjusted franking account balance	2,727	2,762

31. Commitments for expenditure

Capital expenditure commitments

	2017 \$'000	2016 \$'000
Intangible assets		
Not longer than one year	-	16
Plant and equipment		
Not longer than one year	2,537	8

Operating lease commitments

The Group has operating leases relating to leases of office premises with lease terms of between four to ten years. The leases are subject to annual rent reviews.

The Group has a number of equipment leases with expiry dates occurring in 2018 to 2019. These leases have minimum monthly lease payments.

Non-cancellable operating lease payments

	2017 \$'000	2016 \$'000
Not longer than one year	1,858	1,569
Longer than one year and not longer than five years	8,190	334
Longer than five years	6,407	-
	16,455	1,903

The Group has no onerous lease contracts.

There are no non-cancellable operating sub-leases (2016: no non-cancellable operating sub-leases).

32. Contingent liabilities and assets

As set out in note 4, the ATO is undertaking a review of the tax treatment of an acquisition made by the Group during the 2011 financial year that gave rise to a right to future income deduction. The Group has received tax advice that the tax deduction is allowable, and accordingly was, and remains of the opinion that the tax deduction has been correctly calculated and claimed. At the date of this report, the ATO review is still in progress. The possible obligation to the ATO that could eventuate if the Group is unsuccessful at defending the deduction is a maximum of approximately \$2,100,000.

No amounts are recognised in these financial statements in relation to the disputed amount, as the Group is of the view that this amount will not ultimately be payable.

Apart from the above, there are no contingent liabilities (2016: nil).

There are no contingent assets (2016: nil).

33. Subsidiaries

Name of entity	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			2017	2016
Parent entity				
EQT Holdings Limited	Holding company	Australia		
Subsidiaries				
Equity Trustees Limited	Financial services	Australia	100%	100%
Equity Trustees Wealth Services Limited	Financial services	Australia	100%	100%
Equity Trustees Superannuation Limited	Financial services	Australia	100%	100%
EQT Aged Care Services Pty Ltd	Aged care services	Australia	100%	100%
EQT Services Pty Limited	Corporate services	Australia	100%	100%
EQT Legal Services Pty Limited	Incorporated legal practice	Australia	100%	100%
Non-trading subsidiaries				
Equity Investment Management Limited	Non-trading	Australia	100%	100%
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%
EQT Australia Pty Limited	Non-trading	Australia	100%	100%
Apex Super Limited	Non-trading	Australia	100%	100%
Simple Wrap Pty Ltd	Non-trading	Australia	100%	100%

Effective 14 December 2015, EQT Holdings Limited became the parent company of Equity Trustees Limited under a Scheme of Arrangement and became the ultimate parent entity of the Group and the entity listed on the Australian Securities Exchange.

EQT Holdings 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 companies	
		2017	2016
Holding Company	Australia	1	1
Financial services	Australia	3	3
Superannuation administration	Australia	0	1
Aged care services	Australia	1	1
Corporate services	Australia	1	1
Incorporated legal practice	Australia	1	1
Non-trading	Australia	9	8

Significant restrictions

The Company has no significant restrictions (2016: no significant restrictions)

34. Business combinations

Acquisition of businesses

Year ended 30 June 2017

On 31 March 2017, the Group acquired the Sandhurst Trustees Limited estates and trusts business (estates and trusts business) from Bendigo and Adelaide Bank Limited (BEN). The acquisition has a strategic fit with the Company's existing trustee business.

	2017 \$'000	2016 \$'000
Consideration		
Cash	4,958	-

Acquisition related costs incurred in the current year were \$100,000 (2016: nil).

	2017 \$'000	2016 \$'000
Assets acquired and liabilities assumed at the date of acquisition		
Current assets		
Cash and cash equivalents	-	-
Other current assets	-	-
Non-current assets		
Intangible assets	3,244	-
Other financial assets	-	-
Liabilities		
Employee provisions	-	-
Provisions	-	-
Deferred tax liabilities	(574)	-
	2,670	-

For the current financial year there were no trade receivables acquired or contractual cash flows not expected to be collected (2016: nil).

	2017 \$'000	2016 \$'000
Goodwill arising on acquisition		
Consideration	4,958	-
Less fair value of identifiable net assets acquired	2,670	-
Goodwill arising on consolidation	2,288	-

Goodwill arose in relation to the acquisition of the estates and trusts business as the consideration paid includes amounts in relation to the benefit of expected synergies, revenue growth including from the acquired Will Bank and future market developments (2016: no goodwill acquired).

	2017 \$'000	2016 \$'000
Net cash outflow arising on acquisition		
Consideration paid in cash	4,958	-
Less cash and cash equivalent balances acquired	-	-
	4,958	-

Impact of acquisition on the results of the Group

For the current financial year, the amount included in the profit after tax for the year attributable to the Sandhurst Trustees Limited estates and trusts business is \$72,000; revenue for the year included \$395,000 in respect of the Sandhurst Trustees Limited estates and trusts business (2016: nil).

Year ended 30 June 2016

No acquisitions

35. 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

Provides a range of Private Client, Philanthropic and Superannuation services including estate planning and management; charitable, compensation, community and personal trust services; wealth management and advice.

Corporate Trustee Services

Provides a range of Responsible Entity (RE) and trustee services for managed investment trusts on behalf of local and international fund managers and sponsors, as well as specialised trustee services for corporates and structured multi-party transactions.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. There were no discontinued operations (2016: nil).

Segment revenue	2017 \$'000	2016 \$'000
Trustee & Wealth Services	53,780	58,342
Corporate Trustee Services	25,057	24,117
	78,837	82,459
Unallocated	1,091	1,237
Total revenue per statement of profit or loss	79,928	83,696

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (2016: nil).

No single customer accounts for 10% or more of the Group's revenue.

Segment net profit before tax	2017 \$'000	2016 \$'000
Trustee & Wealth Services	12,379	14,235
Corporate Trustee Services	12,095	11,266
	24,474	25,501
Unallocated	(2,208)	(6,588)
Total net profit before tax per statement of profit or loss	22,266	18,913

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 non-operating expenditure (including projects and acquisition related expenditure) or income tax. This is the measure used by the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Revenue by product and service	2017 \$'000	2016 \$'000
Trustee & Wealth Services	53,780	58,342
Corporate Trustee Services	25,057	24,117
	78,837	82,459

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

Geographic segment

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

36. Related party disclosures

Parent entity

The parent entity, ultimate Australian parent entity and ultimate parent entity is EQT Holdings Limited.

Effective 14 December 2015, EQT Holdings Limited became the parent company of Equity Trustees Limited under a Scheme of Arrangement and became the ultimate parent entity of the Group and the entity listed on the Australian Securities Exchange.

Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 33 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 11 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 2017 (2016: nil).

(c) Director and key management personnel equity holdings

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

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

Details of entitlements to EQT Holdings Limited shares issued under the *Executive Performance Share Plan 1999* are disclosed in the Directors' Report.

(e) Vested share 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 a subsidiary acts as responsible entity. These investments are made at arm's 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 arm's length and in the ordinary course of business except that 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 a Group subsidiary 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 subsidiary 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 a Group subsidiary 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 subsidiary 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 (2016: 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 has an interest free intercompany account with its subsidiary Equity Trustees Limited. The amount owed by the Company to this subsidiary at 30 June 2017 was \$3,545,000 (2016: \$4,682,000). The Company did not have amounts owing to it or by it with any of its other subsidiaries at year end (2016: nil).

The Company and its controlled entities have entered into a tax sharing arrangement, as disclosed in note 3.11. All transactions between the Company and its controlled entities took place on normal commercial terms and conditions.

Investments in managed investment schemes

As at 30 June 2017, the Group had investments in managed investment schemes where a controlled entity acts as responsible entity, these investments were on an arm's length basis (2016: the Group did not have any investments in managed investment schemes where a controlled entity acts as responsible entity). Apart from the above, there were no other transactions with related parties.

37. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

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

	2017 \$'000	2016 \$'000
Cash and cash equivalents	40,328	48,723

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

	2017 \$'000	2015 \$'000
Profit for the period	15,437	13,288
Income tax expense recognised in profit or loss	6,829	5,625
(Profit)/loss on sale of investments	-	(238)
Depreciation and amortisation of non-current assets	1,921	2,155
Amortisation of management rights	1,319	1,313
(Profit)/loss on sale of plant and equipment	227	1,303
Equity-settled share-based payments	446	(133)
Interest income received and receivable	(768)	(884)
Dividends received and receivable	-	(115)
	25,411	22,314
Movements in working capital		
(Increase)/decrease in trade and other receivables	1,440	(7,197)
(Increase)/decrease in other assets	(1,272)	6,629
Increase/(decrease) in trade and other payables	1,533	(675)
Increase/(decrease) in other provisions	318	(1,937)
Cash generated from operations	27,430	19,134
Income taxes paid	(4,951)	(7,135)
Net cash generated by operating activities	22,479	11,999

(c) Non-cash financing activities

Non-cash financing activities during the year were dividend reinvestments of \$2,438,000 (2016: \$3,067,000) and employee salary sacrifice share issues \$40,000 (2016: \$43,000).

38. 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 (2016: nil).

39. Financial instruments

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue on a going concern basis while balancing the achievement of shareholder returns with prudential management of resources, achieving its long-term strategy and meeting the financial requirements imposed by regulatory authorities and maintaining financial covenants required by lenders.

Entities in the Group hold Australian Financial Services Licences (AFSL) and Registrable Superannuation Entity (RSE) Licences. The licence-holding entities are subject to regulatory financial requirements in relation to their AFSLs and RSEs. The Group is subject to financial covenants in relation to its borrowings. Apart from the foregoing, there are no other externally imposed capital requirements for the Group. The Group has met its regulatory financial requirements and debt covenants throughout the 2017 year, and the 2016 year.

For the 2017 financial year, the AFSL-licensed entities are required to hold Net Tangible Assets (NTA) requirements in accordance with the conditions applying under their individual AFSLs. The Group continuously monitors each AFSL licensed entity, and has ensured that each entity has sufficient NTA to meet its individual NTA requirements. In 2016, ASIC provided relief in relation to the AFSL NTA financial requirements to allow these NTA requirements for the AFSL holding entities to be met on a group basis, with a minimum group NTA of \$32m required. This relief applied for the period from 1 July 2015 until 31 December 2015 and again for the period 1 January 2016 to 30 June 2016. The relief ended on 30 June 2016.

During the 2016 financial year, a Holding Company (EQT Holdings Limited) which does not hold any regulatory licences became the ultimate parent entity and the entity listed on the Australian Securities Exchange. This restructure has provided more efficient capital usage, licensing and business structures, and greater flexibility in relation to funding of the Group's activities. It has enabled the Group to take on a modest level of debt as part of its capital management strategy. Further changes to the organisation of the Group structure during 2017 have facilitated additional efficiencies in capital management within the Group.

As at 30 June 2017, the gearing percentage (debt to equity) was 6.1% (2016: 3.3% debt to equity ratio).

The Group's policy is to fund its normal activities from operating cash flows. Any substantial requirements such as a major business acquisition will be funded using a suitable mix of accumulated surplus operating cash flows, debt facilities, and equity funding raised through the issue of ordinary shares in the listed Holding Company, EQT Holdings Limited. This policy is regularly 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 AFSs and RSE licence, and achieving shareholder returns.

(b) Significant accounting policies

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

(c) Categories of financial instruments

	2017 \$'000	2016 \$'000
Financial assets		
Cash and cash equivalents	40,328	48,723
Loans and receivables – trade receivables	6,265	7,196
Available-for-sale financial assets – cash/fund	18,044	-
	64,637	55,919
Financial liabilities		
Amortised at cost – trade payables	1,858	267
Amortised at cost – borrowings	15,000	8,000
	16,858	8,267

During the 2017 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 (2016: nil). No financial assets have been pledged as collateral for either liabilities or contingent liabilities (2016: nil). No assets are held as collateral (2016: nil).

(d) Financial risk management objectives

The Group's main financial instrument risk exposures relate to market risk (including interest rate risk), credit risk, and liquidity risk. The Group manages 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, and Board Audit Committee oversees the Group's Corporate Governance Framework.

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 Management Audit Risk and Compliance Committee (MARCC), Due Diligence Committee (DDC) and a Management Investment Committee (MIC). The MARCC reviews audit, risk and compliance issues across the business, with the other committees, DDC and MIC, having a more specialised focus. The DDC reviews new business proposals including the risks associated with counter parties. The MIC responsibilities include reviewing and managing the Group's investment portfolio and its associated financial risks.

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

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group's investment policy is to hold financial instruments for the long-term to support capital and NTA requirements. The asset allocation of the portfolio is conservative and complies with AFSL requirements. The AFSL requirements include holding NTA 50% in cash or cash equivalents and 100% in liquid assets. The Group does not use hedging to manage its financial risks.

(e) Market risk management

The Group's primary exposure in relation to financial instruments is interest rate risk. The exposure primarily arises in relation to the Group's investment portfolio (held to support NTA requirements) and borrowings. For the year ended 30 June 2017 and prior years, the Group had no exposure to foreign currency risk in relation to its financial instruments. The Group does not use derivatives to manage market risks, as executive management do not believe these risks currently warrant the use of derivatives due to their nature and relative low level of risk.

The Group's market risks in relation to financial instruments are managed by executive management and the MARCC. The MIC provides guidance regarding the management of the investment portfolio. There has been no significant change from the previous period to the Group's exposure to market risk or the manner in which these risks are managed and measured, except that the Group now has a modest level of borrowings and has put financial risk management processes in place for these borrowings.

(f) Interest rate risk management

The Group is exposed to interest rate risk in relation to its financial instruments as funds are invested at variable interest rates. The Group's borrowings are at fixed interest rates. The Group has a policy of placing interest bearing investments with Australian banks and other counter-parties with strong 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 and other counter-parties that meet its credit rating and security criteria. These investment processes and reviews are overseen by the MARCC and guided by the MIC.

Interest rate sensitivity analysis

A sensitivity analysis in relation to the Group'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 2017 (2016: 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.

	Carrying amount at 30 June 2017	Interest rate risk			
			-1 %	+ 1 %	
2017	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	40,328	(403)	n/a	403	n/a
Amortised at cost – borrowings	(15,000)	150	n/a	(150)	n/a
Available-for-sale financial assets-cash fund	18,044	(180)	n/a	180	n/a
	43,372	(434)	n/a	434	n/a

	Carrying amount at 30 June 2016	Interest rate risk			
		-1 %		+ 1 %	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2016	\$'000				
Cash and cash equivalents	48,723	(487)	n/a	487	n/a
Amortised at cost – borrowings	(8,000)	80	n/a	(80)	n/a
	40,723	(407)	n/a	407	n/a

(g) Other price risk management

As at 30 June 2017, the Group had no exposure to other price risk (2016: no exposure to other price risk).

(h) Credit risk

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 deposits and fixed interest investments with banks, borrowings from banks and investments in managed investment schemes (2016: outstanding accounts receivables, and deposits and fixed interest investments with banks and borrowings from banks).

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 MARCC reviews and monitors the deposits and fixed interest investments with counterparties and borrowings from banks including any credit risk issues.

Accounts receivable consists of a large and diverse 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 (2016: nil). The credit risk on liquid funds is limited because the Group holds its liquid funds with counterparties that have 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 36, included in the investment portfolio of the Company and Group are investments in managed investment schemes where the Company acts as responsible entity. Although the Company has a prima facie credit exposure from these investments, this risk is not significant due to the existence of suitable controls including monitoring by the MIC of the quality and security of these investments (2016: nil).

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		Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship unobservable inputs to fair value
	2017 \$'000	2016 \$'000				
Mutual (Cash) Common Fund M1	18,044	-	Level 2	Daily published prices	n/a	n/a

There was no transfer between Level 1 and 2 (2016: nil). The Group classified the investment in the Mutual (Cash) Common Fund M1 as Level 2 in the fair value hierarchy on the basis that despite having a fixed price of \$1 per unit, 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 (but fair value disclosures are required).

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

(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 short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities. The liquidity position of the Group is 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 have any derivative financial instruments.

Liquidity risk table

The following tables detail 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 Group can be required to pay.

	Weighted average effective interest rate %	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
2017						
Non-interest bearing-trade creditors	nil	1,858	-	-	-	-
Borrowings	3.2%	-	-	-	15,000	-
		1,858	-	-	15,000	-
2016						
Non-interest bearing-trade creditors	nil	267	-	-	-	-
Borrowings	3.2%	-	-	8,000	-	-
		267	-	8,000	-	-

The Group has financial guarantee contracts in place relating to its lease obligations. 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 in the above table is nil (2016: nil). The maximum amount payable under these guarantees is \$2,173,000 (2016: \$1,910,000)

(k) Financing facilities

	2017 \$'000	2016 \$'000
Bank draw down facility		
Amount used	15,000	8,000
Amount unused	15,000	12,000
	30,000	20,000

40. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. Refer to note 3 for a summary of the significant accounting policies relating to the Group.

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in profit or loss when its right to receive the dividend is established (and it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Details regarding the tax consolidated group and tax sharing arrangements are in note 3.11.

	2017 \$'000	2016 \$'000
Financial position		
Assets		
Current assets	8,911	7,008
Non-current assets	245,349	238,341
Total assets	254,260	245,349
Liabilities		
Current liabilities	4,642	8,224
Non-current liabilities	15,000	4,683
Total liabilities	19,642	12,907
Net assets	234,618	232,442
Equity		
Issued capital	234,586	231,780
Investment revaluation reserve		-
Other reserves		-
Retained earnings	32	662
Total equity	234,618	232,442
	2017 \$'000	2016 \$'000
Financial performance		
Profit for the year	13,183	7,413
Other comprehensive income		-
Total comprehensive income	13,183	7,413

Contingent liabilities of the parent entity

The Parent entity is the head entity in the tax-consolidated group. As stated in note 32, the ATO is undertaking a review of the tax treatment of an acquisition made by the Group during the 2011 financial year that gave rise to a right to future income deduction. At the time, the Group received tax advice that the tax deduction was allowable, and accordingly was, and remains of the opinion that the tax deduction has been correctly calculated and claimed. At the time of writing, the ATO review is still underway. The possible outflow that may occur as a result of this matter, is in the range of nil to \$2,100,000.

No amounts are recognised in these financial statements in relation to the disputed amount, as the Group is of the view that this amount will not ultimately be payable.
Apart from the above, there are no contingent liabilities (2016: nil).

Commitments of the parent entity

The Parent entity has no commitments for capital expenditure (2016: nil).

Independent Auditor's Report to the Members of EQT Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EQT Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Intangible Assets</p> <p>As at 30 June 2017 the Group's Intangible assets including goodwill and management rights represent the largest category of assets with a carrying value of these intangible assets totalling \$205.6m, and represents around 70% of the total assets of the consolidated Group.</p> <p>As disclosed in Note 18, the intangible assets are allocated to two cash-generating units (CGUs) which are tested separately for impairment.</p> <p>Management conducts annual impairment tests to assess the recoverability of the carrying value of assets. This is performed using discounted cash flow models. There are a number of significant judgements made in determining the inputs into these models including:</p> <ul style="list-style-type: none"> • revenue and expense growth rates; • operating margins; and • applicable discount rates. 	<p>In conjunction with our valuation specialists our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • challenging managements identification of the CGUs, including the allocation of goodwill and property, plant and equipment and the associated identification and allocation of cash flows for the purposes of assessing the recoverable amount of the CGUs; • obtaining an understanding of the key controls associated with the preparation of the discounted cash flow model used to assess the recoverable amount of EQT's CGUs; • critically evaluating management's methodologies and their documented basis for key assumptions utilised in the discounted cash flow model; • challenging the key assumptions utilised in the discounted cash flow model including the revenue and expense growth rates, the terminal growth rate and the discount rate by comparing them to historical results, economic and other forecasts; • recalculating the mathematical accuracy of the discounted cash flow model, agreeing budgeted cash flows to the latest Board approved budget and assessing the performance against budget/forecasts in prior periods; and • performing sensitivity analysis around the key assumptions including the revenue and expense growth rates, the terminal growth rate used and the discount rate applied; and <p>We also assessed the appropriateness of the disclosures included in Notes 3.15, 18 and 19 to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Managing Director's Statement and Directors' Report, which we obtained prior to the date of this auditor's report. The other information also includes the other documents which will be included in the Annual Report (but does not include the financial report, the remuneration report and our audit report thereon), which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information in the Annual Report which we have not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

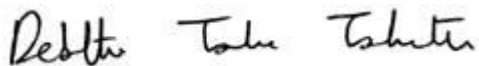
Opinion on the Remuneration Report

We have audited the Remuneration Report of EQT Holdings Limited included in pages 18 to 32 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of EQT Holdings Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

Melbourne, 25 August 2017

ADDITIONAL SHAREHOLDER INFORMATION

The following information was applicable as at 22 August 2017.

Substantial shareholders

The substantial shareholders in the Company, as disclosed in substantial shareholding notices given to the Company are:

	Date of last notice	Shareholding	% of issued capital shown in notice
Regal Funds Management Pty Limited	02/08/2016	1,222,199	6.12%
Commonwealth Bank of Australia	25/10/2016	1,165,992	5.63%
Australian Foundation Investment Company Limited	29/04/2016	1,303,232	6.53%

Class of shares and voting rights

As at 22 of August 2017, there were 2499 holders of the ordinary shares of the Company.

The voting rights attaching to the ordinary shares are set out in clause 41 of the Company's constitution. In summary, on a show of hands, every member present in person or by attorney or by proxy or by representative shall have one vote. Where more than one proxy, representative or attorney is appointed, none may vote on a show of hands. Where a person is entitled to vote in more than one capacity, that person is entitled only to one vote.

Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held by the member.

At 22 of August 2017, there were share entitlements over 66,677 unissued ordinary shares. There were three holders of share entitlements. There are no voting rights attached to the unissued ordinary shares.

Distribution of shares

Size of holding	Holders of ordinary shares
1 – 1000*	1182
1001 – 5000	938
5001 – 10,000	218
10,001 – 100,000	146
100,001 and over	15
	2499

*There were 78 shareholders holding less than a marketable parcel (\$500) of ordinary shares based on the closing market price of \$17.50 at 22 of August 2017.

20 largest security holders as at 22 August 2017

20 largest shareholders	No. of shares	%
1. HSBC Custody Nominees (Australia) Limited	2,974,593	14.78
2. J P Morgan Nominees Australia Limited	1,905,149	9.47
3. Citicorp Nominees Pty Limited	1,754,644	8.72
4. National Nominees Limited	1,502,359	7.46
5. Australian Foundation Investment Company Limited	1,303,232	6.48
6. UBS Nominees Pty Ltd	796,278	3.96
7. Milton Corporation Limited	500,697	2.49
8. Brispot Nominees Pty Ltd <House Head Nominee A/C>	366,204	1.82
9. Superdeck Pty Ltd <D K C & E Groves S/Fund A/C>	304,681	1.51
10. Mirrabooka Investments Limited	300,000	1.49
11. Equity Nominees Limited <No 2 Account>	211,053	1.05
12. BNP Paribas Nominees Pty <Agency Lending DRP A/C>	206,072	1.02
13. BKI Investment Company Limited	185,054	0.92
14. Mr Leonard Clive Keyte	148,585	0.74
15. Mr James Gordon Maxwell Moffatt	118,714	0.59
16. BNP Paribas Nominees Pty Ltd <DRP>	96,428	0.48
17. KJE Superannuation Pty Ltd <KJE Superannuation S/F A/C>	93,552	0.46
18. Mr Peter John McCleave	71,710	0.36
19. Govett Investments Pty Ltd	70,000	0.35
20. Citicorp Nominees Pty Limited <Colonial First State INV A/C>	66,671	0.33
Total top 20 holders of ordinary fully paid shares	12,975,676	64.47
Total remaining holders balance	7,149,818	35.53

Unquoted securities

The share rights on issue were issued as part of an employee awards plan and are unquoted.

Restricted securities

There were no restricted securities as at 22 of August 2017.

On-market buy-back

There is no current on-market buy-back.