SHINE CORPORATE LTD

ASX ANNOUNCEMENT

23 February 2016

Shine Corporate Ltd (SHJ)
FY16 Half-Year Financial Results

Measure	31 Dec 15	31 Dec 14	% change to PCP
Revenue	$64.0m	$73.2m	↓ 13%
EBITDA	$2.1m	$20.7m	↓ 90%
Normalised EBITDA ^	$2.5m	$22.0m	↓ 89%
Normalised EBITDA Margin ^	4%	30%	↓ 89%
Normalised NPAT^	$1.7m	$14.6m	↓ 88%
Operating cash flow	$3.6m	$3.3m	↑9%
Interim Dividend	nil	2.0 cents	↓100%
Normalised EPS ^	0.96 cents	8.24cents	↓ 88%

^ The Group incurred one off acquisition expenses of $0.4m (before tax, 2014: $1.3m).

The Board of Shine Corporate Ltd today announced the FY16 half-year financial results, with revenue of $64.0 million compared with $73.2 million in the prior corresponding period and EBITDA of $2.1 million compared with $20.7 million in the prior corresponding period. As announced on 29 January 2016, Shine initiated a review which resulted in, amongst other things, an additional provision of $17.5m taken up in 1H FY16. As a result the Company's NPAT results for the half-year of $1.3 million compares with $13.3 million for the prior corresponding period.

Managing Director, Simon Morrison, said "the major feature impacting the first half result was the additional provisions totaling $17.5 million which were recognised against work in progress, disbursements and debtors. These additional provisions are regarded as one off, the majority of which have been taken up to reflect the risk that some matters, other than those for which a provision is already held, will ultimately not result in a fee for Shine."

"In addition, despite the result for the half year, we remain confident in the Shine business model and are focusing on improving the levels of recoverability and improving the results. We look forward to capturing these improvements and reporting on that progress at the full year."

Mr Morrison said "the Directors of Shine Corporate have reaffirmed FY2016 EBITDA guidance given at the market update on 29th January 2016. It remains in the range of $24m to $28m."

The Board of Directors has decided not to declare an interim dividend for HY16 but expects to be in a position to do so at the full year.

The FY16 H1 accounts and half-year results presentation have been lodged with the ASX and can also be found on Shine's website – www.shine.com.au.

The Company will conduct an investor briefing at 10:00am AEST today. To join the briefing, telephone 1800 908299 (Australia Toll Free) or 0800 452795 (New Zealand Toll Free) using Conference ID 786092.

SHINE
CORPORATE LTD

ASX ANNOUNCEMENT

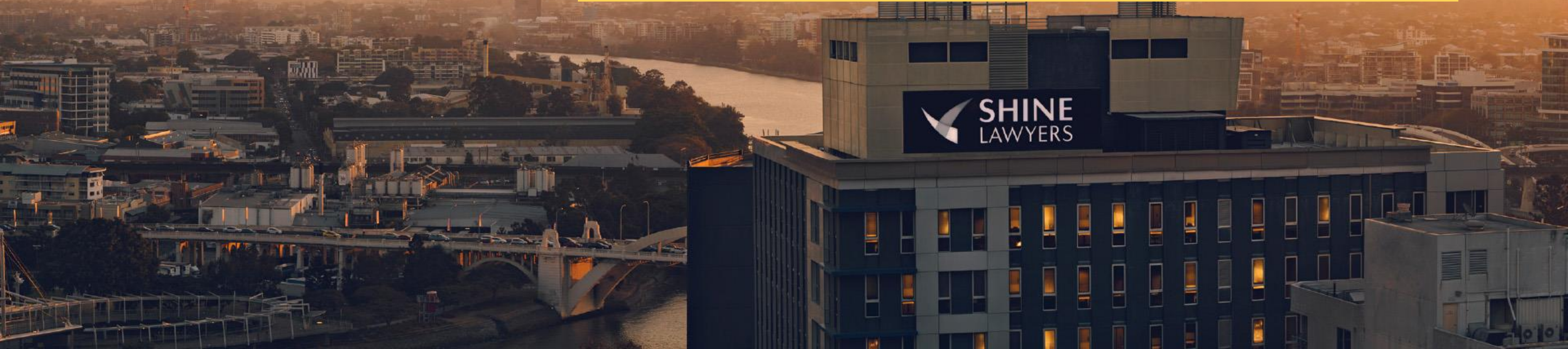
23 February 2016

For more information
Simon Morrison, Managing Director - Shine Corporate Limited 07 3837 9435
Daniel Wilkie, Chief Financial Officer - Shine Corporate Limited 07 3837 9431

FY16 Half Year Results

Simon Morrison, Courtney Petersen, Daniel Wilkie
MANAGING DIRECTOR, CEO, CFO

Tuesday, 23 February 2016



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This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shine Corporate Ltd and certain plans and objectives of the management of Shine Corporate Ltd.

Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of Shine Corporate Ltd and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

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SHINE CORPORATE LTD

Always stand up for the little guy.

Half Year in Review

Simon Morrison, Managing Director

Half year overview

Issue		Detail
Financial Results	Revenue	**$64.0m** ($78.5m excluding provision change)
	EBITDA	**$2.1m (**$19.6m excluding provision change)
	NPAT	**$1.3m (**$13.6m excluding provision change)
	Gross Operating Cash Flow (**GOCF**)	**$3.6m**[1] (1H2015: $3.3m)
Diversification	Acquisition of Best Wilson Buckley Family Law Pty Ltd (BWB)	
Banking Facilities	New facility executed with total value of $88m providing additional capacity to support growth	
Transformation	Marketing	New strategic marketing plan and campaign
	Business Model	Enhanced accountability at branch level
	IT	Continuing scoping and process mapping
	Disbursement Funding	Program Accelerating

1. GOCF means net cash provided by operating activities $3.2m plus finance costs $1.1m less interest received $0.1m less income tax received $0.6m = $3.6m

Half Year Results Analysis

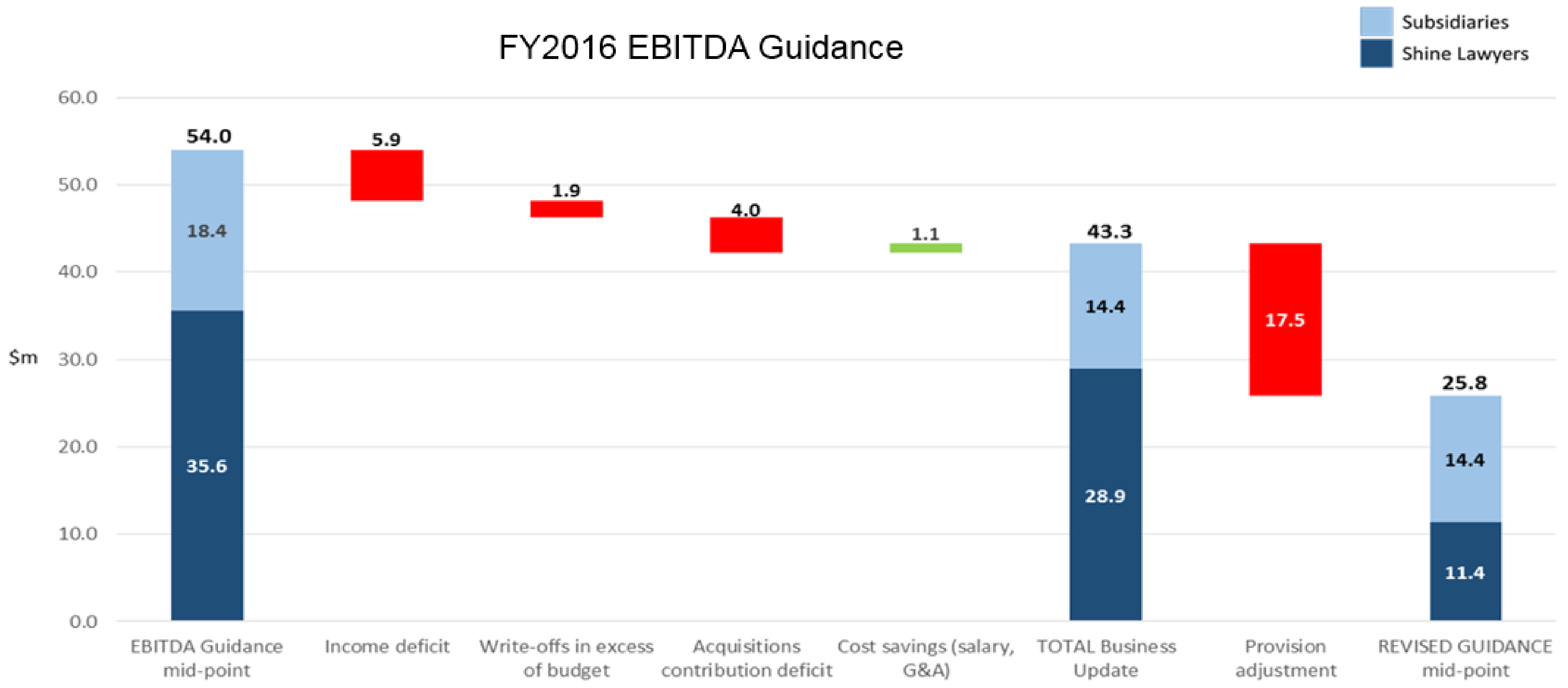
Daniel Wilkie, Chief Financial Officer

Financial results

Measure	31 Dec 15	31 Dec 14	$ change to PCP[1]	% change to PCP
Statutory Revenue	**$64.0m**	**$73.2m**	**($9.2m)**	**↓ 12.6%**
Revenue (excluding provision change)	$78.5m	$73.2m	$5.3m	↑7.2%
Statutory EBITDA	**$2.1m**	**$20.7m**	**($18.6m)**	**↓ 89.9%**
EBITDA (excluding provision change)	$19.6m	$20.7m	($1.1m)	↓5.3%
Statutory net profit after tax	$1.3m	$13.3m	($12.0m)	↓ 90.2%
Gross operating cash flow	$3.6m	$3.3m	$0.3m	↑ 9.1%
Dividend (cents per share)	-	2.0	(2.0)	↓ 100%
EPS (cents per share)	0.77	7.73	(6.96)	↓ 90.0%

1. PCP means prior corresponding period

Revised Guidance



EBITDA Guidance range $24m - $28m

Balance sheet

SHINE CORPORATE LTD

As at ($m)	31 Dec 2015	30 Jun 2015
Cash and receivables	27.1	29.9
Work in progress	192.6	190.7
Unbilled disbursements	52.3	48.6
PP&E and intangibles	52.1	46.2
Other assets	1.1	0.7
Total assets	325.1	316.1
Trade payables	7.8	10.1
Disbursement creditors	18.9	16.7
Borrowings	41.5	21.7
Other financial liabilities	15.8	26.2
Current and deferred tax liabilities	54.6	56.5
Provisions	10.2	8.7
Total liabilities	148.8	139.9
Net assets / Equity	176.3	176.2

Cash on hand at 31 Dec is $9.3m (FY2015: $9.4m)

Trade receivables reduced by $2.7m (13.2%)

Gross WIP up $16.6m (7%) ($0.4m from BWB) offset by increase in WIP provisions of $14.4m

Unbilled disbursements up by $5.9m (11.7%) largely offset by increase in provisions and disbursement creditors

Increase in PP&E and intangibles attributable to goodwill on acquisition of BWB

Borrowings up $19.8m as a result of funding the acquisition of BWB ($3.7m) and payment of deferred consideration and FY15 earn-outs on previous acquisitions

Other financial liabilities decreased as deferred consideration and earn-out payments were made to vendors

Net debt ratio increased from 7% to 18.3%

Borrowings and net debt

Measure	
Net debt at 30 Jun 2015	$12.3m
Acquisition of Bradley Bayly	$6.2m
Acquisition of Best Wilson Buckley Family Law	$3.4m
FY15 Earn-out payments	$3.1m
Deferred consideration	$3.2m
Changes in working capital funding (working capital loan, overdraft, lines of credit, leases, cash balance etc.)	$4.0m
Net debt at 31 Dec 15	$32.2m
Equity	$176.3m
Net debt ratio at 31 Dec 15 (adjusted for tax)	18.3%
Borrowings up from $21.7m to $41.5m due to payment of deferred consideration, vendor earn-outs and BWB acquisition	

Balance sheet gearing remains low

Cash Flow

- Revenue is recognised over time as legal services are delivered
- There is a lag between recognition of income and receipt of cash (fees billed on completion for successful cases)
- Cash flows through the business in cycles
- Cash is required to fund growth in productivity (via additional fee earner salaries) and disbursements
- Growth in disbursement funding will have an increasingly significant impact on operating cash flow
- The increased provisioning rate means 75%[1] of productivity booked is expected to convert to cash in the future
- Class actions have a material impact on revenue and operating cash flow
    - Shine must carry the cost of legal work and disbursements until the lead case is resolved
    - Increasing use of litigation funding and disbursement funding to reduce cash flow impact
- We expect operating cash flow to be approximately 40% of EBITDA, dependent on growth
    - Lower growth would result in higher cash conversion and vice-versa

1. For Shine Lawyers Pty Ltd

Banking facilities

Facility	Limit $m	Drawn $m
Market rate loans (3,4,5yrs)	27.0	27.0
Working capital loan (2yrs)	11.0	11.0
Group limit facility	10.0	-
Acquisition facility	10.0	-
File purchase facility	5.0	-
Equipment lease facility	10.0	6.2
Transformation IT project development funding	10.0	0.8
Corporate card facility	0.85	-
Bank guarantee facility	4.0	3.8
Total facilities *	$87.85m	$48.8m

**** Expected drawn amounts subject to repayment of existing facilities at date of draw down inclusive of interest.***

New facility agreements executed with CBA on 22 Feb 2016

Key terms

- Three $9m market rate loans of variable tenors due 31 Dec 2018, 2019 and 2020 replacing current facility
- Working capital facility of $11m repayable in 2 years
- Enhanced liquidity with new Group limit facility of $10m, acquisition funding facility of $10m and file purchase facility of $5m

Key covenants

- Gearing ratio[1] must not exceed 60%
- Debt to EBITDA ratio of 2.25 times

1. Gearing ratio means “Drawn bank debt to Net WIP”

Transformation

Courtney Petersen, CEO

Transformation – Key Initiatives

PROGRAMS

Leadership & Accountability

- Business Intelligence
- Total Rewards Model
- High-performing Culture

Sustainable Results

- Recoverability
- Velocity Management
- Organisational Structure & Capability
- Business Planning Process

Marketing & Brand

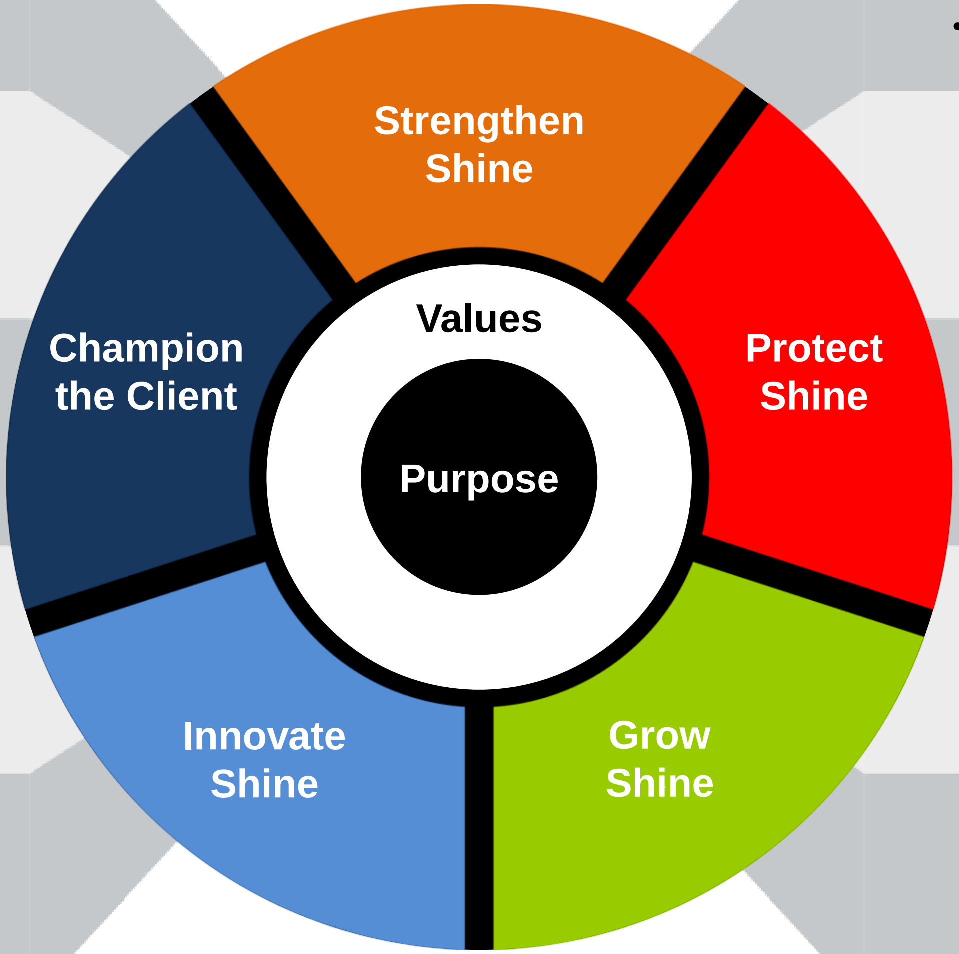
- Brand Architecture
- Refresh Marketing Strategy
- New Campaigns

Engine Room

- IT Strategy & Roadmap
- Systems Implementation
- Business Process Reengineering

Mergers & Acquisitions

- Repeatable Business Model for M&A
- Integration Strategy



Transformation – Key Initiatives (cont.)

Revenue generation

- Marketing strategy developed and campaign rolling out
- Continuing to leverage strength of brand ambassador, Erin Brockovich
- Brand enhanced by landmark High Court win
  - highest PI damages award by a Court in Queensland’s history

Focus on resource management

- Talent management planning to ensure high performer retention
- Optimising fee earner to file ratios across our branches
- Improved performance management to drive right behaviours and accountability
- Improved recruitment practices and staff selection

Focus on system and processes

- IT project under review as business improvement initiatives increase momentum
- Leveraging process improvement opportunities and ensuring technology investment is fit-for-purpose
- Case selection processes under continual refinement

Subsidiaries & Summary
Simon Morrison, Managing Director

Performance – Subsidiaries

Subsidiary	Operational Performance
Sciacca's	Slow 1H but strong file openings following change in QLD Workers Comp reforms
Emanate	Decline in revenue from resources sector partially offset by increase in litigation, planning and related commercial work
Stephen Browne	Solid performance in FY16
Bradley Bayly	Strong pipeline of major cases in 2H FY16
Best Wilson Buckley Family Law	New acquisition has contributed to revenue and earnings with shorter cycle time

Focus for remainder of FY16

Financial Performance
Delivering on our forecast

Transformation
Roll out key initiatives through Shine Lawyers
Marketing to drive revenue generation
Sustainable business improvement to grow margins

Acquisitions
Planning for integration of previous acquisitions
Economies of scale across the Group

Key Messages

Underlying business model remains strong

Continue to execute our transformation program

Executed new facilities agreement with CBA pushing debt maturity beyond 2018

No interim dividend but we expect to be in a position to declare a full year dividend

Continue to monitor acquisition opportunities

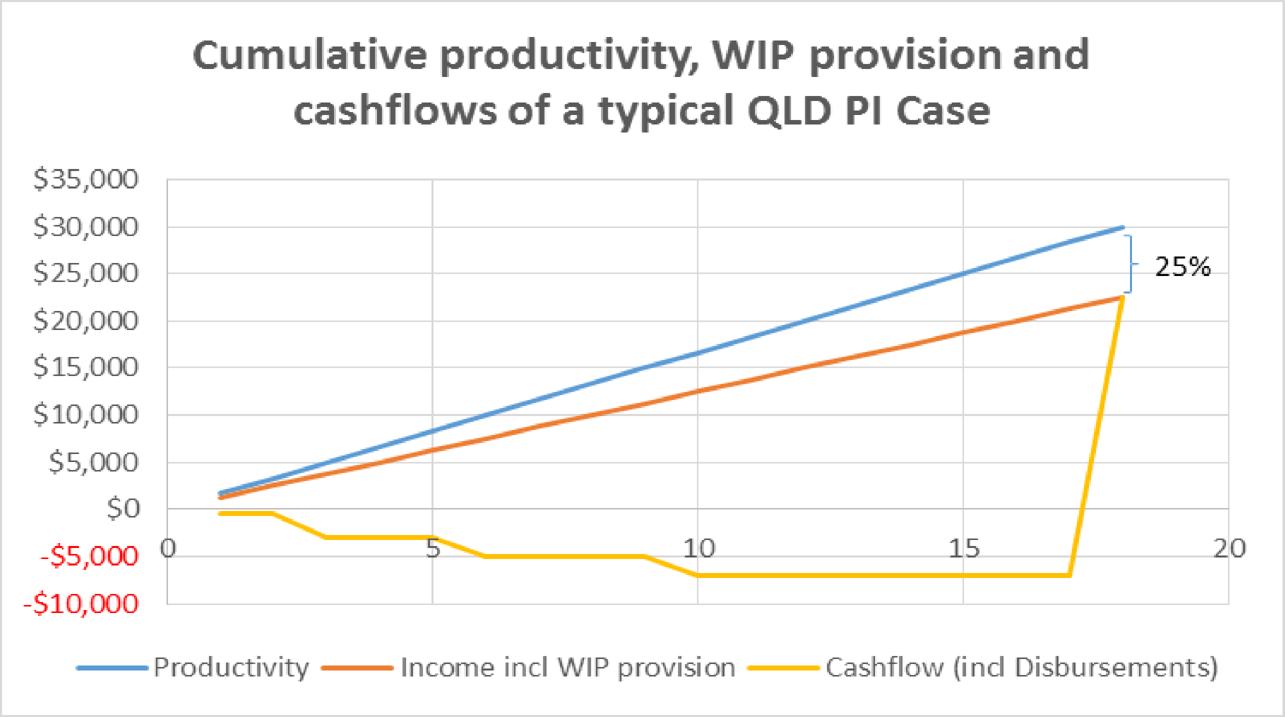
SHINE CORPORATE LTD

QUESTIONS?

APPENDICES

Typical business cycle of a Personal Injury case

- Revenue based on WIP which is recognised progressively over case life
- On average a 25% provision is recognised against WIP (a function of expected recovery rate)
- Case life varies by type of matter from 6 mths to over 5 years
- Disbursements typically outlayed in first 12 mths of matter and increase significantly if proceed to trial
- While table is typical example of a Personal Injury file, there is distribution of outcomes with skew to the right



WIP Provisioning Recap

- Adjustment announced to ASX on 29 January 2016
- Provisioning change impacts all current cases excluding class actions, plus third party and other debtors
- In “no-win, no fee” business not all current cases will ultimately succeed
- Once we identify case unlikely to succeed, we recognise provision against full value of WIP
- We also recognise provision for WIP on matters that will be successful but not fully recoverable
- Residual percentage of current cases in case portfolio at end of each reporting period which will not succeed in future
  → **these files are not currently identifiable**
- Also, increased provisioning relative to recent billing recovery rates
- Adjustment was change in estimate and booked in 1H FY2016 accounts: ($17.5m)
- Provisions will increase (or decrease) as total value of WIP changes as:

  Provisions = Provisioning rates x WIP pool

- Provisioning rates will be reassessed periodically to reflect the historical recovery rates
- As recovery rates improve, provisioning rates will reduce

Appendix 4D
ASX Preliminary Half-Year Report

Shine Corporate Limited ABN 93 162 817 905

Half-year ended 31 December 2015

Lodged with the ASX under Listing Rule 4.2A.3.

This information should be read in conjunction with the Financial Report for the half year ended 31 December 2015.

Contents

This half year report covers the consolidated group consisting of Shine Corporate Ltd and its controlled entities, and has been reviewed by Ernst & Young. The Independent Auditor's Declaration provided by Ernst & Young is included in the 31 December 2015 half year financial statements.

SHINE CORPORATE LTD AND ITS CONTROLLED ENTITIES

Current period:	half-year ended 31 December 2015
Prior corresponding period:	half-year ended 31 December 2014

Results for Announcement to the Market

Key Information	Dec 15	Dec 14	% change
Revenue from ordinary activities	$64,037,546	$73,177,694	-12%
Profit after tax from ordinary activities	$1,330,419	$13,258,742	-90%
Profit after tax attributable to owners	$1,330,419	$13,258,742	-90%

Dividends	Amount per security	Franked amount per security
Final dividend (prior year)	1.75 cents	0%
Interim dividend	0.00 cents	0%
Record Date		
Record date for determining entitlements to the interim dividend – N/A		

Explanation of Revenue
The reduction in revenue is due primarily to the take up of a provision against work in progress of $14,431,829.

Explanation of Profit after tax from ordinary activities
The decrease in profit after tax is attributed to the take up of provisions against work in progress of $14,431,829, related disbursements of $2,127,000 and trade and other receivables of $976,902.

The Group also incurred one off acquisition expenses of $360,719 (before tax) for the business combination.

Explanation of Profit after tax attributable to owners of the Company
Refer above.

Explanation of Dividends
The company has not declared an interim dividend for the half year ended 31 December 2015.

Dividend Reinvestment Plan
The company does not have a dividend reinvestment plan in operation.

Net Tangible Asset Backing	Current period 31/12/2015	Previous corresponding period 31/12/2014
Per Ordinary Share	75.3 cents	74.3 cents

Control Gained Over Entities for the Period

Name of Entity	Date of Effective Control
Best Wilson Buckley Family Law Pty Ltd	1st October 2015

There was no loss of control of any entities during the reporting period.

Investments in Associates and Joint Ventures

Name	Place of Incorporation	Ownership Interest	
		Dec 15	Jun 15
Risk Worldwide New Zealand Ltd	New Zealand	33.33%	33.33%

SHINE CORPORATE LTD
AND CONTROLLED ENTITIES

ABN: 93 162 817 905

Financial report for the half-year ended
31 December 2015

SHINE CORPORATE LTD
AND CONTROLLED ENTITIES

ABN: 93 162 817 905

Financial Report for the half-year ended 31 December 2015

CONTENTS **Page**

SHINE CORPORATE LTD ABN: 93 162 817 905 AND CONTROLLED ENTITIES
DIRECTORS' REPORT

Your Directors present their report, together with the consolidated interim financial report of the Group, being Shine Corporate Ltd ("the Company") and its controlled entities (collectively know as "the Group") for the half year ended 31 December 2015.

DIRECTORS

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

Tony Bellas
Carolyn Barker AM
Gregory Moynihan
Simon Morrison
Stephen Roche (resigned 4 September 2015)

REVIEW AND RESULTS OF OPERATIONS

A number of the issues set out below were previously addressed in the Company's ASX announcement on 29th January 2016.

Revenue
Consolidated revenue and other income for the half year was $64,037,546 (31 December 2014: $73,177,694), representing a decline of 12%. The decline in revenue was the result of a combination of higher than expected write-offs in the period and the recognition of additional provisions against work in progress ("WIP") of $14,431,829. See note 6 to the financial statements for full details.

The higher write-offs included the impact in the current period of regulatory reform in Queensland in 2013 that affected statutory and common law workers compensation claims (subject to a 5% whole of body impairment threshold), along with a number of significant case losses in the Queensland Industrial Relations Commission during the period. Shine has a duty to both the Court and to its clients to ensure that, once a "no win, no fee" case is accepted, all avenues are explored and pursued to achieve a successful outcome for the client, even if that means the value of the work performed on the case exceeds the fee ultimately charged.

The Company reviews and adjusts its future expected recovery rates and its WIP provisions at each reporting date to reflect the latest actual recovery rate experience. During the current period, the Company conducted a detailed review of its WIP recovery rates and provisioning methodology using actuarial techniques. Whilst we provide for matters we know or reasonably suspect will be written off, we have reassessed the adequacy of the provision for the risk of other matters that presently appear to be good prospects but may ultimately be written off at some stage in the future. Recognition of this risk component was responsible for $9.2m of the provision adjustments recognised at 31 December 2015.

Consequently, expected recovery rates on current matters were reduced and an additional provision of $14,431,829 was recognised against WIP and a further $2,127,000 against related disbursements to reduce their carrying value to their expected recoverable amount. The additional provision was determined to be a change in estimate in accordance with Australian Accounting Standards, therefore the full amount of the provision was recognised in the Interim consolidated statement of comprehensive income during the current period.

Expenses
Total expenses increased by $10,244,772 (19%) from $54,219,301 to $64,464,073. This increase reflects the addition of the expenses of acquired business, Bradley Bayly and Best Wilson Buckley along with higher employee benefits expense and the unrecovered matter related expenses (as noted above) in Shine Lawyers. Employee benefits expense increased by $3,939,838 (12%), from $33,506,074 to $37,445,912, reflecting the additional subsidiaries, higher staff numbers in Shine Lawyers in the current period compared to the prior comparative period and redundancy costs incurred as a result of rebalancing resources to better match capacity with available work. Unrecovered matter related expenses increased from $2,044,136 to $4,655,105. Unrecovered matter related expenses represent unrecovered disbursements and increased as a direct result of both the higher number and value of matters written off during the period along with additional provisions totalling $2,127,000 recognised to reduce the carrying amount of remaining unbilled disbursements to their expected recoverable amount.

The consolidated net profit after income tax from continuing operations for the half year was $1,330,938 (31 December 2014: profit of $13,258,742).

Dividends
The Board of Directors did not declare an interim dividend (April 2015: 2.0 cents per share unfranked).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act in relation to the review of the half year report is provided with this report.

Signed in accordance with a resolution of the Directors.

....
Simon Morrison
Managing Director

Dated: 23rd February 2016

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

As lead auditor for the review of Shine Corporate Ltd for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review*;* and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Shine Corporate Ltd and the entities it controlled during the financial period.

Ernst & Young

Ric Roach
Partner
Brisbane
23 February 2016

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

		Consolidated Group	
For the six months ended 31 December		**31 December 2015**	**31 December 2014**
	Note	**$**	**$**
Continuing operations			
Revenue	7	64,037,546	73,177,694
Less Expenses:			
Employee benefits expense		(37,445,912)	(33,506,074)
Depreciation and amortisation expense		(1,136,199)	(1,001,224)
Finance costs		(1,496,040)	(956,282)
Other expenses	8	(23,941,879)	(18,755,721)
Share of net loss of associates and joint venture entities		(444,043)	-
Profit/(loss) before income tax from continuing operations		(426,527)	18,958,393
Income tax (expense)/benefit	9	1,757,465	(5,699,651)
Net profit for the period from continuing operations		1,330,938	13,258,742
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		3,481	-
Total comprehensive income for the period		1,334,419	13,258,742
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Group:			
Basic earnings per share (cents)	11	0.77	7.73
Diluted earnings per share (cents)	11	0.77	7.73

The accompanying notes form part of these financial statements.

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated Group 31 December 2015 $	30 June 2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	9,257,650	9,393,350
Trade and other receivables		13,828,597	15,175,778
Income tax receivable		275,894	1,116,188
Work in progress	13	96,076,435	91,913,016
Unbilled disbursements	13	29,065,918	24,186,287
Other current assets		797,264	742,230
TOTAL CURRENT ASSETS		149,301,758	142,526,849
NON-CURRENT ASSETS			
Trade and other receivables		4,017,255	4,215,752
Work in progress	13	96,484,966	98,744,737
Unbilled disbursements	13	23,193,001	24,418,125
Property, plant and equipment		6,209,291	6,642,608
Intangible assets	14	45,903,526	39,525,089
TOTAL NON-CURRENT ASSETS		175,808,039	173,546,311
TOTAL ASSETS		325,109,797	316,073,160
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,771,252	10,080,441
Unbilled disbursements creditors		18,926,030	16,727,593
Short term borrowings	15	28,139,492	19,963,492
Other current financial liabilities		11,458,055	15,035,353
Provisions		7,203,053	6,026,411
Deferred revenue		1,650	-
TOTAL CURRENT LIABILITIES		73,499,532	67,833,290
NON-CURRENT LIABILITIES			
Long term borrowings	15	13,341,682	1,696,937
Other non-current financial liabilities		4,375,771	11,190,597
Deferred tax liabilities		54,601,282	56,469,749
Provisions		3,013,782	2,692,906
TOTAL NON-CURRENT LIABILITIES		75,332,517	72,050,189
TOTAL LIABILITIES		148,832,049	139,883,479
NET ASSETS		176,277,748	176,189,681
EQUITY			
Issued capital	16	53,149,800	51,384,958
Retained earnings		123,124,467	124,804,723
Reserves		3,481	-
TOTAL EQUITY		176,277,748	176,189,681

The accompanying notes form part of these financial statements.

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December	Note	Issued capital $	Retained Earnings $	Reserves	Total $
Consolidated Group					
Balance at 1 July 2014		18,256,679	101,641,366	-	119,898,045
Comprehensive income					
Profit for the period		-	13,258,742	-	13,258,742
Total comprehensive income for the year		-	13,258,742	-	13,258,742
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period		34,055,154	-	-	34,055,154
Transaction costs		(926,875)	-	-	(926,875)
Dividends recognised for the period	10	-	(3,017,002)	-	(3,017,002)
Total transactions with owners and other transfers		33,128,279	(3,017,002)	-	30,111,277
Balance at 31 December 2014		51,384,958	111,883,106	-	163,268,064
Balance at 1 July 2015		51,384,958	124,804,723	-	176,189,681
Comprehensive income					
Profit/(loss) for the period		-	1,330,938	-	1,330,938
Other comprehensive income		-	-	3,481	3,481
Total comprehensive income for the year		-	1,330,938	3,481	1,334,419
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period		1,774,269	-	-	1,774,269
Transaction costs		(9,427)	-	-	(9,427)
Dividends recognised for the year	10	-	(3,011,194)	-	(3,011,194)
Total transactions with owners and other transfers		1,764,842	(3,011,194)	-	(1,246,352)
Balance at 31 December 2015		53,149,800	123,124,467	3,481	176,277,748

The accompanying notes form part of these financial statements.

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Consolidated Group	
For the six months ended 31 December	**Note**	**31 December 2015 $**	**31 December 2014 $**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		70,087,184	62,279,129
Interest received		122,471	218,754
Payments to suppliers and employees		(66,495,367)	(58,983,914)
Finance costs		(1,129,694)	(594,066)
Income tax (paid) / received		578,761	(702,465)
Net cash provided by operating activities		3,163,355	2,217,438
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(372,114)	(1,264,085)
Acquisition of businesses and purchase of files		(17,975,294)	(28,048,046)
Costs associated with acquisition of businesses		(360,719)	-
Loans to related parties (repayments)/proceeds		22,407	(948,612)
Purchase of other intangible assets		(1,414,889)	(602,024)
Net cash used in investing activities		(20,100,609)	(30,862,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	29,450,154
Costs of raising equity		(9,427)	(926,876)
Proceeds from borrowings		18,726,534	1,825,587
Dividends paid	10	(3,011,194)	(3,017,002)
Finance lease principal (repayments)/borrowings		431,156	(189,414)
Net cash provided by financing activities		16,137,069	27,142,449
Net decrease in cash held		(800,185)	(1,502,880)
Cash and cash equivalents at beginning of financial year		9,393,350	11,004,417
Effect of exchange rates on cash holdings in foreign currencies		1,431	-
Cash and cash equivalents at end of financial year	12	8,594,596	9,501,537

The accompanying notes form part of these financial statements.

NOTE 1 CORPORATE INFORMATION

Shine Corporate Ltd (the Company or the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The consolidated financial statements of Shine Corporate Ltd and its subsidiaries (collectively, the Group) for the six months ended 31 December 2015 were authorised for issue on 23rd February 2016 in accordance with a resolution of the Directors of the company.

NOTE 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Basis of Preparation

The interim consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with AASB134 *Interim Financial Reporting* .

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015.

Changes in Accounting policies, Accounting standards and interpretations

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015, except for the adoption of new standards and interpretations noted below:

(a) New Accounting Standards for Application in Future Periods

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

— AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018)

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces a number of existing standards.

The core principle of IFRS 15 is that an entity recognises 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. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer

(b) Step 2: Identify the performance obligations in the contract

(c) Step 3: Determine the transaction price

(d) Step 4: Allocate the transaction price to the performance obligations in the contract

(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The potential impact of this standard is still being assessed. However early indications are that it will not have a material impact on the Group.

— IFRS 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

The key features of IFRS 16 are as follows:

(a) Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value
(b) A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities

(c) Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease
(d) IFRS 16 contains disclosure requirements for lessees

The potential impact of this standard is still being assessed. However early indications are that it will have a material impact on the Group, with operating leases for premises, computers and motor vehicles likely to be brought onto the balance sheet, increasing both assets and liabilities. Details of these leases can be found in note 17(b). This will have an impact on net debt calculations in future.

NOTE 3 SEASONALITY OF OPERATIONS

The Group does not incur any high seasonalilty as considered by AASB 134 *Interim Financial Reporting* , meaning reported results are not seasonally impacted. However, the Group has historically recorded a significantly higher rate of settlements and consequently cashflows, in the second half of each financial year.

NOTE 4 BUSINESS COMBINATIONS

Acquisition of Best Wilson Buckley Family Law Pty Ltd

Effective from 1 October 2015, the Group acquired 100% of the voting shares of the existing law practices of Best Wilson Buckley Family Law Pty Ltd ("BWB"). The results and balance sheet of the acquired entity have been included in full in these consolidated financial statements.

The Group has acquired BWB in line with its strategic objective to diversify earnings through the expansion of its work types. The acquisition has been accounted for using the acquisition method as described in *AASB3 Business Combinations* . Provisional accounting has been adopted as at 31 December 2015. The consolidated financial statements include the results of BWB for the period 1 October to 31 December 2015.

The consolidated fair values of the identifiable assets and liabilities of BWB as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	**$**
Work in progress (WIP)	306,250
Plant & equipment	164,815
Trade receivables	1,821,360
Provision for doubtful debts	(178,939)
Prepayments	93,491
Other receivables	339,437
Deferred tax asset	83,187
Total assets acquired	2,629,601
Liabilities	
Bank overdraft	(315,737)
Borrowings	(27,314)
GST	(116,727)
Trade payables	(42,491)
Provision for income tax payable	(233,717)
Provision for annual leave	(211,444)
Provision for long service leave	(65,846)
Other creditors	(93,289)
Accrued expenses	(51,175)
Total liabilities acquired	(1,157,740)
Total identifiable net assets at fair value	1,471,861
Goodwill arising on acquisition	5,129,503
Purchase consideration	6,601,364
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	(315,737)
Cash paid	(3,387,813)
Net cash outflow	(3,703,550)
Total purchase consideration consists of:	
Cash paid	3,387,813
Ordinary shares in Shine Corporate Ltd issued on 21 October 2015	774,269
Fair value of deferred and contingent consideration payments	2,439,282
	6,601,364

The goodwill recognised is primarily attributed to the knowledge and practises of the staff in continuing to run a very successful business. The goodwill is non deductible for income tax purposes.

The fair value of trade receivables is deemed to be their gross value less the provision for doubtful debts. The fair value of work in progress (WIP) was estimated based on a detailed review of open case files at the acquisition date.

Transaction costs of $8,746 have been expensed and are included in the operating expenses in the interim statement of other comprehensive income, and form part of the operating cash flows in the interim statement of cash flows.

From the date of acquisition, BWB has contributed $1.24m of revenue and $0.3m to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place from 1 July 2015, the revenue would have been $3.59m, with a consolidated Group revenue of $66.35m and the profit from continuing operations before tax would have been $0.7m, with the consolidated Group profit before tax improving from ($0.4.m) to zero.

NOTE 5 OPERATING SEGMENTS

General Information

Identification of reportable segments

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

The Group operates in two reporting segments being personal injury and emerging practice areas. The business undertaken by Risk Worldwide New Zealand Limited does not meet the specific criteria in AASB8 which means it is not considered as its own reporting segment. Therefore as Risk Worldwide New Zealand Limited currently accounts for significantly less than 10% of the group revenue, profit or assets, this business has been grouped together with emerging practice areas, as permitted under AASB8.13.

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

Types of products and services by segment:

(i) *Personal injury*

Personal injury remains our core business in damages based plaintiff litigation. Services offered include medical negligence, public liability, catastrophic injuries, workers' compensation, and motor vehicle accidents. This area also includes the acquisitions of Stephen Browne Personal Injury Lawyers, Sciacca's Lawyers and Bradley Bayly.

(ii) *Emerging practice areas*

The Group has diversified to include emerging practice areas such as disability insurance and superannuation claims, professional negligence, social justice, class actions, first party insurance recovery claims, landowners' rights, family law, aviation, product liability and asbestos compensation. This area includes the acquisitions of Emanate Legal Services and Best Wilson Buckley.

Basis of accounting for purposes of reporting by operating segments

(a) **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the managing director, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) **Unallocated items**

Any revenues,costs, assets and liabilities that are managed on an overall group basis are not allocated to an individual segment.

(c) **Adjustments and eliminations**

Finance income and costs are not allocated to individual segments as the underlying assets are managed on a group basis.

Current and deferred taxes are not allocated to individual segments as they are also managed on a group basis.

(d) **Geographic information**

All operations are conducted within Australia with the exception of Shine NZ Services Pty Ltd and the Group's interest in the associated company, Risk Worldwide New Zealand Limited which are located in New Zealand.

(i) **Segment performance**

31 December 2015	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
REVENUE				
External sales	-	44,812,885	18,921,981	63,734,866
Other revenue	302,680	-	-	302,680
Total segment revenue	302,680	44,812,885	18,921,981	64,037,546
RESULTS				
Segment profit before tax	(2,461,684)	(1,110,168)	3,145,325	(426,527)

31 December 2014	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
REVENUE				
External sales	-	58,406,689	14,541,256	72,947,945
Other revenue	229,749	-	-	229,749
Total segment revenue	229,749	58,406,689	14,541,256	73,177,694
RESULTS				
Segment profit before tax	(452,056)	15,553,816	3,856,633	18,958,393

(ii) **Segment assets**

	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
31 December 2015	1,772,355	220,044,916	103,292,526	325,109,797
30 June 2015	1,433,226	239,416,248	75,223,686	316,073,160

(iii) **Segment liabilities**

	Unallocated items $	Personal injury $	Emerging practice areas $	Total $
31 December 2015	95,683,439	38,129,920	15,018,690	148,832,049
30 June 2015	78,130,178	49,402,641	12,350,660	139,883,479

NOTE 6 CHANGE IN ACCOUNTING ESTIMATE

During the period, the Company conducted a detailed review of its work in progress recovery rates and provisioning methodology. The review identified that additional provisions of $16,558,829 were required against work in progress and related disbursements to reduce their carrying value to their expected recoverable amount. In addition, a review of the Company's trade receivables identified that a provision of $976,902 was required to reduce their carrying value to their expected recoverable amount.

The additional provisions were determined to be a change in estimate in accordance with Australian Accounting Standards. Accordingly they were recognised in the current period within the following line items:

		Consolidated Group	
	Note	31 December 2015 $	31 December 2014 $
Impact on Interim consolidated statement of comprehensive income:			
— Revenue	7	14,431,829	-
— Other expenses: Unrecovered matter related expenses	8	2,127,000	-
— Other expenses: Doubtful debts expenses	8	976,902	-
		17,535,731	-
— Income tax expense		(5,260,719)	-
		12,275,012	-
Impact on Interim consolidated statement of financial position:			
— Work in progress provision	13	14,431,829	-
— Unbilled disbursement provision	13	2,127,000	-
— Trade and other receivables (Provision for doubtful debts)		976,902	-
		17,535,731	-
— Deferred tax liabilities		5,260,719	-
		12,275,012	-

NOTE 7 REVENUE AND OTHER INCOME

		Consolidated Group	
	Note	31 December 2015	31 December 2014
		$	$
Sales revenue			
— Provision of services/professional fees		76,016,941	70,201,447
— Less: additional provision	6	(14,431,829)	-
		61,585,112	70,201,447
— Sundry disbursements recovered		2,149,754	2,746,498
		63,734,866	72,947,945
Other revenue			
— Interest received (banks)		96,678	218,754
— Interest received (related parties)		25,793	-
— Other revenue		14,729	10,995
— Services management fee		165,480	-
		302,680	229,749
Total revenue		64,037,546	73,177,694

NOTE 8 OTHER EXPENSES

		Consolidated Group	
	Note	31 December 2015	31 December 2014
Other expenses		$	$
Premises expenses		5,165,112	4,356,094
Marketing expenses		3,344,675	3,768,040
HR expenses		1,838,600	1,508,173
IT and computer expenses		2,824,264	2,503,311
Printing, postage and stationery		1,119,117	1,090,927
Professional fees		1,724,688	1,196,148
Unrecovered matter related expenses	6	4,655,105	2,044,136
Motor vehicle and travel expenses		957,497	1,038,634
Doubtful debts expenses	6	976,902	-
Sundry expenses		1,335,919	1,250,258
		23,941,879	18,755,721

Within Sundry expenses are acquisition related costs of $360,719, which includes $250,319 resulting from the actual year 1 earnout payment for Sciacca's Lawyers.

NOTE 9 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings.

	Consolidated Group	
	31 December 2015	31 December 2014
	$	$
(a) The components of tax expense/(income) comprise:		
Current tax	(5,557,079)	1,345,701
Deferred tax	3,525,154	4,353,950
Under/(over) provision in respect of prior years	274,460	-
Income tax expense/(benefit)	(1,757,465)	5,699,651
(b) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2014: 30%)		
Consolidated group	(127,958)	5,687,518
Tax effect of:		
— non-allowable items	18,944	12,133
— ACA assessable income	170,635	
— Acquired WIP and disbursements	(2,093,546)	-
— unrecognised temporary differences - tax losses	274,460	-
Income tax expense/(benefit) attributable to entity	(1,757,465)	5,699,651
The applicable weighted average effective tax rates are as follows:	412.0%	30.1%

NOTE 10 DIVIDENDS PAID AND PROPOSED

	Consolidated Group	
	31 December 2015	31 December 2014
	$	$
(a) Distributions paid		
Final unfranked ordinary dividend of 1.75 cents (2014: 1.75 cents) per share	3,011,194	3,017,002
	3,011,194	3,017,002

(b) Distributions proposed and not recognised as a liability

The Board of Directors has decided that it will not declare an interim dividend for the current period (10 April 2015: 2 cents unfranked was paid).

NOTE 11 EARNINGS PER SHARE

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

	Consolidated Group	
	31 December 2015	31 December 2014
	$	$
(a) Net profit attributable to ordinary equity holders of the parent	1,330,938	13,258,742
Earnings used to calculate basic EPS	1,330,938	13,258,742
	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	172,438,951	171,590,768

(c) Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the sum of the weighted average number of ordinary shares outstanding during the year and the weighted average number of shares that would be issued in part consideration for the acquisition of a business combination.

NOTE 12 CASH AND CASH EQUIVALENTS

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
Cash at bank and on hand	9,257,650	9,393,350
	9,257,650	9,393,350

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	9,257,650	9,393,350
Bank overdrafts	(663,054)	-
	8,594,596	9,393,350

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

NOTE 13 WORK IN PROGRESS

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
CURRENT		
At net realisable value:		
Work in progress	130,800,333	113,085,849
Work in progress provision	(34,723,898)	(21,172,833)
	96,076,435	91,913,016
Unbilled disbursements	31,399,181	25,811,437
Unbilled disbursements provision	(2,333,263)	(1,625,150)
	29,065,918	24,186,287
	125,142,353	116,099,303
NON-CURRENT		
At net realisable value:		
Work in progress	121,018,627	122,144,990
Work in progress provision	(24,533,661)	(23,400,253)
	96,484,966	98,744,737
Unbilled disbursements	24,788,236	24,493,457
Unbilled disbursements provision	(1,595,235)	(75,332)
	23,193,001	24,418,125
	119,677,967	123,162,862

NOTE 14 INTANGIBLE ASSETS

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
Goodwill		
Cost *	42,411,767	37,083,060
Accumulated impaired losses	-	-
Net carrying amount	42,411,767	37,083,060

* The increase in goodwill relates to the purchase of Best Wilson Buckley Family Law Pty Ltd. Refer to Note 4 for further details.

Computer software		
Cost	522,267	522,267
Accumulated amortisation and impairment losses	(364,933)	(255,480)
Net carrying amount	157,334	266,787
Transformation project costs		
Cost	3,937,491	2,721,806
Accumulated amortisation and impairment losses	(1,293,401)	(1,293,401)
Net carrying amount	2,644,090	1,428,405
Erin Brockovich agreement		
Cost	668,608	668,608
Accumulated amortisation and impairment losses	(169,506)	(113,004)
Net carrying amount	499,102	555,604
Website development		
Cost	17,679	17,679
Accumulated amortisation and impairment losses	(5,146)	(5,146)
Net carrying amount	12,533	12,533
Trademarks, patents and intellectual property		
Cost	178,700	178,700
Accumulated amortisation and impairment losses	-	-
Net carrying amount	178,700	178,700
Total intangibles	45,903,526	39,525,089

NOTE 15 BORROWINIGS

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
CURRENT		
Secured liabilities		
Bank loans	27,224,865	19,043,725
Lease liability	131,390	120,439
Hire purchase liability	783,237	799,328
Total current borrowings	28,139,492	19,963,492
NON-CURRENT		
Secured liabilities		
Bank loans	11,316,086	107,637
Lease liability	900,681	162,902
Hire purchase liability	1,124,915	1,426,398
Total non-current borrowings	13,341,682	1,696,937
Total borrowings	41,481,174	21,660,429

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
(a) Total current and non-current secured liabilities:		
Bank loan	38,540,951	19,151,362
Lease liability	1,032,071	283,341
Hire purchase liability	1,908,152	2,225,726
	41,481,174	21,660,429

A component of Shine's current finance facilities were due to mature in March 2016 and are therefore classified as current liabilities in the Statement of Financial Position. Subsequent to the end of the period, new facility agreements have been executed with the Group's bank, CBA. Further details on these new facilities can be found in note 19.

(b) **Debt covenants**

The bank debt is secured by a fixed and floating charge over the assets of the Group. Covenants imposed by the bank require total bank debt not to exceed 60% of work in progress (net of provisions), and for net cash provided by operating activities plus interest costs divided by interest costs to remain above 3 times on a rolling 12 month basis. As at 31 December 2015 the Group is in compliance with all of its bank covenants.

NOTE 16 ISSUED CAPITAL

	Consolidated Group	
	31 December 2015	30 June 2015
	$	$
173.1 million (2014: 172.4 million) fully paid ordinary shares	53,149,800	51,384,958
	53,149,800	51,384,958

	Consolidated Group	
(a) **Ordinary Shares**	31 December 2015	30 June 2015
	No.	No.
At the beginning of the reporting period	172,400,081	155,000,000
Shares issued during the year:		
— 1st July 2014 for business acquisitions	-	1,400,000
— 11th July 2014 for rights issue	-	15,382,174
— 15th July 2014 for business acquisitions	-	500,000
— 16th July 2014 for rights issue	-	117,907
— 14 August 2015 for business acquisitions	401,606	-
— 21st October 2015 for business acquisitions	360,125	-
At the end of the reporting period	173,161,812	172,400,081

During the half year, share capital was increased by $1.76m, with the issue of 0.76m ordinary shares for part consideration in business acquisitions.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 17 CAPITAL AND LEASING COMMITMENTS

(a) **Finance Lease and Hire Purchase Commitments**

The Group has finance leases and hire purchase contracts for various items of plant and equipment. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	Consolidated Group	
	31 December 2015	**30 June 2015**
	$	**$**
Payable — minimum lease payments		
— not later than 12 months	1,030,407	1,056,952
— between 12 months and 5 years	2,100,501	1,699,102
— later than 5 years	-	-
Minimum lease payments	3,130,908	2,756,054
Less future finance charges	(190,685)	(246,987)
Present value of minimum lease payments	2,940,223	2,509,067

(b) **Operating Lease Commitments**

The Group has entered into commercial leases on certain items of plant and equipment and property. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases. Future minimum rental expenses under non-cancellable operating leases are as follows:

	Consolidated Group	
	31 December 2015	**30 June 2015**
	$	**$**
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	7,868,310	7,239,194
— between 12 months and 5 years	16,246,089	15,147,338
— later than 5 years	3,530,417	4,654,503
	27,644,816	27,041,035

	Consolidated Group	
	31 December 2015	**30 June 2015**
	$	**$**
(c) **Capital Expenditure Commitments**		
Capital expenditure commitments contracted for:		
Capital expenditure projects	540,856	229,075
	540,856	229,075

NOTE 18 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent consideration - business acquisitions

As part of the purchase agreements with the acquired companies of Stephen Browne Personal Injury Lawyers, Emanate Pty Ltd, Sciacca's Lawyers Pty Ltd, Sciacca's Family Lawyers Pty Ltd and Best Wilson Buckley, a portion of the consideration was determined to be contingent, based on the performance of the acquired entity. Performance is determined by both cash earnings and number of file openings over an agreed period. The Group has recognised $7,050,905 subject to maximum targets being met. This amount represents a net present value as at 31 December 2015 of $6,849,128. The fair value of these liabilities are included within Other current financial liabilities and Other non-current financial liabiltiies in the Statement of Financial Position.

Bank guarantees

Bank guarantees are contracts that are measured in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets.

The bank guarantee facility limit as at 31 December 2015 was $5,000,000 (2014: $2,250,000) of which $2,568,069 (2014: $95,292) was unused at the end of the reporting period. Total guarantees provided in respect of property leases were $2,431,931 (2014: $2,154,708).

Contingent liabilities

The group has entered into an agreement with Wingate Asset Finance to provide disbursement loans to its clients. In the event the client's case is not successful, the group has provided an indemnity to Wingate Asset Finance for the loan. The total value of all disbursement loans at 31 December 2015 is $7,898,307, which represents the Group's maximum potential exposure. These loans are recorded within disbursement creditors in the Statement of Financial Position and an equal and offsetting amount is recorded in current assets within unbilled disbursements.

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 22 February 2016 the Group entered into a number of agreements with its banker, CBA, to rollover and restructure its debt facilities that were due to mature in March 2016. The new facilities provide total committed funding of over $88m of which only $45m is currently drawn. $38m of the drawn loan facilities are on an interest only basis and are spread over a range of tenors from 2 to 5 years. This provides a degree of protection to Shine against adverse credit market conditions in the future. The new facilities also provide enhanced liquidity, with over $25m available to cover file purchases, acquisitions costs (including deferred and contingent consideration) and short term working capital requirements. The remainder mainly relates to equipment leasing facilities which will be used to fund the Group's IT transformation project costs.

NOTE 20 RELATED PARTY TRANSACTIONS

Related Parties

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

i. **Key Management Personnel:**

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

ii. **Entities subject to significant influence by the Group:**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control or joint control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(b) Transactions with related parties:

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

The following transactions occurred with related parties:

		Consolidated Group	
		31 December 2015	31 December 2014
		$	$
i.	**Other related parties (entities controlled by KMP's Morrison and Roche)**		
	Purchase of goods, rents and services from related parties	462,123	464,806

		Consolidated Group	
		31 December 2015	30 June 2015
		$	$
ii.	**Loans to associated companies - Risk Worldwide New Zealand Limited**		
	Beginning of the period	4,215,752	3,629,274
	Loans advanced	114,602	1,236,681
	Share of loss for the period	(444,043)	(650,203)
	End of the period	3,886,311	4,215,752

Pursuant to an agreement between all shareholders of Risk Worldwide New Zealand Limited, the Group has agreed to provide a line of credit up to $3m from 1 August 2012. Additional funds for working capital have also been provided. This loan is unsecured and bears interest at the same rate as the Group is charged by its own lender.

		Consolidated Group	
		31 December 2015	30 June 2015
		$	$
iii.	**Loans from other related parties (entities controlled by the KMP's Morrison and Roche)**		
	Beginning of the period	-	240,634
	Loans advanced	-	-
	Loan repayment	-	(240,634)
	End of the period	-	-

This loan is unsecured and bears no interest.

iv. During the half year period $110,000 was paid in consultancy fees to Stephen Roche (31 December 2014: nil).

NOTE 21 FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition of:

— obligations for contingent consideration arising from business combinations.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

(b) Valuation techniques

The fair value of the contingent consideration in the business combinations is determined by performance forecasts which are used to estimate future cash flows. These cash flows are discounted back to a present fair value amount using the applicable discount rate.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

	31 December 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Liabilities				
Contingent consideration	-	-	6,849,128	6,849,128
Total liabilities recognised at fair value	-	-	6,849,128	6,849,128

	30 June 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Liabilities				
Contingent consideration	-	-	9,202,295	9,202,295
Total liabilities recognised at fair value	-	-	9,202,295	9,202,295

(c) Reconciliation of recurring Level 3 fair value measurements

	31 December 2015	**30 June 2015**
Balance at the beginning of the year	9,202,295	-
Additions during the year	371,040	8,477,862
Interest - discount unwind	211,773	724,433
Gains/losses recognised in profit or loss during the year	250,304	-
Settlements during the year	(3,186,285)	-
Balance at the end of the year	6,849,128	9,202,295

(d) Sensitivity analysis for recurring level 3 fair value movements

The Group has conducted a sensitivity analysis of the unobservable inputs and determined that a reasonable movement in these inputs could materially impact the fair value of the contingent consideration as at the reporting date. The key unobservable input is the expected EBITDA for each subsidiary subject to a contingent consideration payment. The potential decrease in the fair value of the contingent consideration payable from a reasonable change in forecast EBITDA is $2,900,000 whilst the potential increase in the fair value of contingent consideration payable from a reasonable change in forecast EBITDA is $800,000.

NOTE 22 COMPANY DETAILS

The registered office of the Group is:
Shine Corporate Ltd
Level 13, 160 Ann Street
Brisbane
QLD 4000

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Shine Corporate Ltd, I state that:

In the opinion of the directors:

(a) the financial statements and notes of Shine Corporate Ltd for the half year ended 31 December 2015 are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Simon Morrison
Managing Director

Dated this 23rd day of February 2016

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

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

Independent review report to the members of Shine Corporate Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Shine Corporate Ltd, which comprises the interim consolidated statement of financial position as at 31 December 2015, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Shine Corporate Ltd and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ric Roach
Partner
Brisbane
23 February 2016

SHINE CORPORATE LTD ABN: 93 162 817 905
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 22nd February 2016:

1. **Directors**
   Tony Bellas, Chairman
   Carolyn Barker AM, Non-Executive Director
   Gregory Moynihan, Non-Executive Director
   Simon Morrison, Managing Director

2. **Company secretaries**
   Vicki Clarkson
   Daniel Wilkie

3. **Principal registered office**
   Level 13, 160 Ann Street, Brisbane QLD 4000
   Phone: +61 7 3837 9484
   Fax: +61 7 3229 1999

4. **Stock Exchange Listing**
   Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

   Code: SHJ

5. **Auditors**
   Ernst & Young
   111 Eagle Street, Brisbane QLD 4000
   Phone: +61 7 3011 3333
   Fax: +61 7 3011 3100

6. **Solicitors**
   McCullough Robertson
   Central Plaza 2, Level 11, 66 Eagle Street, Brisbane QLD 4000

7. **Company website**
   www.shine.com.au

8. **Company numbers**
   ACN: 162 817 905
   ABN: 93 162 817 905

9. **Bankers**
   Commonwealth Bank of Australia
   Ground Floor, 143-145 Margaret Street, Toowoomba QLD 4350

10. **Investor relations website**
    www.linkmarketservices.com.au

11. **Share registry**
    The Registrar
    Link Marketing Services
    Level 12, 680 George Street, Sydney NSW 2000
    Phone: 1300 554 474 (toll free)
    + 61 8280 7111
    Fax: +61 2 9897 0303
    Fax: +61 2 9897 0309 (for proxy voting)
    Postal Address
    Locked Bag A14, Sydney South NSW 1235