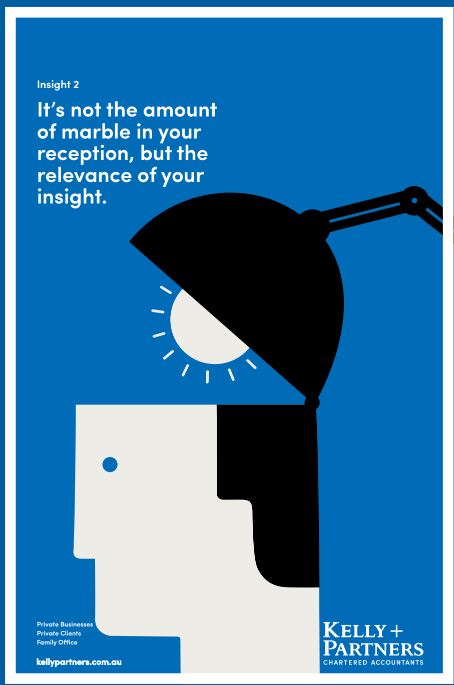
KELLY+PARTNERS
GROUP HOLDINGS LIMITED

Annual Report 2017


Insight 1
It's not the big who beat the small anymore, but the fast who beat the slow.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Insight 2
It's not the amount of marble in your reception, but the relevance of your insight.
Private Businesses
Private Clients
Family Office
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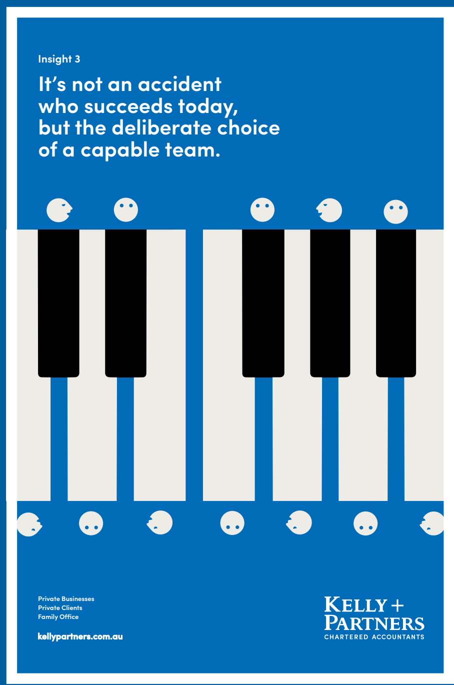
CHARTERED ACCOUNTANTS


Insight 3
It's not an accident who succeeds today, but the deliberate choice of a capable team.
Private Businesses
Private Clients
Family Office
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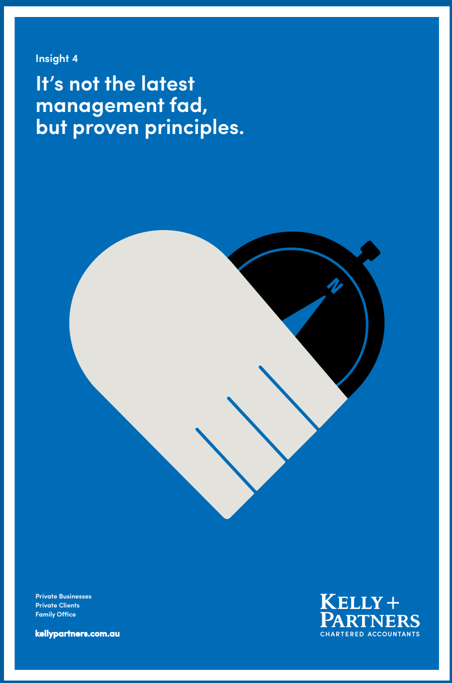
CHARTERED ACCOUNTANTS


Insight 4
It's not the latest management fad, but proven principles.
Private Businesses
Private Clients
Family Office
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Insight 5
It's not those who talk about business, but those who, like you, are doing the business.
Private Businesses
Private Clients
Family Office
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Kelly + Partners
Chartered Accountants


Insight 6
Kelly+Partners Chartered Accountants, we help business owners who want to go somewhere.
Private Businesses
Private Clients
Family Office
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Chartered Accountants

Values

Kelly+Partners is guided by a set of principles that define our character and culture, forming the core of our business vision. These universal principles are the shared convictions that we bring to our professional and personal conduct and are the fundamental strength of our business.

Our core values are outlined in below.

Kelly+Partners Values

Want the best for others

We are distinguished by thinking and acting in the interest of others, taking the time to know people and always seeking to be helpful.

We do what we say

We do what we say – our word is our bond and we deliver what we promise.

Better off

We help Private Business Owners who want to be 'better off' by delivering trusted and convenient compliance and forward-looking advisory services.

One team, one best way

We care for our colleagues, treating each other like family. We've got each other's backs and we work with the Kelly+Partners system in 'One Best Way'.

Brightness of future

Our team personally demonstrate that they contribute to making Kelly+Partners a great place to work.

Every client a referrer

We like our clients and we want them to be happy. Each client is important and if they've got a problem that needs solving, we're there to help fix it.

Profit leader

Profit is essential to a sustainable business. We want to demonstrate the quality of our advice by earning it in our business.

Mission

To help private business owners, private clients and families maintain control of their financial universe and be better off by delivering the Kelly+Partners Financial Advice System.

Vision

By making private business owners prosper, we envisage a stronger world and clients who are 'better off.'

Contents

MESSAGE FROM THE CHAIRMAN AND CEO	9
STRATEGIC INTENT	13
PERFORMANCE HIGHLIGHTS	17
GLOBAL TAX MEGATRENDS	23
INDUSTRY OVERVIEW	25
BUSINESS OVERVIEW	27
KELLY+PARTNERS NETWORK	43
COMMUNITY SPIRIT	47
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	51
2017 FINANCIAL REPORT	55

Message from the Chairman & CEO

During the financial year, Kelly Partners Group Holdings made significant progress. Our commitment to helping our clients' accounting, tax, audit and advisory needs (principally SME and mid-market businesses) via our 13 office locations delivered continued growth across all our business areas.

The 2017 financial year saw the Group deliver a Net Profit After Tax of $1.08 million after taking into account one off costs largely associated with the IPO of the company (refer page 73 of Financial Report). Group Revenue was up by 43% and underlying Group EBITDA (after adjusting for non–recurring items) grew by 67% to $8.7 million. Underlying EBITDA attributable to shareholders grew by 60% to $4.3m (refer page 61 of Financial Report). The driver of this performance was growth across all business areas, disciplined management of costs and focus on core business delivery.

Our Mission and Strategy - A key differentiator for the business is the clarity of understanding as to our mission and strategy. We focus on helping clients realise a stronger financial future by delivering coordinated financial advice. In executing our strategy, we concentrate on five key areas: maximise the partnership model; strengthen foundations for growth; broaden service offering and maintain SME focus; drive operational excellence and fully deliver the Kelly+Partners Financial Advice System.

Alignment - Our business model is entirely focused on alignment of interests of our partners, people, clients and shareholders and this team based approach has, and we believe will continue, to drive superior opportunity and performance in the businesses.

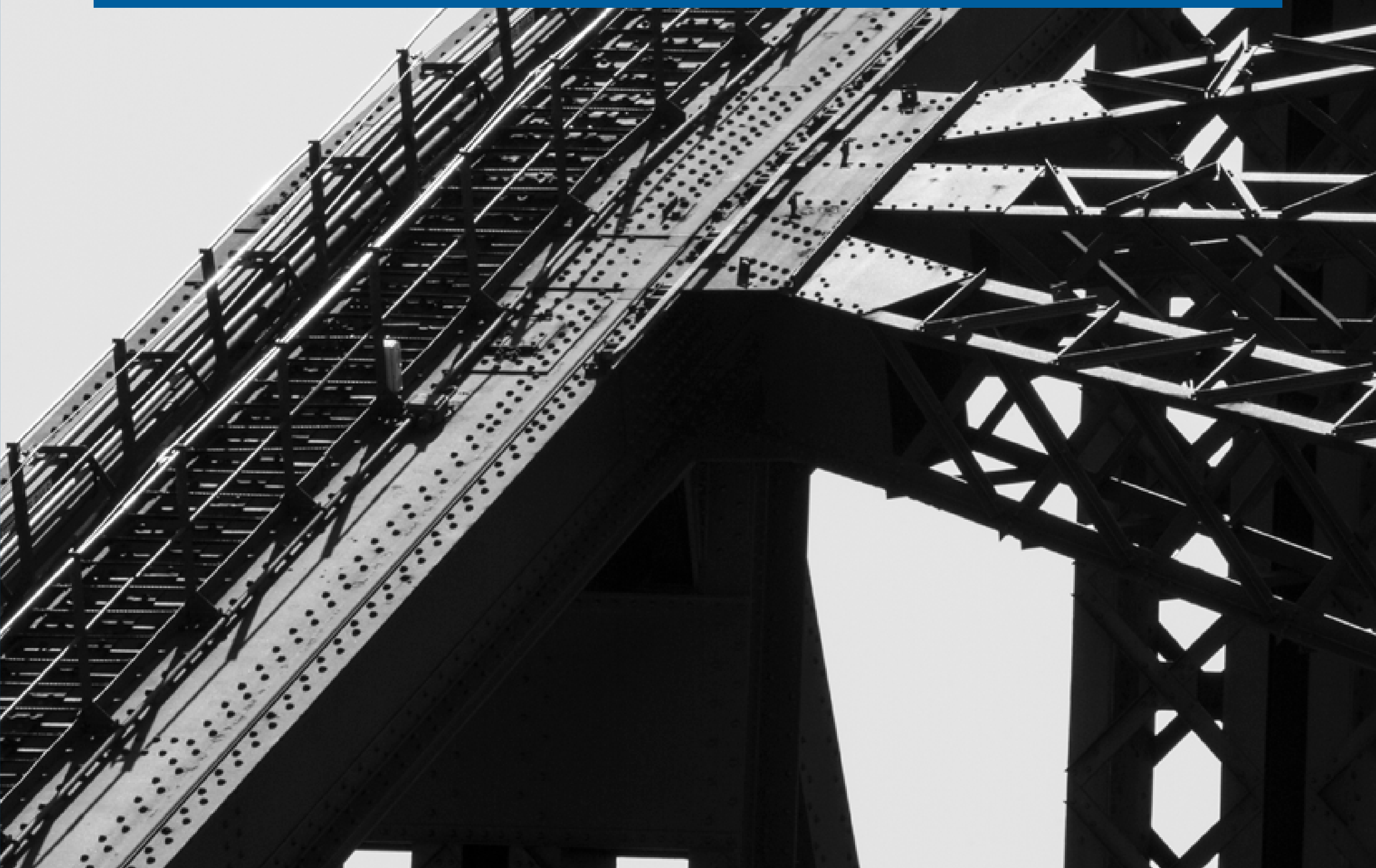
Outlook - We have a clear mission and strategy, focused on our continuing to deliver growth over time. We are excited about the opportunities to bring additional talented people and services to our clients, and to build Kelly Partners Group's position in the industry. What is good for our partners and clients, will be great for our business and long-term shareholder value.

I am extremely grateful to the Kelly Partners Group team and its partners, for their dedication and willingness to embrace change as we continue to grow and evolve. We are committed to making Kelly Partners Group not just a great company and a great place to work, but one that makes all of its people and clients better off.

Brett Kelly

Brett Kelly
Founder, Chairman and Chief Executive Officer
Kelly Partners Group Holdings Limited

Strategic Intent



Strategic Intent

Helping clients realise a stronger financial future through coordinated financial advice.

1.
Maximising the partnership model

4.
Drive operational excellence

5.
Fully deliver the Kelly+Partners Advice System

2.
Strengthen foundations for growth

3.
Broaden service offering + maintain focus

Performance Highlights

Performance Highlights

Full Year Financial Highlights

- Strong growth in Underlying Pro forma FY17 P&L metrics compared to prior year.
- Underlying Pro forma FY17 P&L metrics all above prospectus forecasts.
- EBITDA margins above both prior year and prospectus.
- Reported NPAT impacted by non-recurring items.

Strong Revenue Growth

$m	FY17	FY16	% Change
Underlying Pro forma Consolidated Revenue*	$35.7m	$31.2m	14%
Number of Offices	13	11	18%
Number of Operating Business	16	12	33%
Number of Operating Partners	38	32	19%
Number of Total Team	192	124	55%

* Underlying Pro forma revenue includes Sydney CBD business for a full 12 months for FY17 and FY16.

Underlying Pro forma FY17 NPATA* attributable to Shareholders	$3.4m	↑15% on prior year	↑2% on prospectus
Underlying Pro forma FY17 EBITDA* attributable to Shareholders	$5.9m	↑23% on prior year	↑7% on prospectus
Underlying Pro forma FY17 EPS* attributable to Shareholders	7.6cps	↑15% on prior year	↑2% on prospectus
Underlying Consolidated Pro forma FY17 Total Revenue	$35.7m	↑14% on prior year	↑3% on prospectus
Underlying Pro forma EBITDA Margin	31.8%	29.6% in prior year	31.1% in prospectus
Reported FY17 NPAT attributable to Shareholders	($2.8m)	impacted by ($4.7m) in non-recurring items	

* Underlying Reported P&L metrics have been derived from the audited financial statements and exclude amortisation of intangibles and non-recurring items including: IPO costs, acquisition expenses, and convertible note exercise.

Proforma Adjustments include the pro forma contribution from Kelly Partners Sydney CBD as if the acquisition had occurred on 1 July 2015. Plus other normalised items as outlined in the KPGH prospectus.

Underlying Pro forma results comprise Underlying Reported results, adjusted to include the pro forma contribution from Kelly Partners Sydney CBD as if the acquisition had occurred on 1 July 2015. These metrics are used by management to assess the operational performance of the business.

Performance Highlights

BUSINESS EXPANSION

Southern Highlands expansion

In the middle of 2016, the Mittagong office merged with the oldest & largest firm in Bowral to create the leading firm in the Southern Highlands.

NETWORK EXTENSION

Sydney CBD Office joins

The CBD business of BMF Accounting was a welcome addition to the Kelly+Partners network on 1st January 2017.

GREENFIELD

Parramatta Office launched

In April 2017, Kelly+Partners launched a greenfield office in Parramatta. This was the 9th greenfield office during the 11 year history of Kelly+Partners.

NEW SERVICES

Wealth

Our Wealth business was launched in September 2016 in our North Sydney office to assist our existing SME clients and their families.

Finance

Since the balance date, Kelly+Partners has added a Finance business to provide specialist advice to our SME clients.

Successful IPO

The parent company of the group, Kelly Partners Group Holdings Limited, was successfully listed on ASX on 21 June 2017 at $1.00/share.

Services

KELLY + PARTNERS
CHARTERED ACCOUNTANTS

Accounting, Taxation, Audit and Advisory

Specialist Services

COMMENCED

KELLY + PARTNERS TAX CONSULTING	KELLY + PARTNERS WEALTH MANAGEMENT	KELLY + PARTNERS FINANCE
Specialist Tax Consulting	Wealth Solutions Investment Solutions SMSF Solutions	Business Finance Personal Finance

PLANNED

KELLY + PARTNERS PROPERTY ADVISORY	KELLY + PARTNERS CORPORATE ADVISORY	KELLY + PARTNERS INSURANCE
Property Consulting and Advice	M&A Capital Raisings Corporate Restructuring Strategic Reviews Business Valuations	Life Insurance General Insurance Risk Assessment

Global Tax Megatrends

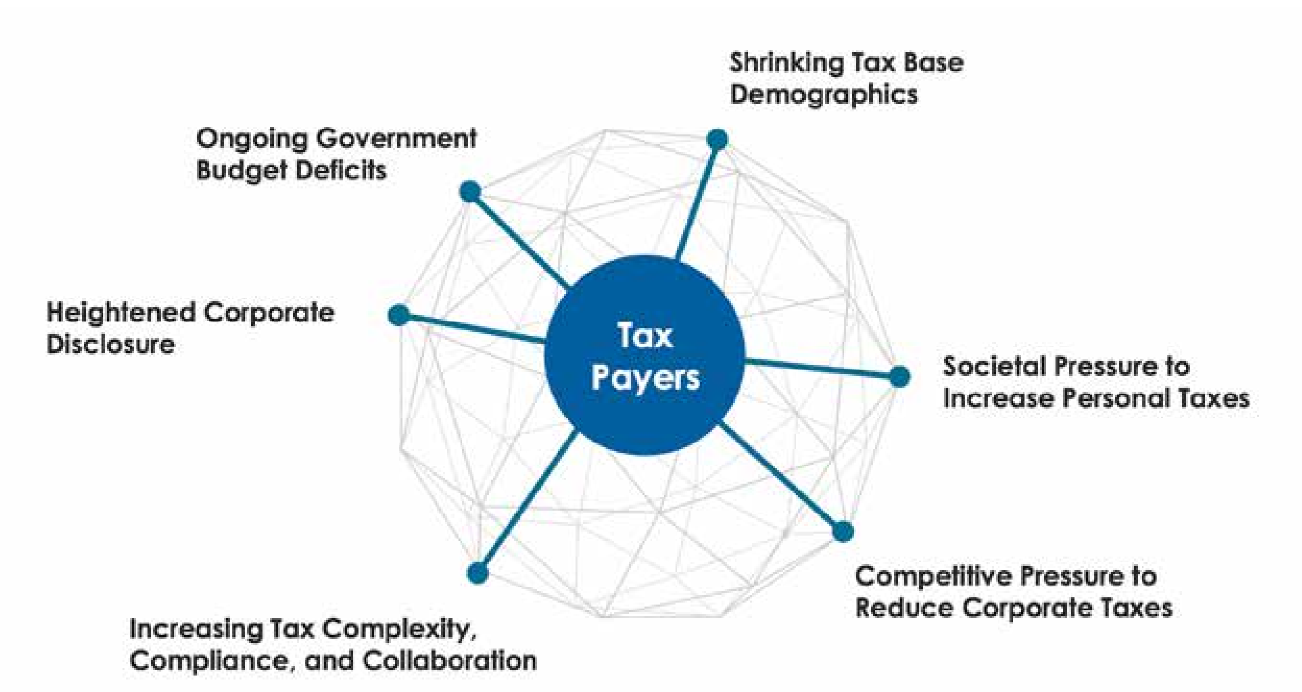
Global tax megatrends

Management believes there are a number of important issues facing the Western economies, which combine to drive global demand for accounting and tax services.

These issues include:

- **Ongoing Government Budget Deficits**
  Governments in the developed world continue to run sizeable fiscal deficits against a background of slow global growth. This is unsustainable in the long term without damaging consumer and investor confidence. Increasingly, this problem is being solved via higher taxation of individuals rather than reduced government spending.
- **Shrinking Tax Base Demographics**
  An aging population in developed economies is steadily shrinking the personal income tax receipts for governments. In order to provide certainty of revenue, this has resulted in a broadening of the tax base. In turn, this has led to higher indirect taxation such as goods and services tax / value added tax, and the introduction of new taxes, such as those targeting the digital economy.
- **Societal Pressure to Increase Personal Taxes**
  Demand continues for publically-funded healthcare, education, infrastructure, defence, law enforcement, and other civil services. This is largely funded through higher taxation revenue over time. The political debate on inequality in wealth and income is resulting in increased personal income tax on high-earners.
- **Competitive Pressure to Reduce Corporate Taxes**
  Corporate tax rates have been falling in many developed countries for over 10 years. This trend is driven by competition for global investment dollars, and the need to stimulate economic growth following the global financial crisis.
- **Increasing Tax Complexity, Compliance and Collaboration**
  The volume of tax law is increasing, centred around annual government budget cycles. Further, an increased focus on anti-avoidance and loopholes has led to increased government audits and the pursuit of new cross-border tax treaties between countries.
- **Heightened Corporate Disclosure**
  The current global push towards Corporate Social Responsibility (CSR) is being directed by governments, regulators, the media, and the general public. For companies, this has resulted in a reassessment of the way they account for revenue and taxes in the jurisdictions in which they operate.

Global Tax Megatrends



Source: Management estimates.

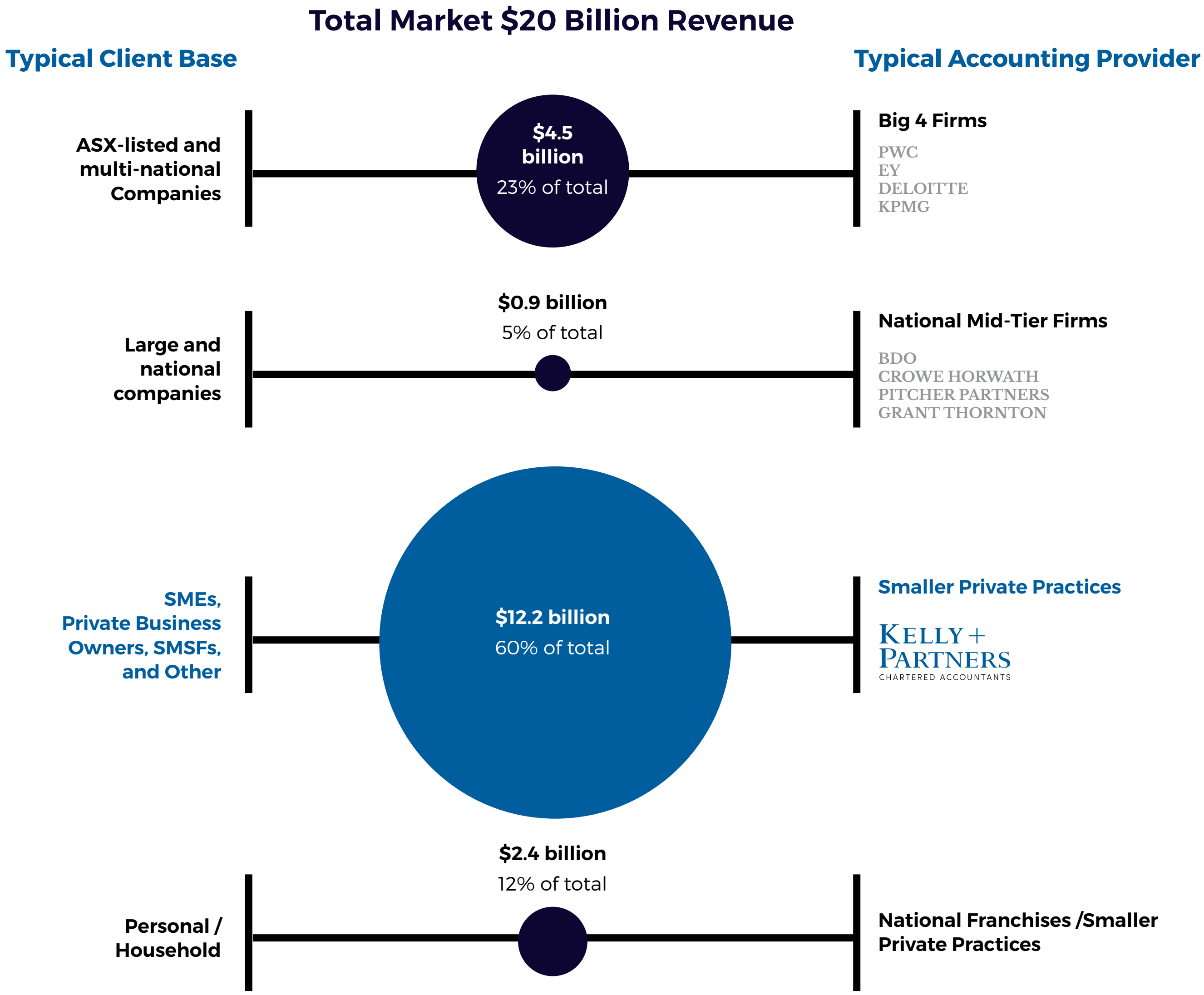
Industry Overview

The Australian accounting and tax market is large, but highly fragmented.

The accounting and tax market in Australia is highly fragmented, both in terms of the number of providers and the scope and quality of services offered. In total, accounting industry revenues were approximately A$20 billion in 2016[1]. Once all on-costs are included (other professional services fees and the cost of taxpayers own time), the total dollar value of tax compliance in Australia is $40 billion per annum[2].

The accounting market can be broken down into four broad segments as per below:

Size of Australian accounting industry



Source: Management estimates

[1] Management estimates.

[2] Compliance costs include fees paid to all external independent professionals, as well as costs associated with tax payers complying with regulations. Source; Australian Treasury, Stocktake of Regulation: Final Report, March 2015.

Business Overview

Kelly+Partners is a single-brand owner-driver network focused on providing accounting and taxation services to private SMEs.

Overview

Introduction

Kelly+Partners is a single-brand, owner-driver network primarily focused on providing accounting and taxation services to private SMEs. The network comprises of 16 majority-owned businesses across 13 locations, and includes specialist businesses in tax consulting, wealth management and strategy consulting. Our offices are spread across Greater Sydney, with a finance and bookkeeping function located in Hong Kong.

Typically, the accounting firms which service the domestic SME market are highly fragmented and spread across more than 30,000 small private practices[1], with varying degrees of expertise and service. With over 5,300 active SME client groups today, Kelly+Partners is well positioned to further develop its position in this segment of the accounting market. Kelly+Partners sees the fragmented market structure of the private SME segment as a significant opportunity to increase market share going forward.

Our existing client base consists of stable, long-term relationships with SME owners who typically have a growing demand for taxation and compliance services. The foundation of these relationships is Kelly+Partners' commitment to operational excellence and our investment in staff training and development, that delivers premium quality client service.

Kelly+Partners Group Holdings Limited (the 'Company') provides three key services to the underlying majority-owned and controlled Operating Businesses:

+ **Intellectual Property** – Proprietary systems and single-brand marketing to drive better revenue performance.
+ **Centralised Services** – Optimisation of back office functions to improve margins and cashflow within the underlying accounting network.
+ **Operating Business Model** – Using an owner-driver model, the Company acquires a majority interest (>50%) in the Operating Businesses to drive long-term strategic alignment, and help solve the succession dilemma.

Going forward, Kelly+Partners growth strategy includes a combination of organic growth in existing businesses, network expansion through new Operating Businesses and establishment of greenfield sites, as well provision of new services such as tax consulting and wealth management / SMSF.

Kelly+Partners Business Model

[1] Management estimates.

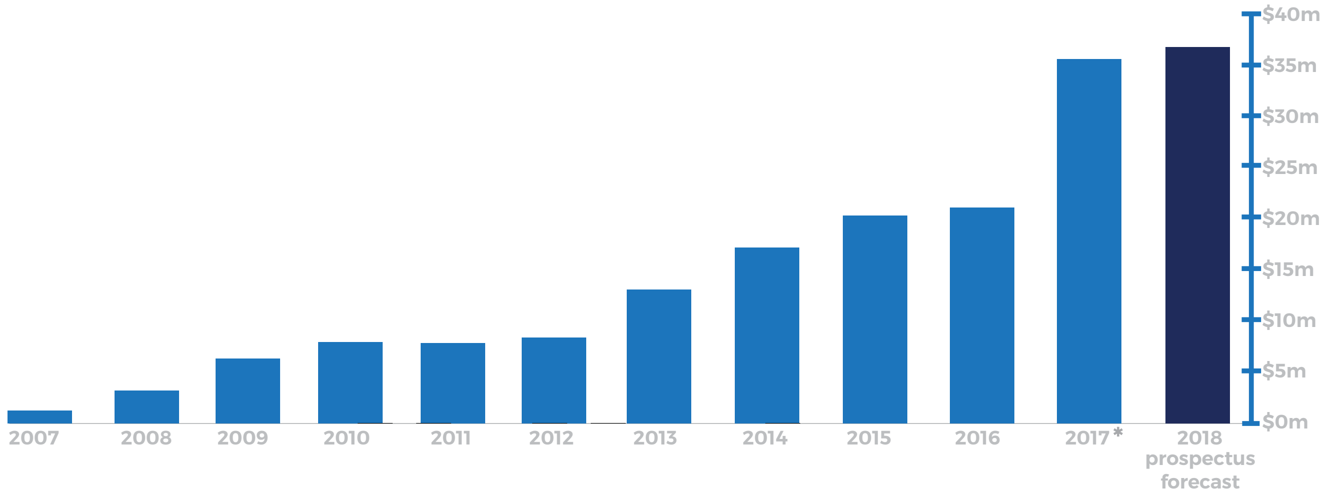
History

Kelly+Partners was established in 2006 to provide a better service to private business owners, and in 2007 started investing in private chartered accounting firms in the Greater Sydney area. The owner-driver Operating Business structure was modeled on a >50% Company Subsidiary / <50% Operating Business Owner ownership split, to ensure long term strategic alignment of both parties.

Growing from two initial start-up businesses in North Sydney and the Central Coast in 2006, Kelly+Partners now has 12 locations across Greater Sydney, and 1 office in Hong Kong. During this period, the Company has transformed 14 external firms and built 9 greenfield businesses, to create the existing accounting network. This includes three specialist business that have been launched in tax consulting, wealth management and strategy consulting. All Operating Businesses utilise Kelly+Partners intellectual property, including branding and marketing, plus a centralised management and back office function located in North Sydney and Hong Kong.

Kelly+Partners has experienced strong growth since its inception in 2006, as demonstrated in the chart below. In the historical period from FY07 to FY16, the Company generated a consolidated revenue CAGR of 37%. Over the period from FY16 to FY18, the Company is forecasting consolidated pro forma revenue CAGR of 8.5%.

Kelly+Partners Consolidated Revenue



* Underlying Pro forma revenue includes Sydney CBD business for a full 12 months. All data is on a financial year basis.

Current operations

Today, Kelly+Partners encompasses 38 Operating Business Owners and a total of 192 team members, spread across 16 individual Operating Businesses and 13 locations.

The business proposition is to provide:

- **Leadership & Management** on a centralised basis to reduce costs, improve efficiency and enhance the competitive position of the Operating Businesses.
- **Intellectual Property**, including brand, marketing, systems and processes, which aims to address the Operating Business' ability to attract, develop and retain team members and increase the breadth of service offering.
- **Structure & Investment** to facilitate succession and long term growth of the Operating Businesses through a controlling >50% interest via a Company Subsidiary.

The Company holds a majority and controlling interest in each operating business which varies from 50.05% to 100%, with exception of Kelly Partners Oran Park (25.3%) which is held through a trust controlled by the Company.

Kelly+Partners Operating Businesses

Kelly+Partners key statistics

16 Operating Businesses

13 Locations

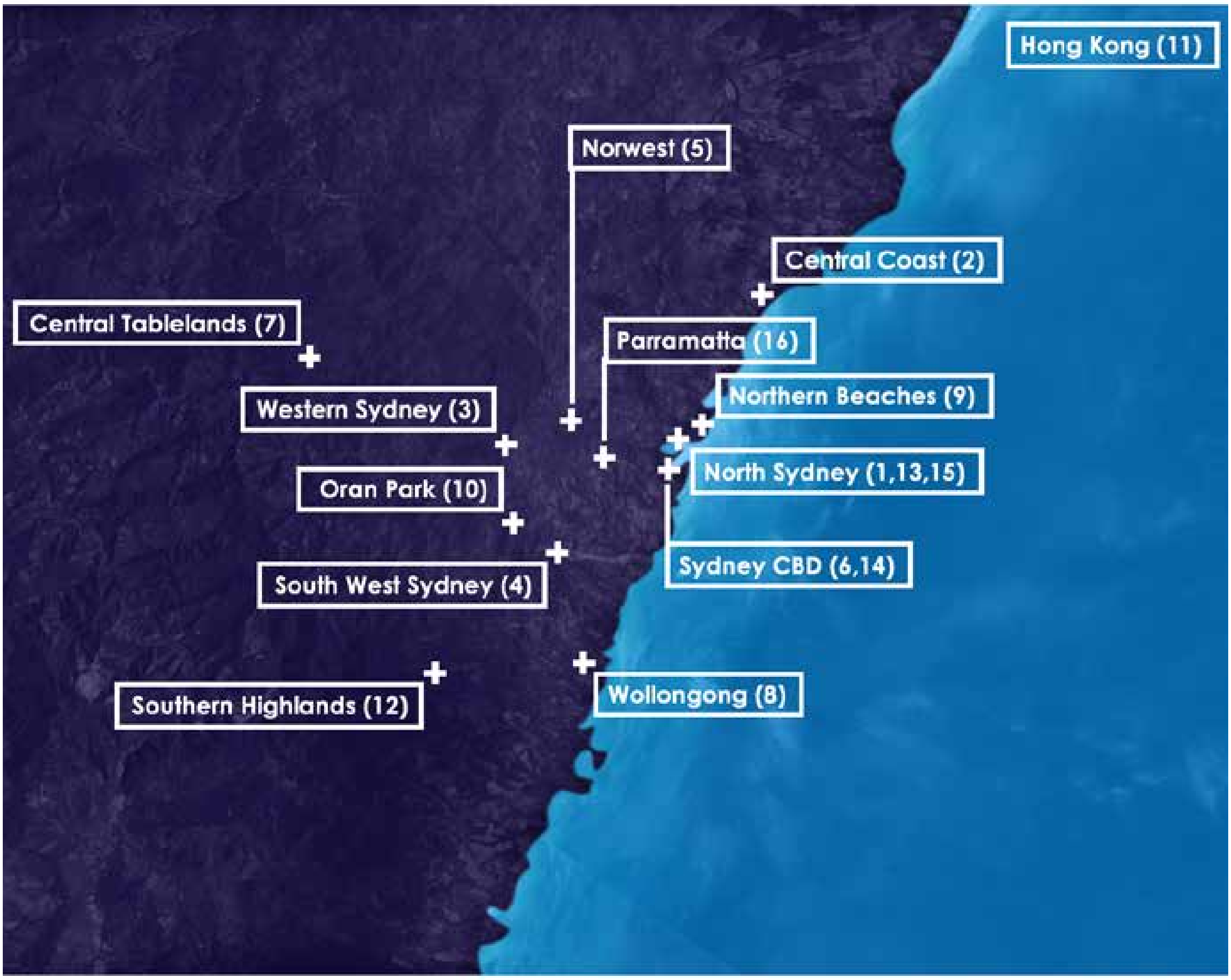
38 Operating Business Owners

41 Average age of Operating Business Owners

192 Total Team

23 Transactions completed since inception

Kelly+Partners Office Locations



Kelly+Partners' Diversification

Location	12 office locations spread across Greater Sydney, and 1 office in Hong Kong
Operating Business Owners	38 Operating Business Owners spread across 16 individual Operating Businesses with an average age of 41
Client Base	Over 36 separate industries represented in the client base and more than 5,300 client groups
Services	Expanding presence in tax consulting and wealth management

Strategy

Kelly+Partners has seven strategic priorities:

- **Private SME business owners in Greater Sydney** - Since inception, Kelly+Partners' focus has been building accounting teams that can materially improve the financial situation of private SMEs and their owners. These clients are "sticky" given that they desire long term relationships with their accountants.
- **Recurring business lines** - Kelly+Partners focuses on business lines that are predictable and recurring in nature which include accounting and taxation. We regard audit as commoditised, and it represents less than 5% of our total revenue. Approximately 85% of Kelly+Partners revenues are generated from accounting and taxation services.
- **Premium service and prices** - The Operating Businesses deliver high-quality service levels with a strong focus on clients. We maximise value for clients using our proprietary processes and systems. The network benefits from strong client loyalty with an annual client churn of 2%.
- **Network expansion under a strong single-brand** - Kelly+Partners has a long and successful track record of profitable network expansion using an owner-driver model. Key synergies include a combination of higher cost efficiency, active management of debtors and cashflow, and increased revenue opportunities. In addition, the adoption of a strong single-brand provides proven benefits for future business development, overall staff culture, and in particular, recruitment of talented team members.
- **Ongoing system growth** - Accounting and taxation services are driven by increasing tax complexity and compliance in Australia. The SME subset of the accounting market represents approximately 60% (or $12 billion pa)[1] of total industry revenues, and the role of intermediating the relationship between this client subset and the ATO will become more important over time.
- **Marketing and Advertising** - The Company invests significantly in its brand through regular advertising and marketing campaigns. This has included television, radio, and newspaper advertisements and this is expected to continue in the future. These marketing and advertising campaigns are expected to continue to build awareness of the Kelly+Partners brand, as well as attract prospective clients and potential new Operating Business opportunities.
- **Property and Leases** - Kelly+Partners owns a majority interest in a property on the Central Coast which is leased to the Kelly Partners Central Coast Partnership. All other offices operate in a leased office with lease terms varying from 3-5 years.

Business Line	Revenue Risk	Typical Service Providers
Consulting and Advisory	High – volatile, project based	Big 4
Audit	Low – stable, commoditised	Big 4, National Mid-Tier
Tax and Compliance	**Low – stable, recurring**	**Kelly+Partners** Small Private Firms
Bookkeeping	High – exposed to digital disruption and outsourcing	Small Private Firms Software Providers

[1] Management estimates.

Ability to create value through Operating Business transformation and integration

The Company has a long track record of delivering transformational outcomes for businesses which have joined the Kelly+Partners network. The key deliverables from this process include:

+ **Expense Reduction** – centralisation of back office functions and more focused workplace processes and protocols.
+ **Better Staff Experience** – more motivated and strategically aligned Operating Business Owners and staff, under the umbrella of a dynamic culture and single brand strategy.
+ **Better Client Experience** – clients benefit from improved service, increased Company technical expertise, wider product offering, and improved IT systems.
+ **Better Cashflow** – improved systems for controlling WIP (work in progress) and collecting debtors.
+ **Revenue Growth** – freeing up Operating Business Owner time coupled with a wider product offering drives stronger top line growth.

Centralisation of Services

The Company's investment in centralised work groups, business processes and technology has created a highly scalable business that is able to deliver high levels of productivity and service. The centralised management team are located in the North Sydney and Hong Kong offices, and provide the following services to our Operating Business network:

+ Marketing, Branding and Events
+ Proprietary Client Systems and Procedures
+ Finance Management and Controls
+ Risk Management, Business Registrations, Accreditations and Quality Assurance
+ Technology Platform and Website
+ Human Resources and Training
+ Executive Management and Corporate Strategy

This centralised approach also delivers significant operational leverage, enabling the Company to expand its office network at a relatively low cost whilst continuing to deliver higher profit margins for all Operating Businesses. This is reflected in EBITDA margins for Kelly+Partners which are significantly higher than the industry average.

Pressure points for smaller accounting practices

- X Succession planning
- X Staff attraction and retention
- X Management of sub-scale back office functions
- X Undifferentiated service offering
- X Technological change
- X Increasing regulatory and compliance burdens
- X Client demands increasing

Kelly+Partners solution

- ✓ Facilitate **succession** and long term **strategic alignment** under an owner-driver model
- ✓ **Centralise back office** to drive workplace efficiencies
- ✓ Improve profile via **single brand** strategy
- ✓ **Attract and develop** key staff
- ✓ Proprietary accounting **systems and procedures**
- ✓ Leverage **expertise / service offering** across the network

Business Fitness, The Good, The Bad & The Ugly Report 2017

40%
of accounting firms surveyed will have a partner retiring / exiting over the next 5 years

79%
of accounting firms surveyed have no succession plan in place

Source: Business Fitness, The Good, The Bad & The Ugly Report 2017.

Structure

Kelly+Partners has developed an owner-driver Operating Business model within the accounting sector. This structure has been successful in other industries in Australia, most notably insurance brokers (eg. Steadfast and Austbrokers). The majority of the Operating Businesses are structured as Partnerships (with the exception of Kelly Partners Sydney CBD and Kelly Partners Hong Kong), with a wholly-owned subsidiary of the Company holding the Partnership interest. Each Partnership is governed by partnership agreement, the key elements of which include:

+ **majority control** position for the Company through >50% ownership interest in each Operating Business (excluding Kelly Partners Oran Park);
+ **10 year Partnership Term** with automatic roll-over for a further 10 years, which generates long-term strategic alignment of individual Operating Business Owners and the Company (with the exception of Kelly Partners Sydney CBD and Kelly Partners Hong Kong which are structured as companies);
+ the Company provides centralised **management and back-office services** for a fixed percentage fee based on revenue;
+ the Company provides centralised **brand, marketing, systems, procedures**, and **intellectual property** for a fixed percentage fee based on revenue;
+ agreed operating **methods and financial metrics**;
+ defined monthly **distributions or dividends**;
+ clear **succession plan** for older Operating Business Owners, with pre-agreed structures to facilitate proactively-managed generational change;
+ consideration to comprise mix of upfront and deferred (earn-out); and
+ all **debt secured against individual Operating Business**, both jointly and severally, with no recourse back to the Company.

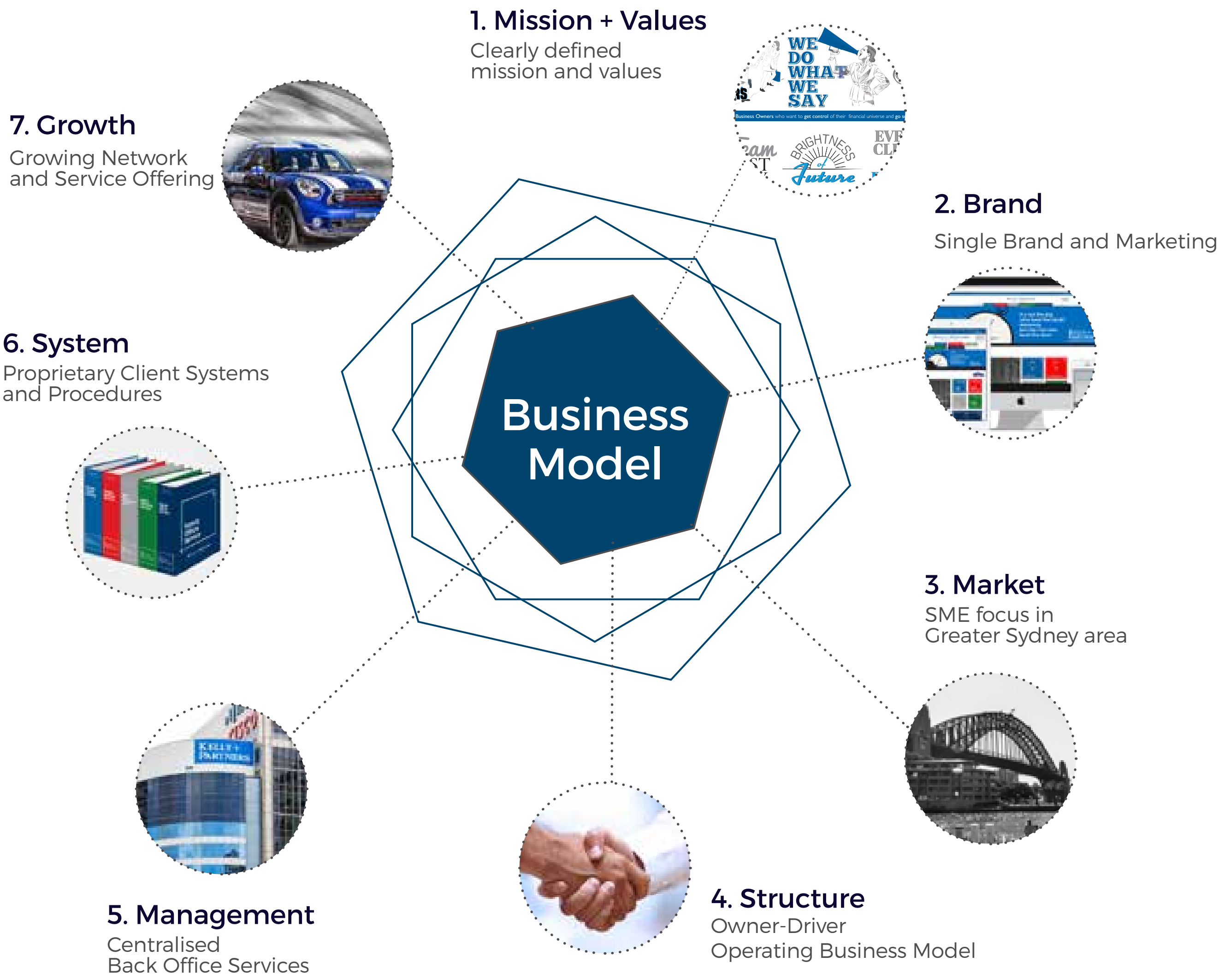
For Operating Businesses which are structured as Partnerships, a company ("Agent Company") is incorporated to act as the undisclosed agent for the Partnership, and enters into contracts including leases for and on behalf of the Partnership.

An exception to the Partnership structure is the Operating Business located in the Sydney CBD, which is structured as a company (Kelly Partners (Sydney) Pty Ltd ACN 616 117 634) and the Operating Business located in Hong Kong, which is also structured as a company (Kelly Partners Management Services (Hong Kong) Limited). A wholly-owned subsidiary of the Company holds a >50% shareholding interest in Kelly Partners (Sydney) Pty Ltd and Kelly Partners Management Services (Hong Kong) Limited).

The terms of the shareholders agreement which governs the relationship between the Company's Subsidiary and the Operating Business Owners of the Operating Businesses located in the Sydney CBD and Hong Kong are substantially the same as the Partnership Agreements set out above (other than the 10 year term, which does not apply to the company structure).

The Operating Business model provides both retention and alignment of Operating Business Owners and staff in each individual business. While the Operating Business Owners in each Operating Business are responsible for the day-to-day management of the business, the Company has the ability to monitor and manage each Operating Business through collection of monthly data and assessment against performance benchmarks and pre-determined budgets. In addition, the Company assists to drive operating efficiencies through a common back office platform, which centralises key functions such as finance, technology, marketing, human resources, and administration.

Key Elements of the Business Model



People and culture

Kelly+Partners staff are motivated to deliver results for our clients. A wide range of incentives are offered by Kelly+Partners to recognise and reward both personal and team results.

Generally, promotions occur within the pool of current employees which ensures that the best people within Kelly+Partners experience career progression into leadership positions where they can have the most significant positive impact. The average age of an Operating Business Owner at Kelly+Partners is 41 years old.

We are proud of our diversity at Kelly+Partners. We hire people from a multitude of backgrounds and our training aims to take a comprehensive and personal approach allowing us to focus the right people to the right roles. We believe the diversity profile of our workforce reflects the broader Australian society and our client base.

Much of the value we offer our clients is created through the specialist skills and knowledge in our team. We are therefore committed to ensuring our people receive quality training and development opportunities with a view to building a long-term career.

Our training and development goal is to create:

+ accountants who are always professional;
+ exhibit integrity at all times; and
+ display a strong work ethic.

The training programs at Kelly+Partners consists of both formal and informal training, mentoring programs and networking events. We believe this provides the support and resources our staff need to drive their own learning. Kelly+Partners endeavours to meet the highest standard of business behaviour, compliance and ethics and this is reflected in our training programs.

Client base

Kelly+Partners' primary client base is located within the Greater Sydney area. This broad definition includes from Wollongong / Southern Highlands to the south, to Newcastle / Central Coast in the north, and the Central Tablelands to the west. However, we also have many clients located in rural NSW, Victoria and Queensland. In addition, we maintain an office in Hong Kong to undertake specialised finance and bookkeeping services.

Other key metrics on our client base can be summarised below.

Kelly+Partners' Key Metrics

5,300 Number of active client groups

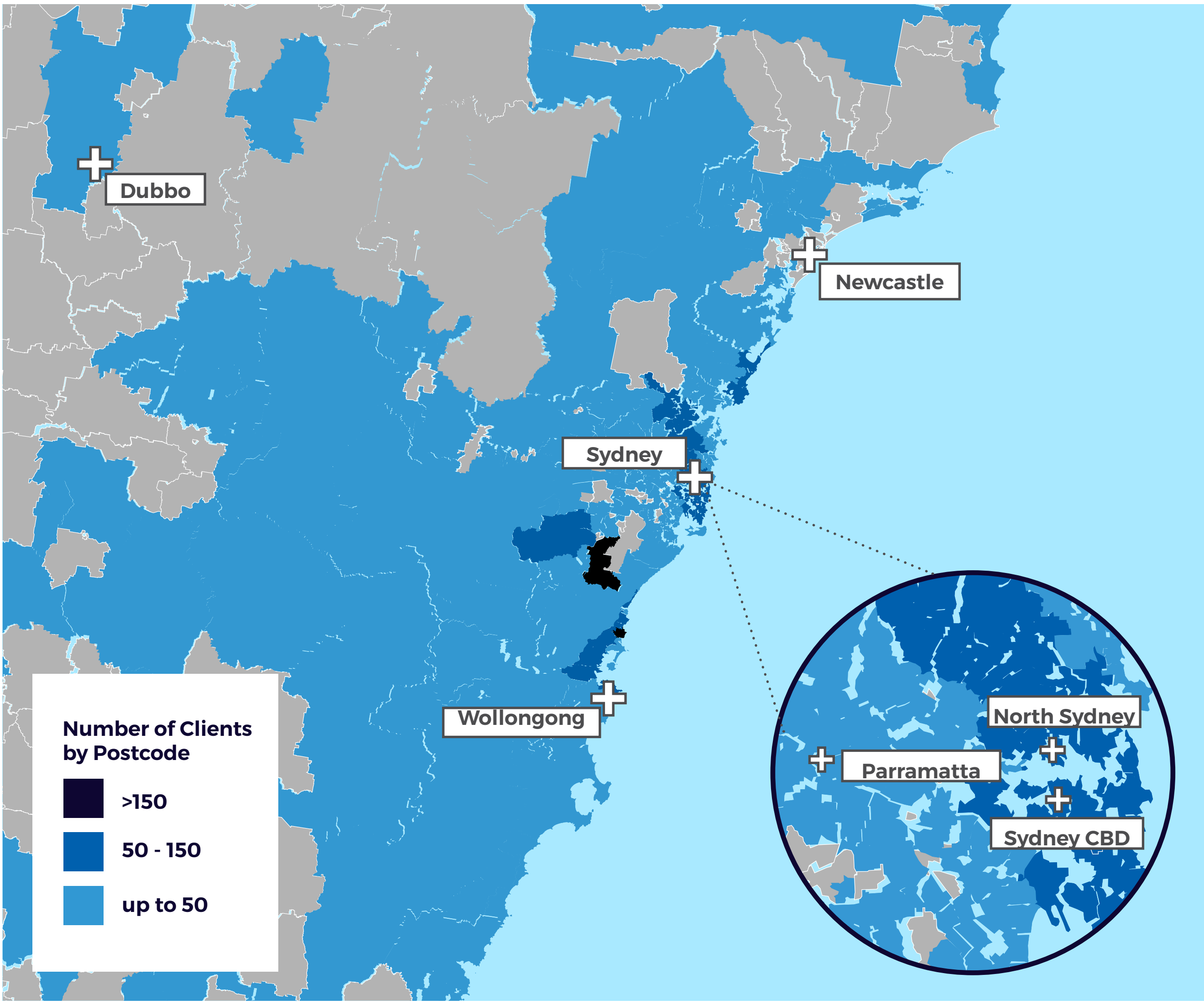
88% NSW Geographical revenue spread

2% pa Annual client churn

85% of revenue is accounting and tax services

Our client base of over 5,300 groups is 88% located in New South Wales, as represented on the location map below:

Map of Kelly+Partners Client Base



Growth strategy

The Company's growth plan is based on a three-pronged strategy: organic growth, network expansion and the introduction of new services.

Organic Growth

Underpinning organic growth for Kelly Partners is increased demand for accounting and taxation services driven by the Australian tax system's increasingly complex rules, legislation and compliance requirements. At the same time, our increasing brand presence and market penetration delivers growth in our existing locations through:

+ the targeted acquisition of key people and fee parcels to add to existing businesses
+ the application of our client acquisition process
+ the application of our proprietary systems ('Integrated Advice Model' and 'Flight Plan')

Since formation, organic revenue growth for Kelly+Partners has averaged approximately 4% pa. The Company sets an annual revenue growth target of 5% for mature Operating Businesses, comprising a 2% volume growth and a 3% price growth. In addition, the Company has developed specific revenue and cost plans to improve EBITDA margins with a target level of 32.5% per Operating Business. If achieved, this improvement will be an important driver of future earnings growth. At present, approximately one-third of Operating Businesses generate EBITDA margins which exceed or are in-line with this target.

Network Expansion

According to a recent industry survey[1], there is a generational shift unfolding in the Australian accounting sector. Over the next five years, up to 40% of accounting firms (who were surveyed) have accounting partners / owners who are looking to retire, or exit the industry. Adding pressure to this dynamic is the fact that nearly 80% of accounting partners (who were surveyed) do not have a succession plan.

Kelly+Partners is well positioned to take advantage of this demographic shift given our successful track record of identifying and transforming accounting practices in need of a succession plan. Our owner-driver model delivers long-term Operating Business Owner alignment, enhanced staff culture, improved financial performance, the roll-out of proprietary accounting systems and procedures, and a centralised platform in which to drive growth. As has been demonstrated by our revenue CAGR of 37% over the past 10 years (FY07 to FY16), our successful track record with business transformations has been a key driver of historical growth for Kelly+Partners.

The key characteristics which the Company requires when assessing a new Operating Business to add to the network are summarised below:

+ alignment with Kelly+Partners' vision and culture;
+ capacity to meet Kelly+Partners' target financial and operating metrics;
+ long-term commitment of Operating Business Owners via an approximate 49% ownership;
+ long-term client relationships, with strong SME and/or SMSF profile;
+ focus on tax and accounting services (which are recurring business lines);
+ must be fully owned by existing partners or shareholders; and
+ provides geographic expansion opportunities for Kelly+Partners;

The Company follows a strict process to identify and assess external accounting firms. Please refer to the description of our 'Kelly+Partners Opportunity Filters'.

Kelly+Partners has identified a number of locations in the Greater Sydney area as targets for future geographic expansion of its accounting network. Over time, the Company anticipates that our owner-driver network will expand into these regions through either bolt-on opportunities, or the launch of new greenfield Operating Businesses, with clients acquired through referrals, online enquiries and other marketing activities. This regional growth model will further cement Kelly+Partners as the premier tax and accounting provider for SMEs in Greater Sydney.

[1] Business Fitness, The Good, The Bad & The Ugly Report 2017.

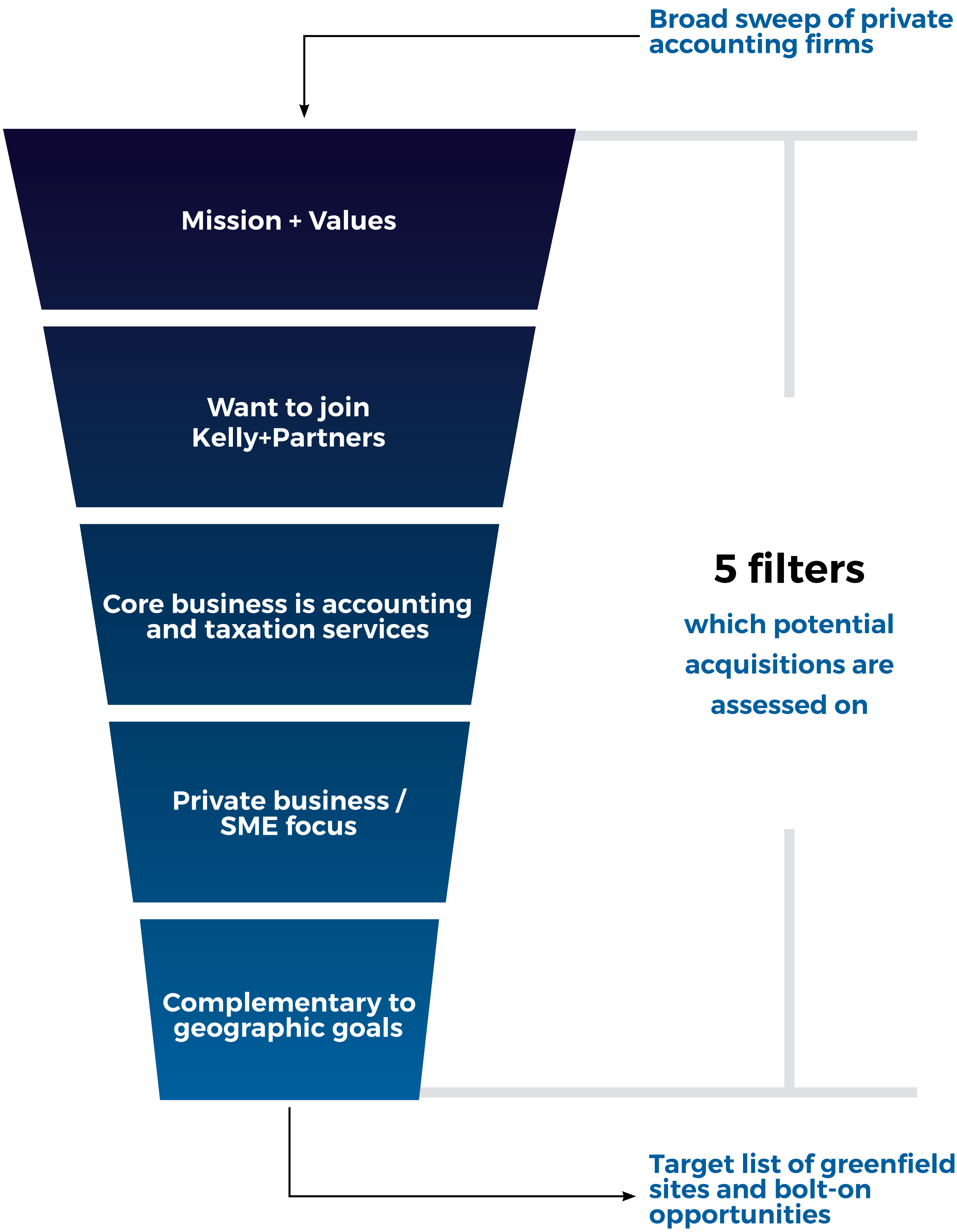
Target Geographic Locations in Greater Sydney

New Services

Accountants provide a broad range of financial services to their client base which includes: accounting, audit, tax, compliance, financial advice, corporate advice, wealth management, superannuation / SMSFs, insurance, family office, and estate planning.

+ **Kelly Partners Tax Consulting** (launched in 2012 and located in the Sydney CBD office) – SME businesses often require advice on more than one area of tax. Our tax consulting team comprise a core group of taxation experts, each with strong knowledge and experience across the tax spectrum.
+ **Kelly Partners Wealth Management** (launched in 2016 and located in the North Sydney office) – As part of our service offering to private SMEs, Kelly+Partners is well positioned to assist business owners and founders to ensure both their businesses and their personal wealth is organised in a coordinated fashion. Services provided include superannuation / SMSFs, asset protection, financial advice, insurance, tax management, retirement planning, estate planning, and family office.

Kelly+Partners Opportunity Filters



Kelly+Partners Network

CENTRAL COAST

2006

NORTH SYDNEY

2006

WESTERN SYDNEY

2009

WOLLONGONG

2013

ORAN PARK

2014

NORTHERN BEACHES

2015

SOUTHERN

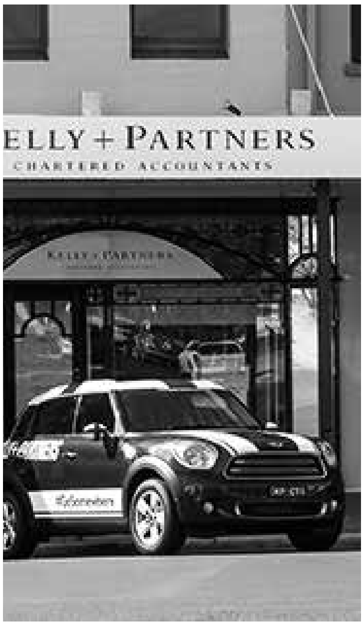
20

SOUTH WEST SYDNEY

2011

NORWEST

2012



CENTRAL TABLELANDS

2013

HIGHLANDS

16

HONG KONG

2016

SYDNEY CBD

2017

PARRAMATTA

2017

Community Spirit

Community engagement and corporate responsibility

We're serious about supporting Sydney's communities

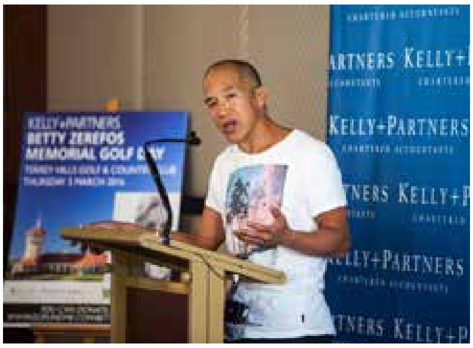
As a local business, we have a responsibility to the communities in which we operate and one of the most enjoyable parts of our job is meeting our neighbours and getting involved with local events.

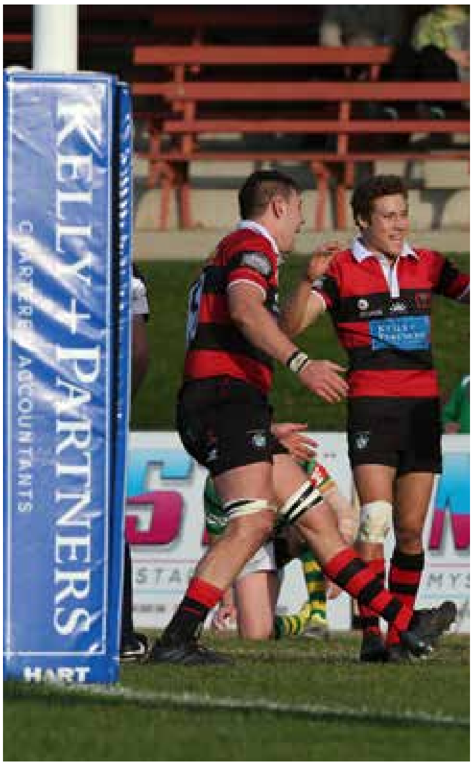
Managing our environmental impact

As a rapidly expanding business we are committed to finding ways of reducing our environmental impact and carbon footprint. In addition, we endeavour to be considerate within our local communities.


NEXT GENERATION


KELLY + PARTNERS | NEXT GENERATION

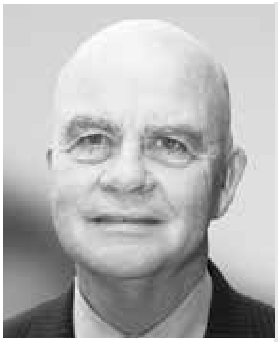

KELLY+PARTNERS


KELLY+PARTNERS
CHARTERED ACCOUNTANTS

Board of Directors and Senior Management

Board of Directors and Senior Management

The Board comprises an Executive Chairman, a non-Executive Deputy Chairman, one non-Executive Director and two Executive Directors. The Directors bring to the Board relevant skills and experience, including industry and business knowledge, financial management and corporate governance experience.

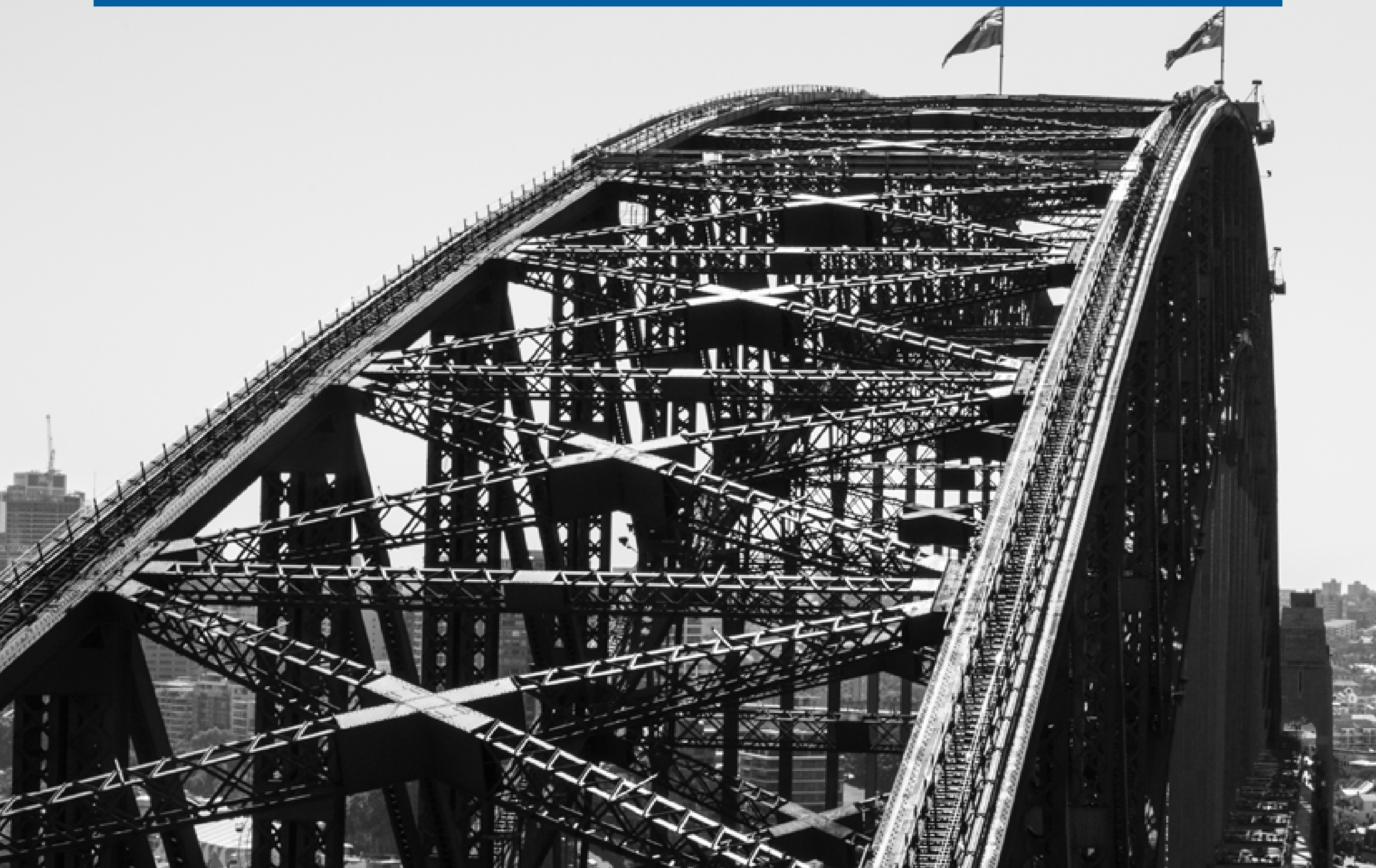
	Director details	Expertise and experience
	**Brett Kelly** *BBus, CA, MTax, DipFS, RTA, JP* *Founder, Executive Chairman and Chief Executive Officer* Non Independent	Brett is the founder and CEO of Kelly+Partners. He has more than 20 years commercial and professional accountancy experience, specialising in assisting private clients, private business owners and families. He commenced his career as a Chartered Accountant with 5 years at Price Waterhouse, and then worked at 3 mid-sized accounting firms. In 2006, Brett founded Kelly+Partners with accounting businesses in North Sydney and the Central Coast, before building out the network to 16 businesses over 13 locations to date. Brett is also the best-selling author of four books on life, business and wisdom.
	**Stephen Rouvray** *BEc, CA* *Deputy Chairman and Non-Executive Director* Appointed 2017 Independent	Stephen has over 45 years experience in financial services across many senior leadership roles. He was Chief Financial Officer, Company Secretary and Manager of Investor Relations for AUB Group (formerly Austbrokers) from 2005 until 2015. Prior to this, he was General Manager for ING Australia Holdings from 2002 to 2005 having joined ING's predecessor company, Mercantile Mutual, in 1985. Over this 20 year period, Stephen held the position of Group Company Secretary, which included its subsidiary companies operating in the life and general insurance, investment management, funds management and banking sectors. At the start of his career, he worked in the accountancy profession from 1971 to 1984. Since retiring as CFO, Stephen continues to represent AUB as a Director for a number of its subsidiaries and associates.

	Director details	Expertise and experience
	**Pauline Michelakis** *BCom (Hons), CA* *Executive Director and Chief Financial Officer* Appointed 2017 Non Independent	Pauline joined Kelly+Partners in 2013 as Group CFO. She has more than 20 years experience in senior financial roles in financial services and investment companies. Pauline is a Chartered Accountant who commenced her career in 1981 as an auditor with Arthur Young & Company (now Ernst & Young). In 1986 she joined listed international investment company AFP Group in an executive role. In total, Pauline worked for the group for 10 years, including 5 years as General Manager Finance of Lang Corporation, the ASX-listed Australian spin-off (subsequently renamed Patrick Corporation Limited). She also held chief financial roles at Kaplan Funds Management and Committed Capital Limited, before joining Kelly+Partners.
	**Paul Kuchta** *BBus, CA, FTIA, DipFP, RTA, JP* *Executive Director* Appointed 2017 Non Independent	Paul is a Chartered Accountant with more than 17 years accounting experience specialising in the provision of accounting, compliance, tax and advisory services to private SMEs and their owners. He commenced his career with Farrar & Company Chartered Accountants in 1998, where he worked for 10 years. Paul then joined Crowe Horwath in 2008 for a further 4 years. He was a founding partner of Kelly Partners Norwest when the business was launched in 2012.
	**Ryan Macnamee** *BCom, GACID* *Non-Executive Director* Appointed 2017 Independent	Ryan is an experienced business technology executive with over 25 years of IT management experience. He has been Chief Information Officer (CIO) at Laing O'Rourke since 2012, including 3.5 years as the Global CIO. Ryan is responsible for all IT functions within Laing O'Rourke with a focus on strategic objectives, global alignment and delivering business value. Prior to his current role, he held several senior IT management positions at Woolworths from 2008 to 2012. Earlier in his career, Ryan undertook various senior IT positions at financial, insurance, construction and retail operations globally. He is also on the board of the Open Data Institute, a position he has held since 2014.

Senior management

	Key Manager details	Expertise and experience
	**David Franks** *BEc, CA, FFin, JP* *Company Secretary* Appointed 2017	David has over 20 years experience in finance and accounting, initially qualifying as a Chartered Accountant with Price Waterhouse in their Business Services and Corporate Finance Divisions. Since that time, he has been CFO, Company Secretary and / or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy, retail, transport, financial services, mineral exploration, technology, automotive, software development and healthcare.
	**Kenneth Ko** *BBus, CA, HKICPA* *Group Finance Manager* Appointed 2015	Kenneth joined Kelly+Partners in 2015 as Finance Manager. He is a Chartered Accountant with more than 10 years chartered and commercial accounting experience. He commenced his career with BDO Chartered Accountants in 2007, and then joined Chandler Macleod in 2011 in a commercial accounting role. In 2013, he moved to Coca Cola Amatil to lead their financial accounting team. Kenneth joined Kelly+Partners' head office in North Sydney as Finance Manager in 2015. He subsequently founded the Hong Kong business in 2016, maintaining his role as Finance Manager.
	**Brendan Lyons** *BSc, MAppFin, GradDipAppFin* *Head of Corporate Development* Appointed 2017	Brendan joined Kelly+Partners in January 2017 as Head of Corporate Development. He has over 20 years experience in equity markets, financial analysis, and business management. Previously, Brendan was co-Head of Australian Equities at Goldman Sachs for 4 years from 2012 to 2015. In total, he worked for Goldman Sachs / JBWere for 18 years, including 10 years as an equity partner. During this time, Brendan held various senior roles in Institutional Equities and Equities Research across Sydney, Melbourne, London and New York. Prior to this, he worked at Deutsche Bank for 4 years as an equities analyst. More recently in 2016, Brendan consulted to Lithium Power International on their successful public listing on ASX.

2017 Financial Report



Kelly Partners Group Holdings Limited and Controlled Entities

(formerly known as
Kelly Partners Group Holdings Pty Limited)

ABN 25 124 908 363

Financial Report

For the Year Ended 30 June 2017

Contents

CORPORATE DIRECTORY	59
DIRECTORS' REPORT	60
AUDITOR'S INDEPENDENCE DECLARATION	72
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	73
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	74
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	75
CONSOLIDATED STATEMENT OF CASH FLOWS	76
NOTES TO THE FINANCIAL STATEMENTS	77
DIRECTORS' DECLARATION	107
INDEPENDENT AUDITOR'S REPORT	108
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES	112

Corporate Directory

Kelly Partners Group Holdings Limited and Controlled Entities
ABN 25 124 908 363

Corporate Directory
30 June 2017

Directors	**Brett Kelly** – Chairman, Executive Director **Stephen Rouvray** – Deputy Chairman, Non-Executive Director **Ryan Macnamee** – Non-Executive Director **Pauline Michelakis** – Executive Director **Paul Kuchta** – Executive Director
Company secretary	**David Franks**
Registered office	**Level 8 32 Walker Street North Sydney NSW 2060 Telephone: (02) 9923 0800**
Share register	**Computershare Investor Services Pty Limited Level 4 60 Carrington Street Sydney NSW 2000 Telephone: 1300 787 272**
Auditor	**Deloitte Touche Tohmatsu Grosvenor Place 225 George Street Sydney NSW 2000**
Stock exchange listing	Kelly Partners Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: KPG)
Website	**www.kellypartnersgroup.com**
Corporate Governance	Kelly Partners Group Holdings' Corporate Governance Statement and ASX Appendix 4G detailing compliance with the third edition of the ASX Corporate Governance Principles and Recommendations is available on the website www.kellypartnersgroup.com.au/investor-centre/corporate-governance-2

Kelly Partners Group Holdings Limited and Controlled Entities

Directors' Report

30 June 2017

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kelly Partners Group Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Directors

The following persons were directors of Kelly Partners Group Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brett Kelly

Stephen Rouvray (appointed 2 May 2017)

Pauline Michelakis (appointed 2 May 2017)

Paul Kuchta (appointed 2 May 2017)

Ryan Macnamee (appointed 2 May 2017)

Principal activities

During the financial year the principal continuing activities of the consolidated entity were the provision of chartered accounting services, predominantly to private businesses and high net worth individuals.

Dividends

	Consolidated	
	2017	2016
Dividends paid during the financial year were as follows:	$	$
Final dividend for the year ended 30 June 2017 of $Nil (2016: $775) per ordinary share	-	1,562,400
Special Interim dividend for the year ended 30 June 2017 of $1.76 (2016: $Nil) per ordinary share, paid prior to the Company listing on the Australian Stock Exchange	3,548,160	-
	3,548,160	1,562,400

The Directors anticipate that the first dividend to shareholders following the Company listing on the Australian Stock Exchange in June 2017, will be in relation to the quarter ending 30 September 2017, and is expected to be paid in December 2017 as per the Prospectus.

There is no Dividend Re-investment plan in operation.

Operating and financial review

In its maiden financial results as a listed company, Kelly Partners Group Holdings has recorded a consolidated statutory net profit after providing for income tax of $1,085,446 (30 June 2016: $4,301,117). The statutory net loss after tax attributable to members of the parent entity was ($2,789,526) (30 June 2016: profit $2,007,396). This result has been impacted by several non-recurring items as identified in the Prospectus attributable to the Initial Public Offering in June 2017 as well as business acquisition and restructuring costs. Underlying EBITDA is a key measurement used by management and the board to assess and review business performance and accordingly the following table provides a reconciliation between statutory net profit and underlying EBITDA as well as underlying EBITDA per the Prospectus.

Revenue for the year totalled $30.2 million which was up 43% from $21.1 million in 2016. Underlying EBITDA was up 67% for the Consolidated entity.

Financial Performance

	2017 $	2016 $	%
Revenue	30,198,254	21,066,210	43%
Other Income	133,032	810,540	
Total Revenue and other income	**30,331,286**	**21,876,750**	39%
Net Profit after tax (NPAT)	1,085,446	4,301,117	-75%
Add tax	341,536	632,859	-46%
Add interest expense/(income)	651,662	438,058	49%
EBIT*	**2,078,644**	**5,372,034**	-61%
Depreciation and amortisation	835,496	544,287	54%
Statutory EBITDA**	**2,914,140**	**5,916,321**	-51%
Add non-recurring items			
Initial Public Listing costs***	2,137,247	-	-
Fair value adjustment on conversion of convertible notes	1,625,000	-	-
Business acquisition and restructuring costs	1,693,042	-	-
Impairment of loan receivable	349,361	-	-
Fair value adjustment on contingent consideration	-	(688,500)	
Underlying EBITDA**	**8,718,790**	**5,227,821**	67%
Underlying EBITDA attributable to Shareholders	**4,336,666**	**2,712,869**	60%

*EBIT is defined as earnings before interest and tax.
**EBITDA is EBIT before depreciation and amortisation.
***Includes $453,500 for one off bonus shares to employees as part of the public listing of the company.
The result includes Kelly Partners (Sydney) Pty Ltd for the 6 months from 1 January 2017.

The financial information in this table has been derived from the audited financial statements. The underlying EBITDA is non-IFRS financial information and as such has not been audited in accordance with Australian Auditing Standards.

Comparison to Prospectus Forecast

The table below sets out the FY17 underlying EBITDA as disclosed in the Prospectus dated 16 May 2017.

	2017 $
Pro forma EBITDA shown in Prospectus	**10,766,000**
Items included in Prospectus in arriving at Pro forma EBITDA, not included in reporting Underlying EBITDA:	
Attributable to FY17 acquisitions and other new offices prior to acquisition by Kelly Partners	
EBITDA	(1,935,000)
IP and service fee	(517,000)
Pro forma listed public company costs, prior to listing*	231,000
Underlying EBITDA per Prospectus**	**8,545,000**
Underlying EBITDA attributable to Shareholders per Prospectus	**4,258,731**

*Listed public company costs represent the anticipated incremental costs that the Company would incur as a listed public company. The adjustment represents the annualised costs, less the proportion not expensed prior to the Company listing

** Underlying EBITDA per Prospectus represents the FY17 pro forma EBITDA shown in the prospectus dated 16 May 2017, adjusted to eliminate pro forma earnings and costs which were included in the forecast to demonstrate the full year's effect, but not reflected fully in the annual results until FY18.

Significant changes in the state of affairs

In December 2016, the Company raised $6,500,000 from the issue of 6,500,000 Convertible Notes. The Notes were converted to 8,125,000 ordinary shares immediately prior to the Initial Public Offering in June 2017, described below.

On 1 January 2017, a subsidiary of the Company subscribed for 50.05% of the issued capital in Kelly Partners (Sydney) Pty Ltd with an additional amount payable in 2019 contingent upon Kelly Partners (Sydney) Pty Ltd achieving certain agreed revenue targets for the 2018 calendar year. Immediately prior to the subscription of shares, Kelly Partners (Sydney) Pty Ltd acquired the accounting and taxation business and assets of BMF Chartered Accountants and Business Services (Barry Mendel Frank & Co Services Pty Ltd).

On 28 April 2017, the Company converted from a proprietary company to a public company, changing its name from Kelly Partners Group Holdings Pty Limited, to Kelly Partners Group Holdings Limited.

On 15 June 2017, the Company issued 2,884,000 shares and successfully completed its Initial Public Offering and was admitted to the Official List of the Australian Securities Exchange under ASX code KPG. Official quotation of securities commenced on 21 June 2017.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

There has not been any other matter or circumstances occurring subsequent to the end of the financial year that significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Company will continue to pursue its policy of increasing the profitability and market share in the markets within which it operates during the next financial year.

The Company’s growth plan is based on a three-pronged strategy: organic growth, network expansion and the introduction of new services.

Economic, Environmental and Social Sustainability Risks

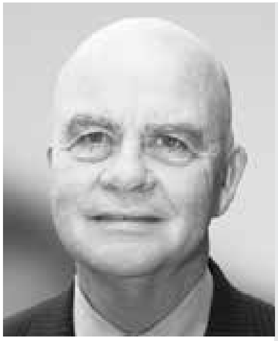
The operations of the Company are not subject to any particular or significant Commonwealth, State or Territory environmental regulations.

Accounting services, which require associated expert advice typically provided by accountants, are important particularly in the case of small and medium enterprises where the complexity of taxation and other compliance requirements are increasing, and therefore it is unlikely that there would be a material risk in relation to economic sustainability. Risks that may arise include rapidity in changes in technology and simplification of tax legislation. The risks in relation to economic sustainability are considered as part of determining strategy and management regularly monitor market developments.

The importance of the accounting services sector to the small and medium enterprise sector in providing expert advice and specialist services reduces the risk around social sustainability.

Part of the Company’s commitment to managing these risks is ensuring that it has governance systems, structures, values, principles, frameworks and policies to define its decision making context for managing its business sustainably.

Information on directors

	Director details	Expertise and experience
	**Brett Kelly** *BBus, CA, MTax, DipFS, RTA, JP* *Founder, Executive Chairman and Chief Executive Officer*	Brett is the Founder and CEO of Kelly+Partners. He has more than 20 years commercial and professional accountancy experience, specialising in assisting private clients, private business owners and families. He commenced his career as a Chartered Accountant with 5 years at Price Waterhouse, and then worked at 3 mid-sized accounting firms. In 2006, Brett founded Kelly+Partners with accounting businesses in North Sydney and the Central Coast, before building out the network to 15 businesses over 13 locations to date. Brett is also the best-selling author of four books on life, business and wisdom.
	Current directorships of other listed entities:	Nil
	Directorships of listed entities over the last 3 years:	Nil
	Special responsibilities:	Member of the Nomination and Remuneration Committee
	Interests in shares:	23,253,378 ordinary shares
	Interests in options:	None
	Contractual rights to shares:	None
	**Stephen Rouvray** *BEc, CA* *Deputy Chairman and Non-Executive Director*	Stephen has over 45 years' experience in financial services across many senior leadership roles. He was Chief Financial Officer, Company Secretary and Manager of Investor Relations for AUB Group (formerly Austbrokers) from 2005 until 2015. Prior to this, he was General Manager for ING Australia Holdings from 2002 to 2005 having joined ING's predecessor company, Mercantile Mutual, in 1985. Over this 20 year period, Stephen held the position of Company Secretary which included its subsidiary companies operating in the life & general insurance, investment management, funds management and banking sectors. At the start of his career, he worked in the accountancy profession from 1971 to 1984. Since retiring as CFO, Stephen continues to represent AUB as a Director for a number of its subsidiaries and associates.
	Current directorships of other listed entities:	Nil
	Directorships of listed entities over the last 3 years:	Nil
	Special responsibilities:	Chairman of the Nomination and Remuneration Committee Chairman of the Audit and Risk Committee
	Interests in shares:	50,000 ordinary shares
	Interests in options:	None
	Contractual rights to shares:	None

	Director details	Expertise and experience
	**Pauline Michelakis** *BCom (Hons), CA* *Executive Director and Chief Financial Officer*	Pauline joined Kelly+Partners in 2013 as Group CFO. She has more than 20 years' experience in senior financial roles in financial services and investment companies. Pauline is a Chartered Accountant who commenced her career in 1981 as an auditor with Arthur Young & Company (now EY). In 1986 she joined listed international investment company AFP Group in an executive role. In total, she worked for the group for 10 years, including 5 years as General Manager Finance of Lang Corporation, the ASX-listed Australian spin-off (subsequently renamed Patrick Corporation Limited). She also held CFO roles at Kaplan Funds Management and Committed Capital Limited before joining Kelly+Partners.
	Current directorships of other listed entities:	Nil
	Directorships of listed entities over the last 3 years:	Nil
	Special responsibilities:	Member of the Audit and Risk Committee
	Interests in shares:	937,061 ordinary shares
	Interests in options:	None
	Contractual rights to shares:	None
	**Paul Kuchta** *BBus, CA, FTIA, DipFP, RTA, JP* *Executive Director*	Paul is a Chartered Accountant with more than 17 years accounting experience specialising in the provision of compliance, tax and advisory services to private SME's and their owners. He commenced his career with Farrar & Company Chartered Accountants in 1998, where he worked for 10 years. Paul then joined Crowe Horwath in 2008 for a further 4 years. He was a founding partner of Kelly+Partners Norwest when the practice was launched in 2012.
	Special responsibilities:	None
	Interests in shares:	152,995 ordinary shares
	Interests in options:	None
	Contractual rights to shares:	None

	Director details	Expertise and experience
	**Ryan Macnamee** *BCom, GACID* *Non-Executive Director* Appointed 2017 Independent	Ryan is an experienced business technology executive with over 25 years of IT management experience. He has been Chief Information Officer (CIO) at Laing O'Rourke since 2012, including 3.5 years as the Global CIO. Ryan is responsible for all IT functions within Laing O'Rourke with a focus on strategic objectives, global alignment and delivering business value. Prior to his current role, he held several senior IT management positions at Woolworths from 2008 to 2012. Earlier in his career, Ryan undertook various senior IT positions at financial, insurance, construction and retail operations globally. He is also on the Board of the Open Data Institute, a position he has held since 2014.
	Current directorships of other listed entities:	Nil
	Directorships of listed entities over the last 3 years:	Nil
	Special responsibilities:	Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee
	Interests in shares:	125,046
	Interests in options:	None
	Contractual rights to shares:	None

Company secretary

David Franks (BEc, CA, FFin, JP) has held the position of Company Secretary since 1 February 2017.

David has over 20 years' experience in finance and accounting, initially qualifying as a Chartered Accountant with Price Waterhouse Coopers in their Business Services and Corporate Finance Divisions. Since that time, he has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attend	Held	Attend	Held	Attend	Held
Brett Kelly	5	5	1	1	-	-
Stephen Rouvray	4	4	1	1	1	1
Pauline Michelakis	4	4	-	-	1	1
Paul Kuchta	4	4	-	-	-	-
Ryan Macnamee	4	4	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee

Committee membership

As at the date of this report, the Company had an Audit and Risk Committee and a Nomination and Remuneration Committee. Members acting on the Committees of the Board during the year were:

Audit and Risk	Nomination and Remuneration
Stephen Rouvray (Chairman)	Stephen Rouvray (Chairman)
Ryan Macnamee	Ryan Macnamee
Pauline Michelakis	Brett Kelly

All Committee members were appointed on 2 May 2017.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

+ Principles used to determine the nature and amount of remuneration
+ Details of remuneration
+ Service agreements
+ Share-based compensation
+ Additional information
+ Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

+ competitiveness and reasonableness
+ acceptability to shareholders
+ performance linkage / alignment of executive compensation
+ transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

+ having economic profit as a core component of plan design
+ focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
+ attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

+ rewarding capability and experience
+ reflecting competitive reward for contribution to growth in shareholder wealth
+ providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Shareholders will be asked to approve a maximum annual aggregate remuneration of $60,000 at the Annual General Meeting.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

+ base pay and non-monetary benefits
+ short-term performance incentives
+ share-based payments
+ other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The Company may introduce incentive arrangements in the future in order to attract, motivate and retain its executives.

For the year ended 30 June 2017 there was no link between company performance and key management personnel remuneration. In the year ended 30 June 2017, the earnings per share was ($8.37) cents. Shares in the company were issued at the IPO on 21 June 2017 at $1.00 per share and closed on 30 June 2017 at $1.42 per share.

Use of remuneration consultants

During the financial year ended 30 June 2017, the consolidated entity did not engage remuneration consultants to review its existing remuneration policies.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Kelly Partners Group Holdings Limited:

+ Brett Kelly – Chairman, Chief Executive Officer, Executive Director
+ Stephen Rouvray – Deputy Chairman, Independent, Non-executive Director
+ Ryan MacNamee – Independent, Non-executive Director
+ Pauline Michelakis – Chief Financial Officer, Executive Director
+ Paul Kuchta – Executive Director

The table below provides remuneration for key management personnel for the 12 months ended 30 June 2017. Due to the Company listing in June 2017 with no remuneration report required for the year ended 30 June 2016 no comparatives for the year ended 30 June 2016 have been disclosed.

	Short-term benefits			Post-employment benefits	Paid absence	Share based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Annual/ Long service leave	Equity-settled shares	Total
2017	$	$	$	$	$	$	$
Non-Executive Directors:							
Stephen Rouvray (iii)	4,566	-	-	434	-	-	5,000
Ryan Macnamee (iii)	4,566	-	-	434	-	-	5,000
Executive Directors:							
Brett Kelly (ii)	44,075	-	41,597	4,187	6,782	-	96,641
Pauline Michelakis (i)	280,860	75,000	-	19,616	18,561	151,186	545,223
Paul Kuchta (iv)	-	-	-	-	-	-	-
	334,067	**75,000**	**41,597**	**24,671**	**25,343**	**151,186**	**651,864**

(i) Represents remuneration for the full financial year

(ii) Cash salary and fees represents remuneration from 16 May 2017, the date of appointment as CEO. The director did not previously draw a salary.

(iii) Represents remuneration from the date of appointment

(iv) Refer to Service Agreements on page 69

The proportion of remuneration linked to performance and the fixed proportion are as follows

Name	Fixed Remuneration	At risk – STI	At risk - LTI
	2017	**2017**	**2017**
	$	$	$
Non-Executive Directors:			
Stephen Rouvray	100%	-	-
Ryan Macnamee	100%	-	-
Executive Directors:			
Brett Kelly	100%	-	-
Pauline Michelakis	100%	-	-
Paul Kuchta [(1)]	-	-	-

(1) Refer to service agreement on page 69

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Brett Kelly
Title:	Chairman, Chief Executive Officer, Executive Director
Agreement commenced:	16 May 2017
Term of agreement:	No fixed period
Details:	Base salary for the year ending 30 June 2018 of $360,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 12 month termination notice by either party, non-solicitation and non-compete clauses.
Name:	Stephen Rouvray
Title:	Deputy Chairman, Independent, Non-Executive Director
Agreement commenced:	2 May 2017
Term of agreement:	No fixed period
Details:	Director fees for the year ending 30 June 2018 of $30,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.
Name:	Ryan Macnamee
Title:	Independent, Non-Executive Director
Agreement commenced:	2 May 2017
Term of agreement:	No fixed period
Details:	Director fees for the year ending 30 June 2018 of $30,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee.
Name:	Pauline Michelakis
Title:	Chief Financial Officer, Executive Director
Agreement commenced:	16 May 2017
Term of agreement:	No fixed period
Details:	Base salary for the year ending 30 June 2018 of $325,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 6 month termination notice by either party, non-solicitation and non-compete clauses.
Name:	Paul Kuchta
Title:	Executive Director
Agreement commenced:	Not applicable
Term of agreement:	Not applicable
Details:	Paul Kuchta as an Operating Business Owner in the Kelly Partners Norwest Partnership receives a base distribution plus a distribution of profits from that Operating Business in accordance with the terms of the Partnership Agreement.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Date	Shares	Issue price	$
Pauline Michelakis	16 May 2017	151,186	$1.00	151,186

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year[1]	Received as part of remuneration	Additions	Disposals/ other[2]	Balance at the end of the year
Ordinary shares					
Brett Kelly	25,353,378	-	-	2,100,000	23,253,378
Stephen Rouvray	-	-	50,000	-	50,000
Ryan Macnamee	-	-	125,046	-	125,046
Pauline Michelakis	635,821	151,186	150,054	-	937,061
Paul Kuchta	152,995	-	-	-	152,995
	26,142,194	151,186	325,100	2,100,000	24,518,480

(1)Reflects share splits undertaken during the year.

(2)Disposed of through the IPO.

Option holding

There were no options over ordinary shares in the company held during the financial year.

Key management personnel with loans above $100,000 in the reporting period:

The following table outlines amounts in relation to loans above $100,000 made to key management personnel of the Group. The loans were fully repaid by the key management personnel as of 30 June 2017.

	Balance at 1 Jul 2016	Interest charged	Allowance for doubtful receivables	Balance at 30 Jun 2017	Highest loan balance during the period
	$	$	$	$	$
Brett Kelly	639,408	-	-	-	1,307,053

This concludes the remuneration report which has been audited.

Shares under option

Unissued ordinary shares of Kelly Partners Group Holdings Limited under option at the date of this report are as follows:

There are no shares under option at the date of this report.

Employee share plan

The Company has adopted an Employees Share Scheme in order to assist in the motivation and retention of selected employees of the Company. The Employee Share Scheme is designed to align the interest of eligible employees more closely with the interest of Shareholders, by providing an opportunity for eligible employees to receive equity interest in the Company.

There were no grants under the employee share scheme as at 30 June 2017.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

+ all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
+ none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the company who are former partners of Deloitte Touche Tohmatsu.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Brett Kelly

Brett Kelly

Chairman, Chief Executive Officer
Director

24 August 2017
Sydney

Deloitte.

Deloitte Touche Tohmatsu
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Kelly Partners Group Holdings Limited
Level 8
32 Walker Street
North Sydney NSW 2000

24 August 2017

Dear Board Members

Kelly Partners Group Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kelly Partners Group Holdings Limited.

As lead audit partner for the audit of the financial statements of Kelly Partners Group Holdings Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Alfie Nehama
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017	2016 (Restated)
		$	$
Revenue	4	**30,198,254**	21,066,210
Other income	4	**133,032**	810,540
Depreciation and amortisation expense	5	**(835,496)**	(544,287)
Employment and related expenses	5	**(13,967,944)**	(10,582,514)
Other expenses	5	**(5,852,980)**	(3,563,357)
Rent and utilities		**(2,140,933)**	(1,814,558)
Finance costs	5	**(651,662)**	(438,058)
IPO and other transaction costs		**(2,137,247)**	-
Business acquisition and restructuring costs		**(1,693,042)**	-
Fair value adjustment on conversion of convertible notes		**(1,625,000)**	-
Profit before income tax		**1,426,982**	4,933,976
Income tax expense	6	**(341,536)**	(632,859)
Profit for the year		**1,085,446**	4,301,117
Other comprehensive income, net of income tax			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,085,446**	4,301,117
Profit (loss) attributable to:			
Members of the parent entity		**(2,789,526)**	2,007,396
Non-controlling interest		**3,874,972**	2,293,721
		1,085,446	4,301,117
Total comprehensive income attributable to:			
Members of the parent entity		**(2,789,526)**	2,007,396
Non-controlling interest		**3,874,972**	2,293,721
		1,085,446	4,301,117

(Loss)/earnings per share			
Basic (cents per share)		**(8.37)**	6.26
Diluted (cents per share)		**(8.37)**	6.26

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As At 30 June 2017

	Note	2017 $	2016 (Restated) $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**3,212,746**	661,383
Trade and other receivables	8	**7,793,561**	2,967,616
Other non-financial assets	10	**548,211**	894,320
Other assets	14	**180,074**	156,600
TOTAL CURRENT ASSETS		**11,734,592**	4,679,919
NON-CURRENT ASSETS			
Financial assets	9	**24,993**	20,075
Other non-financial assets	10	**3,297,177**	2,859,758
Property, plant and equipment	11	**2,495,730**	1,441,468
Deferred tax assets	13	-	124,334
Intangible assets	12	**24,423,046**	16,102,503
Other assets	14	**501,369**	359,357
TOTAL NON-CURRENT ASSETS		**30,742,315**	20,907,495
TOTAL ASSETS		**42,476,907**	25,587,414
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	**4,376,867**	1,543,670
Borrowings	16	**4,459,553**	4,686,702
Current tax liabilities		**67,194**	424,177
Provisions	18	**1,159,336**	670,073
Other liabilities	17	**147,656**	102,171
TOTAL CURRENT LIABILITIES		**10,210,606**	7,426,793
NON-CURRENT LIABILITIES			
Borrowings	16	**10,497,486**	8,580,550
Deferred tax liabilities	13	**306,414**	-
Provisions	18	**149,498**	122,986
Other liabilities	17	**46,244**	21,547
Other financial liabilities	19	**1,432,618**	100,551
TOTAL NON-CURRENT LIABILITIES		**12,432,260**	8,825,634
TOTAL LIABILITIES		**22,642,866**	16,252,427
NET ASSETS		**19,834,041**	9,334,987
EQUITY			
Issued capital	20	**13,988,051**	1,684,411
Retained earnings		**(2,298,172)**	4,039,514
Total equity attributable to equity holders of the company		**11,689,879**	5,723,925
Non-controlling interest		**8,144,162**	3,611,062
TOTAL EQUITY		**19,834,041**	9,334,987

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

		Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
		$	$	$	$
Balance at 1 July 2016 (Restated)		**1,684,411**	**4,039,514**	**3,611,062**	**9,334,987**
Loss attributable to members of the parent entity		-	**(2,789,526)**	-	**(2,789,526)**
Profit attributable to non-controlling interests		-	-	**3,874,972**	**3,874,972**
Total other comprehensive income for the year		-	-	-	-
Distributions to non-controlling interests		-	-	**(3,595,872)**	**(3,595,872)**
Dividends provided for or paid	24	-	**(3,548,160)**	-	**(3,548,160)**
Acquisition of subsidiary		-	-	**4,254,000**	**4,254,000**
Contribution of equity, net of transaction costs					
Shares issued to employees		**453,500**	-	-	**453,500**
Conversion of convertible note to ordinary shares		**8,125,000**	-	-	**8,125,000**
Shares issued on IPO		**2,884,000**	-	-	**2,884,000**
Shares issued pre-IPO		**1,835,500**	-	-	**1,835,500**
Share issue costs, net of tax		**(994,360)**	-	-	**(994,360)**
Balance at 30 June 2017		**13,988,051**	**(2,298,172)**	**8,144,162**	**19,834,041**

2016

		Ordinary Shares	Retained Earnings	Non-controlling Interests	Total
		$	$	$	$
Balance at 1 July 2015 (Restated)		1,684,411	3,348,633	3,615,730	8,648,774
Profit or loss attributable to members of the parent entity		-	2,007,396	-	2,007,396
Profit attributable to non-controlling interests		-	-	2,293,721	2,293,721
Total other comprehensive income for the year		-	-	-	-
Distributions to non-controlling interests		-	-	(2,305,919)	(2,305,919)
Dividends paid or provided for	24	-	(1,562,400)	-	(1,562,400)
Acquisition of non-controlling interests without a change in control		-	(41,271)	(31,449)	(72,720)
Disposal of non-controlling interests without a change in control		-	287,156	38,979	326,135
Balance at 30 June 2016 (Restated)		1,684,411	4,039,514	3,611,062	9,334,987

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**35,330,709**	23,608,696
Payments to suppliers and employees		**(27,475,337)**	(18,686,605)
Interest paid		**(651,662)**	(412,971)
Income taxes paid		**(284,633)**	(859,039)
Net cash provided by operating activities	32	**6,919,077**	3,650,081
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(1,282,120)**	(1,157,594)
Deposits refunded/(paid)		**-**	(62,963)
Purchase of investments		**(4,918)**	(10,075)
Loans advanced to unrelated entities		**-**	(326,462)
Loans to related parties - loans advanced		**(1,491,338)**	(3,977,944)
Loans to related parties - proceeds from repayments		**2,130,746**	1,635,468
Payment for intangible assets		**(36,266)**	(30,800)
Proceeds from disposal of intangible asset		**-**	55,000
Payments for acquisition of business		**(6,202,672)**	(93,390)
Proceeds from disposal of partnership interests		**-**	229,500
Net cash used by investing activities		**(6,886,568)**	(3,739,260)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions paid to non-controlling interests		**(3,595,872)**	(1,983,536)
Net proceeds from the issue of equity instruments, net of transaction costs		**3,625,141**	-
Proceeds from issue of convertible notes		**6,500,000**	-
Proceeds from borrowings		**6,066,311**	4,609,352
Repayment of borrowings		**(6,306,182)**	(1,916,291)
Proceeds from loans from related parties		**-**	860
Dividends paid		**(3,548,160)**	(1,562,400)
Repayment of finance lease commitments		**(8,252)**	(23,634)
Net cash provided by (used by) financing activities		**2,732,986**	(875,649)
Net increase (decrease) in cash and cash equivalents held		**2,765,495**	(964,828)
Cash and cash equivalents at beginning of year		**(1,578,010)**	(613,182)
Cash and cash equivalents at end of financial year	7	**1,187,485**	(1,578,010)

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Kelly Partners Group Holdings Limited ('Company') and its controlled entities ('the Group'). Kelly Partners Group Holdings Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is also the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated. Amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

1 Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting standards include Australian Accounting Standards. Compliance with Australian Standards ensure that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 24 August 2017.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, which is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(c) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight-line or diminishing value method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the lesser of the term of the lease and the assets' useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 40%
Motor Vehicles	12.5%
Leasehold Improvements	10% - 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

+ loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument’s category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the ‘finance income’ or ‘finance costs’ line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company’s trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Loans and receivables continued

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account. All other impairment losses on financial assets at amortised cost are taken directly to the asset.

(e) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(f) Intangible Assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;

ii) any non-controlling interest; and

iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Brand names and intellectual property

Brand names and intellectual property have indefinite useful lives. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. Assets with indefinite useful lives are reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Customer relationship intangibles

Customer relationship intangibles acquired in a business combination are initially recognised at their fair value at the acquisition date. Customer relationship intangibles have a finite life and are subsequently carried at cost less any accumulated amortisation and any impairment losses. Customer relationship intangibles are amortised over their useful life ranging from 3 to 7 years.

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(h) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuer's may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuer's are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(i) Employee benefits continued

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee benefits are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Equity-settled compensation

Equity settled share based compensation benefits are provided to employees.

Equity settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

(n) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at the reporting date.

(o) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

+ the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
+ taxable temporary differences arising on the initial recognition of goodwill; and
+ temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are set off against each other where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are set off against each other where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as an income or an expense and included in the profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax consolidated group

From 1 July 2012 the Company and its wholly-owned Australian controlled entities formed a tax-consolidated group under the legislation and as a consequence these entities are taxed as a single entity. Kelly Partners Group Holdings Limited is the head entity of the tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

(p) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (except for legal ownership) are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(q) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

(r) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(s) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

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

(t) Adoption of new and revised accounting standards

The Group has adopted all of the new, revised or amended Accounitng Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Group.

(u) New Accounting Standards and Interpretations

AASB 9 Financial Instruments

This standard is applicable for annual reporting periods beginning on or after 1 January 2018.

AASB 9 issued in December 2009 introduced new requirements for the classification and measurement of financial assets. AASB 9 was subsequently amended in December 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in December 2013 to include the new requirements for general hedge accounting.

Another revised version of AASB 9 was issued in December 2014 mainly to include:

(a) Impairment requirements for financial assets

(b) Limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods

- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In the words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption has not yet been assessed by the Group.

AASB 15 Revenue from contracts with customers

This standard is applicable for annual reporting periods beginning on or after 1 January 2018.

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by AASB 15.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption has not yet been assessed by the Group.

AASB 16 Leases

This standard is applicable for annual reporting periods beginning on or after 1 January 2019.

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

AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The Group will adopt this standard from 1 July 2019. Whilst the directors are yet to assess the impact of AASB 16, it is noted that operating leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value of the obligation and the rental expense will be replaced with depreciation of the right-of-use asset and interest on the lease liability.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of goodwill and other indefinite life intangible assets

Goodwill is tested for impairment annually and whenever there is an indicator of impairment in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cashflows. Details of the impairment testing is included in note 12.

Key estimates - business combinations

The Group has exercised judgement in determining the purchase price allocation for acqusitions, including the fair value of the intangible assets and resulting goodwill, taking into account all available information at the eporting date. Details of acquisitions are included in Note 28.

4 Revenue and Other Income

	2017	2016
	$	$
Provision of services	**30,198,254**	21,066,210
Total Revenue	**30,198,254**	21,066,210

	2017	2016
	$	$
Other Income		
Other income	**28,739**	23,507
Commissions	**104,293**	98,533
Fair value adjustment on contingent consideration	-	688,500
	133,032	810,540

5 Result for the Year

Profit before tax includes the following specific expenses:

	2017	2016
	$	$
Finance Costs		
Financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	**651,662**	435,857
Interest on finance leases	-	2,201
Total interest expense	**651,662**	438,058
Other expenses:		
Provision for impairment of receivables:		
Impairment of trade receivables	**223,049**	14,325
Impairment of loan receivable	**349,361**	-
Rental expense on operating leases:		
Lease payments	**1,727,222**	1,337,023
Depreciation and amortisation		
Depreciation	**415,935**	272,010
Amortisation	**419,561**	272,277
	835,496	544,287
Employee benefits expense		
Salaries and wages expense	**12,463,725**	9,702,221
Superannuation expense	**830,627**	589,336
Other on costs expense	**596,310**	383,607
Employee leave expense	**77,282**	(92,649)
	13,967,944	10,582,515

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2017	2016
	$	**$**
Current tax expense		
Local income tax - current period	**596,131**	628,415
Deferred tax expense		
Origination and reversal of temporary differences	**(250,992)**	5,505
Under/(over) provision in respect of prior years	**(3,603)**	(1,061)
Total income tax expense	**341,536**	632,859

(b) Reconciliation of income tax to accounting profit:

	2017	2016
	$	$
Profit before income tax	**1,426,982**	4,933,976
Tax rate	**30%**	30%
	428,095	1,480,193
Add:		
Tax effect of:		
- fair value adjustment on conversion of convertible note	**487,500**	-
- IPO related and other transaction costs	**301,000**	-
- other non-allowable items	**57,825**	91,567
	846,325	91,567
Less:		
Tax effect of:		
- other non-assessable items	**-**	(246,429)
- distributions to non-controlling interests	**(929,281)**	(691,411)
- overprovision for income tax in prior year	**(3,603)**	(1,061)
	(932,884)	(938,901)
Income tax expense	**341,536**	632,859

7 Cash and cash equivalents

		2017	2016
		$	$
Cash at bank and in hand		**3,212,746**	661,383

Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

		2017	2016
		$	$
Cash and cash equivalents		**3,212,746**	661,383
Bank overdrafts	16	**(2,025,261)**	(2,239,393)
Balance as per consolidated statement of cash flows		**1,187,485**	(1,578,010)

8 Trade and other receivables

		2017	2016
		$	$
CURRENT			
Trade receivables		**6,596,354**	2,934,877
Provision for impairment	(a)	**(245,814)**	(28,927)
Accrued income		**1,443,021**	61,666
Total current trade and other receivables		**7,793,561**	2,967,616

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2017	2016
	$	$
Balance at beginning of the year	**28,927**	63,959
Additional impairment loss recognised	**243,238**	-
Provision used	**(17,354)**	(14,325)
Reversal of impairment	**(8,997)**	(20,707)
Balance at end of the year	**245,814**	28,927

(b) Aged analysis

The ageing analysis of receivables is as follows:

	2017	2016
	$	$
0-30 days	**3,843,619**	1,906,702
31-60 days	**883,243**	301,073
61-90 days (past due not impaired)	**435,722**	204,633
91+ days (past due not impaired)	**1,187,956**	493,542
91+ days (considered impaired)	**245,814**	28,927
	6,596,354	2,934,877

Provision for impairment of receivables

Current trade receivables are generally on 30 day terms and are assessed for recoverability based on the underlying terms of the individual contract. The business acquired in the current financial year (Kelly Partners (Sydney) Pty Ltd) had adopted a quarterly billing cycle historically. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for.

9 Other financial assets

	2017	2016
	$	$
NON-CURRENT		
Investments	**24,993**	20,075
Investments comprise:		
Listed investments, at cost		
- shares in listed corporations	**14,993**	10,075
Unlisted investments, at cost		
- shares in other corporations	**10,000**	10,000

10 Other financial assets

	2017	2016
	$	$
CURRENT		
Loans to partners	**548,211**	894,320
	548,211	894,320
NON-CURRENT		
Loans to partners	**3,297,177**	2,859,758
	3,297,177	2,859,758

11 Property, plant and equipment

	2017	2016
	$	$
Buildings		
At cost	**571,396**	-
Total buildings	**571,396**	-
Plant and equipment		
At cost	**1,721,620**	1,276,518
Accumulated depreciation	**(1,043,750)**	(806,301)
Total plant and equipment	**677,870**	470,217
Leased plant and equipment		
Capitalised leased assets	**62,595**	62,595
Accumulated depreciation	**(55,308)**	(47,284)
Total leased plant and equipment	**7,287**	15,311
Motor vehicles		
At cost	**665,307**	489,644
Accumulated depreciation	**(134,770)**	(11,975)
Total motor vehicles	**530,537**	477,669
Leasehold improvements		
At cost	**1,765,045**	1,284,623
Accumulated depreciation	**(1,056,405)**	(806,352)
Total leasehold improvements	**708,640**	478,271
Total property, plant and equipment	**2,495,730**	1,441,468

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$
Year ended 30 June 2017					
Balance at the beginning of year	-	**485,528**	**477,669**	**478,271**	**1,441,468**
Additions	**571,396**	**264,466**	**175,663**	**270,595**	**1,282,120**
Additions through business combination	-	**198,040**	-	-	**198,040**
Disposals - written down value	-	**(4,397)**	-	**(5,566)**	**(9,963)**
Depreciation expense	-	**(258,480)**	**(122,795)**	**(34,660)**	**(415,935)**
Balance at the end of the year	**571,396**	**685,157**	**530,537**	**708,640**	**2,495,730**

	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$
Year ended 30 June 2016					
Balance at the beginning of year	-	305,359	-	252,284	557,643
Additions	-	348,210	489,644	317,981	1,155,835
Depreciation expense	-	(168,041)	(11,975)	(91,994)	(272,010)
Balance at the end of the year	-	485,528	477,669	478,271	1,441,468

12 Intangible Assets

	2017	2016
	$	$
Goodwill		
Cost	**17,847,638**	12,525,784
Brand names and intellectual property		
Cost	**3,300,000**	3,300,000
Customer relationships		
Cost	**5,957,719**	2,575,736
Accumulated amortisation	**(2,717,664)**	(2,300,196)
Net carrying value	**3,240,055**	275,540
Computer software		
Cost	**43,832**	7,566
Accumulated amortisation	**(8,479)**	(6,387)
Net carrying value	**35,353**	1,179
Total Intangibles	**24,423,046**	16,102,503

Movements in carrying amounts of intangible assets

	Brand names and intellectual property	Customer relationships	Computer software	Goodwill	Total
	$	$	$	$	$
Year ended 30 June 2017					
Balance at the beginning of the year	**3,300,000**	**275,540**	**1,179**	**12,525,784**	**16,102,503**
Additions	-	-	**36,267**	-	**36,267**
Additions through business combinations	-	**3,381,983**	-	**5,321,854**	**8,703,837**
Amortisation	-	**(417,468)**	**(2,093)**	-	**(419,561)**
Closing value at 30 June 2017	**3,300,000**	**3,240,055**	**35,353**	**17,847,638**	**24,423,046**

	Brand names and intellectual property	Customer relationships	Computer software	Goodwill	Total
	$	$	$	$	$
Year ended 30 June 2016					
Balance at the beginning of the year (restated)	3,300,000	547,817	-	12,694,031	16,541,848
Additions	-	-	7,566	51,400	58,966
Disposal of non-controlling interest	-	-	-	(163,364)	(163,364)
Disposal of non-controlling interest	-	-	-	(55,000)	(55,000)
Amortisation (restated)	-	(272,277)	(6,387)	-	(278,664)
Other	-	-	-	(1,283)	(1,283)
Closing value at 30 June 2016	3,300,000	275,540	1,179	12,525,784	16,102,503

Brand names and intellectual property have indefinite useful lives and are not amortised.

Impairment testing

For the purpose of impairment testing, goodwill and other indefinite life intangibles are allocated to cash-generating units ("CGU") which are based on the Group's operating divisions. The aggregate carrying amount of goodwill allocated to each CGU is:

	2017	2016
	$	$
Kelly Partners (Sydney) Pty Ltd	**3,538,147**	-
Kelly Partners South West Sydney Partnership	**5,001,779**	5,001,779
Kelly Partners Wollongong Partnership	**3,391,692**	3,391,692
Other partnerships	**5,916,020**	4,132,313
Total	**17,847,638**	12,525,784

The carrying value of indefinite life intangibles is $3,300,000 (2016: $3,300,000).

The recoverable amount of each cash-generating unit above is determined based on value in use calculations. These calculations use cashflow projections over a five year period, based on financial budgets approved by management. These budgets use historical growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated inflation rates over the period which are consistent with inflation rates applicable to the locations in which the CGU operates. With regard to the assessment of the CGU's, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

The following assumptions were used in the calculations:

	2017
	%
Growth Rate	**2.50**
Discount rate	**16.50**

13 Tax

Deferred Tax Assets

	Opening Balance	(Charged)/ credited to income	Credited to equity	Business combination	Other movements	Closing Balance
	$	$	$	$	$	$
Deferred tax assets						
Accruals	186,406	(9,205)	-	-	(434)	176,767
Income assessable on receipt	(35,680)	12,212	-	-	(8,695)	(32,163)
Differences between accounting and tax depreciation	(12,546)	(8,512)	-	-	788	(20,270)
Balance at 30 June 2016	138,180	(5,505)	-	-	(8,341)	124,334
Accruals	**176,767**	**84,633**	-	**110,538**	-	**371,938**
Income assessable on receipt	**(32,163)**	**(368,597)**	-	-	-	**(400,760)**
Differences between accounting and tax depreciation	**(20,270)**	**148**	-	-	-	**(20,122)**
Customer relationship intangibles	-	**83,919**	-	**(1,014,604)**	-	**(930,685)**
Expense deductible over five years	-	**397,061**	**276,154**	-	-	**673,215**
Write-off of loan	-	**53,828**	-	-	**(53,828)**	-
Balance at 30 June 2017	**124,334**	**250,992**	**276,154**	**(904,066)**	**(53,828)**	**(306,414)**

14 Other assets

	2017	2016
	$	$
CURRENT		
Prepayments	**180,074**	156,600

	2017	2016
NON-CURRENT		
Deposits	**501,369**	359,357

15 Trade and other payables

	2017	2016
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**809,148**	409,621
GST payable	**608,160**	382,493
Sundry payables and accrued expenses	**2,959,559**	751,556
	4,376,867	1,543,670

Refer to Note 23 for further information on financial instruments.

16 Borrowings

		2017	2016
		$	$
CURRENT			
Unsecured liabilities:			
Secured liabilities:			
Bank overdraft		**2,025,261**	2,239,393
Lease liability	22	-	5,489
Bank loans		**2,434,292**	2,441,820
Total current borrowings		**4,459,553**	4,686,702

		2017	2016
		$	$
NON-CURRENT			
Secured liabilities:			
Lease liability	22	-	2,763
Bank loans		**10,497,486**	8,577,787
Total non-current borrowings		**10,497,486**	8,580,550

The consolidated entity has established debt facilities in place for each of its Operating Businesses with the loans of each Operating Business being non-recourse to the cash flows and assets of the parent entity. The loans comprise of overdraft facilities, term loans and equipment finance facilities. Typically each Operating Business' debt facilities are granted security by that entity as well as having personal guarantees from the Operating Business Owners. The lease liabilities are secured over the leased assets.

17 Other liabilities

	2017	2016
	$	$
CURRENT		
Deferred rent	**147,656**	102,171

NON-CURRENT		
Deposits held	**46,244**	21,547

18 Provisions

	2017	2016
	$	$
CURRENT		
Employee entitlements	**1,159,336**	670,073

NON-CURRENT		
Employee entitlements	**149,498**	122,986

19 Other Financial Liabilities

	2017	2016
	$	$
NON-CURRENT		
Contingent consideration	**1,432,618**	100,551

Contingent consideration comprises the contingent component of the purchase price for Kelly Partners Southern Highlands and Kelly Partners Sydney. Prior period contingent consideration related to the acquisition of Kelly Partners Oran Park and was settled during the year.

A reconciliation of the movement in contingent consideration for the financial year is set out below:

	2017	2016
	$	$
Opening balance	**100,551**	789,051
Recognised on acquisition (Note 28)	**1,432,618**	-
Revaluation of liability	**-**	(688,500)
Settled in cash	**(100,551)**	-
	1,432,618	100,551

20 Issued Capital

	2017	2016
	$	$
45,344,181 (2016: 2,016) Ordinary shares	**14,982,411**	1,684,411
Transaction costs arising on share issue, net of tax	**(994,360)**	-
Total	**13,988,051**	1,684,411

Ordinary shares

	2017	2016
	No.	No.
At the beginning of the reporting period	**2,016**	1,954
Other changes to share capital		
Shares issued (1 July 2015)	**-**	62
Share split: 1 share to 1,000 shares (2 November 2016)	**2,013,984**	-
	2,016,000	2,016
Shares issued pre-IPO	**115,522**	-
	2,131,522	2,016
Share split: 1 share to 15.9 shares (14 June 2017)	**31,750,159**	-
	33,881,681	2,016
Shares issued during the year		
Shares issued to employees	**453,500**	-
Conversion of convertible note to ordinary shares	**8,125,000**	-
Shares issued on IPO	**2,884,000**	-
At the end of the reporting period	**45,344,181**	2,016

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.

The Company does not have authorised capital or par value in respect of its shares.

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.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders and partners with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of debt levels, distributions to shareholders and partners and share issues.

There have been no changes to the strategy adopted by management to manage the capital of the Group since the prior year.

21 Earnings per Share

	2017	2016
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**33,342,437**	32,045,397
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**33,342,437**	32,045,397

22 Capital and Leasing Commitments

(a)Finance Leases

	2017	2016
	$	$
Minimum lease payments:		
- not later than one year	-	6,210
- between one year and five years	-	2,869
Minimum lease payments	-	9,079
Less: finance changes	-	(827)
Present value of minimum lease payments	-	8,252

(b) Operating Leases

	2017	2016
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**2,185,998**	1,409,961
- between one year and five years	**6,202,550**	3,383,942
- later than five years	**834,846**	-
	9,223,394	4,793,903

Operating leases have been taken out for office premises and office equipment. The above balances are gross of sublease income of $168,368 not later than one year and $171,634 between one year and five years (2016: $165,824 not later than one year and $253,482 between one year and five years).

23 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not use derivative financial instruments or speculate in financial assets.

Risk management is carried out by senior management under policies approved by the Board of Directors ("the Board"). The policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Management identifies and evaluates financial risks within the group's businesses and reports to the Board on a regular basis.

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, and leases.

Market risk

Price risk

The group is not exposed to any significant price risk.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Company maintains cash to meet its liquidity requirements for up to a 30-day period.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-by-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day periods are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The Company's liabilities have contractual maturities which are summarised below:

	Within 1 year		1 to 2 years		3 to 5 years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Non-derivative financial liabilities								
Non-interest bearing								
Trade payables	**809,148**	409,621	-	-	**-**	-	**809,148**	409,621
Other payables	**3,567,719**	1,134,049	-	-	**-**	-	**3,567,719**	1,134,049
Contingent consideration	**-**	100,551	**1,432,618**	-	**-**	-	**1,432,618**	100,551
Interest bearing								
Bank overdrafts	**2,025,261**	2,239,393	**-**	-	**-**	-	**2,025,261**	2,239,393
Bank loan	**2,434,292**	2,441,820	**2,434,292**	2,441,820	**8,063,194**	3,694,147	**12,931,778**	8,577,787
Finance lease liabilities	**-**	5,489	**-**	2,763	**-**	-	**-**	8,252
Total	**8,836,420**	6,330,923	**3,866,910**	2,444,583	**8,063,194**	3,694,147	**20,766,524**	12,469,653

Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2016: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2017			2016		
	Weighted average interest rate	+1%	-1%	Weighted average interest rate	+1%	-1%
	%	$	$	%	$	$
Borrowings						
Bank overdrafts	**5.23**	**(21,323)**	**21,323**	4.97	(20,239)	20,239
Bank loans	**4.16**	**(119,798)**	**119,798**	4.33	(96,015)	96,015

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to clients, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by division as well as a list of customers currently transacting on a prepayment basis.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade and other receivables and of trade and other payables is a reasonable approximation of their fair values due to the short-term nature of these balances.

24 Dividends

	2017	2016
	$	$
The following dividends were declared and paid:		
Final dividend for the year ended 30 June 2017 of $Nil (2016:$775) per ordinary share	-	1,562,400
Special interim dividend for the year ended 30 June 2017 of $1.76 (2016: $Nil) per ordinary share, paid prior to the Company listing	**3,548,160**	-
Total	**3,548,160**	1,562,400

Franking account

	2017	2016
	$	$
The franking credits available for subsequent financial years at a tax rate of 30%	**1,215,268**	2,026,084

The above available balance is based on the dividend franking account at year-end adjusted for:
(a)Franking credits that will arise from the payment of the current tax liabilities;
(b)Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
(c)Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.
The ability to use the franking credits is dependent upon the entity's future ability to declare dividends.

25 Key Management Personnel Disclosures

The table below provides remuneration for key management personnel for the 12 months ended 30 June 2017. Due to the Company listing in June 2017 with no remuneration report required for the year ended 30 June 2016 no comparatives for the year ended 30 June 2016 have been disclosed.

	2017
	$
Short-term employee benefits	**450,664**
Paid absences	**25,343**
Post-employment benefits	**24,671**
Share-based payments[1]	**151,186**
	651,864

[1] As disclosed in the prospectus at the time of the Company's IPO, certain members of management received shares as payment for services provided to the Company in relation to the IPO.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 31: Related Party Transactions.

26 Remuneration of Auditors

	2017	2016
	$	$
Remuneration of the auditor of the parent entity, Deloitte Touche Tohmatsu (2016: William Buck), for:		
- auditing the financial report	**90,000**	28,000
- due diligence services	**93,840**	-
- IPO-related services	**375,000**	-
- IPO related services: reviewing the financial report	**55,000**	-
	613,840	28,000

27 Interests in Subsidiaries

(a)Composition of the Group

	Formation Date	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Subsidiaries:			
KP GH NS Pty Limited	2006	**100.00**	100.00
Kelly Partners North Sydney Partnership	2006	**58.50**	58.50
KP GH CC Pty Limited	2006	**100.00**	100.00
Kelly Partners Central Coast Partnership	2006	**50.10**	50.10
KP GH WS Pty Limited	2008	**100.00**	100.00
Kelly Partners (Western Sydney) Partnership	2008	**51.00**	51.00
KP GH SWS Pty Limited	2011	**100.00**	100.00
Kelly Partners South West Sydney Partnership	2011	**50.50**	50.50
Kelly Partners Management Services Pty Limited (formerly Kelly Partners Services Pty Limited)	2011	**100.00**	100.00
Kelly Partners Services Trust	2011	**100.00**	100.00
KP GH NW Pty Limited	2012	**100.00**	100.00
Kelly Partners Norwest Partnership	2012	**51.00**	51.00
KP GH TC Pty Limited	2012	**100.00**	100.00
Kelly Partners Tax Consulting Partnership	2012	**51.00**	51.00
Kelly Partners Strategy Consulting Pty Ltd	2012	**100.00**	-
KP GH CT Pty Limited	2013	**100.00**	100.00
Kelly Partners Central Tablelands Partnership	2013	**51.00**	51.00
KP GH WO Pty Limited	2013	**100.00**	100.00
Kelly Partners Wollongong Partnership	2013	**51.00**	51.00
KP GH NB Pty Limited	2015	**100.00**	100.00
Kelly Partners Northern Beaches Partnership	2015	**51.00**	51.00
KP GH SH Pty Limited	2015	**100.00**	100.00
Kelly Partners Southern Highlands Partnership	2015	**51.00**	51.00
Kelly Partners (South West Sydney) Trust	2015	**50.50**	50.50
Kelly Partners Oran Park Partnership	2015	**25.30**	25.30
Super Certain Pty Limited	2015	**50.50**	50.50
Kelly Partners Management Services (Hong Kong) Limited	2015	**51.00**	51.00
KP GH FIN Pty Ltd	2015	**100.00**	-
KP GH WM Pty Ltd	2015	**100.00**	-
KP GH HK Pty Limited	2016	**100.00**	100.00
Kelly Partners Finance Partnership	2016	**51.00**	-
Kelly Partners Wealth Management Partnership	2016	**51.00**	-
Round 12 Collective Pty Ltd	2016	**51.00**	-
Kelly Partners Property (Central Coast) Pty Ltd	2016	**51.00**	-
Kelly Partners Property Group Holdings Pty Ltd	2016	**100.00**	-
Kelly Property Group Pty Ltd	2016	**100.00**	-
Kelly Partners (Central Coast) Property Trust	2016	**51.00**	-
KP GH SYD CBD Pty Ltd	2017	**100.00**	-
Kelly Partners (Sydney) Pty Limited	2017	**50.05**	-
KP GH PM Pty Limited	2017	**100.00**	-
Kelly Partners Parramatta Partnership	2017	**51.00**	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

(a) Composition of the Group

All entities are incorporated in Australia with the exception of Kelly Partners Management Services (Hong Kong) Limited, which is incorporated in Hong Kong.

The Group has control over the Kelly Partners Oran Park Partnership because it controls the controlling partner of the partnership, the Kelly Partners (South West Sydney) Trust.

(b) Subsidiaries with non-controlling interests

The following table summarises the aggregate financial information in relation to the share of the Group's subsidiaries held by non-controlling interests. The information is before inter-company eliminations with other companies within the group.

	Consolidated 2017	Consolidated 2016
	$	$
Revenue	14,801,149	10,193,527
Net profit after income tax	3,874,972	2,293,721
Distribution to NCI	3,595,872	2,305,919
Current assets	5,588,724	2,396,782
Non-current assets	14,331,633	8,137,653
Current liabilities	(4,021,267)	(2,855,332)
Non-current liabilities	(5,280,290)	(2,818,898)
Net assets	10,618,800	4,860,205

(c) Consequences of changes in a parent's ownership in a subsidiary that do not result in a loss of control

Acquisition of ownership interest

There were no changes to the parent entity's ownership in subsidiaries during the current financial year.

On 1/7/15, the Group disposed of a 4.25% interest in the Kelly Partners North Sydney Partnership. On 1/7/15 the Group disposed of an 11.96% interest in the Kelly Partners Western Sydney Partnership. Control was maintained and therefore the Group structure did not change, although the non-controlling interest increased.

On 1/7/15 the Group acquired an additional 10.1% interest in the Kelly Partners Central Coast Partnership. Control was maintained and therefore the Group structure did not change, although the non-controlling interest decreased.

The effect of this transaction on the equity attributable to owners of the parent is shown below:

	Kelly Partners North Sydney Partnership	Kelly Partners Western Sydney Partnership	Kelly Partners Central Coast Partnership
	$	$	$
Changes in NCI arising on acquisition/disposals	**(38,004)**	**(976)**	**31,449**
Less: Consideration received/(paid)	**229,500**	**260,000**	**(72,720)**
Recorded directly in equity	**191,496**	**259,024**	**(41,271)**

Any difference between the amount by which non-controlling interest is adjusted and the fair value of consideration received is recognised directly in equity and attributed to the owners of the parent. There is no change in the carrying value of goodwill.

(d) Significant restrictions relating to subsidiaries

There are no significant restrictions on the ability of the holding company or its subsidiaries to access or use the assets and settle the liabilities of the Group.

28 Business Combinations

Kelly Partners Southern Highlands

On 1 July 2016, the Group obtained control of Gillespies Southern Highlands under the terms of an acquisition agreement.

The goodwill is attributable to synergies expected to be achieved from integrating the business into the Group's existing business.

The following table shows the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Fair value
	$
Assets or liabilities acquired:	
Intangible assets - customer relationships	400,718
Deferred tax liabilities	(120,215)
Total identifiable net assets acquired	280,503
Goodwill	711,487
Acquisition date fair value of total consideration transferred	991,990

Cash used to acquire business, net of cash acquired	
Acquisition date fair value of total consideration transferred	991,990
Less: deferred consideration	(231,418)
Net cash used	760,572

$231,418 of the purchase price has been deferred and is payable in cash in July 2018.

28 Business Combinations

Kelly Partners (Sydney)

In January 2017, the Group acquired a controlling interest in Kelly Partners (Sydney) Pty Ltd. The purchase price was settled through the payment of cash and a contingent amount is also payable upon achieving an agreed revenue target.

The acquired business contributed revenues of $4,840,193 and profit before tax of $1,412,929 to the Group for the period from 1 January 2017 to 30 June 2017, after expensing its costs for restructuring. The contribution to profit before tax attributable to members of the parent entity is $574,038.

The goodwill is attributable to synergies expected to be achieved from integrating the business into the Group's existing business.

	Fair value
	$
Receivables and accrued income	5,085,950
Property, plant and equipment	198,040
Customer relationships	2,981,295
Payroll accruals	(370,110)
Other liabilities	(831,261)
Deferred tax liability	(894,389)
Deferred tax asset	100,558
Total identifiable net assets acquired	**6,270,083**

Total consideration transferred, including contingent consideration	5,554,200
Plus: non-controlling interest	4,254,000
Less: fair value of identifiable net assets acquired	(6,270,083)
Goodwill arising on acquisition	**3,538,117**

Contingent consideration

The Group has agreed to pay the selling shareholder additional consideration based upon achieving an agreed revenue target for the calendar year ended 31 December 2018. The fair value of this obligation at the acquisition date is $1,201,200 and is included in the total consideration transferred as disclosed in the above table.

Acquisition costs

In acquiring both Kelly Partners Sydney and Kelly Partners Southern Highlands, the Group incurred acquisition costs of $963,645. These have been included in business acquisition expenses.

Kelly Partners Strategy Consulting

On 1 April 2017 Kelly Partners Group Holdings Pty Limited acquired 100% of the interest in Kelly Partners Strategy Consulting Pty Limited. The purchase price of $1,137,160 included net assets of $44,328. Please see Note 31(d) for details of the settlement of the consideration.

29 Operating Segments

The Group has only one reportable segment. The Group primarily provides accounting and tax services to small and medium enterprises predominantly in Australia. This assessment is based on the internal reports that are reviewed by the Board of Directors (identified as the Chief Operating Decision Maker) in assessing performance and in determining allocation of resources. No revenue from a single customer exceeds 10% of group revenue.

30 Contingencies

Bank guarantees have been provided in relation to the leases of various premises by the Group. These guarantees will only be payable in specific circumstances, such as failure to meet rental liabilities. In the opinion of the directors, no loss will result to the Group as a result of these guarantees.

Except as noted above, in the opinion of the directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None).

31 Related Parties

The Group's main related parties are as follows:

(a) Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Group, is Kelly Partners Group Holdings Limited.

(b) Key management personnel

Disclosures relating to key management personnel are set out in Note 25: Key Management Personnel Compensation and the remuneration report included in the directors' report.

(c) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(d) 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:

Loans from/(to) related parties:

	2017	2016
	$	$
Key management personnel:		
Loans from/(to) directors:		
- beginning of the year	**(639,408)**	1,036,278
- repayment of loans to related parties	-	(331,882)
- loans advanced to related parties	**(1,491,338)**	(2,955,320)
- repayment of loans from related parties	**2,130,746**	1,587,209
- interest on loans from related parties	-	24,307
- end of the year	-	(639,408)

In the prior year the Group provided loans from key management personnel at rates comparable to the average commercial rate of interest. These loans were unsecured and repaid during the course of the prior year. The Group also provided loans to key management personnel which were non-interest bearing and were repaid prior to the IPO.

The Company acquired a 100% interest in Kelly Partners Strategy Consulting, an entity related to Brett Kelly, on 1 April 2017. The consideration of $1,137,670 was determined by an independent valuation and was settled through a partial set off of loans owing to the Company.

The following related parties hold a direct interest in the respective subsidiary of the Group:

#	Related Party	Subsidiary of which interest is held	Interest held
1	Pauline Michelakis	Kelly Partners Wealth Management Partnership	10%
2	Paul Kuchta	Kelly Partners Norwest Partnership	44%

32 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	$	$
Profit for the year	**1,085,446**	4,301,117
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	**835,495**	544,287
- loss on disposal of assets	**9,963**	-
- impairment of trade receivables	**223,049**	-
- impairment of loan receivable	**349,361**	(25,737)
- reversal of retention payable	**-**	(688,500)
- fair value loss on conversion of convertible notes	**1,625,000**	-
- shares issued to employees	**453,500**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade receivables and other assets	**1,198,680**	(302,037)
- (increase)/decrease in deferred tax assets	**430,748**	68,245
- increase/(decrease) in trade and other payables	**1,064,818**	(102,760)
- increase/(decrease) in income taxes payable	**(356,983)**	(131,766)
- increase/(decrease) in related party loans	**-**	24,307
- increase/(decrease) in provisions	**-**	(37,075)
Cashflow from operations	**6,919,077**	3,650,081

(b) Borrowing facilities

The following facilities were available at the end of the reporting period:

	2017	2016
	$	$
Total		
Bank overdrafts	**2,963,334**	3,072,529
Bank loan	**16,186,317**	11,330,626
Used at reporting date		
Bank overdrafts	**2,025,263**	2,239,393
Bank loan	**12,931,778**	10,487,422
Unused at reporting date		
Bank overdrafts	**938,071**	833,136
Bank loan	**3,254,539**	843,204

33 Parent entity

The following information has been extracted from the books and records of the parent, Kelly Partners Group Holdings Limited and has been prepared in accordance with Accounting Standards. The financial information for the parent entity, Kelly Partners Group Holdings Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in controlled entities

Investments in *controlled entities* are accounted for at cost in the financial statements of the parent entity.

	2017	2016
	$	$
Statement of Financial Position		
Assets		
Current assets	**3,297,763**	1,416,487
Non-current assets	**19,047,770**	11,488,868
Total Assets	**22,345,533**	12,905,355
Liabilities		
Current liabilities	**(2,847,363)**	(1,912,493)
Non-current liabilities	**(6,648,279)**	(4,060,143)
Total Liabilities	**(9,495,642)**	(5,972,636)
Equity		
Issued capital	**13,988,051**	1,684,411
Retained earnings	**(1,138,159)**	5,248,308
Total Equity	**12,849,892**	6,932,719
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	**(2,838,307)**	2,077,670
Other comprehensive income	**-**	-
Total comprehensive income	**(2,838,307)**	2,077,670

34 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

35 Prior period restatement

The acquisition accounting for historical acquisitions did not include the allocation of goodwill to identifiable intangible assets as part of the purchase price allocation process.

As a result, an amount of goodwill of $2,575,736 was recognised on acquisitions which should have been attributed to customer relationship intangible assets.

The impact of the restatement on the comparative financial information is disclosed in the table below. The restatement resulted in an increase to customer relationships of $275,540, a decrease to goodwill of $2,575,736, and decreases of $1,056,441 and $1,243,755 to non-controlling interests and retained earnings, respectively.

The impact of the restatement at the beginning of the comparative period (ie 1 July 2015) is an increase to customer relationships of $547,821, a decrease to goodwill of $2,575,736, and decreases of $982,463 and $1,104,456 to non-controlling interests and retained earnings, respectively.

The restatement did not impact the statement of cash flows.

	Previously reported at 30 June 2016	Restated at 30 June 2016
	$	$
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Depreciation and amortisation expense	**272,010**	**544,287**
Profit for the year	**4,573,394**	**4,301,117**
Profit attributable to:		
Members of the parent	**2,268,691**	**2,007,396**
NCI	**2,304,703**	**2,293,721**
Consolidated Statement of Financial Position		
Intangible assets	**18,402,699**	**16,102,503**
Deferred tax assets	**124,334**	**124,334**
Total non-current assets	**23,207,691**	**20,907,495**
Retained earnings	**5,283,272**	**4,039,517**
Non-controlling interests	**4,667,500**	**3,611,059**
Total equity	**11,635,183**	**9,334,987**

36 Company Details

The registered office of the company is:

Kelly Partners Group Holdings Limited
Level 8, 32 Walker Street
NORTH SYDNEY NSW 2060

Kelly Partners Group Holdings Limited and Controlled Entities

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

(b in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements

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

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

On behalf of the Directors

Brett Kelly

Brett Kelly
Director

Sydney, 24 August 2017

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of Kelly Partners Group Holdings Limited

Opinion

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

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for Acquisitions On 1 January 2017 the Group acquired a controlling interest in Kelly Partners (Sydney) Pty Limited as disclosed in note 28. Accounting for acquisitions is a complex and judgemental exercise, requiring management to determine: • the fair value of the total purchase consideration including any contingent amounts pertaining to revenue targets; and	Our procedures in relation to the assessment of managements purchase price allocation included, but were not limited to: • Understanding the process that management and the directors were following to account for the acquisitions, • Obtaining a detailed understanding of the terms and conditions of the purchase contracts to enable us to critically assess management's accounting

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>
the identifiable intangible assets such as customer relationships, to be recognised separately from goodwill.
</td><td>
treatment including the determination of the contingent consideration, and
Evaluating the appropriateness of the values attributed to the intangible assets acquired as part of each business acquisition, including:
Assessing the identification and valuation of customer relationships to the group including the rate of any applicable amortisation, and
Performing procedures over the intangible asset valuations, specifically:
analysing cash flow assumptions including contributory asset charges,
assessing the discount rate used, and
challenging the reasonableness of the valuation outputs.
We also assessed the appropriateness of the disclosures in Note 3 and 28 to the financial statements.
</td></tr>
<tr><td>
Recoverability of Goodwill and Intangible Assets

As at 30 June 2017 the Group has recognised goodwill of $17,847,638 and other intangibles of $3,240,055 as a result of acquisitions over a number of years as disclosed in Note 28.

The directors' assessment of the recoverability of goodwill requires the exercise of significant judgement, including:
Identifying the cash generating units (CGU's) to which the goodwill has been allocated; and
Estimating the future growth rates, nominal discount rates and expected cash flows of each CGU.
</td><td>
Our procedures included, but were not limited to:
Assessing the Group's categorisation of CGU's and the allocation of goodwill to the carrying value of the CGU's based on our understanding of the Group's business,
Challenging management's ability to accurately forecast cash flows by assessing the precision of the prior year forecasts against actual outcomes, and
Engaging our valuation specialists to assist with:
Comparing the discount rate utilised by management to an independently calculated discount rate,
Comparing the Group's forecast cash flows for each CGU to the budgets, and challenging the growth rates used, and
Performing sensitivity analysis on the growth and discount rates.
We also assessed the appropriateness of the disclosures in Note 12 to the financial statements.
</td></tr>
</table>

Other Information

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

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

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

When we read the additional other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

Deloitte.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 66 to 70 of the Director's Report for the year ended 30 June 2017.

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

Responsibilities

The directors of Kelly Partners Group Holdings Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants
Sydney, 24 August 2017

Additional Information for Listed Public Companies
For the Year Ended 30 June 2017

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 27 September 2017.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
Kelly Investments 1 Pty Ltd	23,253,378
Ellerston Capital Limited	6,185,000

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights. There are no options.

Distribution of equity security holders

Category	No of ordinary shares	No of shareholders
1 - 1,000	**171,794**	183
1,001 - 5,000	**787,505**	240
5,001 - 10,000	**908,858**	109
10,001 - 100,000	**4,794,099**	151
100,000 and over	**38,834,925**	37
Total	**45,497,181**	720

There were 4 holders of less than a marketable parcel of ordinary shares.

The difference to the number of shares issued per the statutory accounts is 153,000 shares that were issued under the Employee Share Scheme post 30 June 2017 (1,000 shares were issued to each of the 153 employees who were eligible under the Employee Share Scheme as outlined in Section 9.7 of the Prospectus).

Additional Information for Listed Public Companies

For the Year Ended 30 June 2017

Rank	Name	Units	% Units
1	KELLY INVESTMENTS 1 PTY LTD	23,253,378	51.11
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,210,690	13.65
3	BNP PARIBAS NOMS PTY LTD	885,000	1.95
4	KALUMIC PTY LTD	787,007	1.73
5	AUST EXECUTOR TRUSTEES LTD	564,750	1.24
6	HAMPTON PTY LTD	563,354	1.24
7	GILDALE FAMILY COMPANY PTY LTD	466,420	1.03
8	DAVID BULLOCK + KAY BULLOCK + ANTHONY BULLOCK	458,984	1.01
9	KENNETH KO	393,504	0.86
10	NATIONAL NOMINEES LIMITED	378,341	0.83
11	BROJO INVESTMENTS PTY LTD	326,767	0.72
12	ALUA NOMINEES PTY LTD	294,030	0.65
13	BRJT ACCOUNTING PTY LTD	286,120	0.63
14	WINDA HOLDINGS PTY LTD	278,172	0.61
15	DAVID BULLOCK + KAY BULLOCK + ANTHONY BULLOCK	264,263	0.58
16	SCOTT ELWIN FAMILY CO PTY LTD	264,263	0.58
17	MRS PENELOPE ALICE MARJORIE SEIDLER	250,054	0.55
18	HALCYCON PTY LTD	225,054	0.49
19	BARYL HOLDINGS PTY LTD	200,077	0.44
20	ELLERSTON CAPITAL LIMITED ACN 110 397 674	175,000	0.38
	Totals: Top 20 holders	**36,525,228**	**80.28**
	Total Remaining Holders Balance	**8,971,953**	**19.72**

Unissued equity securities

Options issued - None. There are no options.

Securities exchange

The Company is listed on the Australian Securities Exchange. The Home exchange is Sydney.

Listing rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3 the Annual General Meeting of the Company is scheduled for Friday 10 November 2017

Listing rule 4.10.19

The Company's primary reason for raising funds under its prospectus dated 16 May 2017 is to provide greater financial flexibility and thereby facilitate continued growth acorss the business and to contiue to attract the best clients, Operating Business Owners and staff to our accounting network. During the period from admission to 30 June 2017 the Company used the funds raised in accordance with its purpose and continues to do so.

Kelly + Partners Team


Brett Kelly


Scott Elwin


Craig Bullock


Ada Poon


Rex Hoeben


Adam Quinn


Anna Lewis


Albert Cachia


Ben Twyford


Bill Bartlett


Lauren Helmrich


Joel Russell


Ryan Bultitude


Kenneth Ko


Linds Chapman


Trent Doughty


Vanessa Sirotic


Barry Frank


Mark Prag


Suketu Majithia


Peter Dawkins


Andew Zoghbi


Kim Meredith


Daniel Kuchta


Charbel Geagea


Peter Campbell


Bill Croker


Andrew Howe


Paul Kuchta


Tony Nunes


Ryan McCabe


Troy Marsh Apps


Dylan Barry


Daniel Chiha


Darren Hodgson


Scott Coombes


Duncan Kerr


David Duff


Elisha Hill


Karina Rauch

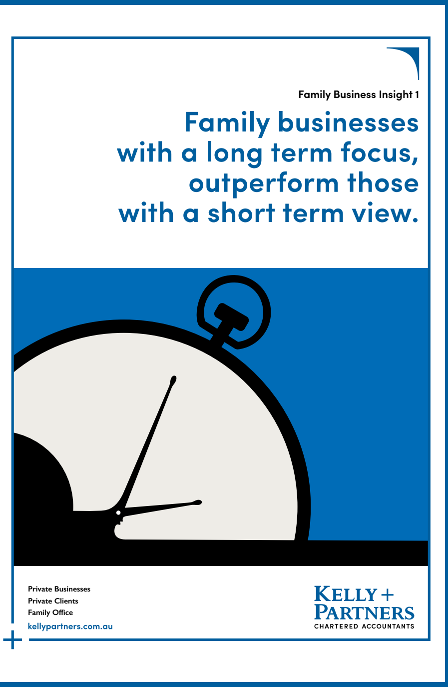

Ming Lew

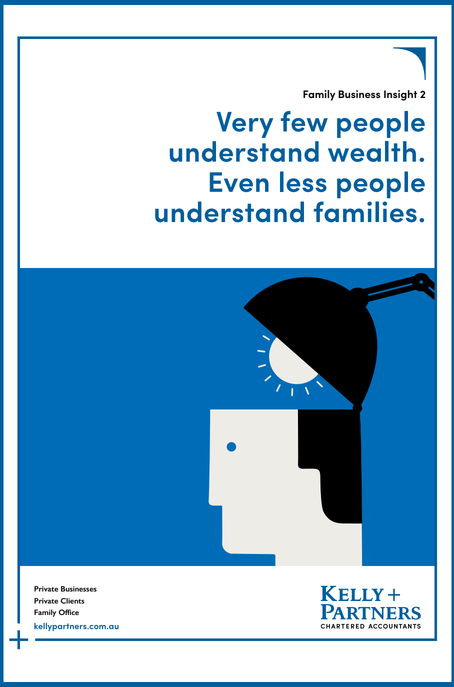

David Irwin

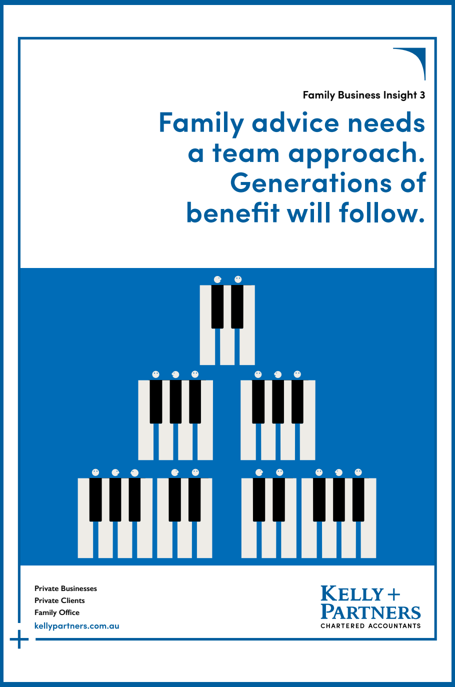

Christ Dent


Kim Lim


James Russell

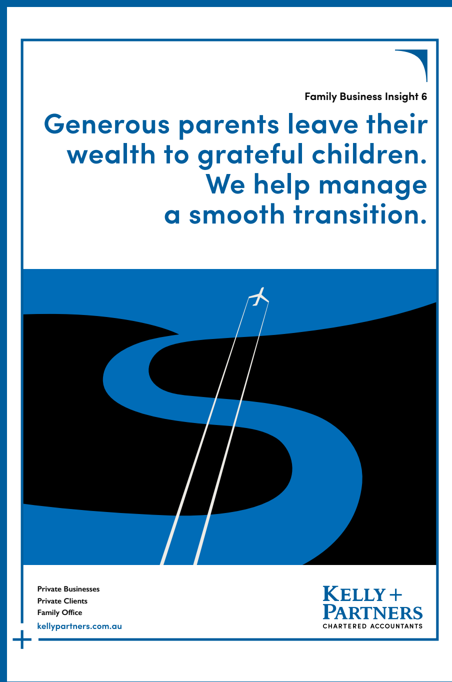

Family Business Insight 1
Family businesses
with a long term focus,
outperform those
with a short term view.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Family Business Insight 2
Very few people
understand wealth.
Even less people
understand families.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Family Business Insight 3
Family advice needs
a team approach.
Generations of
benefit will follow.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Family Business Insight 4
Clarity of direction
yields results.
We help family businesses
stay true to their values.
N
Private Businesses
Private Clients
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Family Business Insight 5
Family businesses need
long term relationships.
We strive to make
our clients 'better off'.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS


Family Business Insight 6
Generous parents leave their
wealth to grateful children.
We help manage
a smooth transition.
Private Businesses
Private Clients
Family Office
kellypartners.com.au
KELLY + PARTNERS
CHARTERED ACCOUNTANTS