EQUITY Trustees
Trusted since 1888

EQT RELEASE

Appendix 4D – Half Year Report

Name of entity

Equity Trustees Limited

ABN or equivalent company reference

46 004 031 298

Half Year Ended

31 December 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 13 $ '000		31 Dec 12 $ '000	
Revenue from ordinary activities	26,849	Up 17.7%	From	22,805
Operating profit after tax excluding non-operating items	4,938	Up 14.3%	From	4,321
Non-operating items net of tax	446			87
Profit from ordinary activities after tax attributable to members	5,384	Up 22.1%	From	4,408
Net profit for the period attributable to members	5,384	Up 22.1%	From	4,408

Dividends	Amount per Security	Franked amount per Security
Interim Dividend	46 cents per share	100%
The directors have declared a fully franked interim dividend of 46 cents per share. The directors have also declared that the dividend reinvestment plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average price of EQT traded shares on 5 days after record date. A discount of 2.5% will be applied.		
Record date for determining entitlements to the dividend.	19 March 2014	
Last date for the receipt of an election notice for participation in the DRP.	20 March 2014	
Payment date for dividend	16 April 2014	

ASX ADDITIONAL INFORMATION

Additional information required by the ASX, and not shown elsewhere in this report, follows. The information is current as at 31 December 2013.

Net tangible asset backing per share

The net tangible asset backing per share at 31 December 2013 was $2.93 (2012: $1.85), which is based on shares on issue of 9,657,299 (2012: 8,972,347).

Control gained or lost over entities during the period

The following entities were acquired during the period:

Half year ended 31 December 2013

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

Half year ended 31 December 2012

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

Audit

A review of the financial statements has been completed with an unqualified conclusion expressed by the auditor. A copy of the review opinion is attached.

Commentary

For additional commentary, refer to the Directors' Report and separate ASX release covering the Announcement of Results and Shareholder Presentation.

EQUITY Trustees
Trusted since 1888

Equity Trustees Limited

ABN 46 004 031 298

Consolidated Half Year Financial Report

for the half year ended

31 December 2013

Equity Trustees Limited
ABN 46 004 031 298

Directors' Report

The directors of Equity Trustees Limited submit herewith the financial report for Equity Trustees Limited and its subsidiaries (the Group) for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the Company during or since the end of the half year are:

J A (Tony) Killen OAM, Chairman
Robin B O Burns, Managing Director
David F Groves, Deputy Chairman
Alice J M Williams
The Hon Jeffrey G Kennett AC
Anne M O'Donnell
Kevin J Eley

Review of Operations

The directors of Equity Trustees Limited report a net profit after tax for the half year ended 31 December 2013 of $5,383,677 which is a 22.1% increase on the net profit after tax of $4,408,188 for the prior corresponding period. The increased profitability has occurred due to better performance in both of the business units and an improved investment climate.

The result for the period includes the following non-operating items totalling a gain of $445,581 (2012: $87,433)

- an after tax profit of $431,697 (2012: nil) from the sale of The Trust Company Limited (TRU) shares that were acquired due to the acceptance of the Equity Trustees Limited takeover offer that became unconditional on 13 November 2013 and closed on 12 December 2013;
- an after tax profit of $64,982 (2012: $241,433) from the sale of investments in the investment portfolio;
- an after tax cost of $399,195 (2012: $154,000 not tax effected) relating to the transaction acquisition costs associated with the Company's off-market takeover offer to acquire shares in TRU; and
- a taxation credit of $348,097 (2012: nil) relating to the 2013 transaction acquisition costs associated with the Company's off-market takeover offer to acquire shares in TRU. During the year ended 30 June 2013 , these costs were not tax effected, as there was an expectation that the takeover would be successful and the costs would have formed part of the taxation cost base of the acquired asset.

Operating revenue has grown 16.4% over the prior corresponding period, which reflects the positive momentum of a number of initiatives developed over the past 12 months. Barring any unforeseen factors, we expect this momentum to continue for the remainder of the current financial year.

The volume of important projects currently underway, together with a focus on recruiting sales-orientated staff has meant that expenses have increased by 19.6% compared to the prior half year. These expenses include $570,278 (2012: $154,000) relating to the TRU transaction costs. If the TRU costs are excluded, then the underlying expense increase was 17.3%.

The operating trading margin, which excludes the impact of one-off items, is 26.1%, a similar level to the prior year. As some of the major projects are completed resulting in reduced staff/contractors, and increased revenue is generated within the enhanced capacity, we would expect to see the margin increase.

The pre-tax operating profit, which excludes the abovementioned non-operating items, was $6,809,811 (2012: $5,975,517), an increase of 14.0%.

The reported earnings per share (undiluted) for the half year period was 58.30 cents (2012: 49.32 cents), representing a 18.2% increase compared to the corresponding prior period. This is based on the weighted average shares on issue during the period of 9,235,092 (2012: 8,938,313), a 3.3% increase over the prior year. This increase arises from shares issued in accordance with:

- participation under the dividend reinvestment plan (DRP) in relation to the 2013 interim and final dividend;
- an underwriting arrangement to place shares in respect of the portion of the 2013 final dividend not taken up under the DRP;
- the abovementioned takeover offer for TRU shares; and
- participation in employee share acquisition plans, share based remuneration and salary sacrifice share schemes.

If the non-operating items are excluded, then underlying earnings per share is 53.47 cents (2012: 48.34 cents).

The Board has approved a fully franked interim dividend 46 cents per share, up 9.5% from 42 cents per share in the prior half year. This represents 78.9% of reported earnings per share, but 86% of underlying earnings per share. The interim dividend falls within the Board's previously stated dividend payout range of 70 to 90%.

During the half year, the company was not successful in relation to the off-market takeover offer to acquire the shares in TRU. The disposal of the TRU shares that were acquired under the company's offer resulted in an after-tax profit of $431,697. The company continues to review expansion opportunities, either via strategic acquisitions or through organic growth initiatives.

At 31 December 2013, net assets were $74,645,271, an increase of $12,055,271 (19.3%) on the position at 30 June 2013 of $62,590,000. The Company's $5 million net tangible asset licence requirement has been adequately met throughout the first half of the year. The company has no borrowings and is in a strong financial position.

In the Directors' Report for the year ended 30 June 2013, it was reported that the company would be required to meet a new capital standard effective 1 July 2014. In order to meet this timeframe, the company arranged for the 2013 final dividend to be underwritten and had planned for the 2014 interim dividend to also be underwritten. As a result of acceptances under the TRU takeover, and the issue of company shares, the company raised an additional $6,072,620 of equity capital. Notwithstanding the above actions to increase capital, we have since received advice that the deadline for the new capital requirements has now been deferred by 12 months to 1 July 2015. This deferred deadline provides adequate time to assess alternatives for increasing capital, such as future dividend reinvestment plans (DRP) and underwriting the DRP non-participation. The timing of these decisions are made having regard to the maximisation of earnings per share and dividend payout ratios.

In terms of business unit performance, both Private Wealth Services (PWS) and Corporate Fiduciary & Financial Services (CFFS) made solid contributions to the half year result.

The PWS business unit continues its rollout of revenue growth initiatives. For the half year, revenue was up on the prior year comparative period by 13.6%, from $13.6m to $15.5m. During the half year we added additional referral partnerships to grow EQT's estate planning and will writing services. Funds under management, advice or administration increased by 12.8%, from $3.25b at 30 June 2013 to $3.67b at 31 December 2013.

The CFFS business unit also achieved solid growth in the responsible entity and funds distribution business lines. As a result, revenue has grown 21.6% from $8.7m for half year ended 31 December 2012 to $10.6m for half year ended 31 December 2013. There was a net increase of 17 in the number of funds for which we provide responsible entity business, increasing the total at 31 December 2013 to 175 from 158 at 30 June 2013. For the co-branded funds, where EQT is responsible for distribution and marketing, we have seen a reduction in net fund inflows, caused by a sectoral re-alignment away from defensive asset classes. Despite this broad market trend, overall CFFS Funds under Management/Administration increased by 15.3%, from $29.03b at 30 June 2013 to $33.46b at 31 December 2013.

In relation to the Group's business support units, it has been a busy period with a number of important projects continuing. The major efficiency project to streamline transaction processing, administration, systems and procedures

has continued and is largely on schedule for completion by 30 June 2014. Apart from efficiencies, the project will provide greater growth capacity to various business lines. Other projects are continuing according to plan.

The in-house asset management team is now at its full complement and is now overseeing a single investment approach across all of the various investment pools under the responsibility of the Group. This team is now working within the parameters established by the Board Investment Committee.

We continue to refine the business structure for the various regulatory, risk management, compliance and governance changes that have been a feature of recent years. A risk management framework and plans were submitted for successful MySuper applications for superannuation funds where the Group acts as trustee. We are ready for the changes introduced under the Future of Financial Advice (FoFA).

During the half year the general investment climate was favourable. Since the half year there has been some investment market volatility, however, in the absence of a major correction in the markets we expect business activity to be positive for the remainder of the current financial year.

Dividends

During the half year period the company paid a fully franked final dividend of 50 cents per share in respect of the financial year ended 30 June 2013.

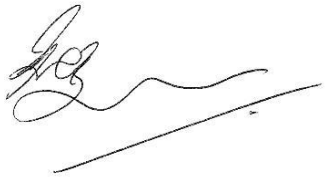
Subsequent to 31 December 2013, the directors have declared a fully franked interim dividend of 46 cents per share in respect of the financial year ending 30 June 2014.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 4 of the half year report.

Signed in accordance with a resolution of the directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



Mr Robin B O Burns
Managing Director
Melbourne, 27 February 2014

Deloitte Touche Tohmatsu
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The Board of Directors
Equity Trustees Limited
575 Bourke Street
MELBOURNE VIC 3000

27 February 2014

Dear Board Members

Equity Trustees Limited

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

As lead audit partner for the review of the financial statements of Equity Trustees Limited for the half-year ended 31 December 2013, 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 review; and

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Neil Brown
Partner
Chartered Accountants

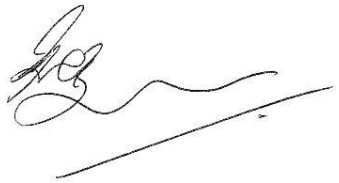
Directors' Declaration

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; and
b) 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 consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr Robin B O Burns
Managing Director
Melbourne, 27 February 2014

Equity Trustees Limited
Condensed Consolidated Statement of Profit or Loss
for the half year ended 31 December 2013

	Consolidated	
	Half year ended 31 Dec 2013	**Half year ended 31 Dec 2012**
	$	$
Continuing operations		
Revenue	25,755,425	22,222,309
Other revenue	1,093,428	582,614
Total revenue	**26,848,853**	**22,804,923**
Employee benefits expenses	13,519,456	11,687,424
Other employment related expenses	598,635	595,020
Audit and tax advice expenses	149,768	167,056
Depreciation and amortisation expenses	638,046	543,606
Management rights amortisation	113,705	119,383
Insurance expenses	291,893	272,206
Legal, consulting and regulatory expenses	1,093,898	486,714
Marketing and sales expenses	629,725	604,394
Information technology expenses	1,102,908	854,123
Occupancy expenses	848,987	736,762
Other expenses	913,796	571,813
Total expenses	**19,900,817**	**16,638,501**
Net profit before income tax expense	**6,948,036**	**6,166,422**
Income tax expense	(1,564,359)	(1,758,234)
Net profit after income tax expense from continuing operations	**5,383,677**	**4,408,188**
Attributable to:		
Owners of the parent entity	5,383,677	4,403,442
Profit attributable to minority interest	-	4,746
	5,383,677	**4,408,188**
Earnings per share		
- Basic (cents per share)	**58.30**	**49.32**
- Diluted (cents per share)	**57.54**	**48.91**

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

Equity Trustees Limited
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2013

	Consolidated	
	Half year ended 31 Dec 2013	**Half year ended 31 Dec 2012**
	$	$
Net profit after income tax expense from continuing operations	**5,383,677**	**4,408,188**
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Realised (gain)/loss on sale of available-for-sale investments	(91,794)	(344,905)
Increase/(decrease) from revaluation of available-for-sale investments	255,624	339,636
Income tax relating to components of other comprehensive income	(49,003)	513
Total comprehensive income for the period	**5,498,504**	**4,403,432**
Total comprehensive income attributable to owners of the parent entity	5,498,504	4,398,686
Total comprehensive income attributable to minority interest	-	4,746
	5,498,504	**4,403,432**

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

Equity Trustees Limited
Condensed Consolidated Statement of Financial Position
as at 31 December 2013

	Note	Consolidated 31 Dec 2013 $	Consolidated 30 Jun 2013 $
Current assets			
Cash and cash equivalents		10,987,157	9,891,934
Trade and other receivables		9,267,774	5,575,576
Other current financial assets - term deposits		4,011,095	-
Other		3,585,589	2,441,146
Total current assets		**27,851,615**	**17,908,656**
Non-current assets			
Trade and other receivables		108,186	108,186
Other financial assets		5,603,746	5,450,883
Property, plant and equipment		1,300,199	1,446,219
Intangible assets		34,813,839	34,183,899
Deferred tax assets		2,000,733	1,764,129
Goodwill	4	9,507,853	9,507,853
Total non-current assets		**53,334,556**	**52,461,169**
Total assets		**81,186,171**	**70,369,825**
Current liabilities			
Trade and other payables		509,485	791,865
Provisions		2,944,870	3,768,854
Other current liabilities		301,558	60,691
Current tax payable		892,080	1,205,708
Total current liabilities		**4,647,993**	**5,827,118**
Non-current liabilities			
Provisions		1,386,376	1,470,496
Other non-current liabilities		359,374	384,056
Deferred tax liabilities - investment revaluation		147,157	98,155
Total non-current liabilities		**1,892,907**	**1,952,707**
Total liabilities		**6,540,900**	**7,779,825**
Net assets		**74,645,271**	**62,590,000**
Equity			
Issued capital		60,474,622	49,601,432
Investment revaluation reserve		344,095	229,268
Equity settled benefits reserve		1,365,606	1,147,222
Retained earnings		12,460,948	11,612,078
Equity attributable to owners of the Company		**74,645,271**	**62,590,000**

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

Equity Trustees Limited
Condensed Consolidated Statement of Changes in Equity
for the half year ended 31 December 2013

	Reserves						
	Fully paid ordinary shares	Investment revaluation	Equity settled benefits	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2012	47,481,389	424,466	846,017	10,728,240	59,480,112	(3,710)	59,476,402
Profit for the period	-	-	-	4,403,442	4,403,442	4,746	4,408,188
Increase from revaluation of available for sale investments	-	339,636	-	-	339,636	-	339,636
Related income tax	-	(101,891)	-	-	(101,891)	-	(101,891)
Gain on sale of available for sale investments	-	(344,905)	-	-	(344,905)	-	(344,905)
Related income tax	-	102,404	-	-	102,404	-	102,404
Total comprehensive income for the period	-	(4,756)	-	4,403,442	4,398,686	4,746	4,403,432
Shares issued under employee salary sacrifice share plan	18,695	-	-	-	18,695	-	18,695
Shares issued under dividend reinvestment plan	612,297	-	-	-	612,297	-	612,297
Shares issued under employee share acquisition plan	176,256	-	(176,256)	-	-	-	-
Share issue costs	(6,825)	-	-	-	(6,825)	-	(6,825)
Related income tax	-	-	-	-	-	-	-
Provision for executive share entitlements	-	-	231,185	-	231,185	-	231,185
Provision for employee share acquisition plan	-	-	76,571	-	76,571	-	76,571
Payment of dividends	-	-	-	(4,015,085)	(4,015,085)	-	(4,015,085)
Balance at 31 December 2012	48,281,812	419,710	977,517	11,116,597	60,795,636	1,036	60,796,672
Balance at 1 July 2013	49,601,432	229,268	1,147,222	11,612,078	62,590,000	-	62,590,000
Profit for the period	-	-	-	5,383,677	5,383,677	-	5,383,677
Increase from revaluation of available for sale investments	-	255,624	-	-	255,624	-	255,624
Related income tax	-	(76,541)	-	-	(76,541)	-	(76,541)
Gain on sale of available for sale investments	-	(91,794)	-	-	(91,794)	-	(91,794)
Related income tax	-	27,538	-	-	27,538	-	27,538
Total comprehensive income for the period	-	114,827	-	5,383,677	5,498,504	-	5,498,504
Shares issued under employee salary sacrifice share plan	19,927	-	-	-	19,927	-	19,927
Shares issued under dividend reinvestment plan	1,555,230	-	-	-	1,555,230	-	1,555,230
Shares issued under employee share acquisition plan	169,936	-	(169,936)	-	-	-	-
Shares issued under executive share scheme	161,680	-	(161,680)	-	-	-	-
Shares issued under share placement	2,979,707	-	-	-	2,979,707	-	2,979,707
Shares issued for The Trust Company shares	6,072,620	-	-	-	6,072,620	-	6,072,620
Share issue costs	(122,729)	-	-	-	(122,729)	-	(122,729)
Related income tax	36,819	-	-	-	36,819	-	36,819
Provision for executive share entitlements	-	-	457,064	-	457,064	-	457,064
Provision for employee share acquisition plan	-	-	92,936	-	92,936	-	92,936
Payment of dividends	-	-	-	(4,534,807)	(4,534,807)	-	(4,534,807)
Balance at 31 December 2013	60,474,622	344,095	1,365,606	12,460,948	74,645,271	-	74,645,271

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

Equity Trustees Limited
Condensed Consolidated Statement of Cash Flows
for the half year ended 31 December 2013

	Consolidated	
	Half-year ended 31 Dec 2013 $	Half-year ended 31 Dec 2012 $
Cash flows from operating activities		
Receipts from customers	26,797,187	25,764,709
Payments to suppliers and employees	(25,430,371)	(21,324,216)
Income tax paid	(2,070,834)	(1,888,354)
Net cash provided by operating activities	**(704,018)**	**2,552,139**
Cash flows from investing activities		
Payment for investment securities	(4,000,000)	(1,000,000)
Proceeds on sale of investment securities	6,792,515	417,827
Interest received	219,126	175,618
Dividends received	163,745	27,678
Payment for property, plant and equipment	(122,214)	(305,913)
Payment for intangible assets	(1,131,197)	(518,948)
Net cash (used in) / provided by investing activities	**1,921,975**	**(1,203,738)**
Cash flows from financing activities		
Proceeds from issues of equity securities	2,979,707	-
Payment for share issue costs	(122,729)	(6,825)
Dividend paid to members of the parent entity (net of shares issued under the dividend reinvestment plan)	(2,979,712)	(3,402,460)
Net cash (used in) / provided by financing activities	**(122,734)**	**(3,409,285)**
Net (decrease) / increase in cash and cash equivalents	**1,095,223**	**(2,060,884)**
Cash and cash equivalents at the beginning of the half-year	**9,891,934**	**9,898,656**
Cash and cash equivalents at the end of the half-year	**10,987,157**	**7,837,772**
Reconciliation of cash		
Cash and Cash Equivalents	10,987,157	7,837,772
	10,987,157	**7,837,772**

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

Equity Trustees Limited
Notes to the Condensed Consolidated Financial Statements
for half year ended 31 December 2013

1. Summary of accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2013, except for the impact of the Australian Accounting Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

• AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'
• AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'
• AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'
• AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
• AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
• AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
• AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The key relevant new and revised Standards and amendments thereof and Interpretations effective for the current half-year that have or could have an impact on the amounts recognised in the Group's consolidated financial statements are outlined below.

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'.
AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over

1. Summary of accounting policies (cont'd)

an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

The directors of the Group made an assessment at the date of the initial application of AASB 10 (i.e. 1 July 2013) as to whether or not the Group has control, in accordance with the new definition of control and the related guidance set out in AASB 10, over certain managed investment schemes that the Group invests in and for which it acts as the responsible entity. The directors concluded that the change in the Standard is unlikely to have a material impact on the Group.

Impact of the application of AASB 12
AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However, this did not result in any changes to the half year report.

Impact of the application of AASB 13
The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).
AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.
AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the prior year comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Other new and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group have not had any material impact on the amounts recognised in the consolidated financial statements. Some of these new and revised Standards and amendments thereof and Interpretations may result in additional disclosures in the Group's consolidated financial statements.

	Half year ended 31 Dec 2013		Half year ended 31 Dec 2012	
	Cents per share	$	Cents per share	$
2. Dividends				
Recognised amounts				
Fully paid ordinary shares				
Final dividend	50.00	4,534,807	45.00	4,015,085
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend	46.00	4,442,641	42.00	3,768,743

3. Acquisition of businesses

Half year ended 31 December 2013

There were no business acquisitions during the half year ended 31 December 2013 (2012: none).

4. Goodwill	Half year ended 31 Dec 2013	31 Dec 2012
Gross carrying amount	$	$
Balance at beginning of the interim period	9,507,853	9,432,878
Additional amounts recognised from business combinations occurring during the period.	-	-
Balance at end of the interim period	9,507,853	9,432,878
Accumulated impairment losses		
Balance at beginning of the interim period	-	-
Balance at end of the interim period	-	-
Net book value		
At the beginning of the interim period	9,507,853	9,432,878
At the end of the interim period	9,507,853	9,432,878

5. Subsequent events

There have been no material subsequent events.

6. Contingent liabilities and contingent assets

Contingent liabilities exist in respect of certain trust and estate accounts that are overdrawn, however, these contingent liabilities are mitigated by the assets held by these trust and estate accounts which are considered ample to cover any contingent liability. There has been no change to contingent liabilities since the previous corresponding half-year period. There are no contingent assets (2012: nil).

7. Issuances of equity securities	Half year ended 31 Dec 2013		Half year ended 31 Dec 2012	
Fully paid ordinary shares	No. of shares	$	No. of shares	$
Opening balance 1 July	9,049,621	49,601,432	8,907,676	47,481,389
Shares issued under employee salary sacrifice share plan	1,197	19,927	1,562	15,695
Shares issued under executive share scheme	11,346	161,680	-	-
Shares issued under employee share acquisition plan	11,180	169,936	13,770	174,432
Shares issued under dividend reinvestment plan (DRP)	90,896	1,555,230	49,339	610,296
Shares issued under share placement	174,150	2,979,707	-	-
Shares issued for The Trust Company shares	318,909	6,072,620	-	-
Share issue costs net of tax	-	(85,910)	-	-
Closing balance 31 December	9,657,299	60,474,622	8,972,347	48,281,812

8. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Information reported to the Group's Managing Director 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 Private Wealth Services and Corporate Fiduciary and Financial Services. The Group's reportable segments under AASB 8 are as follows:

Private Wealth Services
The provision of personal financial and superannuation services, including in relation to personal estates and trusts, wealth management, asset management, aged care services, and portfolio services.

Corporate Fiduciary and Financial Services
Responsible Entity trustee services for managed funds on behalf of local and international managers and sponsors. Management and coordination of distribution and marketing for Equity Trustees co-branded retail and wholesale funds.

Information regarding the Group's reportable segments is presented below. The accounting policies of the reportable segments under AASB 8 are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. There were no discontinued operations (2012: nil).

	Half year ended	
	31 Dec 2013	31 Dec 2012
	$	$
Segment revenue		
Private Wealth Services	15,535,309	13,677,397
Corporate Fiduciary and Financial Services	10,605,040	8,721,598
	26,140,349	22,398,995
Other	708,504	405,928
Total revenue per income statement	26,848,853	22,804,923

The revenue reported above represents revenue generated from external customers. There were no inter-segment revenues (2012: nil).

Segment net profit before tax		
Private Wealth Services	3,442,454	3,308,328
Corporate Fiduciary and Financial Services	3,367,356	2,606,166
	6,809,810	5,914,494
Other unallocated expenditure	(570,278)	(154,000)
Other	708,504	405,928
Total net profit before tax per statement of income	6,948,036	6,166,422

9. Financial Instruments

This note provides information about how the Group determines fair values of various financial assets. The Group has no financial liabilities measured at fair value.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.
The Group's available for sale financial assets are measured at fair value at the end of each reporting period. The following outline gives information about how the fair values of these financial assets are determined.

Type of financial asset	Valuation technique and key inputs	Fair value hierarchy	Fair value at 31 Dec 2013 $	Fair value at 31 Dec 2012 $
Available for sale investments				
Australian equities	Quoted price (unadjusted) in active market	Level 1	108,253	541,573
Managed investment schemes	Unit price published by the managed investment scheme	Level 2	5,495,493	3,188,683

There are no significant unobservable inputs and therefore no relationship of unobservable inputs to fair value. At the end of the current reporting period, the Group has transferred the investments in managed investment schemes from level 1 to level 2 in the fair value hierarchy on the basis that although there is are quoted market prices, active markets with significant trading frequency and market volume did not exist. There were no other transfers between levels in the fair value hierarchy at the end of the reporting period.

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 amounts of financial assets and financial liabilities that are not measured at fair value on a recurring basis recognised in the consolidated financial statements approximate their fair values.

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

We have reviewed the accompanying half-year financial report of Equity Trustees Limited, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Equity Trustees Limited, 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Equity Trustees Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Equity Trustees Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

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

DELOITTE TOUCHE TOHMATSU

Neil Brown
Partner
Chartered Accountants

27 February 2014