veda
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27 August 2015

Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Electronic Lodgement via ASX Online

Dear Sir/Madam

Veda Group Limited (VED) – Full Year Report for the full year ended 30 June 2015

In accordance with ASX Listing Rule 4.3A, I enclose an Appendix 4E for the full year ended 30 June 2015 for immediate release. The Appendix 4E incorporates the Annual Financial Report, including:

1. the Directors' Report, including;
    a. the Operating and Financial Review; and
    b. the Remuneration Report;
2. the Financial Statements; and
3. the Auditor's Report,

for the full year ended 30 June 2015, which are also enclosed for immediate release.

The following associated documents will be lodged separately:

- Appendix 3A.1;
- Investor Presentation; and
- Market Release.

Yours faithfully

Tim Woodforde
Company Secretary
Veda Group Limited

Veda Group Limited and its Controlled Entities
Appendix 4E
Preliminary Final Report
Year ended 30 June 2015

Results for announcement to the market

				2015	2014
Revenue from ordinary activities ($thousands)	up	12%	to	**338,767**	302,049
Net profit after tax for the period attributable to members ($thousands)	up	248%	to	**77,919**	22,403
Basic earnings per share (cents)	up	191%	to	**9.3**	3.2
Diluted earnings per share (cents)	up	188%	to	**9.2**	3.2
Net tangible asset backing (cents per share)	up	8%	to	**-19.9**	-21.7

Dividends

	Amount per security	Franked amount per security at 30 percent tax
Final dividend determined subsequent to 30 June 2015 (cents)	**6.0**	**nil**
Previous corresponding period (30 June 2014) (cents)	4.0	nil
Record date for determining entitlements to the dividend	**10 September 2015**	
Dividend payment date	**8 October 2015**	

Brief explanation of any of the figures reported above or other item(s) of importance not previously released to the market.

Refer to the attached Directors' Report, Remuneration Report and Operating and Financial Review for explanations.

Helen Nugent
Chairman

Sydney
27 August 2015

Veda Group Limited and its Controlled Entities
Annual Financial Report
for the year ended 30 June 2015

Veda Group Limited and its Controlled Entities ABN 26 124 306 958
Annual Financial Report - 30 June 2015

Contents

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group" or "Veda") consisting of Veda Group Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2015.

1 Principal activities

The Group is a supplier of data based business intelligence services, including credit related decision support services, data, software and marketing information services in Australia and internationally.

The Group provides the following types of products, services and solutions:

- Products, services and solutions which enable the Group's customers to more efficiently manage credit and other financial risks. This includes servicing enquiries in relation to consumer credit reporting, fraud, commercial credit reporting, provision of third party data and other services.
- A range of data driven products and services that assist businesses to optimise the value and efficiency of their direct marketing investment. Services include consulting, marketing analytics and modelling, data integration and enhancement, campaign management and customer and market segmentation tools.
- Provision of loss assistance and retrieval services in both Australia and New Zealand by providing a range of services to its members to assist in preventing fraudulent use of their financial cards, passport or mobile phones should they be lost or stolen, as well as helping with the retrieval of lost or stolen keys and luggage.

International operations also include shareholdings in the Credit Bureau of Singapore and of Cambodia Credit Bureau and also providing business information services in Singapore and Malaysia.

There were no significant changes in the nature of the activities of the Group during the year.

2 Review of operations

A review of the operations and results of operations of the Group during the year, and the business strategies and prospects for future financial years, is set out in the Operational and Financial Review, which is attached and forms part of this Directors' Report.

3 Dividends - Veda Group Limited and its Controlled Entities

In respect of the current financial year, the Directors have determined to pay a final dividend as follows:

	Cents per share	Total amount $'000	Date of payment
Final ordinary (unfranked)	6.0	50,547	8 October 2015
Total amount		50,547	

The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

A final dividend of 4 cents per share in respect of the year ended 30 June 2014 was paid on 9 October 2014.

4 Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

5 Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

6 Directors and company secretary

The following persons held office as Directors of Veda Group Limited and its Controlled Entities during the financial year:

Helen Nugent, Chairman
Nerida Caesar, Chief Executive Officer & Managing Director
Bruce Beeren
Diana Eilert
Peter Shergold
Anthony Kerwick
Steven Sargent (appointed 25 March 2015)
Geoff Hutchinson (resigned 25 March 2015)

Clark Butler resigned as company secretary on 26 August 2014 and was replaced by Tim Woodforde and Emma Lawler, who were appointed joint company secretaries on 26 August 2014. Emma Lawler resigned as company secretary on 16 December 2014.

7 Information on directors and company secretary

Dr Helen Nugent AO
Independent Chairman
BA. (Hons.); MBA (Dist.); PhD; Hon DBus; FAICD

Helen was appointed Independent Chairman of the Company in September 2013. She is a professional company director, with close to 30 years' experience in the financial services and energy and resources sectors.

Helen is a Non-Executive Director of Origin Energy Limited (since March 2003) and Chairman of Funds SA, the $26 billion investment fund of the South Australian Government.

Her prior financial services' experience includes being Chairman of Swiss Re (Australia) and a Non-Executive Director of Macquarie Group Limited (August 2007 to July 2014). She was part of the executive team at Westpac Banking Corporation responsible in the early 1990's for a major turnaround in the bank's performance. As a Partner at McKinsey & Company, she worked extensively in the financial services and resources sectors.

Over a long period, Helen has given back to the community in education and the arts.

In 2004 she was made an Officer of the Order of Australia and in 2001, she was awarded a Centenary Medal.

Nerida Caesar
Chief Executive Officer & Managing Director
BCom.; MBA; GAICD

Nerida was appointed CEO and Managing Director of the Company in February 2011. With a focus on innovation and technology, she has over 29 years' experience in sales, marketing and business management.

Nerida was previously the Group Managing Director of Telstra Enterprise and Government where she was responsible for Telstra's corporate, government and large business customers in Australia, as well as the international sales division. She was also Group Managing Director of Telstra Wholesale. Prior to that, Nerida held the position of Executive Director National Sales where she was responsible for managing products, services and customer relationships throughout Australia.

Before joining Telstra, Nerida was Vice President of IBM's Intel Server Division for the Asia Pacific region, and held several senior management and sales positions with IBM over a 20-year career, both in Australia and internationally.

Nerida is a member of the University of Technology Vice Chancellors Industry Advisory Board and a Director on the NSW Fintech hub, Stone & Chalk.

Bruce Beeren
Independent Non-Executive Director
BCom. BSc.; MBA; FCPA; FAICD

Bruce was appointed a Non-Executive Director of the Company in September 2013.

Bruce is currently a director of Contact Energy, Equipsuper and The Hunger Project Australia. Until October 2014, he was also a Director of Origin Energy (March 2000 to October 2014), initially as Finance Director and then from January 2005 as a Non-Executive Director.

Bruce was formerly a Non-Executive Director of Veda Advantage Limited, ConnectEast Group, Coal & Allied Industries Limited and Envestra Limited. He has also held senior executive roles in major listed companies. Bruce was previously the Chief Financial Officer of AGL, General Manager of AGL Pipelines and Chief Executive Officer of VENCorp.

7 Information on directors and company secretary (continued)

Diana Eilert
Independent Non-Executive Director
BSc.; MCom.; GAICD

Diana was appointed a Non-Executive Director of the Company in October 2013.

Diana is currently a Non-Executive Director of Navitas Limited (a global education provider) (since July 2014) and AMP Life Limited. She was previously a Non-Executive Director of realestate.com.au (REA Group) and digital start-ups ‘onthehouse’ (Onthehouse Holdings Limited) (July 2012 to November 2013) and ‘OurDeal’.

With more than 25 years as an executive in financial services and media, Diana brings significant industry, technology and digital experience to Veda. She was Group Executive for Suncorp’s entire insurance business and subsequently Group Executive for Technology, People and Marketing. In her 10 years with Citibank, Diana’s roles included Head of Credit Risk Policy, running the Mortgage business, the Retail Funds management business and also Head of Lending Operations for Australia and New Zealand.

Diana developed her technology knowledge and skills in executive roles and also as a Partner of IBM. Her deep understanding of recent digital trends, disruption and strategies was developed further in her role as Head of Strategy and Corporate Development at News Corp Australia.

Dr Peter Shergold AC
Independent Non-Executive Director
BA (Hons); MA; PhD; FAICD

Peter was appointed a Non-Executive Director of the Company in October 2013.

Peter is currently a director of AMP Limited (since May 2008), AMP Life Limited and Corrs Chambers Westgarth. He is also Chairman of Opal Aged Care.

Peter has had a distinguished career in the public service, including having served as Secretary of the Department of Prime Minister and Cabinet, Secretary of the Department of Education, Science and Training, and Secretary of the Department of Employment, Workplace Relations and Small Business.

In 2011, Peter was appointed the Chancellor of the University of Western Sydney. He also serves as Chairman of the NSW Public Service Commission Advisory Board and is Chair of the National Centre for Vocational Education Research.

Peter was made a Companion of the Order of Australia for his services to the community in 2007.

Anthony Kerwick
Non-Executive Director
BCom.; LLB (Hons.); GAICD

Anthony was appointed a Non-Executive Director of the Company in March 2007. He was a Board nominee on behalf of Pacific Equity Partners (PEP) shareholders until March 2015, when it was confirmed that he would remain as a Non-Executive Director of the Company.

Anthony was a Managing Director of PEP from January 2004 until April 2014. During this time he led transactions, oversaw investments and served on the boards of private companies in sectors including financial services, technology, business services, and retail and consumer products.

Before joining PEP in 1999, Anthony was a consultant with Bain & Company in the United States and Australia, where he advised clients in the financial services, telecommunications, airline, healthcare, retail, utilities and manufacturing industries on strategy, mergers and acquisitions, operations improvement, industrial relations and e-commerce.

He was previously a Non-Executive Director of Spotless Group Limited from November 2011 to April 2014. He was appointed Chairman of Society One Holdings Pty Ltd in February 2015.

7 Information on directors and company secretary (continued)

Steven Sargent
Independent Non-Executive Director
BBus; FTSE; GAICD

Steve was appointed an Independent Non-Executive Director of Veda in March 2015.

Steve had a career spanning nearly a quarter of a century at General Electric, becoming a member of GE's 45-member Corporate Executive Council (CEC) and one of its 180 Officers. Steve was the first Australian to be made an Officer or be a member of the CEC in GE's 130-year history.

Steve has led GE businesses in the US, Europe, Asia Pacific, and Australia & New Zealand. Most recently he was President and Chief Executive Officer of GE Mining, GE's global mining technology and services business. Prior to this he was responsible for all of GE's operations across Australia & New Zealand, GE's third largest sales region in the world.

Steve has extensive experience in driving a culture of innovation and technology development. He has deep commercial experience with organic growth (start-ups, new product introduction), inorganic (acquisitions and integrations) as well as turnaround situations and divestitures.

Steve is currently a Non-Executive Director of Origin Energy Limited since May 2015, The Great Barrier Reef Foundation and Bond University Limited. He is a Fellow of the Australian Academy of Technological Sciences and Engineering, and a Graduate of the Australian Institute of Company Directors.

Over recent years he has been a Non-Executive Director of the Business Council of Australia, American Chamber of Commerce and a member of the Federal Government's Financial Services Advisory Council.

Tim Woodforde
General Counsel and Company Secretary
BSc; LLM; F Fin

Tim joined Veda as General Counsel and Company Secretary in August 2014 and is responsible for the legal and company secretarial functions. Tim has more than 20 years' experience as a corporate and commercial lawyer and corporate advisor at leading professional service firms in Sydney and London.

Before joining Veda, Tim was a Partner of Norton Rose Fulbright Australia for 12 years. Previously, Tim was a Partner of Andersen Legal Australia, a senior manager at Gresham Partners Limited and a solicitor at King & Wood Mallesons, and Slaughter and May.

Tim is a member of the Corporations Committee of the Business Law Section of the Law Council of Australia and is admitted to practice as a solicitor in various jurisdictions, including New South Wales.

8 Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

	Board meetings		Meetings of Committees					
			Audit and Risk Committee		Remuneration and Nomination Committee		Disclosure Committee	
	H	**A**	**H**	**A**	**H**	**A**	**H**	**A**
Helen Nugent	19^	19	-	-	6	6	2	2
Nerida Caesar	18^	18	-	-	-	-	2	1
Bruce Beeren	19^	19	4	4	-	-	2	2
Diana Eilert	19^	19	4	4	-	-	-	-
Peter Shergold	19^	16	-	-	6	5	-	-
Anthony Kerwick	17	17	-	-	6	6	-	-
Steven Sargent[1]	4	4	1	1	-	-	-	-
Geoff Hutchinson[2]	13	12	3	3	-	-	-	-

H = Number of meetings held during the time the Director held office or was a member of the committee during the year
A = Number of meetings attended
^ = Includes meetings of the Independent Directors (together with, in the case of one meeting, the CEO)
1. Appointed to Board on 25 March 2015
2. Retired from Board on 25 March 2015

The Board held one strategy day during the year to consider strategic matters of relevance to the Veda Group.

9 Shares, rights and options

Details of shares under option and warrants are included in note 19 in the attached financial statements respectively.

Shares and options held by Directors as at 30 June 2015 are as follows:

	Ordinary Shares	**Options over Ordinary Shares**
Nerida Caesar	6,648,039	25,000,000
Helen Nugent	200,000	-
Bruce Beeren	100,000	-
Diana Eilert	132,000	-
Peter Shergold	80,000	-
Anthony Kerwick	724,300	-
Geoff Hutchinson	170,000	-
Steven Sargent	66,000	-

No options or rights have been granted during the financial year.
No options or rights were granted since the end of the financial year.

10 Environmental regulation

Veda remains committed to doing business in an environmentally responsible way, and to identifying any environmental risks that may arise from its operations. Veda has a relatively low impact on the environment, however through improved measurement, benchmarking and technology Veda aims to continue to minimise its consumption of natural resources, reduce its environmental footprint and in so doing comply with all relevant legislation.

Veda has therefore implemented a Corporate Responsibility & Sustainability Framework which reinforces Veda's commitment to the following sustainability principles:

- Demonstrating good governance by incorporating sustainability principles into all Veda activities and processes;
- Continuing to identify and implement alternative business practices to minimise Veda's environmental and carbon footprint;
- Creating and promoting an environmentally sustainable and responsible culture;
- Engaging with suppliers and stakeholders to improve the sustainability performance of our supply chain;
- Enhancing the communities in which we operate by acting sustainably; and
- Pursuing continual improvement in corporate responsibility and sustainability management and performance.

Employees are encouraged to respect and care for the environment in which Veda operates, and have adopted workplace initiatives to reduce consumables.

There have been no incidents concerning environment regulation during the year.

11 Indemnification and insurance of directors and officers

Indemnification

The Company (and its predecessor companies) have indemnified a number of current and former Directors, Secretaries and Chief Financial Officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

11 Indemnification and insurance of directors and officers (continued)

Indemnification (continued)

Insurance premiums

The Company has paid insurance premiums in respect of Directors' and Officers' liability insurance and prospectus liability insurance contracts for current, future and former officers, including executive officers of the Company and directors, executive officers and secretaries of the Group. In accordance with commercial practice, the insurance policies prohibit disclosure of the nature of the insurance cover and the amount of the premiums.

12 Relationship with ultimate controlling party

As at 30 June 2015, the parent entity and ultimate controlling party of the Group is Veda Group Limited.

As at 30 June 2014, the parent entity of the Group was Veda Group Limited and the ultimate controlling party was Pacific Equity Partners Pty Limited (collectively "PEP") who held 63.5% of the ordinary shares of the company. PEP ceased being the ultimate controlling party of the Group in September 2014.

13 Auditor's independence declaration

There is no former partner or director of KPMG, the Company's auditor's, who is or was at any time during the year ended 30 June 2015 an officer of the Group. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 65.

14 Non-audit services

The amounts paid or payable to the Group's auditor KPMG for non-audit services provided by that firm during the year are as follows:

Other services:	$
Other audit related services	25,000
Taxation compliance services	138,000
Other tax advisory services	82,000
Other advisory services	114,000

Further details of amounts paid to the Company's Auditors are included in Note 20 of the financial statements.

In accordance with written advice signed by the Audit and Risk Committee Chairman and provided to the Board pursuant to a resolution passed by the Audit and Risk Committee, the Board has formed the view that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the general standards of independence for auditors imposed by the Corporations Act 2001. The Board's reasons for concluding that the non-audit services provided did not compromise the auditor's independence are:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor;
- all non-audit services provided did not 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 Group, acting as advocate for the Group or jointly sharing economic risks and rewards; and
- there were no known conflict of interest situations nor any circumstance arising out of a relationship between the Group (including its Directors and officers) and the auditor which may impact on auditor independence.

15 Proceedings on behalf of the Company

No proceedings have been brought on behalf of the Group, nor have any applications been made in respect of the Group under section 237 of the Corporations Act.

16 Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

17 Remuneration report

The Remuneration Report is attached and forms part of this Directors' Report.

Veda Group Limited and its Controlled Entities Operating and Financial Review for the full year ended 30 June 2015

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OPERATING AND FINANCIAL REVIEW

Introduction

The Directors are pleased to present the Operating and Financial Review (OFR) for Veda Group Limited.

In line with ASIC's Regulatory Guide 247 'Effective Disclosure in an Operating and Financial Review', this OFR is designed to assist shareholders understand Veda's business performance and the factors underlying its results and financial position. It complements the financial disclosures in the Annual Financial Report.

The OFR covers the period from 1 July 2014 to 30 June 2015, including the comparative prior period.

The OFR includes pro forma numbers for FY14 prepared on the same basis as presented in the Prospectus dated 18 November 2013. The pro forma adjustments in FY14 remove the impact of the expenses incurred as part of the December 2013 IPO, Veda's pre-IPO financing arrangements and Pacific Equity Partners' (PEP) management fees. The pro forma adjustments for FY14 also provide for a half year of listed company costs and adjust the tax expense.

1. Strong financial results

Veda has delivered another year of double digit growth with the result for FY15 exceeding guidance. This performance is underpinned by strong sales growth as the company delivered new products to new segments and existing customers as well as growth in B2C & Marketing Services.

Table 1 contains a high-level view of Veda's financial results. A detailed analysis of this performance is provided below.

Table 1: Financial highlights

	FY15 Statutory Actual $'m	FY14 Pro forma Actual $'m	Variance	FY14 Statutory Actual $'m	Variance
Revenue	**338.8**	**302.0**	**12.2%**	**302.0**	**12.2%**
EBITDA[1, 2]	**144.5**	**129.0**	**12.0%**	**128.4**	**12.5%**
EBIT	**116.6**	**106.0**	**10.0%**	**79.6**	**46.5%**
NPAT[1]	**78.4**	**68.9**	**13.8%**	**22.7**	**245.4%**

Notes:

1. *Tables 2 and 3 reconcile statutory and pro forma NPAT and EBITDA for FY14. No pro forma adjustments were made in FY15.*
2. *EBITDA excludes share of profit from associates.*

1.1. NPAT result

Statutory NPAT was $78.4 million against the pro forma result for FY14 of $68.9 million and the statutory result for FY14 of $22.7 million. The pro forma adjustments for FY14 are reconciled back to the statutory result in Tables 2 and 3 below. The driver of improved NPAT against the pro forma result for the previous period was primarily increased EBITDA. The rate of NPAT growth at 13.8 per cent exceeded the EBITDA growth rate of 12.0 per cent due to lower net financing costs and higher share of profit from associates. The significant NPAT improvement against the statutory results for the previous period was driven by the funding restructuring implemented as part of the December 2013 IPO, IPO expenses in the prior period, and increased EBITDA. Partially offsetting these was the income tax effect of moving from a loss to a profit position.

1.2. Pro forma adjustments to statutory results for FY14 NPAT

Tables 2 and 3 reconcile statutory and pro forma NPAT and EBITDA for FY14 to detail the pro forma adjustments made in the previous period. No pro forma adjustments were made in FY15.

Table 2: Pro forma adjustments to statutory results for FY14 NPAT

	FY14 Actual $'m
Statutory Net Profit after Tax	**22.7**
Management fees[1]	1.8
Listed company expenses[1]	(1.1)
IPO expenses[2]	25.7
Total operating expense adjustments	**26.3**
Net finance costs adjustment[3]	34.8
Tax expense[4]	(14.9)
Pro forma Net Profit after Tax	**68.9**

Table 3: Pro forma adjustments to statutory results for FY14 EBITDA

	FY14 Actual $'m
Statutory Net Profit after Tax	**22.7**
Add back:	
Tax expense	10.2
Share of profit from associates	(2.5)
Net finance costs	49.3
Depreciation and amortisation	23.0
IPO expenses[2]	25.7
Statutory ('Operating') EBITDA	**128.4**
Management fees[1]	1.8
Listed company expenses[1]	(1.1)
Pro forma EBITDA	**129.0**

Notes for Tables 2 and 3:

1. *Pro forma operating expense adjustments (excluding IPO expenses) have been made for the period 1 July 2013 to 10 December 2013 to remove the PEP management fees and include listed company expenses.*
2. *IPO expenses include $11.6 million of share-based payments.*
3. *Net finance costs have been adjusted to reflect the debt profile following completion of the IPO.*
4. *Income tax impact of the adjustments for notes 1-3. The share-based payments (included in IPO expenses) is non-tax deductible.*

1.3. EBITDA result

Veda's EBITDA result of $144.5 million, up 12.0 per cent against the FY14 pro forma result and 12.5 per cent above the FY14 statutory result, reflects strong revenue growth partially offset by operating cost growth.

Table 4: Revenue and total operating costs: FY15 and pro forma and statutory FY14

	FY15 Statutory Actual $'m	FY14 Pro forma Actual $'m	Variance	FY14 Statutory Actual $'m	Variance
Revenue	**338.8**	**302.0**	**12.2%**	**302.0**	**12.2%**
Total operating expenses (excluding IPO expenses)	**(194.3)**	**(173.0)**	**12.3%**	**(173.7)**	**11.9%**
EBITDA[1, 2]	**144.5**	**129.0**	**12.0%**	**128.4**	**12.5%**

Notes:

1. *FY14 pro forma EBITDA excludes IPO-related expenses as per Note 7 of the Financial Statements.*
2. *EBITDA excludes share of profit from associates.*

Revenue grew at 12.2 per cent above FY14. At the same time operating costs grew relative to pro forma and statutory FY14 at 12.3 per cent and 11.9 per cent respectively. As signalled in the guidance, operating expense growth has been faster than has historically been the case. The drivers were sales related growth, investment in staff to support Comprehensive Credit Reporting (CCR), recent acquisitions and the implementation of a new equity incentive scheme in line with Veda's listed company structure.

1.3.1. Revenue performance

Revenue in both the Australia and International segments grew against the previous period at rates of 12.8 per cent and 7.6 per cent respectively. International benefitted somewhat from favourable currency movements. On a local currency basis, International revenue grew 5.2 per cent against the previous period (4.7 per cent on a local currency basis for FY14 versus FY13).

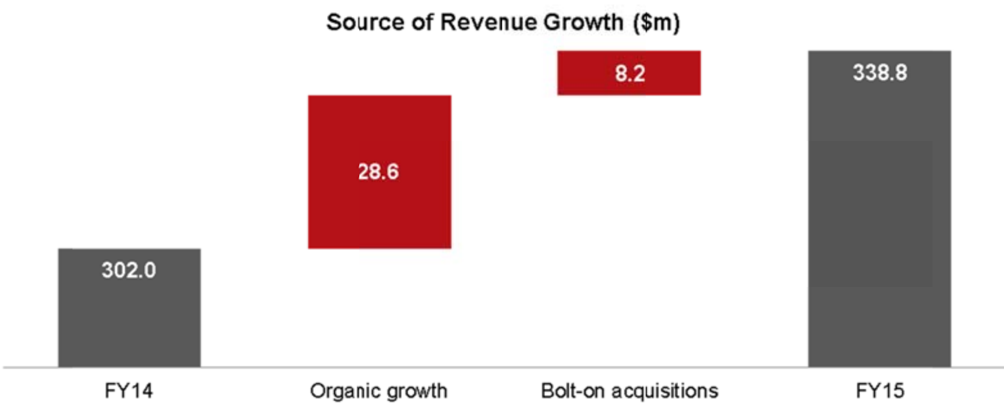
Table 5: Revenue growth by segment

	FY15 Actual $'m	FY14 Actual $'m	Growth
Australia	300.5	266.5	12.8%
International	38.3	35.6	7.6%
Total revenue	**338.8**	**302.0**	**12.2%**

Organic and bolt-on acquisition growth

As illustrated in Figure 1, Veda has increased its revenue predominantly through organic growth. Overall revenue growth was 12.2 per cent. In FY15 organic growth was 9.5 per cent.

Figure 1: Sources of revenue growth



Organic growth is driven by Personal Property Securities Register (PPSR) searches, Land Titles searches, Trading history & Debtor IQ volumes, IDMatrix, fraud detection solutions, Verify, digital marketing campaigns and CarHistory.com.au.

Bolt-on acquisition growth includes acquisitions made since FY14. Veda made five niche 'bolt-on' acquisitions, these being Datalicious, Wealth Services (ITM), Inivio NZ, Kingsway and The Prospect Shop. Veda has successfully integrated and grown the acquired businesses through enhancing the acquired products with its data and cross-selling the acquired products to its wider client base.

Click and non-click revenue growth

Veda distributes most of its products to its customers electronically on a 'per click' basis (through server-to-server and mainframe-to-mainframe linkage as well as through online web portals). Veda's FY15 revenue was 83 per cent 'click revenue'. The Company's non-click products are comprised of marketing services, batch data sales, decisioning software, subscriptions, licensing and consulting services.

Table 6: Revenue summary by click versus non-click

	FY15 Actual $'m	FY14 Actual $'m	Growth
Daily click revenue ($ million per business day)[1]	1.12	1.04	7.7%
Click revenue	281.0	262.3	7.1%
Non-click revenue	57.8	39.8	45.2%

Note:
1. FY15 & FY14 has 252 business days.

Click revenue increased year on year across all business lines. Products primarily driving the increase were:

- PPSR searches, Land Titles searches, Trading history volumes and the Kingsway acquisition in Commercial Risk and Information Services
- Verify, Fraud and Identity and core bureau growth in Consumer Risk and Identity and
- CarHistory.com.au and Consumer B2C growth within B2C & Marketing Services

Non-click revenue growth above the previous period was driven by focusing on digital marketing campaigns across Veda's existing and new segments as well as investment in product offerings and acquisitions (The Prospect Shop, Datalicious, Wealth Services (ITM) and Inivio NZ (KMS)). This is consistent with Veda's focus on being a data and analytics company.

Business line revenue growth

Strong revenue growth occurred in all business lines versus FY14 with B2C & Marketing Services achieving significantly higher growth.

Table 7: Revenue summary by business line

	FY15 Actual $'m	FY14 Actual $'m	Growth
Consumer Risk & Identity	110.0	100.0	10.0%
Commercial Risk & Information Services	134.4	125.7	6.9%
B2C & Marketing Services	56.1	40.7	37.8%
Australia	**300.5**	**266.5**	**12.8%**
International	**38.3**	**35.6**	**7.6%**
Total revenue	**338.8**	**302.0**	**12.2%**

Consumer Risk & Identity

Consumer Risk & Identity revenue grew to $110.0 million, 10.0 per cent above the previous period.

Drivers of the year-on-year growth were sales of Fraud and Identity Solutions, Verify, and Consumer Credit Risk products.

Fraud and Identity Solutions continues to achieve strong growth. This growth is driven by IDMatrix and fraud detection solutions. The solutions continue to assist businesses comply with changing anti-money laundering (AML) and counter-terrorism financing (CTF) regulatory requirements.

Verify also continues to perform strongly in the volatile recruitment market driving growth across multiple segments, but particularly in financial services due to the employment verification work driven by ASIC's Financial Advisor Register.

Core bureau business growth was in line with expectations.

Commercial Risk & Information Services

Commercial Risk & Information Services revenue grew to $134.4 million, a 6.9 per cent increase above the previous period. Both Commercial and Property Solutions (CPS) and Commercial Risk contributed to the year on year growth.

CPS growth is driven by the continued strength in PPSR multisearch products, PPSR one-off batch registrations and Land Titles searches. PPSR growth in FY14 was particularly strong due to the conclusion of the transition period on 31 January 2014. This provided impetus for financial institutions to finalise lodgement of transitional security interests to preserve the priority of the security interest. The PPSR brought different Commonwealth, State and Territory laws and registers under one national system and introduced a single national online PPSR. Changing AML/CTF compliance regulations are also driving growth in this product group.

Commercial Risk growth is driven by a combination of winning more market share and greater uptake of higher valued products such as the Trading History and Debtor IQ products. The acquisition of Kingsway in September 2014 has also contributed.

B2C & Marketing Services

B2C & Marketing Services revenue grew to $56.1 million, a 37.8 per cent increase above the previous period.

B2C revenue growth was driven by growth in CarHistory.com.au, in consumer credit products and in lead generation activity associated with the national tenancy database.

Inivio growth was driven by the focus on digital marketing campaigns across Veda's existing customers, with a number of new campaigns being launched, engagement in new segments and investment in product offerings, and the acquisition of Datalicious and The Prospect Shop.

International

International revenue grew to $38.3 million, a 7.6 per cent increase above the previous period. International benefitted somewhat from favourable currency movements. On a local currency basis revenue was 5.2 per cent higher than the previous period.

Drivers of the growth were international sales of bureau technology, sales of commercial risk products including Corporate Scorecard, Verify sales to New Zealand companies and the acquisition of Inivio NZ.

1.3.2. Operating cost analysis

Overall operating costs grew to $194.3 million, an increase of 12.3 per cent above the FY14 pro forma amount and 11.9 per cent growth above the FY14 statutory amount.

Operating expense increases were due to factors including investment in delivering sales growth, support for customers for CCR planning and transition, recent acquisitions and an increase in overall data costs associated with the higher revenue. Further, the implementation of a new equity incentive scheme to support the alignment of the interests of staff and shareholders and the costs of operating a listed company have been contributing factors. Veda also completed a review of New Zealand operations as part of a management change resulting in a restructure and associated one-time costs.

The overall expense-to-revenue ratio was 57.3 per cent, in line with the FY14 pro forma ratio and improved against the FY14 statutory ratio of 57.5 per cent.

Table 8 outlines operating expenses and their composition.

Table 8: Profile of operating costs: FY15 and pro forma and statutory FY14

	FY15 Statutory Actual $'m	FY14 Pro forma Actual $'m	Variance	FY14 Statutory Actual $'m	Variance
Costs of external data and products for resale	(61.7)	(56.4)	9.4%	(56.4)	9.4%
Staff costs	(97.4)	(84.5)	15.3%	(84.2)	15.7%
Other operating expenses	(35.2)	(32.1)	9.7%	(33.1)	6.3%
Total operating expenses (excluding IPO expenses)	**(194.3)**	**(173.0)**	**12.3%**	**(173.7)**	**11.9%**

The FY14 pro forma basis operating expenses removes the PEP management fees and provides for a full year of listed company expenses.

Costs of external data and products used for resale

Costs of external data and products used for resale grew by 9.4 per cent above the FY14 pro forma and statutory amounts.

The cost increase was slower than the rate of revenue growth due to data optimisation actions to improve the efficiency of Veda's purchasing of government data. This was, partially offset by the mix of revenue growth, particularly that from recent acquisitions.

Staff costs

Staff costs grew by 15.3 per cent above the FY14 pro forma amount and 15.7 per cent above the FY14 statutory amount.

Higher staff costs are predominantly related to delivering sales growth opportunities, recent acquisitions and the implementation of a new equity incentive scheme to support alignment of the interests of staff and shareholders. In addition, Veda has staffed its CCR team to help support its customers in the new environment. Veda also completed a review of New Zealand operations as part of a management change resulting in a restructure and associated one-time costs.

Other operating expenses

Other operating expenses grew by 9.7 per cent above the FY14 pro forma amount and 6.3 per cent above the FY14 statutory amount.

Other operating expense increases are driven by higher technology costs related to outsourcing and maintenance, support of new products and systems, increased property costs in line with increased headcount, listed company costs, and recent acquisitions not included in the previous period.

1.3.3. Other costs below EBITDA

FY15 is the first full year post-IPO, reflecting the ongoing cost structure of Veda as a publicly listed company. Those changes can be seen in Table 9, below the EBITDA line.

Table 9: Other costs: FY15 and pro forma and statutory FY14

	FY15 Statutory Actual $'m	FY14 Pro forma Actual $'m	Variance	FY14 Statutory Actual $'m	Variance
EBITDA	**144.5**	**129.0**	**12.0%**	**128.4**	**12.5%**
IPO expenses	0.0	0.0	-	(25.7)	(100.0%)
Depreciation and amortisation	(27.9)	(23.0)	21.3%	(23.0)	21.3%
EBIT	**116.6**	**106.0**	**10.0%**	**79.6**	**46.5%**
Net finance costs	(12.7)	(14.5)	(12.4%)	(49.3)	(74.2%)
Share of profit from associates	3.2	2.5	28.0%	2.5	28.0%
Profit before tax	**107.1**	**94.0**	**13.9%**	**32.8**	**226.5%**
Tax expense	(28.7)	(25.1)	14.3%	(10.2)	181.4%
NPAT	**78.4**	**68.9**	**13.8%**	**22.7**	**245.4%**

The key drivers of costs (and revenue) below EBITDA that have had an impact on NPAT are outlined below.

IPO expenses

IPO-related expenses in the FY14 statutory results were incurred as a result of the December 2013 listing of Veda Group Limited. They are non-recurring. IPO expenses are excluded from the FY14 pro forma results.

Depreciation and amortisation

The increase in depreciation and amortisation by 21.3 per cent reflects higher capital expenditure in recent years, primarily driven by purchases of data that are utilised for the creation of a wide variety of products as well as for internally developed software/products (including CCR related).

Net financing costs

Net financing costs decreased by 12.4 per cent versus the pro forma previous period, primarily as a result of a lower average debt driven by Veda's cash performance and lower average AU/NZ interest rates.

The 74.2 per cent decrease in net financing costs for FY15 against the statutory previous period was primarily due to the funding restructuring implemented as part of the December 2013 IPO.

Share of profit from associates

Veda's share of profit from associates increased by 28.0 per cent over the previous year primarily due to increased reported profit from the associates in Singapore and Cambodia.

Tax expense

The tax expense increased against the previous year's pro forma amount in line with higher profit before tax.

The higher tax expense in FY15 over the statutory previous period was driven by higher profit before tax partially offset by the non-deductible portion of FY14 IPO expenses of the Management Performance Shares and Executive Options (MPS).

2. Healthy financial position and cash flow

Veda is well positioned for the future with a strong balance sheet and cash generation capability.

2.1. Veda's balance sheet

Table 10 compares the balance sheet as at 30 June 2015 with the balance sheet as at 30 June 2014.

Table 10: Balance sheet comparison

	Actual 30 Jun 2015 $'m	Actual 30 Jun 2014 $'m
Cash	29.8	30.0
Other current assets	50.0	42.0
Current assets	**79.8**	**72.0**
Other non-current assets	56.5	77.2
Intangible assets	938.1	910.2
Total non-current assets	**994.6**	**987.4**
Total assets	**1,074.4**	**1,059.4**
Trade and other payables	29.8	26.1
Other current liabilities	30.2	25.2
Total current liabilities	**60.0**	**51.3**
Loans and borrowings	226.6	267.9
Other non-current liabilities	14.6	12.6
Total non-current liabilities	**241.2**	**280.5**
Total liabilities	**301.2**	**331.8**
Net assets	**773.2**	**727.6**
Share capital	792.2	791.4
Reserves	11.0	10.8
Accumulated losses	(32.6)	(76.6)
Non-controlling interests	2.6	2.0
Total equity	**773.2**	**727.6**
Balance sheet ratios:		
Current ratio[1]	1.33	1.40
Net debt / (net debt + equity)[2]	20.3%	24.7%
Net debt / EBITDA[3]	1.36x	1.84x

Notes:

1. *Current ratio = current assets/current liabilities.*
2. *Net debt = loans and borrowings less cash. Equity = total equity less non-controlling interests.*
3. *For 30 Jun 2015 used FY15 EBITDA of $144.5 million. For 30 Jun 14 used FY14 pro forma EBITDA of $129.0 million.*

The balance sheet as at 30 June 2015 and the comparative period reflect the restructured Veda Group post-IPO, showing a strong position.

The current ratio was positive. The growth in other current assets is driven by higher trade and other receivables. This reflects collections over a more diverse customer base, a higher mix of non-click project work and marketing campaigns, and the impact of acquisitions.

The decline in other non-current assets is primarily driven by the drop in deferred tax assets as a result of Veda's increasing profits utilising carried-forward tax losses.

The increase in intangibles was driven by the capital investment in product development and CCR, data set purchases (including ASIC data), the acquisitions of Inivio NZ (KMS), Kingsway and The Prospect Shop and depreciation of the New Zealand dollar. These factors were partially offset by amortisation of software and data sets.

The debt position decreased over the year primarily due to a net $37.2 million debt repayment and a $3.7 million foreign exchange decrease in the New Zealand dollar loans. The net debt / (net debt + equity) and net debt / EBITDA ratios shown in Table 10 were significantly improved as a result.

Accumulated losses declined, reflecting the profit after tax for the full year partially offset by the FY14 final dividend.

2.2. Veda's cash flow generation capability

Table 11 compares the FY15 free cash flow to FY14.

Table 11: Cash flow results against previous period

	FY15 Statutory Actual $'m	FY14 Statutory Actual $'m
EBITDA	**144.5**	**128.4**
Interest and income tax (included in net cash from operating activities)	(3.8)	(2.0)
Net changes in working capital and non-cash items in EBITDA	(3.4)	4.1
Net cash from operating activities[1]	**137.3**	**130.5**
Capital expenditure	(52.6)	(46.1)
Acquisition of subsidiaries	(5.1)	(8.0)
Free cash flow	**79.6**	**76.4**

Note:
1. Net cash from operating activities is extracted from the statement of cash flows in the Annual Financial Report.

The FY15 free cash flow remains strong. This reflects the improved EBITDA result partially offset by an increase in working capital and higher capital expenditure.

The greater FY15 working capital requirement reflects collections over a more diverse customer base, an increasing mix of non-click revenue which has more periodic rather than upfront billing, and the impact of acquisitions. The change in working capital between FY14 and FY15 is primarily driven by large customers paying early in FY14, acquisitions, a higher mix of non-click project work and marketing campaigns, and timing of trade and prepayments in FY15.

The drivers of growth in capital expenditure compared to the previous year were higher data acquisition reflecting increased revenue, an infrastructure technology refresh (including additional capacity for CCR data volumes) and growth projects including VedaCheck Visual. Partially offsetting these increases was reduced capital spend on CCR as the project moves from development to implementation.

Capital expenditure as a per cent of revenue in FY15 was 15.5 per cent compared to the previous period of 15.3 per cent.

Acquisition cash flow in FY15 primarily relates to the upfront consideration for new acquisitions, Inivio NZ (KMS), Kingsway and The Prospect Shop, which are more fully explained in Note 25 of the Financial Statements.

2.3. Veda's level of debt

Table 12 compares the consolidated debt of Veda as at 30 June 2015 and 30 June 2014.

Table 12: Statutory consolidated debt position of Veda

	Actual 30 Jun 2015 $'m	Actual 30 Jun 2014 $'m
Non-current loans and borrowings	226.6	267.9
Cash and cash equivalents	(29.8)	(30.0)
Net debt	**196.8**	**237.9**
Debt ratios:		
Net debt / EBITDA[1, 2]	1.36x	1.84x
Interest coverage (EBITDA / net finance costs)[3, 4]	11.4x	8.9x
Net debt / (net debt + equity)	20.3%	24.7%

Notes:
1. *For 30 Jun 2015 used FY15 EBITDA of $144.5 million. For 30 Jun 2014 used FY14 pro forma EBITDA of $129.0 million.*
2. *Financial covenant for the Facilities Agreement: not greater than 3.50 to 1.*
3. *For 30 Jun 2015 used FY15 EBITDA of $144.5 million and net finance costs of $12.7 million. For 30 Jun 2014 used FY14 pro forma EBITDA of $129.0 million and pro forma net finance costs of $14.5 million.*
4. *Financial covenant for the Facilities Agreement: not less than 3.00.*

Veda's principal sources of funds are cash flow from operations and borrowings under its debt facilities. The flexibility of its facilities and strong operating cash flows has assisted Veda continue to grow its business.

The debt ratios show significant headroom against the Facilities Agreement financial covenants.

3. Focused strategy driving growth

When Veda was established, almost 50 years ago, it provided basic data to assist banks make lending decisions. Today, Veda is a highly customer-focused data analytics company. The depth and breadth of products and services Veda offer not only touch almost every aspect of the economy, but allow it to make a real difference to the consumers and organisations with which they do business.

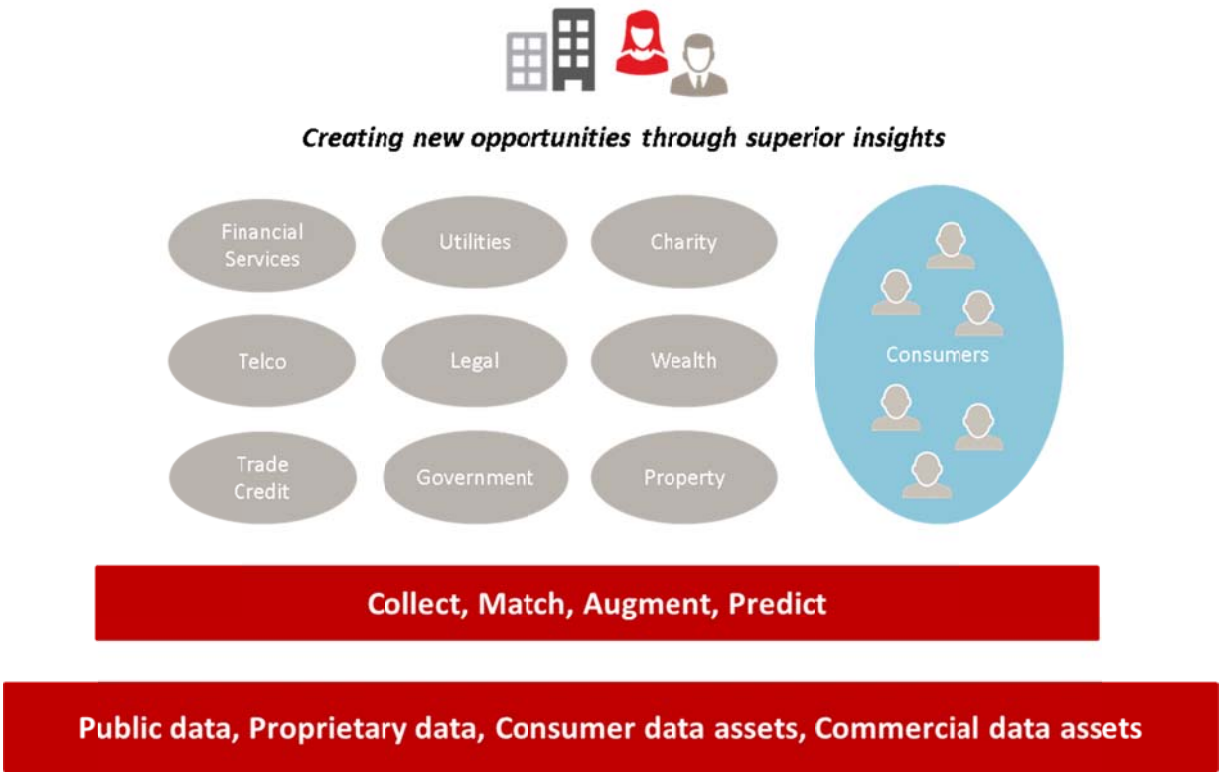
3.1. Business model

Veda uses its extensive data and analytics to help its customers make better informed, higher quality decisions and to better manage risk. Veda's ability to draw rich insights from its extensive data and analytics make this possible.

Veda's business model, summarised in Figure 2, has the following characteristics:

- Customer focus
- Valuable data assets
- Intellectual property in data management and analytics, and
- Embedded delivery channels and long-term customer relationships.

Figure 2: Veda's business model: Serving Businesses and Consumers



Veda's customer base comprises around 12,500 businesses and 450,000 consumers. Its customers depend on Veda's information to make commercial decisions about credit and other risks associated with businesses, assets and individuals.

Veda is well positioned to provide these services given the significant scale and quality of its data and its analytical capabilities that have been developed over its history. Veda's data includes credit information on around 20 million individuals and 5.7 million commercial entities in Australia and New Zealand. As Veda's products are integrated into the technology platforms of its major customers, it has a service offering that cannot be easily replicated.

Veda's core product offering includes the provision of credit reports in relation to individuals and businesses. From its core credit bureau business, Veda has expanded to deliver a suite of credit and other analytical products targeted to specific industry segment needs both within its traditional financial services segment and more broadly. Other segments where Veda has expanded beyond traditional financial services include utilities, telecommunications, wealth, government, online markets, non-traditional finance, collections and most recently not-for-profits.

All of these elements result in Veda being a resilient and diverse business with continual revenue growth experienced over more than 20 years.

3.2. Strategic initiatives

Veda's strategy is to grow from its core business by:

- **Using smart Data & Analytics to create insights** - connecting data to reveal actionable insights for its customers

- **Opening up Market opportunities -** apply its thinking to market opportunities, digital disruption and regulatory change

- **Delivering Innovation for a purpose -** build, partner or buy to deliver innovative products and services to the market, ensuring efficient use of capital

- **Fostering a Culture of collaboration and customer first -** be a great place to work and have a dedication to every customer success.

From these core strategies FY15 achievements and areas of future focus are identified in the following table.

Table 13: Growth strategies and opportunities

Strategy	FY15 Achievements	Future Focus
Using smart Data & Analytics to create insights	Veda holds extensive data assets. Veda's core capabilities in collecting, matching, augmenting and predicting from the use of data ensure that the insights derived are extensive and highly predictive about a consumer's behaviour. Similarly, the insights on companies for credit risk and marketing are highly predictive. The size and breadth of Veda's data assets are unique, value-adding and present a significant opportunity for growth. Veda's uniqueness is in mapping and connecting the data that is held. This is treated as a continual evolutionary process, working through how to best use the data to support customers. The focus is not only on the credit bureaus but also on fraud prevention and detection, identity services, and marketing. Veda has had great success in FY15 leveraging its data and analytics capability by growing its offerings and expanding into new segments across Veda's business lines but in particular in B2C & Marketing Services.	Veda will continue to focus on developing these products to improve scalability and deliver more industry-specific solutions. Veda continues to identify and develop data sets that provide useful insights for customers.
	The acquisition of a controlling interest in Datalicious provided a technology platform that complements the Inivio product offering and has positioned Veda well to execute its digital marketing strategy using smart data and analytics. The direct marketing and data agency The Prospect Shop further complements the strategy. The acquisition of Inivio NZ has expanded Veda's marketing services growth strategy to New Zealand.	Veda will continue to leverage the analytical capability and data sources of the Datalicious, Inivio NZ and The Prospect Shop acquisitions with Veda's offline consumer data and Inivio's marketing ability.

Strategy	FY15 Achievements	Future Focus
Opening up Market opportunities	Veda is focused on upfront investment in CCR customer transition and product development to enable future revenue growth. Customers are currently contributing to product development, data load and testing. The launch of VedaScore Apply in FY15 has given customers the ability to credit check using a CCR score.	Veda is committed to leadership in CCR in Australia and New Zealand and considers revenue growth from CCR is expected to progressively build.
	Veda has provided a customer on-boarding and monitoring solution to assist with the AML/CTF Act requirements as they pertain to customer due diligence.	Veda is well positioned to assist customers with their regulatory and compliance obligations with its existing product suite and its adaptability to provide solutions as requirements change.
	The evolution of consumer products continues. Increasing interest in cyber monitoring products has driven the launch of Identity Watch as a standalone product, further enhancing the utility of the product set. Veda has created a credit score for consumers - VedaScore. Risk based pricing offers are emerging in the market generating consumer interest in their score and creating opportunities for lead generation.	The launch of GetCreditScore.com.au, in July, powered by VedaScore is the first step in the journey of a ubiquitous VedaScore in Australia and New Zealand. Veda expects to grow its consumer base with this offering as well as generate significant lead generation opportunities as Australian consumers begin to embrace taking control of their credit score. This is seen in markets where positive reporting has matured.
	The Collections team has had strong engagement with utilities, banking and government for Receivables Management Solutions which improve bad debt performance and cash flow while reducing back office operating expenses.	Receivable management solutions will continue to be a focus.
	The transfer of Australian product capability to the New Zealand market in Verify, Corporate Scorecard and Inivio.	As opportunities arise Veda will transfer existing capabilities to the New Zealand market.
	The Kingsway and Prospect Shop acquisitions provide access to the government and not-for-profit segments.	Veda will focus on opportunities to penetrate into complementary adjacent segments.

Strategy	FY15 Achievements	Future Focus
Delivering Innovation for a purpose	Veda's resilience is demonstrated through its continual growth through economic cycles. This has been achieved by diversifying its product range with revenue that is driven by counter-cyclical factors. These include areas such as investment in fraud, online identity, collections and receivable analytics and products that serve the wealth and employment verification market.	Veda will continue to deliver innovative products in a way that is tailored to the needs of market segments, including online markets, government, wealth, non-traditional finance, utilities and not-for-profits.
	Veda made three acquisitions in FY15: Inivio NZ (KMS) in July 2014, Kingsway in September 2014 and The Prospect Shop in December 2014. They are all delivering results in line with expectations. Veda's model of embedding acquired products into its product suite and leveraging the Group salesforce to increase sales to Veda's broad customer base has been successful in these acquisitions, as was the case previously. The contribution of these and previous acquisitions to Veda's revenue growth is shown in Figure 1 in Section 1.	Veda will continue to investigate and consider potential acquisitions, partnerships and investments that complement the existing core business. Veda has a strong pipeline of opportunities. Veda continues to explore technology supply arrangements internationally, consistent with the International segment's business in Asia and the Middle East.
Fostering a Culture of collaboration and customer first	As Veda's product range has expanded, the value provided by transforming products into solutions has increased. It has combined identity verification, credit risk assessment, asset assessment and decisioning. This has assisted customers to improve the quality of their decision-making and the efficiency of their processes.	The product development team will continue to evolve Veda's products, in collaboration with customers, to meet their needs.
	Veda has worked with customers in the wealth segment, helping them to comply with their ASIC Financial Advisor Register obligations, verifying over 7,000 of Australia's financial advisors as part of this process.	Veda will continue to collaborate with customers to provide solutions to challenges as they arise.
	Through its advisory services, Veda has been proactively helping customers assess their readiness and develop transition plans for CCR. In this process, the experience and knowledge gained from the pilot program and the earlier transition in New Zealand has enabled customers to reinforce their business case and has supported the development of their product roadmap.	Veda Advisory Services will continue to assist customers to transition to CCR throughout FY16.

4. Proactively managed business risks

Veda deals with a variety of business risks, which it actively assesses and manages as part of its risk management framework. Veda's core risks and the way they are managed are described below. This is not a comprehensive list of the risks involved or the mitigating actions that have been adopted.

4.1. Risks to security and integrity of sensitive information

Veda collects, stores and processes highly sensitive, highly regulated and confidential information and accesses and transmits that information through public and private networks, including the internet, to and from its customers and suppliers.

Veda's systems are carefully managed to reduce the potential for security risks. IBM hosts all major infrastructure in secure, fully redundant data centres and Veda's telecommunications infrastructure is similarly secure and managed in a way that maximises availability and secures access. Veda's personnel are educated in Veda's data handling protocols and are obligated to comply with well-established mechanisms and processes designed to detect and prevent data security breaches. Penetration testing is undertaken regularly, as is disaster recovery planning and testing. As an organisation regulated under Part IIIA of the Australian *Privacy Act 1988*, Veda manages compliance professionally and assesses all new products and technology developments to ensure they meet Veda's high standards of integrity and security.

4.2. Reliance on core technologies and other systems

Veda's ability to provide reliable services largely depends on the efficient and uninterrupted operation of its core technologies, which include specialised and proprietary software systems and infrastructure, back-end data processing systems, as well as its websites (which are largely used for product distribution) and data centres. As with data security, Veda's relationships with its infrastructure provider, IBM, and its telecommunications provider are designed to maximise reliability. Systems testing and monitoring and high availability processes are implemented to ensure this.

4.3. Protection of trade secrets

Veda has developed trade secrets in the form of specialised knowledge, processes and software (including certain algorithms) for its business. Veda takes precautions to protect its trade secrets, which include implementing access restrictions, obligations of confidence, enforceable undertakings and other security protections. Regular training and compliance monitoring is conducted to prevent unauthorised disclosure of Veda's confidential information and intellectual property.

4.4. Sensitivity to complex regulatory environment

Veda operates its business within a complex and prescriptive regulatory environment. In particular, credit reporting is subject to federal and state-based regulations in Australia, as well as regulation in foreign jurisdictions in which it operates, notably New Zealand. In addition, privacy regulators may make determinations, issue codes and/or seek orders under relevant laws that affect the way Veda is required to provide regulated services. The laws are often complex, can change frequently, have tended to become more stringent over time, and are subject to judicial interpretation. For example, the amendments to the Australian *Privacy Act 1988* (the Act) in March 2014 enabled Comprehensive Credit Reporting but impose, among other things, more onerous, detailed and comprehensive compliance obligations on credit reporting businesses than previously existed under the Act.

Veda has a strong history of managing compliance with its regulatory responsibilities. Its compliance team is closely involved in processes for industry implementation of privacy laws and has embedded privacy law and code requirements in its own processes, systems and products. Part of Veda's governance regime includes privacy, regulatory compliance, data security and data breach policies, and compliance training and compliance obligations which form part of the employment conditions of all Veda's personnel.

4.5. Ability to attract and retain skilled personnel

Veda's success depends, to a large extent, on its ability to attract and retain appropriately skilled personnel, particularly technical and operating personnel. For example, Veda relies on specially trained technical personnel to develop and operate its data matching and processing platforms, and its core technology systems and the small number of well-trained experts with access to Veda's trade secrets. Veda also needs to compete for personnel with appropriate leadership qualities, skills, experience and performance potential. Veda maintains a high-performance culture aimed at attracting and retaining personnel. Financial incentives, an open management style and a dynamic working environment make Veda a good employer. Each year, Veda aims to improve further the calibre and commitment of its people, and actively analyses and actions employee engagement and feedback. In FY15 a new equity incentive plan was introduced.

4.6. Mitigating actions to address a credit demand downturn

Veda's revenues depend, to a large extent, on the performance of the financial services sector generally and the demand for credit in particular. If there is a severe disruption to the financial services sector; a downturn in the demand for credit products (such as mortgages, credit cards and personal loans); or a reduction in the availability of those credit products (e.g. by providers or regulators tightening lending criteria), a reduction in demand for Veda's services may result. One of the aims of Veda's product development and acquisition strategy has been to protect Veda from adverse economic conditions. Many products target diversified markets and have counter-cyclical characteristics providing a natural safeguard against a credit downturn.

4.7. Integration of acquisitions and joint ventures

Veda continually investigates and considers potential acquisitions and joint venture opportunities, which are consistent with its stated growth strategy. The successful implementation of acquisitions and joint ventures depends on a range of factors, including funding arrangements and technical integration.

Veda operates a disciplined acquisition and partnering process, including concept development, strategic and financial analysis, due diligence, contractual execution and integration, which is designed to minimise unexpected outcomes from acquisitions and joint ventures. Risk is managed by in-depth analysis before committing; contractual means; as well as by careful business integration and governance. The development of expertise in these matters, from legal and financial to technical and project management skills has resulted in Veda generating predicted returns from acquisitions and joint ventures.

5. FY16 Outlook

It is expected that revenue and EBITDA growth for FY16 will be low double digit, barring unforeseen circumstances.

NPAT growth is expected to be somewhat slower than that for EBITDA, reflecting an increased rate of growth in depreciation and amortisation, driven by the investment that is being made in products and data to grow our business and market position. This includes CCR and the significant investment made to build the platform for the future.

It is expected that for FY16 capital expenditure as a per cent of revenue will be broadly the same as for FY15, before gradually declining in the following years.

The dividend payout ratio is expected to be between 50 and 70 per cent of NPAT. Veda intends to commence paying interim dividends in FY16.

Veda Group Limited and its Controlled Entities
Remuneration Report – 30 June 2015

EXECUTIVE SUMMARY

Following Veda's initial listing as a public company, in last year's Report, Directors indicated the changes they planned to make in FY15 to Veda's executive remuneration. Those changes were designed to align the interests of shareholders and executives in a publicly listed company environment.

In the past year, Directors have reviewed investor feedback in relation to remuneration. The Board also noted positively the 99.94 per cent vote of support for the Remuneration Report received from investors at last year's Annual General Meeting. The Board also considered recent legislative changes and an internal review of benchmarked remuneration data for companies of relatively similar size as well as those in similar sectors.

As a result of that review, Directors have reached the conclusion that the remuneration approach and structure outlined in the 2014 Annual Report and reiterated in Section 2 of the 2015 Remuneration Report remain appropriate, with only nominal changes. The changes that are proposed do not relate to remuneration structure, but instead reflect relatively small adjustments to individual remuneration to ensure they are more aligned to benchmark data. Those changes are outlined in Section 4 of this Remuneration Report.

In addition, Section 3 of the Remuneration Report demonstrates that remuneration outcomes for Executives reflect performance and are consistent with delivering superior returns to shareholders.

Finally, Section 5 of the Remuneration Report shows Veda's overall governance by, and remuneration arrangements for, Non-Executive Directors. It is considered that effective governance has been exercised by skilled Directors who have a deep understanding of remuneration practices. No increase in Non-Executive Director remuneration is proposed for FY16.

Directors recommend that shareholders consider and support this year's Remuneration Report after reading it in detail.

1. Introduction

Last year, in its Remuneration Report, shareholders were informed of Veda's intention to implement a new remuneration structure designed to drive superior outcomes by aligning the interests of staff and shareholders. The new structure was outlined in detail in that report. These changes were necessary because Veda's earlier remuneration structure was more reflective of its prior private sector ownership.

This year, as part of its regular remuneration process, Veda's Directors reviewed the changes previously outlined.

In undertaking that review, Directors considered feedback from shareholders, including the 99.94 per cent vote in favour of the FY14 Remuneration Report. Directors also considered shareholders' comments at the AGM, as well as the input of a large number of investors, proxy advisors and other key stakeholders with whom the Chairman met prior to the AGM.

In addition, the Remuneration and Nomination Committee supervised the undertaking of a comprehensive internal analysis of how Veda's remuneration structure and outcomes compared with market practice for companies of relatively similar size, as well as those in similar sectors. Published Annual Reports were used, along with data supplied by the Hay Group.

As a result of that review, Directors have concluded that Veda's remuneration approach and structure remain appropriate and that only nominal changes are required for FY16 affecting the remuneration of specific Executives. More specifically, Directors ask shareholders to consider that:

- Veda's remuneration structure is appropriate and focused on delivering sustained superior outcomes for shareholders
- Veda's remuneration outcomes are aligned with delivering superior shareholder outcomes
- For FY16, only minor changes will be made to Veda's remuneration arrangements, and
- Veda's remuneration governance arrangements, including the way Non-Executive Directors are remunerated, are aligned with supporting shareholder interests.

Each of these conclusions is outlined, in turn, primarily for members of the Senior Leadership Team (SLT) who are Key Management Personnel (KMP). The overall structure of remuneration is also indicated for the other members of the SLT, as well as for members of the Extended Leadership Team (ELT). This group reports directly to the SLT.

2. Veda's remuneration structure is focused on delivering sustained superior outcomes for shareholders

Last year, the Remuneration Report outlined Veda's proposed remuneration approach going forward. The approach discussed in that report has been implemented this year and is outlined here for ease of access.

2.1 The overall objectives are designed to align the interests of staff and shareholders

Veda's overarching remuneration objective is to align the interests of staff and shareholders, with a view to driving superior outcomes for shareholders.

Veda aims to achieve this by:

- Creating incentives for staff to grow Veda's revenue, EBITDA and net profit after tax (NPAT), while having due regard to risk and the use of capital, and by
- Attracting and retaining key staff to drive performance.

The remuneration approach is operating in ways that reflect the responsibilities of staff for driving the performance of the business. More specifically, changes were put in place in FY15 for members of the SLT and specific members of the ELT, given the key role they play in driving the performance of the business.

Their remuneration consists of the following components:

- Fixed remuneration
- A Short-Term Incentive (STI) that has both a cash element and a deferred component that is paid as Deferred Share Rights (DSRs), and
- A Long-Term Incentive (LTI) that is paid as options.

Each of these elements is discussed below.

2.2 Fixed remuneration is benchmarked to the market median to attract quality people who can deliver value for shareholders

Fixed remuneration takes into account the size and complexity of an employee's role and the skills required to succeed in such a position. It includes a cash salary and employer contributions to superannuation.

As a general principle, Directors consider that fixed remuneration should reflect the median of benchmark companies of a similar size and/or in related industries.

To that end, benchmark data was sourced from Annual Reports and the Hay Group.

2.3 Short-Term Incentives are designed to drive superior operating performance while encouraging staff attraction and retention

The objective of the STI is to drive superior performance, attract staff to Veda and act as a strong retention mechanism.

The STI encourages those objectives in the following ways:

- Potential STI payments for the SLT are related to corporate performance as determined by revenue, EBITDA, NPAT and cash flow from operations and investment. These are all aspects of performance that are aligned with driving returns to shareholders
- The STI for the CEO and all other members of the SLT are evaluated using the same metrics, resulting in each of them striving to achieve the best overall outcomes for the Group as a whole, including fostering strong cross-selling opportunities and the optimal allocation of resources
- The STI can accelerate and this encourages superior performance
- The deferred component, which is invested in Deferred Share Rights (DSRs) links 30 per cent of an SLT member's At Target STI to Veda's share price, and

- Deferral over three years for the SLT encourages a longer-term view to be taken, more so when linked to the LTI scheme, which is discussed further below.

The key features of the STI scheme that have been introduced are as follows:

Table 1: Key features of the STI scheme

STI parameter	FY15 description
Allocation of STI	- A participant's STI is set At Target as a percentage of fixed remuneration, which is partly paid in cash and Deferred Share Rights (DSRs) at a predetermined ratio. - The At Target cash proportion can be accelerated by up to 175% for stretch targets. The DSRs are not subject to the same acceleration. - The At Target potential and extent of acceleration of the cash component reflects an individual's role and responsibilities, with the maximum being capped. - Directors retain discretion to make an adjustment to the STI allocation, both up or down. - More specifically, for members of the SLT: • Veda's overall performance determines their allocation • The key variables used to determine performance are Revenue/EBITDA (50%); NPAT (25%) and cash flow from operations and investment (NCFIA), excluding financing and capital structure decisions, but including any capital expenditure related to acquisitions (25%), with a different mix existing for the former New Zealand Managing Director • At Target performance is set by the Board on the recommendation of the Remuneration and Nomination Committee, with a pro rata allocation of up to 175% being possible, only on the cash proportion of the STI, down to 0 per cent, and • A pro-rata allocation of up to 175% over the amount of the cash target reflects significant over-achievement relative to the target. - For members of the ELT (except for New Zealand, where a different mix operates): • 50% of their outcome is determined by Veda's overall results for revenue and EBITDA • 30% is determined by specific Business Unit outcomes, which will include people objectives • 5% is determined by Customer Satisfaction results as a Performance Score, and • 15% is set with reference to other objectives (including customer and innovation objectives). - Each SLT and ELT member is notified of their potential STI after the

STI parameter	FY15 description
	beginning of the fiscal year. Table 2 below provides that information for Executive KMP who are members of the SLT. - Individuals are informed of their KPIs at the beginning of each financial year and the basis for assessing outperformance.
Instruments used	- For the SLT, of the amount finally allocated against potential At Target performance: • 70% is paid in cash • 30% is paid in DSRs, and • Any accelerated amount is only calculated against the At Target cash component and is paid in cash. - For designated members of the ELT, of the amount finally allocated against potential At Target performance: • 75% to 85% is paid in cash • 15% to 25% is paid in DSRs, and • Any accelerated amount is calculated against the At Target cash component and is paid in cash. - For other members of the ELT, 100% is paid in cash.
Calculation of DSRs	- The dollar value of DSRs reflects actual performance on the basis outlined above. - The number of DSRs allocated for that amount reflects an average Volume Weighted Average Price (VWAP) of Veda's share price for a 30 day period prior to the allocation, discounted to fair value to reflect the fact that DSRs do not attract dividends.
Vesting of DSRs	- For the SLT, DSRs vest in three equal tranches one, two and three years after the date of grant. - For designated ELT, DSRs vest in two equal tranches, one and two years after the date of grant, unless the grant is de minimis, in which case it vests at the end of Year 2. - DSRs vest in all cases provided the employee is employed at the point of vesting, with Directors having discretion to waive this provision in the case of death, disability, genuine retirement, redundancy or in other exceptional circumstances. - Approval from shareholders was obtained at the 2014 AGM to ensure that the Company does not infringe Terminations Benefit Legislation in cases where employees are Directors or Officers and where discretion is exercised.

STI parameter	FY15 description
Early vesting	- In very limited circumstances, testing against the performance condition may be brought forward earlier than the original scheduled test date. Provided that the performance condition is then met, vesting may occur. The limited circumstances are: • On a Control Event occurring, such as a Takeover Event, including when a bidder serves a bidder's statement on the Company; the Board recommends acceptance of an offer; and the Takeover Bid becomes unconditional, or a voluntary winding up of the Company, or a court approved arrangement or scheme • On termination of employment due to death, disability, genuine retirement or redundancy, as defined in the Veda Group Equity Incentive Plan Rules, or • In other rare circumstances where the Board determines it to be appropriate. - Approval from shareholders was obtained at the 2014 AGM to ensure that the Company does not infringe Terminations Benefit Legislation in cases where employees are Directors or Officers and where discretion is exercised.
Anti-hedging policy	- Employees cannot enter into any arrangement, including any financial product, which limits the economic risk of any securities, held under any equity-based incentive schemes so long as those holdings are subject to vesting conditions. - Non-compliance may result in summary dismissal.

In addition, for staff below the SLT, Directors may, on the recommendation of the CEO to the Remuneration and Nomination Committee and the Board, and on a very limited basis, make an offer of DSRs to specific staff where it is warranted for retention purposes and/or to reflect the competitive landscape for specific staff.

In certain limited circumstances, the Board may determine that vested DSRs will be satisfied by making a cash payment in lieu of allocating shares. Any cash payment would be calculated by:

- Multiplying the number of vested Deferred Share Rights by the Current Market Price, and
- Deducting and remitting or otherwise retaining for payment to the ATO any related tax liability.

For Executive KMP, the At Target and Maximum STI was disclosed in the 2014 Annual Report for the FY15 financial year. Maximum potential was to reflect the At Target STI, plus the potential acceleration of only the cash component. The information disclosed was as follows:

Table 2: Executive KMP: At Target STI as a percent of fixed remuneration for FY15

Name	Fixed remuneration	At-Target STI as % of fixed remuneration	Maximum STI as % of fixed remuneration
Nerida Caesar	$1,100,000	85%	129.6%
James Orlando	$476,470	57%	86.9%
Simon Bligh	$460,000	85%	129.6%
Tim Courtright	$400,000	65%	99.1%
John Wilson	$459,641	85%	129.6%

On 1 April 2015, Mr Bligh stepped down as Chief Data Officer, following the announcement on 27 February that he was planning to resign. As a result, from 1 April 2015, Mr Bligh was no longer categorised as KMP and disclosure in relation to his payments reflects his time in the KMP role. In addition, due to his intended resignation, he was no longer eligible for Deferred STIs for FY15. On 1 April, Mr Lionel Lopez became Chief Data Officer and a KMP, having commenced employment on 17 March, 2015 on an annual fixed remuneration of $440,000. Mr Lopez's At Target STI as a percentage of fixed remuneration for the period he was employed in FY15 is 65 per cent, with his maximum STI as a percentage of fixed remuneration for the same period being 99.1 per cent.

2.4 Long-term incentives are designed to align the interests of senior staff and shareholders over the longer term

The objective of the Long-Term Incentive Scheme (LTI) is to align the interests of staff and shareholders over the long term by attracting and retaining staff and encouraging senior staff to take value accreting initiatives to drive total return to shareholders. Further alignment is achieved by having the LTI hurdle linked to Total Shareholder Returns (TSR).

The LTI scheme is applicable to members of the SLT (including those not designated as Executive KMP) and key members of the ELT. It came into effect in FY15. The first grant will be made subsequent to the end of FY15. It is envisaged that the potential for a grant will be made each year going forward.

These LTI awards will be delivered in the form of Options. The value of an option will be determined independently by PriceWaterhouseCoopers using the fair market value of the option at the date of grant. The Black-Scholes option pricing model and a Monte Carlo simulation will be used to determine the probability that hurdles will be met. Fair value will be used for the following reasons:

- Options do not attract dividends
- Options are subject to a relative TSR hurdle against the ASX 200, with a requirement to exceed the 50th percentile. By definition, this means that only 50 per cent of all companies can be expected to exceed such a hurdle
- Options are subject to the employee paying an Exercise Price
- The value of a share that vests is only the amount above the Exercise Price. It is not the full value of the share, and

- The best approximation of target or expected value, according to options pricing theory is through “fair value” calculated using the Black-Scholes option pricing model and a Monte Carlo simulation.

Each relevant member of staff was notified of their potential allocation at the beginning of the financial year. They were informed that any grant at year end would reflect both their performance in the past financial year and their potential to make an ongoing significant contribution to Veda’s future.

The At Target allocation for Executive KMP, as indicated in the 2014 Remuneration Report, is outlined in Table 3.

Table 3: Executive KMP: potential maximum allocations of LTI FY15

Name	At Target LTI as % of fixed remuneration
Nerida Caesar	50%
James Orlando	30%
Simon Bligh	40%
Tim Courtright	40%
John Wilson	40%

Mr Bligh will not be allocated LTI because he indicated during the year that he was planning to resign. Mr Lionel Lopez commenced employment with Veda Group on 17 March 2015 and became a KMP on 1 April 2015. As part of his employment conditions, his potential LTI allocation for FY15 is 40 per cent of fixed remuneration for the period he is employed.

The At Target allocation to other members of the SLT and specified members of the ELT will be between 15 per cent and 40 per cent, dependent on an individual’s role and responsibilities.

The key features of the LTI scheme are as follows:

Table 4: Key features of the LTI scheme

LTI parameter	FY15 description
LTI instruments	Allocation of LTI is made in the form of options, which are the right to a fully paid share in the Company upon payment of an exercise price.
Valuation	The number of options for each executive is calculated by dividing the allocated value of the LTI award for that Executive by the independently determined fair market value of the option at the date of grant. The fair value is calculated using the Black-Scholes methodology with a Monte Carlo simulation that takes into account market conditions; that no dividends are paid on options; that there are performance hurdles; and that an exercise price needs to be paid by the member of staff.

LTI parameter	FY15 description
	The exercise price for the Options is the volume weighted average market price of Veda shares traded on the ASX in the 30 trading days prior to the date of grant. For the CEO, the value of the potential LTI award, as recommended by the Board, is submitted for approval by shareholders at the AGM held immediately after the performance year to which the award relates.
Relative TSR hurdle and vesting schedule	If the participant remains an eligible employee (subject to specific exclusions outlined in "Early Vesting"), options vest in equal tranches at the end of years three and four. The options are subject to a performance hurdle, being TSR relative to the ASX-200 group of companies as comprised at the date of grant. Relative TSR is measured at the end of the third and fourth years after the grant is made, subject to the factors outlined below: (a) If at the end of years three or four (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or above the 50th percentile of the ASX 200 companies, then 50 per cent of the options become exercisable (b) If at the end of years three or four (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or above the 75th percentile of the ASX 200 companies, then 100 per cent of the options become exercisable (c) If at the end of years three or four (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is between the 50th percentile of the ASX 200 companies and the 75th percentile of the ASX 200 companies, then for each one percentile above the 50th percentile, the number of options exercisable increases by 2 per cent, and (d) If at the end of years three or four (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or below the 50th percentile of the ASX 200 companies, then no options are exercisable and the options lapse. Prior to vesting and the allocation of shares, unvested and unexercised options carry no voting rights or entitlement to dividends. In order to exercise vested options, the exercise price must be paid before the shares can be allotted. On a capital reorganisation, the number of unvested awards and/or the exercise price (where relevant) may be adjusted in a manner determined by the Board to minimise or eliminate any material advantage or disadvantage to the participant[1].
Re-testing	There is no re-testing. Any unvested LTI after the test at the end of the performance period lapses immediately.

[1] If new awards are granted, they will, unless the Board determines otherwise, be subject to the same terms and conditions as the original awards.

LTI parameter	FY15 description
Early vesting	In very limited circumstances, testing against the performance condition may be brought forward earlier than the original scheduled test date. Provided that the performance condition is then met, vesting may occur. The limited circumstances are: • On a Control Event occurring, such as a Takeover Event, including when a bidder serves a bidder's statement on the Company; the Board recommends acceptance of an offer; and the Takeover Bid becomes unconditional, or the voluntary winding up of the Company, or a court approved arrangement or scheme • On termination of employment due to death, disability, genuine retirement or redundancy, as defined in the Veda Group Equity Incentive Plan Rules, or • In other rare circumstances where the Board determines it to be appropriate. Approval from shareholders has been obtained to ensure that the Company does not infringe Terminations Benefit Legislation in cases where employees are Directors or Officers and where discretion is exercised.
Exercise period, expiry and forfeiture	Options may be exercised only where the performance condition has been met and to the extent set out in the Vesting Schedule above. Options that vest must be exercised by the employee together with payment of the exercise price. The Veda Group Equity Incentive Plan Rules provide that unvested or unexercised options lapse on cessation of employment unless otherwise determined by the Board. In making this determination, the Board will only make such a determination in circumstances such as death, disability, genuine retirement or redundancy or other rare circumstances (as defined in the Veda Group Equity Incentive Plan Rules). In those circumstances the unvested options may be held "on foot" subject to their normal performance hurdles and other Plan conditions or may in exceptional circumstances be accelerated. In addition, the Plan Rules provide that unvested or unexercised options lapse up to a maximum of 10 years after grant. The maximum length before exercise has been extended from 7 to 10 years following a recent Federal Government legislative change.
Anti-hedging policy	Employees cannot enter into any arrangement, including any financial product, which limits the economic risk of any securities, held under any equity-based incentive schemes so long as those holdings are subject to performance hurdles or are otherwise unvested. Non-compliance may result in summary dismissal.

In certain limited circumstances, the Board may determine that a vested option will be satisfied by making a cash payment in lieu of allocating shares. Any cash payment would be calculated by:

- Multiplying the number of vested options by the Current Market Price
- Deducting the exercise price (if any) for the options, and
- Deducting and remitting or otherwise retaining for payment to the ATO any related tax liability.

In the case of both Deferred STI and LTI, clawback and malus provisions will be applied, allowing the Company to lapse any unvested and vested (but not exercised) DSRs or options if, in the opinion of the Board, the Participant:

- Acts fraudulently or dishonestly, is in serious breach of duty (under contract or otherwise) to the Company or commits any act of harassment or discrimination, or
- Actions cause a material financial misstatement or other significant breach of the Company's risk management and compliance framework, or
- Has brought the Company into serious disrepute or their actions cause the Company's reputation to be significantly damaged, or
- Actions breach the Privacy Laws, or
- Actions breach any obligation regarding the disclosure of confidential information or restraint-of-trade provisions specified in an employment agreement.

2.5 Taken together, these elements of remuneration should drive superior outcomes

In summary, SLT fixed remuneration, STI and LTI work together to generate alignment with shareholders.

The way this occurs can be seen in Table 5.

Table 5: Summary of the executive remuneration system

	Remuneration component	Delivery vehicle	Performance measure	Policy weighting section 2.2[1]	Strategic objective/ performance link
Not at risk	Fixed remuneration	Cash, super, non-monetary benefits	Role		Secures staff to execute business plans
AT-RISK REMUNERATION The proportion at risk increases with seniority	**STI**	Cash[1] paid annually after release of corporate results and Deferred Share Rights vesting equally in two or three tranches	Corporate Measure 1 Revenue and EBITDA	**STI AT RISK At Target** MD 85% Other KMP 57%-85%	Underpins real annual earnings growth
			Corporate Measure 2 NPAT		Reflects a key driver of shareholder returns
			Corporate Measure 3 Cash flow from Operations		Promotes prudent use of capital on a risk adjusted basis
			Discretion able to be exercised by Directors on an exception basis		Provides a mechanism for adjusting outcomes (both up and down) if warranted by performance and where it is in the interests of shareholders
	LTI	Deferred share-based payments in the form of options	Allocation measure: Personal performance and development potential Vesting measure: Relative TSR (ASX 200)	**LTI AT RISK** MD 50% Other KMP 30%-40%	Reward creation of shareholder wealth (measured by outperformance of TSR relative to the comparator group, tested after 3 and 4 years)

1. *Inclusive of any Superannuation Guarantee obligations.*

The extent of alignment with shareholders is reflected in the mix of deferred remuneration versus that paid in cash. This increases with seniority and the extent to which an executive holds a line role.

Table 6: Remuneration mix: FY15

Name	Proportion deferred[1]
Nerida Caesar	32%
Jim Orlando	25%
Tim Courtright	29%
John Wilson	29%

[1] *Total is the Aggregate Reward At Target incentive outcomes.*

Because Mr Bligh indicated that he intended to resign, he is not eligible for Deferred STI or LTI, and as a consequence, his deferred proportion is zero per cent. The proportion deferred for Mr Lopez, who became KMP on 1 April 2015, prorated for the time he has been KMP, is 29 per cent.

3. Veda's remuneration outcomes are aligned with delivering superior shareholder outcomes

Veda has delivered strong financial results in FY15. Revenue and EBITDA have both increased significantly compared to FY14, in line with guidance released in last year's Annual Report. In addition, since listing, underlying shareholder returns have been strong as shown in Table 7.

Directors are of the view that the remuneration outcomes for senior executives are appropriately aligned to Veda's performance and the interests of shareholders.

3.1 Veda has delivered strong financial returns over the past year and, since listing, has delivered superior returns to shareholders

Table 7 provides information on outcomes for shareholders and for executive remuneration. Given that Veda only listed in December 2013, comparative data for FY13 and prior years is not available for all measures. Moreover, given the date of Veda's listing in December 2013, it is not possible to provide full historic information on the Company's performance over the past five years on a comparable basis.

Table 7: Veda's Performance and Remuneration Outcomes

Performance measures		FY15	FY14	FY13	FY12	FY11	Growth 2014 to 2015	4yr CAGR 2011 to 2015
Revenue[1]	$m	338.8	302.0	268.6	243.1	208.7	12.2%	12.9%
EBITDA[1]	$m	144.5	129.0	107.0	78.3	77.7	12.0%	16.8%
NPAT[1]	$m	78.4	68.9	n/a	n/a	n/a	13.8%	n/a
TSR[2]		14.0%	58.4%	n/a				
Executive remuneration measures								
Staff costs[1]	$m	97.4	84.5	75.9	71.4	56.3		
Staff costs to revenue ratio		28.8%	28.0%	28.3%	29.4%	27.0%		
Average staff headcount		669	585	566				
Actual staff headcount[3]		722	612	565				
Statutory remuneration – CEO	$m	2.0	8.3	2.5				
Non-IPO related remuneration –CEO[4]	$m	2.0	1.5	1.9				
Statutory remuneration – Executive KMP[5]	$m	4.9	16.1	4.6				
Non-IPO related remuneration – Executive KMP[6]	$m	4.9	4.5	4.8				

1 Pro-forma amounts are included for FY14 and for previous years as the Board are of the opinion that these most appropriately represent the Group's underlying historical performance. They exclude one-off significant items and owner management fees and include pro-forma listed company costs and are presented as per the 2013 Prospectus.

2 Veda listed on 5 December 2013, therefore, FY14 TSR growth can only be reported from 5 December 2013.

3 As at 30 June.

4 Total amount shown in Appendix 3 of the Remuneration Report, excluding Management Performance Shares (MPS) expenses for FY13 and MPS and options expenses for FY14.

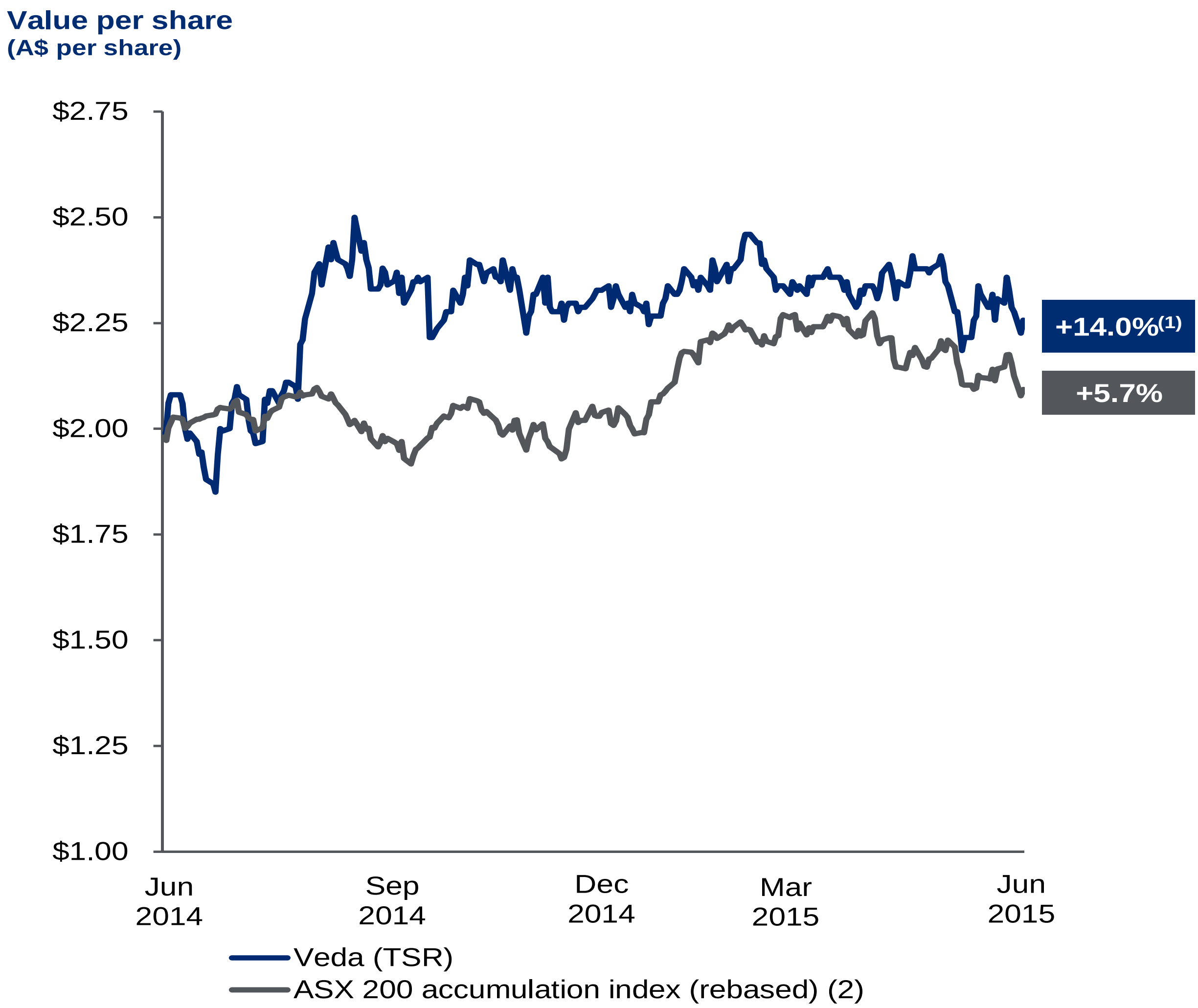
5 Mr Lopez commenced as a KMP on 1 April 2015, after Mr Bligh stepped down from his role as a KMP on 1 April 2015. Mr Orlando commenced in May 2013. Only actual amounts earned during their tenure as a KMP have been included for these employees.

6 Excludes in FY13 MPS expenses and in FY14 MPS and options expenses. For comparative purposes FY13 includes the full year equivalent remuneration for Mr Orlando who commenced May 2013.

Veda has performed well relative to the All Ordinaries Accumulation Index

Veda's strong share price performance can be seen in the way it has outperformed the All Ordinaries Accumulation Index (All Ords) over the year ended 30 June 2015.

Table 8: Veda's TSR versus the All Ords
Year ended 30 June 2015



(1) Veda declared a 4 cent per share dividend which was paid on 9 October 2014. Assumes gross dividends reinvested in Veda shares at 9 October 2014.

(2) ASX 200 Accumulation index rebased to Veda at 30 June 2014.

The key price-sensitive events for Veda in the 2015 financial year have been the payment of its FY14 final dividend in October 2014 and the release of its half-year results in February 2015. Veda's TSR for FY15 was 14.0 per cent while the ASX 200 Accumulation Index increased by 5.7 per cent over the same period[1].

[1] Source: IRESS Market data as at 30 June 2014

3.2 Veda's remuneration outcomes for executives are aligned with performance

This section of the Remuneration Report outlines the specific remuneration outcomes for KMP for FY 15. It shows the remuneration allocated to executives during the year rather than the way remuneration needs to be accounted for under the accounting standards. Appendix 3 shows statutory remuneration disclosures in accordance with the required accounting standards.

3.2.1 Fixed remuneration was paid in accordance with stated intentions

Management received fixed remuneration in line with the amounts indicated in the FY14 Remuneration Report as per Table 9. The following exceptions are noted. On 27 February, 2015, Mr Bligh announced his intention to retire. Mr Bligh stepped down from his role as a KMP on 1 April 2015. Mr Lopez was appointed as Chief Data Officer and became a KMP on 1 April 2015. The fixed remuneration outlined below reflects the period each was designated as KMP.

Table 9: Profile of FY15 fixed remuneration for KMP

Name	Role	Fixed Remuneration ($)*
Nerida Caesar	Chief Executive Officer	1,100,000
James Orlando	Chief Financial Officer	476,470
Simon Bligh	Chief Data Officer	345,000
Tim Courtright	Executive General Manager - Sales	400,000
John Wilson	Executive General Manager - Product & Market Development	459,651
Lionel Lopez	Chief Data Officer	109,970

** Includes salary and statutory superannuation only, non-monetary allowances (for example, for car parking) are not included (See Appendix 3 for further details on fixed remuneration).*

3.2.2 Short-Term Incentive payments have reflected defined performance

STI payments for KMP have been determined in accordance with the approach outlined in Section 2.3 above. The specific outcomes are outlined below.

At the end of the financial year, the Remuneration and Nomination Committee reviewed Veda's performance against each of the defined metrics to determine the recommended STI payment for each of the CEO, other KMP and other SLT. This recommendation was subsequently reviewed and approved by the Board.

The revenue, EBITDA and cash flow performance for FY15 against the matrix has resulted in achievement of an STI outcome for SLT of 105 per cent.

More specifically, the corporate performance, against which STI payments have been made is as follows:

Table 10: Benchmarks on which STI allocations have been made

Measurement	2015 $m	2014 $m
Revenue	338.8	302.0
EBITDA	144.5	129.0
Net cash flow from operating activities and net cash flow from investing activities	83.4	73.2
NPAT	78.4	n/a

The outcome for each executive KMP is outlined in Table 11.

Table 11: Profile of FY15 and FY14 STI allocations for KMP

Individual	Year	Fixed remuneration[1]	% STI on target	% Allocated	STI cash payment	STI deferred award	IPO bonus	Total STI allocated
Nerida Caesar	2015	$1,100,000	85%	88%	$687,225	$280,500	-	**$967,725**
	2014	$900,000	56%	64%	$577,500	-	$1,350,000	**$1,927,500**
James Orlando	2015	$476,470	57%	59%	$199,500	$81,429	-	**$280,929**
	2014	$476,470	40%	46%	$219,450	-	$476,470	**$695,920**
Simon Bligh[2]	2015	$345,000	85%	68%	$215,539	-	-	**$215,539**
	2014	$435,890	69%	79%	$346,500	-	$435,890	**$782,390**
Tim Courtright	2015	$400,000	65%	67%	$191,100	$78,000	-	**$269,100**
	2014	$400,000	45%	52%	$207,900	-	-	**$207,900**
John Wilson	2015	$459,651	85%	88%	$287,167	$117,211	-	**$404,378**
	2014	$458,643	60%	69%	$317,625	-	-	**$317,625**
Lionel Lopez[2]	2015	$109,970	65%	67%	$52,553	$21,450	-	**$74,003**
	2014	-	n/a	n/a	-	-	-	**-**

1 Includes superannuation.

2 Mr Lopez commenced on 17 March 2015 and became Chief Data Officer on 1 April 2015 and Mr Bligh ceased as a KMP on 1 April 2015. The remuneration for these Executives reflects their time in their KMP roles. Mr Bligh will only receive the cash component of his STI because he had announced his intention to resign.

3.2.3 LTI has been allocated on the basis as defined

The Board, on the recommendation of the Remuneration and Nomination Committee, has undertaken a review of the performance of each KMP. As a consequence of that review, the Board proposes that the value of options issued under the LTI scheme will be as defined in Table 12. In making these awards the Board has taken into account the performance of each Executive and their ability to make an ongoing contribution to the future of the business. No comparison is provided for 2014 because an LTI scheme in the same form has only operated for FY15. In the case of the CEO, shareholder approval for her award will be sought.

Table 12: LTI Awards to Executive KMP

Individual	Fixed remuneration[1]	LTI apportion as a % of fixed	FY15 allocation as a % of apportion	FY15 LTI allocation
Nerida Caesar	$1,100,000	50%	100%	$550,000
James Orlando	$476,470	30%	100%	$142,941
Simon Bligh[2]	$345,000	40%	100%	-
Tim Courtright	$400,000	40%	100%	$160,000
John Wilson	$459,651	40%	100%	$183,861
Lionel Lopez[2]	$109,970	40%	100%	$43,988

1 Includes superannuation.

2 Mr Lopez commenced on 17 March 2015 and took over as Chief Data Officer on 1 April 2015 and Mr Bligh ceased as a KMP on 1 April 2015. The remuneration of each of these executives reflects their time in their KMP role. Mr Bligh will not receive an LTI because he had announced his intention to resign.

3.2.4 Total allocated remuneration is appropriate

In summary, the total allocated remuneration for all KMP, prorated in the case of Mr Bligh and Mr Lopez for FY15 is as follows. No comparison with 2014 is provided because an LTI scheme in the same form was not operational.

Table 13: Executive KMP total allocated remuneration for FY15

Individual	Fixed remuneration[1]	STI cash	STI deferred[3]	LTI[3]	Total allocated remuneration
Nerida Caesar	$1,100,000	$687,225	$280,500	$550,000	$2,617,725
James Orlando	$476,470	$199,500	$81,429	$142,941	$900,340
Simon Bligh[2]	$345,000	$215,539	-	-	$560,539
Tim Courtright	$400,000	$191,100	$78,000	$160,000	$829,100
John Wilson	$459,651	$287,167	$117,211	$183,861	$1,047,890
Lionel Lopez[2]	$109,970	$52,553	$21,450	$43,988	$227,961

1 Includes superannuation.

2 Mr Lopez commenced on 17 March 2015 and took over as Chief Data Officer on 1 April 2015 and Mr Bligh ceased as a KMP on 1 April 2015. The remuneration of each of these executives reflects their time in their KMP role. Mr Bligh will only receive the cash component of his STI because he had announced his intention to resign

3 The full value of STI and LTI awards allocated to each executive for the 2015 financial year. Appendix 3 shows the amortised accounting value which is recognised over the relevant performance and service periods in accordance with the required accounting standards.

4. For FY16, only minor adjustments will be made to Veda's remuneration arrangements

For FY16, no structural changes are proposed to the design of Veda's executive remuneration approach.

However, some minor adjustments are proposed that are designed to bring specific remuneration closer to Veda's articulated policy. Those changes relate primarily to fixed remuneration, where a number of Executives are below the stated remuneration objective of paying at market median.

More specifically, the following adjustments to fixed remuneration are being made:

Table 14: KMP fixed remuneration for FY16

Individual	Fixed remuneration
Nerida Caesar	$1,200,000
Tim Courtright	$450,000
Lionel Lopez	$450,000
James Orlando	$488,000
John Wilson	$470,000

Other nominal changes are being made as follows:

- LTI as a proportion of Fixed Remuneration will be increased
  - for the CEO from 50 per cent to 60 per cent
  - for Mr Orlando from 30 per cent to 40 per cent
- STI for Mr Courtright will be increased from 65 per cent to 70 per cent.

In addition, following recent government reform, the vesting period for options has been increased from 7 years to 10 years.

The weighting of measurements for STI performance for FY16 will be as follows:

Measurements	% Weight
Revenue/EBITDA	45%
Net cash flow from operating activities and net cash flow from investing activities	20%
NPAT	35%

5. Veda's governance and remuneration arrangements for Non-Executive Directors are aligned with supporting shareholder interests

Veda's Board of Directors is committed to ensuring strong corporate governance in relation to remuneration. It does this by acting independently of management; exercising effective remuneration governance principles; independently benchmarking remuneration data; as well as ensuring Non-Executive Directors are remunerated in ways that maintain their independence.

5.1 The Remuneration and Nomination Committee and the Board act independently of management in making remuneration decisions

The Remuneration and Nomination Committee is comprised of three Non-Executive Directors. All Committee members are diligent in ensuring they have a comprehensive understanding of Veda and the way remuneration drives performance.

Table 15: Remuneration and Nomination Committee FY15

Role	Status
Helen Nugent (Chairman)	Independent, Non-Executive Chairman
Peter Shergold	Independent, Non-Executive Director
Anthony Kerwick	Non-Executive Director

The Remuneration and Nomination Committee members have the required experience and expertise in both human resources and risk to achieve effective governance of Veda's remuneration system. In addition, all members of the Remuneration and Nomination Committee have extensive experience in remuneration, either through their professional backgrounds or as members of the committees of other boards.

The full Board has oversight of Veda's remuneration arrangements. It is accountable for Executive and Non-Executive Directors' remuneration and the policies and process governing both.

The Remuneration and Nomination Committee, through its Chairman, reports to the full Board and advises on these matters. The Committee is comprised of a minimum of three members, who must be Non-Executive Directors. The majority of the Committee, and its Chairman, are independent. There is a standing invitation to all Board members to attend the Committee's meetings, which they regularly do.

The Remuneration and Nomination Committee have a regular meeting cycle and met six times during FY15. Directors' attendance at the meetings is set out in the Directors' Report.

The Board also pays serious, sustained attention to the design and operation of all remuneration practices, not just for the most senior executives.

More specifically, the Board has strong processes for making remuneration decisions for senior staff, which also involve assiduous management of internal guidelines on declaring and dealing with conflicts of interest. These are rigidly followed by the Remuneration and Nomination Committee.

As part of its process, after the end of the financial year, the Non-Executive Directors met with the CEO to consider her views on the Group's performance. This covers financial performance measures, operational and strategic initiatives, customer initiatives and satisfaction, cost management initiatives, risk and compliance management, and people and organisational leadership, including the upholding of Veda's values.

The Remuneration and Nomination Committee also discussed with the CEO the performance of each member of the SLT.

In all cases, this information helped the Remuneration and Nomination Committee and the Board make decisions in relation to remuneration.

5.2 Effective remuneration governance principles are being exercised

Effective governance is central to Veda's approach. It is achieved through a clear definition of responsibilities, appropriate composition of the Remuneration and Nomination Committee, and adherence to processes that ensure independent decision-making.

Governance responsibilities are clearly defined. The main responsibilities of the Board and the Remuneration and Nomination Committee are described in Table 16**.**

Table 16: Responsibilities of the Board and the Remuneration and Nomination Committee

	Approved by the Board (on recommendation of the Remuneration and Nomination Committee)	**Approved by the Remuneration and Nomination Committee**
Executive remuneration structure	• The remuneration strategy, policy and structure and compliance with legal and regulatory requirements • Levels of delegated responsibility to the Remuneration and Nomination Committee and management for remuneration-related decisions • Performance-based (at-risk) components of remuneration and targets for the Company's financial performance as they relate to incentive plans, including equity-based payments • Individual remuneration for KMP and other members of the Executive Management Team • Allocations made under all equity based remuneration plans	• Identification of the employee population that receives deferred at-risk remuneration • Remuneration recommendations in relation to the Senior Leadership Team • Recommending performance-based components of remuneration and targets as they relate to incentive plans, including equity-based payments • Specific remuneration related matters as delegated by the Board
Non-Executive Director Remuneration	• The remuneration framework for Non-Executive Directors	

	• Remuneration for Non-Executive Director fees (subject to the maximum aggregate amount being approved by shareholders)	

5.3 Benchmarked data has been assessed with adequate independence

Each year the Remuneration and Nomination Committee examines Veda's remuneration system as part of a regular review process. Sometimes this is done by employing an external group to assist. However, because of the significant review undertaken in FY14, in FY15, analysis of benchmark data was undertaken internally. The data was based on information obtained from Annual Reports and the Hay Group.

The data was checked in detail by the Remuneration and Nomination Committee, allowing the Board to be satisfied that the information was objective and free from influence by KMP.

5.4 Veda's Non-Executive Directors are remunerated in ways that maintain their independence

Veda's Non-Executive Directors are remunerated in a way that supports the retention of their independence. While technically classified as KMP, the remuneration arrangements applicable to Non-Executive Directors differ significantly from those outlined for Executives in Sections 2, 3 and 4 of this Report. This reflects their different roles.

5.4.1 The structure of Non-Executive Directors' remuneration is linked to their governance role and they are not paid in shares

Remuneration arrangements for Non-Executive Directors are set by reference to market rates for companies of comparable size, being the same companies used for comparison with executive roles.

Non-Executive Directors do not receive:

- Fees that are contingent on performance
- Shares in return for their service
- Retirement benefits, other than statutory superannuation, or
- Termination benefits.

The CEO is not remunerated separately for acting as a Director.

5.4.2 The fees paid to Non-Executive Directors are appropriate

Non-Executive Directors are remunerated for their work on the Board as well as on Committees. Those fees for FY15 were as follows:

Table 17: Fees to Non-Executive Directors

Role	Chairman	Member
Board	$300,000	$150,000
Remuneration and Nomination Committee	$25,000	$15,000
Audit and Risk Committee	$25,000	$15,000

A review of Non-Executive Director remuneration was undertaken towards the end of FY15. It was found that Non-Executive Director fees are broadly in line with market, although the remuneration for the Chairman is below the median for Directors of companies of broadly comparable market capitalisation and complexity. Notwithstanding this finding, no increase has been recommended for the Chairman, although it has been determined that the fee she is paid as Chairman of the Remuneration and Nomination Committee should be combined with her overall fee.

In addition, Non-Executive Directors are entitled to a per diem payment of $2,500 for attendance at meetings or time spent on Veda business over and above that normally associated with their role as a Director. Additional fees were paid to Directors in FY14 as part of the significant additional work associated with the IPO and other discretionary efforts since listing. No such fees have been paid in FY15.

All fees are inclusive of statutory superannuation.

Information on the frequency of Board and Committee meetings is included in the Directors' Report.

Veda's Non-Executive Directors are remunerated for their services from the maximum aggregate amount approved by shareholders. The current fee pool limit of $2 million was approved by shareholders prior to Listing.

5.4.3 Non-Executive Directors are required to have a minimum shareholding of Veda shares

To align the interests of the Board with shareholders, the Board has a minimum shareholding requirement for Non-Executive Directors.

Under the minimum shareholding requirement, Independent Non-Executive Directors are required to acquire and maintain, directly or indirectly, a holding of 80,000 shares. The policy now reflects a fixed number of shares, rather than its being tightly related to a year's equivalent of base Directors' fees, as was previously the case. The timeframe has also been amended to two years, rather than three years from the date of their appointment, over which the shares can be accumulated. The shareholding requirement for Non-Executive Directors will be periodically reviewed.

Non-Executive Directors are prohibited from hedging shares held to meet this minimum requirement.

Each Non-Executive Director's current holding of Veda shares is included in the Directors' Report.

APPENDICES: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Appendix 1: KMP

KMP include Executive Voting Directors and Executives with authority and responsibility for planning, directing and controlling the activities of Veda (together making Executive KMP) and Non-Executive Directors.

Veda's Non-Executive Directors are required by *the Corporations Act 2001* (Cth) to be included as KMP for the purposes of the disclosures in this Report. However, the Non-Executive Directors do not consider themselves part of "management".

Table 18: Key Management Personnel for FY15

Non-Executive Directors		**Changes noted**
H Nugent	Independent Chairman	
B Beeren	Independent	
D Eilert	Independent	
P Shergold	Independent	
A Kerwick	Non-Executive	
G Hutchinson	Non-Executive	Resigned 25 March 2015
S Sargent	Independent	Appointed 25 March 2015
Executive Directors		
N Caesar	Chief Executive Officer	
Executives		
J Orlando	Chief Financial Officer	
S Bligh	Chief Data Officer	Ceased as KMP 1 April 2015
T Courtright	Executive General Manager - Sales	
J Wilson	Executive General Manager – Product & Market Development	
L Lopez	Chief Data Officer	Appointed 17 March 2015 Became KMP 1 April 2015

Except where otherwise noted, the remuneration and other related party disclosures included in this Report have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) and in compliance with AASB124 Related Party Disclosures. For the purpose of these disclosures, all the individuals listed above have been determined to be KMP, as defined by AASB124 Related Party Disclosures.

Appendix 2: Contractual arrangements for Executive KMP

The table below sets out the main terms and conditions of the employment contracts of the Executive KPM (excluding Non-Executive Directors) as at 30 June 2015.

Table 19: Contractual arrangements for Executive KMP

Role	Contract Expiry	Notice Period	Termination Payments (subject to termination benefits legislation)
Chief Executive Officer	Ongoing (no fixed term)	• Twelve months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of twelve months	• Payment in lieu of notice at Company discretion based on total fixed remuneration • For termination or resignation without cause and with notice, pro rata at risk remuneration payable based on achievement of KPI's for the relevant period
Chief Financial Officer	Ongoing (no fixed term)	• Six months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of six months	• Payment in lieu of notice at Company discretion based on total fixed remuneration
Chief Data Officer – Simon Bligh (Mr Bligh ceased as a KMP on 1 April 2015)	Ongoing (no fixed term)	• Three months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of six months	• Payment in lieu of notice at Company discretion based on total fixed remuneration • In the event of the termination of employment on notice, whether by way of resignation or at the instigation of the Company, may, at the absolute discretion of the Company, receive a pro rata amount of any unpaid STI
Chief Data Officer – Lionel Lopez (Mr Lopez commenced as a KMP on 1 April 2015)	Ongoing (no fixed term)	• Six months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of six months	• Payment in lieu of notice at Company discretion based on total fixed remuneration • In the event of the termination of employment on notice, whether by way of resignation or at the instigation of the Company, may, at the absolute discretion of the Company, receive a pro rata amount of any unpaid STI

Executive General Manager – Sales	Ongoing (no fixed term)	• Three months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of six months	• Payment in lieu of notice at Company discretion based on total fixed remuneration • In the event of the termination of employment on notice, whether by way of resignation or at the instigation of the Company, may, at the absolute discretion of the Company, receive a pro rata amount of any unpaid STI
Executive General Manager - Product & Market Development	Ongoing (no fixed term)	• Six months either party • Immediate for serious misconduct or other circumstances warranting summary dismissal • Restraint-of-trade period of six months	• Payment in lieu of notice at Company discretion based on total fixed remuneration • In the event of the termination of employment on notice, whether by way of resignation or at the instigation of the Company, may, at the absolute discretion of the Company, receive a pro rata amount of any unpaid STI

Appendix 3: Statutory remuneration disclosures (in accordance with Australian Accounting Standards)

Table 20: Remuneration of KMP - FY15

		Short-term employee benefits ($)				
Name	**Financial year**	**BASE**		**Other (non-monetary) benefits**	**Performance related remuneration (ii)**	**Total short term employee benefits**
		Salary and fees (i)	**Super-annuation**			
Executive Director:						
Nerida Caesar	2015	1,081,217	18,783	5,421	687,225	1,792,646
	2014	882,225	17,775	4,161	1,927,500	2,831,661
Other Key Management Personnel:						
James Orlando	2015	457,687	18,783	5,421	199,500	681,391
	2014	458,695	17,775	4,161	695,920	1,176,551
Simon Bligh	2015	330,912	14,088	-	215,539	560,539
	2014	418,115	17,775	-	882,390	1,318,280
Tim Courtright	2015	381,217	18,783	5,421	191,100	596,521
	2014	382,225	17,775	4,161	207,900	612,061
John Wilson	2015	440,868	18,783	5,421	287,167	752,240
	2014	440,868	17,775	4,161	317,625	780,429
Lionel Lopez	2015	105,274	4,696	1,169	52,553	163,692
Non- Executive Directors (current):						
Helen Nugent	2015	308,300	18,783	-	-	327,083
	2014	318,634	13,878	-	-	332,512
Bruce Beeren	2015	160,685	14,315	-	-	175,000
	2014	162,716	15,051	-	-	177,767
Diana Eilert	2015	150,685	14,315	-	-	165,000
	2014	135,080	12,495	-	-	147,575
Peter Shergold	2015	150,685	14,315	-	-	165,000
	2014	133,918	12,387	-	-	146,305
Anthony Kerwick	2015	142,977	13,583	-	-	156,560
	2014	92,519	8,558	-	-	101,077
Steven Sargent	2015	38,200	3,629	-	-	41,829
Non- Executive Directors (former):						
Geoff Hutchinson	2015	113,014	10,736	-	-	123,750
	2014	84,809	7,845	-	-	92,654
Total	**2015**	**3,861,722**	**183,593**	**22,854**	**1,633,084**	**5,701,252**
	2014	**3,509,803**	**159,089**	**16,646**	**4,031,335**	**7,716,873**

Table 20: Remuneration of KMP - FY15 (continued)

Share-based payments ($)							
Management performance `shares (iii)	**IPO options**	**STI DSRs (iv)**	**LTI Options (v)**	**Total share-based payments**	**Total Remuneration ($)**	**% of Equity-settled Remuneration (vi)**	**% of Remuneration performance Related**
-	-	84,410	103,125	187,535	1,980,181	9%	44%
3,925,343	1,520,000	-	-	5,445,343	8,277,004	66%	89%
-	-	24,504	26,801	51,305	732,697	7%	34%
535,916	137,156	-	-	673,073	1,849,624	36%	74%
-	-	-	-	-	560,539	0%	38%
571,337	241,396	-	-	812,733	2,131,013	38%	80%
-	-	23,472	30,000	53,472	649,993	8%	38%
488,376	192,848	-	-	681,225	1,293,286	53%	69%
-	-	35,195	34,398	69,593	821,832	8%	43%
518,433	231,418	-	-	749,851	1,530,280	49%	70%
-	-	7,695	9,834	17,529	181,221	10%	36%
-	-	-	-	-	327,083	0%	0%
-	-	-	-	-	332,512	0%	0%
-	-	-	-	-	175,000	0%	0%
-	-	-	-	-	177,767	0%	0%
-	-	-	-	-	165,000	0%	0%
-	-	-	-	-	147,575	0%	0%
-	-	-	-	-	165,000	0%	0%
-	-	-	-	-	146,305	0%	0%
-	-	-	-	-	156,560	0%	0%
-	-	-	-	-	101,077	0%	0%
-	-	-	-	-	41,829	0%	0%
-	-	-	-	-	123,750	0%	0%
-	-	-	-	-	92,654	0%	0%
-	-	**175,275**	**204,159**	**379,434**	**6,080,686**		
6,039,405	**2,322,818**	**-**	**-**	**8,362,223**	**16,079,096**		

(i) Non-Executive Directors fees for 2014 were higher than standard fees during FY14 due to the per diem rates paid for the significant workload during the IPO and subsequent processes.

(ii) This amount represents the actual cash STI to be paid in September (for the previous financial year). For FY14 it includes an IPO bonus and a $100,000 additional cash retention bonus for Simon Bligh based on his initial contract from 2010.

(iii) This amount includes the expense associated with the Management Performance Shares (MPS) modification at IPO and normal MPS expense up until modification (1 July 2013 to IPO date).

(iv) This amount represents the current year amortisation expense related to the STI DSRs expected to be issued to employees in September 2015 (based on the employees' performance for the 2015 financial year) calculated as described in Note 19(a)(i) to the Financial Statements. The vesting conditions are described in Table 1 and the full value of the 2015 STI DSRs to be awarded is described in Table 11.

(v) This amount represents the current year amortisation expense related to the LTI options expected to be issued to employees in September 2015 (based on the employees' performance for the 2015 financial year) calculated as described in Note 19(a)(ii) to the Financial Statements. The vesting conditions are described in Table 4 and the full value of the 2015 LTI options to be awarded is described in Table 12.

(vi) The percentage of equity settled remuneration is lower in FY15 due to the fact that remuneration from STI DSRs and LTI options are spread over a number of years and have only commenced being earned in FY15. The remuneration related to these DSRs and LTI options should increase in future years as more are issued each year going forward.

Appendix 4: Shares, MPS and options disclosures

There were no shares, MPS or options over ordinary shares in the Company granted as compensation to any KMP during the reporting period.

STI DSRs and LTI options are granted in the financial year following the year of the Company's performance to which the grant relates. For example, STI DSRs and LTI options relating to the Executive KMP performance in the 2015 financial year will be granted in September 2015.

Movements in options over equity instruments and MPS during the year

There were no MPS held directly, indirectly or beneficially, by any KMP, including their related parties, during the reporting period.

The movement during the reporting period, by the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Table 21: Options over equity instruments

	Held at 1 July 2014	Granted as compensation	Exercised	Other changes	Held at 30 June 2015	Vested during the year	Vested and exercisable at 30 June 2015
Options							
Nerida Caesar	25,000,000	-	-	-	25,000,000	-	25,000,000
James Orlando	2,255,862	-	-	-	2,255,862	-	2,255,862
Simon Bligh	3,970,322	-	-	-	3,970,322	-	3,970,322
Tim Courtright	3,171,850	-	-	-	3,171,850	-	3,171,850
John Wilson	3,806,214	-	-	-	3,806,214	-	3,806,214

Loans to KMP and their related parties

Historically, and as part of private equity ownership, various members of the SLT and ELT participated in an equity incentive scheme for the issue of Management Performance Shares (MPS). The objective of the MPS was to align the interests of senior staff with those of shareholders, while ensuring staff retention. These arrangements have largely been in place since 2008, with additional members being included up to FY14.

Prior to the IPO in December 2013, the outstanding balance was 68.8 million MPS, classified into Tranches A, B and C with differing "fair values". They had an expiry date of 10 December 2018. They were able to be re-classified to ordinary shares subject to specified tenure periods, financial performance hurdles, and the approval of the Board of Directors; and they had an exercise price of $1.00.

In the lead-up to the IPO, these arrangements were re-negotiated. More specifically, the following occurred:

- 53.3 million shares were forfeited, being 25 per cent of Tranche A shares; and 100 per cent of Tranches B and C
- 14.4 million shares (Tranche A) were reclassified and the re-classification price was varied from $1.00 to $0.25.

To fund the reclassification amount, executives were offered a full recourse loan at market rates. Interest on the loan includes both a margin and a reference rate, which has to be paid semi-annually. The loans are repayable on the earlier of five years; sale of the shares; or when the individual ceases to be an employee (subject to a period to enable the employee to trade the shares). No further reclassification loans have been provided in FY15. Details regarding loans outstanding at the end of the reporting period to KMP and their related parties, where the individual's aggregate loan balance exceeded $100,000 in the reporting period, are as follows:

Table 22: Loans to KMP and related parties

	Balance at 1 July 2014 $	Balance at 30 June 2015 $	Interest charged $	Highest balance in period $
Nerida Caesar	1,607,378	1,607,378	95,377	1,607,378
James Orlando	132,929	264,746	12,787	264,746
Simon Bligh	233,955	-	2,784	233,955
Tim Courtright	186,905	186,905	11,090	186,905
John Wilson	374,285	374,285	13,308	374,285

Note: James Orlando was provided a loan in FY15 to fund the payment of tax paid on Management Performance Shares issued to him in FY14.This is in line with the agreement made with him in FY14.

Details regarding the aggregate of all loans made, guaranteed or secured by any entity in the Group to KMP and their related parties, and the numbers of individuals in each group as at 30 June 2015, are as follows:

Table 23: Aggregate of loans made to KMP and related parties

	Opening balance $	Closing balance $	Interest charged $	Number in group at 30 June 2015
Total for key management personnel and their related parties	2,535,452	2,433,314	135,347	4

KMP transactions - movement in ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Table 24: Movement in ordinary shares

	Held at 1 July 2014	Received on exercise of options	Acquired during the year	Sold during the year	Held at 30 June 2015
Helen Nugent	200,000	-	-	-	200,000
Bruce Beeren	100,000	-	-	-	100,000
Diana Eilert	132,000	-	-	-	132,000
Peter Shergold	80,000	-	-	-	80,000
Anthony Kerwick	724,300	-	-	-	724,300
Geoff Hutchinson	170,000	-	-	(170,000)	-
Steven Sargent	-	-	66,000	-	66,000
Nerida Caesar	6,648,039	-	-	-	6,648,039
James Orlando	691,723	-	-	-	691,723
Simon Bligh	1,335,822	-	-	(800,997)	534,825
Tim Courtright	887,828	-	-	-	887,828
John Wilson	1,747,140	-	-	-	1,747,140

This report is made in accordance with a resolution of Directors.

Helen Nugent
Chairman

Sydney
27 August 2015

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Veda Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

John Wigglesworth
Partner

Sydney

27 August 2015

Veda Group Limited and its Controlled Entities ABN 26 124 306 958
Annual Financial Report - 30 June 2015

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	Note	**2015 $'000**	2014 $'000
Revenue from continuing operations	6	**338,767**	302,049
Costs of external data and products used for resale		**(61,716)**	(56,365)
Employee benefits expense		**(97,393)**	(84,246)
Depreciation and amortisation expense		**(27,863)**	(23,049)
Software, technology and communication costs		**(12,091)**	(11,070)
Occupancy costs		**(5,483)**	(5,075)
Management fees		**-**	(1,786)
Professional and legal fees		**(4,149)**	(3,782)
Travel and accommodation		**(2,880)**	(1,971)
Marketing and publications		**(4,293)**	(4,264)
Other operating expenses		**(6,310)**	(5,138)
IPO related expenses	7	**-**	(25,677)
Finance income		**678**	1,119
Finance expenses	8	**(13,326)**	(50,395)
Share of net profit from associates	14	**3,167**	2,536
Profit before income tax		**107,108**	32,886
Income tax expense	9	**(28,689)**	(10,228)
Profit after income tax		**78,419**	22,658
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges, net of tax	8	**75**	370
Exchange differences on translation of foreign operations		**(741)**	7,808
Other comprehensive income for the year, net of tax		**(666)**	8,178
Total comprehensive income for the year		**77,753**	30,836
Profit after income tax is attributable to:			
Owners of Veda Group Limited		**77,919**	22,403
Non-controlling interests		**500**	255
		78,419	22,658
Total comprehensive income for the year is attributable to:			
Owners of Veda Group Limited		**77,210**	30,512
Non-controlling interests		**543**	324
		77,753	30,836
Earnings per Parent share			
Basic - cents	21	**9.3**	3.2
Diluted - cents	21	**9.2**	3.2

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	**2015 $'000**	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10(a)	**29,799**	30,028
Trade and other receivables	10(b)	**47,503**	39,416
Other prepayments and deposits		**2,485**	2,603
Total current assets		**79,787**	72,047
Non-current assets			
Receivables	10(b)	**2,801**	3,754
Investments in equity-accounted investees	14	**33,920**	30,790
Property, plant and equipment	11(a)	**4,772**	4,110
Deferred tax assets	11(b)	**14,940**	38,459
Intangible assets	11(c)	**938,129**	910,237
Total non-current assets		**994,562**	987,350
Total assets		**1,074,349**	1,059,397
LIABILITIES			
Current liabilities			
Trade and other payables	10(c)	**29,843**	26,133
Deferred revenue		**7,439**	6,640
Derivative financial instruments		**-**	108
Current tax liabilities		**2,317**	689
Provisions	11(e)	**3,867**	1,477
Employee benefit obligations	11(f)	**16,512**	16,303
Total current liabilities		**59,978**	51,350
Non-current liabilities			
Borrowings	10(d)	**226,615**	267,931
Provisions	11(e)	**7,038**	5,339
Employee benefit obligations	11(f)	**1,458**	1,105
Other non-current payables		**6,080**	6,080
Total non-current liabilities		**241,191**	280,455
Total liabilities		**301,169**	331,805
Net assets		**773,180**	727,592
EQUITY			
Contributed equity	12(a)	**792,161**	791,364
Other reserves	12(b)	**10,985**	10,787
Accumulated losses	12(c)	**(32,555)**	(76,605)
Capital and reserves attributable to owners of Veda Group Limited		**770,591**	725,546
Non-controlling interests		**2,589**	2,046
Total equity		**773,180**	727,592

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Note	Attributable to owners of Veda Group Limited and its Controlled Entities					
		Contributed equity $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2015							
Balance at 1 July 2014		**791,364**	**10,787**	**(76,605)**	**725,546**	**2,046**	**727,592**
Profit after income tax		**-**	**-**	**77,919**	**77,919**	**500**	**78,419**
Other comprehensive income:							
Effective portion of changes in fair value of cash flow hedges, net of tax		**-**	**75**	**-**	**75**	**-**	**75**
Exchange differences on translation of foreign operations		**-**	**(784)**	**-**	**(784)**	**43**	**(741)**
Total other comprehensive income		**-**	**(709)**	**-**	**(709)**	**43**	**(666)**
Transactions with owners in their capacity as owners:							
Dividends	12(a)	**-**	**-**	**(33,869)**	**(33,869)**	**-**	**(33,869)**
Share based payments	12(b)	**-**	**907**	**-**	**907**	**-**	**907**
Share options exercised	12(a)	**797**	**-**	**-**	**797**	**-**	**797**
		797	**907**	**(33,869)**	**(32,165)**	**-**	**(32,165)**
Changes in ownership interests in subsidiaries:							
Balance at 30 June 2015		**792,161**	**10,985**	**(32,555)**	**770,591**	**2,589**	**773,180**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Attributable to owners of Veda Group Limited and its Controlled Entities					
		Contributed equity $'000	**Other reserves $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
2014							
Balance at 1 July 2013		512,911	(552)	(195,047)	317,312	776	318,088
Profit after income tax		-	-	22,403	22,403	255	22,658
Other comprehensive income:							
Effective portion of changes in fair value of cash flow hedges, net of tax		-	370	-	370	-	370
Exchange differences on translation of foreign operations		-	7,739	-	7,739	69	7,808
Total other comprehensive income		-	8,109	-	8,109	69	8,178
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	12(a)	374,492	-	-	374,492	-	374,492
Share based payments	12(b)	-	3,230	-	3,230	-	3,230
Capital reduction	12(a)	(96,039)	-	96,039	-	-	-
		278,453	3,230	96,039	377,722	-	377,722
Changes in ownership interests in subsidiaries:							
Acquisition of subsidiary with non-controlling interest		-	-	-	-	946	946
Balance at 30 June 2014		791,364	10,787	(76,605)	725,546	2,046	727,592

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	**2015 $'000**	2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**368,942**	336,806
Payments to suppliers and employees (inclusive of GST)		**(227,758)**	(204,302)
		141,184	132,504
Income taxes paid		**(4,543)**	(3,030)
Interest received		**708**	1,001
Net cash inflow from operating activities		**137,349**	130,475
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired	25	**(4,470)**	(1,203)
Payments for property, plant and equipment		**(2,342)**	(850)
Payments for systems software and data		**(50,237)**	(45,267)
Management loans		**952**	(3,434)
Dividends received		**2,777**	312
Contingent consideration paid		**(653)**	(6,839)
Net cash outflow from investing activities		**(53,973)**	(57,281)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**797**	358,357
Proceeds from borrowings		**30,000**	317,499
Repayment of borrowings		**(67,104)**	(707,722)
Dividends paid to company's shareholders		**(33,869)**	-
IPO related costs		**-**	(13,238)
Borrowing costs		**-**	(1,419)
Withholding tax payments		**-**	(1,982)
Interest and other costs paid on financial debt		**(13,136)**	(21,728)
Other		**-**	(900)
Net cash outflow from financing activities		**(83,312)**	(71,133)
Net increase in cash and cash equivalents		**64**	2,061
Cash and cash equivalents at the beginning of the financial year		**30,028**	27,554
Effects of exchange rate changes on cash and cash equivalents		**(293)**	413
Cash and cash equivalents at end of year	10(a)	**29,799**	30,028

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the note to the consolidated financial statements

1 Reporting entity

Veda Group Limited (the "Company") is a for-profit company domiciled in Australia.

The Company's registered office is at Level 15, 100 Arthur Street, North Sydney NSW 2060. The consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually "Group companies").

The consolidated financial statements were authorised for issue by the Board of Directors on 27 August 2015.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- deferred acquisition consideration is measured at fair value

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Judgments and estimates

(i) Critical accounting estimates and assumptions

In preparing the Group financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of the Group financial statements, will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below. Revenue recognition is excluded from this summary on the grounds that the policy adopted in this area is sufficiently objective.

Tax

The Group is subject to tax in numerous jurisdictions. Significant judgment is required in determining the related assets or provisions as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact on the results for the year and the respective income tax and deferred tax assets or provisions in the year in which such determination is made. The Group recognises tax assets based on forecasts of future profits against which those assets may be utilised.

2 Basis of preparation (continued)

(d) Judgments and estimates (continued)

Goodwill

The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. The recoverable amount of each Cash Generating Unit (CGU) is determined based on a value in use calculation which requires the use of cash flow projections based on approved financial budgets, looking forward up to three years. Cash flows are extrapolated using estimated growth rates beyond a three year period. The growth rates used do not exceed the long-term average growth rate for the markets in which the segment operates. The discount rates used reflect the segment's pre-tax weighted average cost of capital (WACC).

Fair value of derivatives and other financial instruments

In ascertaining the fair value of derivatives, the Group uses its judgment to select a variety of methods and makes assumptions, or uses observable market based inputs, that are mainly based on market conditions at each balance sheet date.

Share incentive plans

The assumptions used in determining the amounts charged in the Group income statement include judgments in respect of performance conditions and length of service together with future share prices, dividend and interest yields and exercise patterns.

(ii) Critical judgements

Management has made judgments in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the Group financial statements.

The most significant of these judgments is in respect of intangible assets where certain costs incurred in the developmental phase of an internal project are capitalised if a number of criteria are met. Management has made judgments and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life attributed to such projects.

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include such items as customer contracts and relationships and brand names to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgments about the value and economic life of such items.

The economic lives for intangible assets are estimated at between three and eight years for internal projects, which include internal use software and internally generated software, and between three and ten years for acquisition intangibles. Management has also made judgments and assumptions when assessing the economic life of acquired data, and the pattern of consumption of the economic benefits embodied in the asset.

3 Significant accounting policies

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities controlled by the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of financial position respectively.

(iii) Investments in equity accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

(b) Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3 Significant accounting policies (continued)

(b) Foreign currency (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprises of cash and cash equivalents, and trade and other receivables.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings and trade and other payables (excluding accrued expenses).

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(vi) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(vii) Share capital (Ordinary shares)

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

(viii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to hedged risk, and whether the actual results of each hedge are within a range of 80 - 125 percent.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ix) Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

- fixtures, fittings and equipment - 2.5 to 5 years
- leasehold improvements - over lease period

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

3 Significant accounting policies (continued)

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

(ii) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

(iii) Brand names

A brand name, also called a trade name, is used to identify a commercial product or service which may or may not be registered as a trademark.

(iv) Software

Computer software comprises computer application system software and licenses. Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs, direct payroll and payroll related costs.

Development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services and direct labour. Other development expenditures that do not meet these criteria are recognised as an expense in profit and loss as incurred. Development costs are capitalised under computer software and amortised from the point at which the asset is ready for use.

(v) Databases

The Group capitalises costs incurred in acquiring intellectual property relating to databases that will contribute to future period financial benefits through revenue generation and/or cost reduction.

(vi) Data sets

The Group capitalises costs incurred relating to storable data purchases. Costs are capitalised when control over the data is maintained to obtain future economic benefits. The amount is amortised over the economic life of the data sets, which is determined based on the nature of the underlying data.

(vii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(viii)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 and data sets, from the date that they are available for use. There is no amortisation of goodwill. Amortisation of data is determined using a diminishing value method, where approximately 50% of the cost is amortised in the first two years, consistent with the nature of the underlying data purchased.

3 Significant accounting policies (continued)

(e) Intangible assets (continued)

The estimated useful lives for the current and comparative years are as follows:

- brand names : indefinite useful life
- software : 3 - 8 years
- databases : 1 - 6 years
- customer contracts and relationships : 3 - 10 years
- data sets : 8 years

(f) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group or economic conditions that correlate with defaults.

(ii) Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(iii) Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the policy. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iv) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3 Significant accounting policies (continued)

(f) Impairment (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(h) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits.

(ii) Long-term service benefits

The Group's net obligation in respect of long term service benefits, other than superannuation but including long service leave, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to corporate bonds at the reporting date that have maturity dates approximating to the terms of the Group's obligations.

Long service leave is classified as current where the leave has vested, or will vest within the next 12 months, in accordance with the relevant state legislation under which the employee is employed.

(iii) Superannuation contributions

Contributions are made on behalf of employees to various complying superannuation funds and are charged as expenses when incurred. The Group has no liability to defined contribution superannuation funds other than the payment of its share of the contributions in terms of applicable legislation.

3 Significant accounting policies (continued)

(h) Employee benefits (continued)

(iv) Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

When the Group reimburses employees for personal taxes due related to the share-based payments awards, the payment is considered to be a cash-settled award because the tax is based on the value of the Company's equity instruments. The liability is expensed immediately in the profit or loss in the period of which it arises.

In the current financial year, the fair value at grant date is determined using a Black Scholes option pricing model and a Monte Carlo simulation that takes into account the exercise price, the term of the share plan, the vesting and performance criteria, the enterprise value, the discount due to lack of control and lack of marketability, the expected dividend yield, and the risk free interest rate for the term of the share award. In previous financial years, Monte Carlo simulations and Black Scholes valuations were used to value shares issued.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Non-current provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(i) Lease incentives

Office lease incentives are amortised over the term of the individual office leases. The amount in excess of 12 months is recorded as a non-current provision.

(ii) Occupancy 'make-good'

A provision for make good costs for leased property is recognised when a make good obligation exists in the lease contracts. The provision is the best estimate of the present value of the expenditure required to settle the make good obligation at the reporting date. Future make good costs are reviewed annually and any changes are reflected in the present value of the make good provision at the end of the reporting period.

(iii) Contingent consideration

Contingent consideration for Veda Group consists of future earn out payments in conjunction with business acquisitions. Future contingent consideration payments are reviewed annually and any changes are reflected in the present value of the earn out provision at the end of the reporting period.

(j) Revenue

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities as described below.

(i) Credit and other enquiry revenue and product revenue

A sale is recorded at the time that an enquiry is made through the credit bureau, and at the time a product is delivered.

(ii) Service revenue

Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a contract, the excess of total expected contract costs over total expected contract revenue is recognised as an expense immediately.

3 Significant accounting policies (continued)

(j) Revenue (continued)

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered revenue is recognised to the extent of the costs incurred.

The stage of completion is measured by reference to services completed as a proportion of total services for the contract.

(iii) Income from software license fees

Revenue from software licenses is recognised upon delivery. Where a single arrangement comprises a number of individual elements which are capable of operating independently of one another the total revenues are allocated amongst the individual elements based on an estimate of the fair value of each element. Where the elements are not capable of operating independently, or reasonable measures of fair value for each element are not available, total revenues are recognised on a straight line basis over the contract period to reflect the timing of services performed.

(iv) Subscription revenue

Subscription fees are brought to account over the term of the subscription. Unearned subscription fees at the end of a period are deferred and recognised over the balance of the subscription period.

(k) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(l) Finance income and expense

Finance income is recognised for interest earned on cash and cash deposits using the effective interest rate method. Finance expense comprise interest expense on borrowings, and the unwinding of future values on provisions.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(m) Tax

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3 Significant accounting policies (continued)

(m) Tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(iv) Tax consolidation

The Group has implemented the tax consolidation legislation. There are two tax consolidated groups in Australia and one in New Zealand. The head entity for the primary Australian tax group is Veda Group Limited (previously VA Australia Holdings Pty Ltd).

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3 Significant accounting policies (continued)

(p) Segment reporting

A segment is a distinguishable component of the Group that participates in business activities from which it may earn revenues and incur expenses. The operating results of the segments are regularly reviewed by the Group's board (chief operating decision-maker) enabling decisions about the allocation of resources to the segments and assess their performance. Segment information is comprised of reporting segments determined based on similar economic characteristics or similar in regard to the nature of the services, type or class of customer, methods used to provide the services and geographical location.

The Group comprises the following two segments:

- Australia
- International

Both segments primarily provide consumer and commercial credit enquiry information and decisioning software and a range of sophisticated credit risk management and decisioning solutions and data driven marketing solutions. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

4 New accounting standards and interpretations

(i) New accounting standards adopted

During the financial year ended 30 June 2015 the Group adopted the following standards:

- AASB 2013-2 Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2014-1 Part A: Annual improvements 2010-2012 and 2011-2013 cycles
- AASB 2014-1 Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)

As a result of adopting the new accounting standards and amendments the Group has made various changes to accounting policies which have had no material impact on the Group.

(ii) New accounting standards released but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (2013) is effective from 1 January 2018. The Group is not required to adopt this new standard until the annual reporting period ending 30 June 2019 and currently has no intention of early adopting this standard. The potential impact of the standard has been assessed at this stage as minimal.

AASB 15 Revenue from Contracts with Customers is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group has no intention of early adopting this standard. The Group has not yet completed its assessment of the potential impact on its consolidated financial statements resulting from the application of AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5 Operating segments

Information about reportable segments

2015

	Australia $'000	International $'000	Total $'000
Total segment revenue	**300,514**	**38,253**	**338,767**
Operating EBITDA	**125,919**	**18,533**	**144,452**
Depreciation and amortisation	**-**	**-**	**(27,863)**
Net finance costs	**-**	**-**	**(12,648)**
Income tax (expense)/benefit	**-**	**-**	**(28,689)**
Share of profit from associates	**-**	**-**	**3,167**
Profit after income tax			**78,419**

2014

	Australia $'000	International $'000	Total $'000
Total segment revenue	266,455	35,594	302,049
Operating EBITDA	110,308	18,044	128,352
Depreciation and amortisation	-	-	(23,049)
Net finance costs	-	-	(49,276)
IPO expenses/adjustments	-	-	(25,677)
Income tax (expense)/benefit	-	-	(10,228)
Share of profit from associates	-	-	2,536
Profit after income tax			22,658

Note: EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortisation

Information about similar products and services

In addition to the reportable segments of Australia and International, the Group provides revenues from external customers for groups of similar products and services as detailed in note 6.

6 Revenue

Sales Revenue

	2015 $'000	2014 $'000
Credit and other enquiry revenue	**253,128**	235,203
Marketing solutions (services and software)	**28,733**	19,348
Subscription and product revenue	**56,906**	47,498
	338,767	302,049

Segment revenue

	2015 $'000	2014 $'000
Consumer Risk and Identity	**110,031**	100,010
Commercial Risk and Information Services	**134,414**	125,718
B2C and Marketing	**56,069**	40,727
Australia	**300,514**	266,455
International	**38,253**	35,594
Total revenue	**338,767**	302,049

7 IPO related costs

	2015 $'000	2014 $'000
Employee benefit expenses	**-**	15,224
Professional and legal fees	**-**	9,870
Finance costs, net	**-**	583
Total IPO related expenses	**-**	25,677

8 Finance expenses

	2015 $'000	2014 $'000
Bank interest and finance charges paid/payable	**13,075**	33,750
Net foreign exchange (gains)/losses	**(224)**	252
Write-off of capitalised borrowing costs	**-**	12,847
Amortisation of capitalised borrowing costs	**475**	3,546
Finance costs recognised in profit or loss, net	**13,326**	50,395

	2015 $'000	2014 $'000
Recognised directly in other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	**108**	528
Tax on finance expenses recognised in other comprehensive income	**(33)**	(158)
Finance income recognised directly in other comprehensive income	**75**	370

9 Tax expense

Tax recognised in profit or loss

	2015 $'000	2014 $'000
Current tax expense	**5,461**	2,794
Deferred tax expense	**23,897**	8,100
(Over)/under provided in prior years	**(669)**	(666)
Total income tax expense	**28,689**	10,228

Numerical reconciliation between tax expense and pre-tax accounting profit

	2015 $'000	2014 $'000
Profit before tax	**107,108**	32,886
Income tax at 30%	**32,132**	9,866
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D offset	**(1,758)**	(1,994)
Share-based payments	**-**	3,303
Business combination cost expensed	**45**	186
Share of net profit of associates	**(957)**	(762)
(Over)/under provided in prior years	**(669)**	(666)
Other items (net)	**(104)**	295
Tax expense recognised in the profit or loss	**28,689**	10,228

Tax recognised in other comprehensive income

	2015 $'000	2014 $'000
Changes in fair value of cash flow hedges	**(33)**	(158)

10 Financial assets and financial liabilities

The Group holds the following financial instruments:

	Cash flow hedge - hedging instruments $'000	Cash, loans and receivables $'000	Other financial liabilities $'000	Total $'000	Fair value $'000
30 June 2015					
Cash and cash equivalents	**-**	**29,799**	**-**	**29,799**	**29,799**
Trade and other receivables	**-**	**50,304**	**-**	**50,304**	**50,304**
Trade and other payables	**-**	**-**	**(29,843)**	**(29,843)**	**(29,843)**
Loans and borrowings	**-**	**-**	**(226,615)**	**(226,615)**	**(220,198)**
Deferred acquisition consideration	**-**	**-**	**(7,705)**	**(7,705)**	**(7,705)**
Derivative financial instruments	**-**	**-**	**-**	**-**	**-**
	-	**80,103**	**(264,163)**	**(184,060)**	**(177,643)**
30 June 2014					
Cash and cash equivalents	-	30,028	-	30,028	30,028
Trade and other receivables	-	43,170	-	43,170	43,170
Trade and other payables	-	-	(26,133)	(26,133)	(26,133)
Loans and borrowings	-	-	(267,931)	(267,931)	(251,079)
Deferred acquisition consideration	-	-	(3,076)	(3,076)	(3,076)
Derivative financial instruments	(108)	-	-	(108)	(108)
	(108)	73,198	(297,140)	(224,050)	(207,198)

The Group's exposure to various risks associated with the financial instruments is discussed in note 13. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(a) Cash and cash equivalents

	2015 $'000	2014 $'000
Current assets		
Bank balances	**8,734**	15,412
Deposits at call	**21,065**	14,616
Cash and cash equivalents in the consolidated statement of cash flows	**29,799**	30,028

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in note 13.

Reconciliation of profit to cash flows from operating activities

	2015 $'000	2014 $'000
Profit after income tax	**78,419**	22,658
Depreciation and amortisation	**27,863**	23,049
IPO related expenses	**-**	25,677
Contingent consideration	**-**	622
Equity-settled share-based payment expense	**907**	-
Interest expense	**13,326**	50,400
Share of profits of associates accounted for using the equity method	**(3,167)**	(2,536)
Unrealised foreign exchange (gain)/loss	**141**	(483)

10 Financial assets and financial liabilities (continued)

(a) Cash and cash equivalents (continued)

	2015 $'000	2014 $'000
Change in operating assets and liabilities:		
Change in trade and other receivables	**(6,745)**	(2,567)
Change in deferred tax assets	**22,589**	7,504
Change in other operating assets	**118**	1,396
Change in trade and other payables	**1,736**	682
Change in other operating liabilities	**799**	3,414
Changes in current tax liabilities	**1,414**	(246)
Change in other provisions	**(51)**	905
Net cash from operating activities	**137,349**	130,475

(b) Trade and other receivables

	2015 Current $'000	**2015** Non-current $'000	**2015** Total $'000	2014 Current $'000	2014 Non-current $'000	2014 Total $'000
Trade receivables	**44,528**	**-**	**44,528**	37,851	-	37,851
Allowance for impairment of receivables (see note 13(a))	**(269)**	**-**	**(269)**	(304)	-	(304)
	44,259	**-**	**44,259**	37,547	-	37,547
Management share plan loans	**-**	**2,801**	**2,801**	-	3,754	3,754
Other receivables	**3,244**	**-**	**3,244**	1,869	-	1,869
	47,503	**2,801**	**50,304**	39,416	3,754	43,170

Further information relating to loans to related parties and key management personnel is set out in notes 18.

(c) Trade and other payables

	2015 $'000	2014 $'000
Current liabilities		
Trade payables	**29,283**	25,384
Accrued expenses	**560**	749
	29,843	26,133

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 13.

(d) Loans and borrowings

On 10 December 2013, the Group established a three year unsecured revolving facilities agreement consisting of an AU$240 million facility (of which up to NZ 40m can be drawn) and a NZ$93 million facility. Funds raised from the new financing and equity raised from the IPO was used to repay all of the Group’s existing mezzanine preference notes and senior debt.

10 Financial assets and financial liabilities (continued)

(d) Loans and borrowings (continued)

Unamortised borrowing costs relating to existing debt that was repaid or refinanced were immediately written off and is included in finance expenses.

On 10 December 2013, the Group also established a $10 million bank guarantee facility to support its standard business operational requirements for bank guarantees. This facility is drawn to $7.6 million as at 30 June 2015 (30 June 2014: $8.0 million).

	2015 $'000	2014 $'000
Unsecured		
Non-current		
Senior Australian debt	**121,000**	146,000
Senior New Zealand debt	**106,317**	123,115
Capitalised borrowing costs	**(702)**	(1,184)
Total unsecured non-current borrowings	**226,615**	267,931
Total interest-bearing liabilities	**226,615**	267,931

The following table provides details of the components of the bank facilities and available cash equivalents:

	Maturity	**30 June 2015 Facility $'000**	**30 June 2015 Utilised $'000**	30 June 2014 Facility $'000	30 June 2014 Utilised $'000
Revolving credit facility A	December 2016	**240,000**	**144,229**	240,000	182,375
Revolving credit facility B (Note1)	December 2016	**83,088**	**83,088**	86,740	86,740
Less: cash and cash equivalents			**(29,799)**		(30,028)
Less: capitalised borrowings costs			**(702)**		(1,184)
Net bank debt		**323,088**	**196,816**	326,740	237,903

Note1 - NZD denominated debt of NZD $93 million converted to AUD at an exchange rate of 0.8934 (2014: 0.9327).

11 Non-financial assets and liabilities

(a) Property, plant and equipment

	Furniture, fittings and equipment $'000	**Leasehold improvements $'000**	**Total $'000**
At 30 June 2015			
Cost	**14,170**	**8,162**	**22,332**
Accumulated depreciation	**(11,388)**	**(6,172)**	**(17,560)**
Net book amount	**2,782**	**1,990**	**4,772**

11 Non-financial assets and liabilities (continued)

(a) Property, plant and equipment (continued)

	Furniture, fittings and equipment $'000	Leasehold improvements $'000	Total $'000
Opening net book amount	**1,497**	**2,613**	**4,110**
Additions	**2,262**	**40**	**2,302**
Business combinations	**47**	**-**	**47**
Depreciation charge	**(1,005)**	**(655)**	**(1,660)**
Exchange differences - Cost	**(64)**	**(35)**	**(99)**
Exchange differences - Accumulated depreciation	**45**	**27**	**72**
Balance as at 30 June 2015	**2,782**	**1,990**	**4,772**
At 30 June 2014			
Cost	11,925	8,157	20,082
Accumulated depreciation	(10,428)	(5,544)	(15,972)
Net book amount	1,497	2,613	4,110
Opening net book amount	1,324	3,234	4,558
Additions	661	-	661
Business combinations	19	-	19
Depreciation charge	(531)	(657)	(1,188)
Disposals - Cost	(854)	(245)	(1,099)
Disposals - Accumulated depreciation	854	245	1,099
Exchange differences - Cost	175	83	258
Exchange differences - Accumulated depreciation	(151)	(47)	(198)
Balance as at 30 June 2014	1,497	2,613	4,110

(b) Deferred tax balances

(i) Deferred tax assets

	Note	2015 $'000	2014 $'000
The balance comprises temporary differences attributable to:			
Value of carry-forward tax losses recognised		**22,303**	37,594
Employee benefits		**5,599**	5,106
Cash flow hedges		**-**	33
Deferred revenue		**1,769**	751
Make good provision		**312**	338
Capital costs deductible over 5 years		**4,658**	6,236
Database subject to copyright		**-**	(1,486)
Lease incentives provision		**619**	714
Other items		**113**	262
Total deferred tax assets		**35,373**	49,548
Set-off of deferred tax liabilities pursuant to set-off provisions	11(b)(ii)	**(20,433)**	(11,089)
Net deferred tax assets		**14,940**	38,459

11 Non-financial assets and liabilities (continued)

(b) Deferred tax balances (continued)

Movements	Tax losses $'000	Capital costs deductible over 5 years $'000	Employee benefits $'000	Databases subject to copyright* $'000	Deferred revenue $'000	Lease incentives provision $'000	Cash flow hedges $'000	Other provisions $'000	Total $'000
2015									
At 1 July 2014	**37,594**	**6,236**	**5,106**	**-**	**751**	**714**	**33**	**600**	**51,034**
(Charged)/credited									
- to profit or loss	**(16,528)**	**(1,592)**	**507**	-	**177**	**217**	**-**	**(496)**	**(17,715)**
- directly to equity	**-**	**-**	**-**	-	**-**	**-**	**(33)**	**-**	**(33)**
Acquisition of subsidiary	**-**	**-**	**21**	-	**-**	**-**	**-**	**-**	**21**
Under provided in prior years	**1,237**	**14**	**-**	-	**886**	**-**	**-**	**(3)**	**2,134**
Exchange rate	**-**	**-**	**(35)**	-	**(45)**	**-**	**-**	**12**	**(68)**
Balance as at 30 June 2015	**22,303**	**4,658**	**5,599**	-	**1,769**	**931**	-	**113**	**35,373**
2014									
At 1 July 2013	37,303	(597)	4,929	2,574	-	806	225	605	45,845
(Charged)/credited									
- to profit or loss	(1,229)	(1,003)	158	(2,729)	387	(121)	-	294	(4,243)
- directly to equity	-	7,836	-	-	-	-	(255)	-	7,581
Acquisition of subsidiary	-	-	4	-	-	-	-	-	4
Under provided in prior years	1,531	-	31	(1,331)	447	23	63	(294)	470
Exchange rate	(11)	-	(16)	-	(83)	6	-	(5)	(109)
Balance as at 30 June 2014	37,594	6,236	5,106	(1,486)	751	714	33	600	49,548

- Closing balance from 30 June 2014 moved to deferred tax liability table.

11 Non-financial assets and liabilities (continued)

(b) Deferred tax balances (continued)

(ii) Deferred tax liabilities

	Note	2015 $'000	2014 $'000
The balance comprises temporary differences attributable to:			
Customer relationships		**1,131**	770
Depreciation and amortisation		**14,348**	9,224
Brand name		**1,081**	1,095
Databases subject to copyright		**3,873**	-
		20,433	11,089
Set-off of deferred tax liabilities pursuant to set-off provisions	11(b)(i)	**(20,433)**	(11,089)
Net deferred tax liabilities		**-**	-

11 Non-financial assets and liabilities (continued)

(b) Deferred tax balances (continued)

(ii) Deferred tax liabilities (continued)

Movements	Depreciation and amortisation $'000	Other Intangible assets $'000	Customer relationships $'000	Brand name $'000	Databases subject to copyright* $'000	Total $'000
2015						
At 1 July 2014	**9,224**	**-**	**770**	**1,095**	**1,486**	**12,575**
Charged/(credited)						
- profit or loss	**4,094**	**-**	**(219)**	**5**	**2,252**	**6,132**
Acquired in business combinations	**140**	**-**	**580**	**-**	**122**	**842**
Over/(Under) prior year	**913**	**-**	**-**	**(19)**	**11**	**905**
Exchange rate	**(23)**	**-**	**-**	**-**	**2**	**(21)**
At 30 June 2015	**14,348**	**-**	**1,131**	**1,081**	**3,873**	**20,433**
2014						
At 1 July 2013	5,282	78	783	1,080	**-**	7,223
Charged/(credited)						
- profit or loss	3,983	-	(262)	28	**-**	3,749
Acquired in business combinations	-	-	243	-	**-**	243
Over/(Under) prior year	(41)	(78)	5	(13)	**-**	(127)
Exchange rate	-	-	1	-	**-**	1
At 30 June 2014	9,224	-	770	1,095	**-**	11,089

- 1 July 2014 opening balance moved from deferred tax assets table.

11 Non-financial assets and liabilities (continued)

(c) Intangible assets

	Goodwill $'000	Brand names $'000	Computer software $'000	Software development in progress $'000	Databases $'000	Data sets $'000	Customer contracts and relationships $'000	Total $'000
At 30 June 2015								
Cost	816,287	5,137	201,653	26,557	17,757	33,891	87,515	1,188,797
Accumulated amortisation	-	-	(139,604)	-	(17,047)	(10,285)	(83,732)	(250,668)
Net book amount	816,287	5,137	62,049	26,557	710	23,606	3,783	938,129
Opening net book amount	817,990	4,644	53,746	17,422	269	13,585	2,581	910,237
Acquisition of business	6,328	493	951	-	679	-	1,944	10,395
Additions	-	-	2,684	32,799	-	16,251	-	51,734
Transfers to computer software	-	-	23,636	(23,636)	-	-	-	-
Amortisation charge	-	-	(18,955)	-	(245)	(6,230)	(772)	(26,202)
Exchange rate movement - Cost	(8,031)	-	(539)	(28)	(116)	-	(844)	(9,558)
Exchange rate movement - Accumulated amortisation	-	-	526	-	123	-	874	1,523
Balance as at 30 June 2015	816,287	5,137	62,049	26,557	710	23,606	3,783	938,129

11 Non-financial assets and liabilities (continued)

(c) Intangible assets (continued)

	Goodwill $'000	**Brand names $'000**	**Computer software $'000**	**Software development in progress $'000**	**Databases $'000**	**Data sets $'000**	**Customer contracts and relationships $'000**	**Total $'000**
At 30 June 2014								
Cost	817,990	4,644	174,921	17,422	17,194	17,640	86,415	1,136,226
Accumulation amortisation	-	-	(121,175)	-	(16,925)	(4,055)	(83,834)	(225,989)
Net book amount	817,990	4,644	53,746	17,422	269	13,585	2,581	910,237
Opening net book amount	796,865	4,314	28,663	24,872	287	4,490	2,623	862,114
Acquisition of business	2,137	330	659	-	100	100	810	4,136
Additions	-	-	1,627	32,347	-	12,553	-	46,527
Transfers to computer software	-	-	39,953	(39,953)	-	-	-	-
Amortisation charge	-	-	(17,313)	-	(118)	(3,558)	(872)	(21,861)
Exchange rate movement - Cost	18,988	-	1,203	156	364	-	1,994	22,705
Exchange rate movement - Accumulated amortisation	-	-	(1,046)	-	(364)	-	(1,974)	(3,384)
Balance as at 30 June 2014	817,990	4,644	53,746	17,422	269	13,585	2,581	910,237

11 Non-financial assets and liabilities (continued)

(c) Intangible assets (continued)

Impairment testing for cash-generating units

For the purpose of impairment testing, goodwill and other indefinite life intangible assets are allocated to the Group's CGU's as follows:

2015	**$'000**
Australia	**731,544**
International	**206,585**
	938,129

2014	**$'000**
Australia	708,230
International	202,007
	910,237

The recoverable amount of a CGU is determined based on value-in-use calculations.

Key assumptions used for value-in-use calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and cash flow growth rates. These assumptions are as follows:

	Pre-tax discount rate		**Cash flow growth rate**	
	2015 %	2014 %	**2015 %**	2014 %
Veda Australia	**11.7**	12.7	**11.2**	10.3
Veda International	**12.2**	11.9	**11.9**	10.6

Discount rate
Discount rates used are the pre-tax WACC and include a premium for market risks appropriate to the relevant CGU.

Terminal value growth rate
Terminal values calculated after year five have been determined using the stable growth model, having regard to the WACC terminal growth factor of 3% (2014: 3%) per annum which is considered appropriate to the industry in which each CGU operates.

Cash Flow Forecasts
Five years of cash flows are included in the impairment model. The first three years of cash flows are based on the Board approved FY16 budget and management three year plans. The cash flow forecast for the remaining two years have been extrapolated using a growth rate of 5%.

Growth rates
Growth rates used in the financial projections are based on management's expectations for the future performance for the business in which each CGU operates. The rates disclosed are the management approved three year compounded annual growth rates as different rates are used over the plan period. The New Zealand growth rates are slightly higher due to the Group's expectations of future growth.

11 Non-financial assets and liabilities (continued)

(c) Intangible assets (continued)

Impact of possible changes in key assumptions

The value in use calculations are sensitive to changes in the key assumptions used in the impairment testing. As such, a sensitivity analysis was undertaken by management to examine the effect of changes in key assumptions which would cause the carrying amount to exceed the recoverable amount for each CGU. Management is satisfied that any reasonably likely changes in the key assumptions would not cause the carrying value of each CGU to materially exceed its recoverable amount.

(d) Customer contracts and relationships

Customer contracts and relationships acquired as part of a business combination are recognised separately from goodwill. The customer contracts and relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

(e) Provisions

Movements in provisions

2015	Lease incentives $'000	Deferred acquisition consideration $'000	Other provisions $'000	Total provisions $'000
Balance at start of the year	**2,378**	**3,076**	**1,362**	**6,816**
Provisions made	**-**	**325**	**47**	**372**
Provisions used	**(343)**	**(653)**	**(235)**	**(1,231)**
Acquired through business combination	**-**	**4,957**	**-**	**4,957**
Effect of movements in exchange rates	**(3)**	**-**	**(6)**	**(9)**
Carrying amount at end of year	**2,032**	**7,705**	**1,168**	**10,905**
Current	**514**	**3,261**	**92**	**3,867**
Non-current	**1,518**	**4,444**	**1,076**	**7,038**
	2,032	**7,705**	**1,168**	**10,905**

2014	Lease incentives $'000	Deferred acquisition consideration $'000	Other provisions $'000	Total provisions $'000
Balance at start of the year	2,763	7,255	1,062	11,080
Provisions made	218	678	287	1,183
Provisions used	(622)	(6,568)	-	(7,190)
Acquired through business combination	-	1,711	-	1,711
Effect of movements in exchange rates	19	-	13	32
Carrying amount at end of year	2,378	3,076	1,362	6,816
Current	533	621	323	1,477
Non-current	1,845	2,455	1,039	5,339
	2,378	3,076	1,362	6,816

11 Non-financial assets and liabilities (continued)

(f) Employee benefit obligations

	2015 $'000	2014 $'000
Current		
Liability for annual leave	**3,738**	2,941
Liability for long service leave	**1,845**	1,684
Liability for bonus and other employment liabilities	**10,929**	11,678
	16,512	16,303

	2015 $'000	2014 $'000
Non-current		
Liability for long service leave	**1,458**	1,105

12 Equity

(a) Capital and reserves

Issued and paid up capital

	2015 Shares '000	2014 Shares '000	**2015 $'000**	2014 $'000
Ordinary shares - fully paid	**842,455**	842,055	**792,161**	791,364

Movements in ordinary share capital

Date	**Details**	**Number of shares '000**	**Issue price**	**$'000**
2015				
1 July 2014	Opening balance	**842,055**		**791,364**
31 March 2015	Options series 1 exercised	**216**	**$1.90**	**410**
31 March 2015	Options series 2 exercised	**184**	**$2.10**	**387**
	Closing balance	**842,455**		**792,161**

12 Equity (continued)

(a) Capital and reserves (continued)

Issued and paid up capital (continued)

Movements in ordinary share capital (continued)

Date	Details	Number of shares '000	Issue price	$'000
2014				
1 July 2013	Opening balance	513,029	-	512,911
15 November 2013	Capital reduction	-	-	(96,039)
10 December 2013	Share issue under IPO	272,841	$1.25	341,051
10 December 2013	Reclassified MPS - modified	14,408	$0.25	3,602
10 December 2013	Reclassified MPS - unmodified	299	$1.00	299
10 December 2013	Reclassified MPS - transfer from share based payment reserve	-	-	8,360
10 December 2013	Warrants exercised	41,478	$0.95	39,498
10 December 2013	Transaction costs arising from issue of shares (net of tax)	-	-	(18,318)
	Closing balance	842,055		791,364

On 15 November 2013 a resolution was passed by the Directors approving a share capital reduction of $96.0 million. As a result the accumulated losses were reduced by $96.0 million. There was no impact on the number of shares on issue.

Dividends

The following dividends were declared or paid by the Company during the year ended 30 June 2015.

	Cents per share	Total amount $'000	Date of payment
Final ordinary 2015	**6.0**	**50,547**	**8 October 2015**
Final ordinary 2014	4.0	33,682	9 October 2014

(b) Other reserves

	2015 $'000	2014 $'000
Cash flow hedges	**-**	(75)
Share-based payments	**8,458**	7,551
Foreign currency translation	**2,527**	3,311
	10,985	10,787

	Note	**2015 $'000**	2014 $'000
Movements:			
Cash flow hedges			
Opening balance		**(75)**	(445)
Effective portion of changes in fair value - gross	8	**108**	528
Deferred tax	9, 11(b)(i)	**(33)**	(158)
Balance 30 June		**-**	(75)

12 Equity (continued)

(b) Other reserves (continued)

	Note	2015 $'000	2014 $'000
Share-based payments			
Opening balance		**7,551**	4,321
Employee share plan expense		**907**	3,230
Balance 30 June		**8,458**	7,551
Foreign currency translation			
Opening balance		**3,311**	(4,428)
Currency translation differences arising during the year		**(784)**	7,739
Balance 30 June		**2,527**	3,311

(c) Retained earnings

Movements in retained earnings were as follows:

	2015 $'000	2014 $'000
Balance 1 July	**(76,605)**	(195,047)
Profit after tax attributable to the owners of Veda Group Limited	**77,919**	22,403
Dividends	**(33,869)**	-
Capital reduction	**-**	96,039
Balance 30 June	**(32,555)**	(76,605)

(d) Nature and purpose of other reserves

(i) Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 3(c). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

(ii) Share-based payments

The share-based payments reserve is used to record the value of share-based payments provided to employees, as part of their remuneration.

The current balance relates to unexercised options issued to senior executives. A portion of this reserve will be reversed against contributed equity if the underlying options are exercised and result in shares being issued.

(iii) Foreign currency translation

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in note 3(b) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

13 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury function (Group treasury) under policies approved by the board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Credit risk

Credit risk is the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Management of credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only lenders in the syndicated senior term debt facility are used.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history based on enquires through the Group's credit bureau. Ongoing customer credit performance is monitored on a regular basis.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances under the Group's banking facilities.

Cash and cash equivalents
The Group held cash and cash equivalents of $29.8 million at 30 June 2015 (30 June 2014: $30.0 million). The cash and cash equivalents are held with creditworthy counterparties that are large banks and members of the Group's syndicated debt facility.

Interest rate swaps are subject to credit risk in relation to the relevant counterparties, which are large banks and members of the Group's syndicated debt facility. The credit risk on swap contracts is limited to the net amount to be received from counterparties on contracts that are favourable to the consolidated entity.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

13 Financial risk management (continued)

(a) Credit risk (continued)

	2015 $'000	2014 $'000
Financial assets		
Cash and cash equivalents	**29,799**	30,028
Trade and other receivables	**50,304**	43,170
	80,103	73,198

Impairment losses

The ageing of trade receivables at the end of the reporting date that were not impaired was as follows:

	2015 $'000	2014 $'000
Neither past due or nor impaired	**34,870**	31,299
Past due 0-30 days	**5,630**	3,903
Past due 31-90 days	**2,573**	1,939
Past due 91-120 days	**324**	333
Past due 121 days to 1 year	**427**	377
	43,824	37,851

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2015 $'000	2014 $'000
Balance at 1 July	**(304)**	(85)
Impairment gain/(loss) recognised	**(203)**	(224)
Amounts written off	**238**	5
Balance at 30 June	**(269)**	(304)

Other than those receivables specifically considered in the above allowance for impairment we do not believe there is a material credit quality issue with the remaining trade receivables balance.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management of liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

Financing arrangements

The Group had access to following undrawn facilities at the end of the reporting date:

13 Financial risk management (continued)

(b) Liquidity risk (continued)

	2015 $'000	2014 $'000
Revolving Borrowing Facility	**95,771**	57,625
Bank Guarantee Facility	**2,360**	2,007
	98,131	59,632

Maturities of financial liabilities

The tables below analyses the Group's and the parent entity's financial liabilities, net and gross-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact on netting agreements:

Contractual maturities of financial liabilities	**Carrying amount $'000**	**Contractual cash flows $'000**	**12 months or less $'000**	**Between 1 and 5 years $'000**
At 30 June 2015				
Non-derivatives				
Senior Australian debt	**121,000**	**(128,288)**	**(5,222)**	**(123,065)**
Senior New Zealand debt	**106,317**	**(114,311)**	**(5,345)**	**(108,966)**
Trade payables	**29,843**	**(29,843)**	**(29,843)**	**-**
Deferred acquisition consideration	**7,705**	**(8,169)**	**(2,965)**	**(5,204)**
Total non-derivatives	**264,865**	**(280,611)**	**(43,375)**	**(237,235)**

	Carrying amount $'000	**Contractual cash flows $'000**	**12 months or less $'000**	**Between 1 and 5 years $'000**
At 30 June 2014				
Non-derivatives				
Senior Australian debt	146,000	(165,307)	(6,615)	(158,692)
Senior New Zealand debt	123,115	(140,176)	(6,330)	(133,846)
Trade payables	26,133	(26,133)	(26,133)	-
Deferred acquisition consideration	3,076	(3,493)	(992)	(2,501)
Total non-derivatives	298,324	(335,109)	(40,070)	(295,039)
Derivative financial liabilities				
Interest rate swaps used for hedging	108	(108)	(108)	-

Fair value hierarchy

(i) Fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

13 Financial risk management (continued)

Fair value hierarchy (continued)

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014:

Recurring fair value measurements **At 30 June 2015**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Total financial assets	**-**	**-**	**-**	**-**
Financial liabilities				
Contingent consideration	**-**	**-**	**7,705**	**7,705**
Total financial liabilities	**-**	**-**	**7,705**	**7,705**

Recurring fair value measurements **At 30 June 2014**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Total financial assets	-	-	-	-
Financial Liabilities				
Derivatives used for hedging	-	108	-	108
Contingent consideration	-	-	3,076	3,076
Total financial liabilities	-	108	3,076	3,184

13 Financial risk management (continued)

Fair value hierarchy (continued)

Reconciliation of Level 3 fair value measurements of financial instruments

The following table presents the changes in level 3 instruments for the years ended 30 June 2015 and 30 June 2014:

	Contingent consideration $'000	**Total $'000**
Opening balance 1 July 2013	7,255	7,255
Total gains and losses recognised in other expenses:		
Change in fair value of contingent consideration	678	678
Arising from business combination	1,711	1,711
Cash paid	(6,568)	(6,568)
Closing balance 30 June 2014	**3,076**	**3,076**
Total gains and losses recognised in other expenses:		
Change in fair value of contingent consideration	**325**	**325**
Arising from business combination	**4,957**	**4,957**
Cash paid	**(653)**	**(653)**
Closing balance 30 June 2015	**7,705**	**7,705**

Fair value is based on the net present value of the expected future cash flow determined in respect to the forecast earnings of the business acquired and the earn out formulas contained in the acquisition agreement.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Capital consists of share capital, retained earnings and non-controlling interests of the Group.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a capital position.

The Group's net debt to adjusted equity ratio at the end of the reporting date was as follows:

	2015 $'000	2014 $'000
Total equity	**773,180**	727,592
Amounts accumulated in equity relating to cash flow hedges	**-**	75
Adjusted equity	**773,180**	727,667
Liabilities	**301,169**	331,805
Cash and cash equivalents	**(29,799)**	(30,028)
Net debt	**271,370**	301,777
Net debt to adjusted equity ratio at 30 June	**35.1%**	41.5%

There were no changes in the Group's approach to capital management during the year.

13 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Management of currency risk

The Group operates internationally and is exposed to foreign exchange transaction risks arising from various currency exposures, primarily with respect to the New Zealand and Singapore dollar.

Foreign exchange transaction risk arises when net investments in foreign operations, future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency . The risk is measured using cash flow forecasting.

The Group has an accounting exposure to movements in the AUD/NZD exchange rate in consolidating the NZD net assets of VA (NZ) Holdings Limited and its subsidiaries at each balance date. The current Australian accounting standards require that any such movements be booked to the Group's Foreign Currency Translation Reserve ("FCTR"). Historically, movements in the AUD/NZD cross rates have generally been within ± 10%.

No hedging of this exposure is undertaken for the following reasons:

- the exchange rate movements do not impact the Group’s profit and loss;
- the movements in the FCTR are limited as the level of NZD assets is largely offset by the NZD borrowings (ie there is a natural hedge); and
- the NZ operations are core to the Group’s business and it is not expected to be disposed of and any balance in the FCTR is not expected to be realised within the foreseeable future.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk where it has entered into transactions denominated in foreign currencies is as follows:

	30 June 2015		30 June 2014	
	USD $'000	**SGD $'000**	USD $'000	SGD $'000
Trade receivables	**461**	**-**	-	-
Trade payables	**(146)**	**-**	-	-
Cash and cash equivalents	**563**	**84**	341	85
Net statement of financial position exposure	**878**	**84**	341	85
Forward exchange contracts				
- sell foreign currency (held for trading)	**800**	**-**	-	-

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2015	2014	**2015**	2014
AUD:USD	**0.829**	0.914	**0.766**	0.942
AUD:SGD	**1.087**	1.152	**1.034**	1.177

Note: No currency sensitivity analysis is presented in respect of USD, SGD or NZD on the basis that any reasonably possible change in the currency rates would not have a material impact on the Group's profit or loss or equity having regard to the quantum of exposure as outlined in the table above.

13 Financial risk management (continued)

(c) Market risk (continued)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate policy is to fix estimated interest rate risk exposure at a minimum of 75% for a period of at least 12 months or as otherwise determined by the board.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, monthly or quarterly, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group was as follows:

Instruments used by the group

Variable rate instruments	**2015 $'000**	2014 $'000
Financial assets	**29,799**	30,028
Financial liabilities	**226,615**	269,115

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

2015	**Profit or loss**		**Equity**	
	100bp increase $'000	**100bp decrease $'000**	**100bp increase $'000**	**100bp decrease $'000**
Variable rate instruments	**(2,273)**	**2,273**		
Interest rate swap			**1,196**	**(1,196)**
Cash flow sensitivity (net)	**(2,273)**	**2,273**	**1,196**	**(1,196)**

2014	**Profit or loss**		**Equity**	
	100bp Increase $'000	**100bp Decrease** $'000	**100bp Increase** $'000	**100bp Decrease** $'000
Variable rate instruments	(2,691)	2,691		
Interest rate swap			2,018	(2,018)
Cash flow sensitivity (net)	(2,691)	2,691	2,018	(2,018)

13 Financial risk management (continued)

(c) Market risk (continued)

Other market price risk

Accounting classification and fair values
The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

Interest rates used for determining fair value
The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2015	2014
	%	%
Derivatives, loans and borrowings	**2.14 - 3.13**	2.81 - 4.30

14 Investments in equity-accounted investees

	2015 $'000	2014 $'000
Non-current assets		
Equity accounted investments	**33,920**	30,790

The Group's share of profit, after tax, in its equity-accounted investees for the year was $3,167,000 (2014:$2,536,000).

None of the company's equity-accounted investees are publicly listed entities and consequentially do not have published price quotations.

Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the Group:

In thousands of AUD	**Ownership**	**Revenue**	**Profit/(loss)**
2015			
Infocredit Holdings Pte Ltd (Singapore)	**49%**	**27,297**	**5,017**
Credit Bureau Cambodia	**49%**	**4,484**	**2,168**
Veda@SIMAH Limited	**50%**	**1,578**	**53**
		33,359	**7,238**

In thousands of AUD	**Ownership**	**Total assets**	**Total liabilities**
2015			
Infocredit Holdings Pte Ltd (Singapore)	**49%**	**46,217**	**14,447**
Credit Bureau Cambodia	**49%**	**7,566**	**960**
Veda@SIMAH Limited	**50%**	**726**	**459**
		54,509	**15,866**

In thousands of AUD	**Ownership**	**Revenue**	**Profit/(loss)**
2014			
Infocredit Holdings Pte Ltd (Singapore)	49%	23,730	3,959
Credit Bureau Cambodia	49%	3,184	1,331
Veda@SIMAH Limited	50%	1,146	(18)
		28,060	5,272

In thousands of AUD	**Ownership**	**Total assets**	**Total liabilities**
2014			
Infocredit Holdings Pte Ltd (Singapore)	49%	40,550	13,314
Credit Bureau Cambodia	49%	4,503	713
Veda@SIMAH Limited	50%	703	296
		45,756	14,323

Share of contingent liabilities of associates
The Group has no significant contingent liabilities in relation to its equity-accounted investees.

15 Contingent assets and contingent liabilities

(a) Contingent liabilities

Guarantees

Guarantees issued by VA Australia Finance Pty Limited:

- Property leases to $4,757,920 (June 2014: $4,757,920)
- Contractual obligations, performance and warranties in respect of certain controlled entities to $2,881,627 (June 2014: $3,234,854).

The Company has entered into a deed of cross guarantee with various subsidiaries. Details of the parties to the deed are listed in note 23.

These guarantees may give rise to liabilities in the parent entity if the subsidiaries do not meet their obligations under the terms of the overdraft, loans, leases or other liabilities subject to the guarantees.

No material losses are anticipated in respect of any of the above contingent liabilities.

Claims

The Company is involved in various legal matters in the ordinary course of business. None of these matters is expected to give rise to a material claim against the company.

Contingent consideration

- In acquiring the Corporate Scorecard business in 2013, additional consideration is payable on future earn-out hurdles. The fair value of the contingent consideration at 30 June 2015 is $0.6 million.
- In acquiring the ITM business in 2014, additional consideration is payable on future earn-out hurdles. The fair value of the contingent consideration at 30 June 2015 is $1.9 million.

Other matters

From time to time Veda also receives complaints from various parties such as consumer advocates in respect of compliance with the Privacy Act 1988 and Privacy Code. Veda takes its compliance obligations very seriously and believes it is compliant with all applicable laws and regulations. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk the outcome may be unfavourable to the Group.

(b) Contingent assets

The Group had no contingent assets at 30 June 2015 (2014: nil).

16 Commitments

(a) Capital commitments

There are no significant capital commitments as at 30 June 2015 (2014: no commitments).

(b) Non-cancellable operating leases

The Group leases various offices under non-cancellable leases expiring within three to four years. The leases have varying terms, escalations and renewal rights.

16 Commitments (continued)

(b) Non-cancellable operating leases (continued)

	2015 $'000	2014 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**2,337**	3,888
Later than one year but not later than five years	**3,536**	2,399
Later than five years	**-**	-
Minimum lease payments	**5,873**	6,287

(c) Cancellable operating leases

The Group also leases office space under cancellable operating leases. The Group is required to give twelve months notice for termination of this lease.

	2015 $'000	2014 $'000
Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:		
Within one year	**3,735**	2,131
Later than one year but not later than five years	**9,209**	13,251
Later than five years	**-**	-
Minimum lease payments	**12,944**	15,382

17 Events occurring after the reporting period

Since the end of the financial year, the directors have determined to pay a final dividend of 6.0 cents per share, unfranked, payable 8 October 2015. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial statements.

The Group also acquired two businesses in July 2015. The details are provided in note 25.

18 Related party transactions

(a) Parent entity and ultimate controlling party

As at 30 June 2015, the parent entity and ultimate controlling party of the Group is Veda Group Limited.

As at 30 June 2014, the parent entity of the Group was Veda Group Limited and the ultimate controlling party was Pacific Equity Partners Pty Limited (collectively "PEP") who held 63.5% of the ordinary shares of the company. PEP ceased being the ultimate controlling party of the Group in September 2014 and ceased to be a shareholder in February 2015.

(b) Subsidiaries

Interests in subsidiaries are set out in note 22.

(c) Transactions with key management personnel

(i) Key management personnel compensation

The key management personnel do not receive compensation in relation to the management of the company. The compensation disclosed below represents an allocation of the key management personnel's estimated compensation from the Group in relation to their services rendered to the company.

18 Related party transactions (continued)

(c) Transactions with key management personnel (continued)

	2015 **$'000**	2014 $'000
Short-term employee benefits	**5,701**	7,628
Post-employment benefits	**99**	89
Share-based payments - equity settled	**379**	8,362
	6,179	16,079

(ii) Loans to key management personnel

In respect of a loan agreement entered into prior to the Group's IPO, an unsecured loan to a member of key management personnel was issued during the year ended 30 June 2015 for $131,817 to fund the payment of tax paid on Management Performance Shares issued in July 2013.

At 30 June 2015, the balance of loans outstanding to key management personnel was $2,433,314 (2014: $2,535,000). The loans are included in 'trade and other receivables' (see Note 10(b)).

(iii) Directors' related party transactions

During the year ended 30 June 2014 Anthony Kerwick and Geoff Hutchinson had an indirect interest in PEP Advisory III Pty Limited (PEP Advisory), which received management fees from the Group.

During the year ended 30 June 2014, the Group paid fees of $14,820,000 to PEP Advisory relating to management fees, arrangement fees and recharges and as a result of the termination of its existing services agreement and for arranging services in respect to the IPO.

Anthony Kerwick ceased to be a Director of PEP Advisory effective May 2014.

PEP Advisory ceased being a related party of the Group in September 2014.

As at 30 June 2015 the Group had nil (2014: nil) owing to PEP Advisory.

Geoff Hutchinson retired from the Veda Board in March 2015.

(iv) Other key management personnel and director transactions

Transactions have been entered into during the year with key management personnel which are within normal employee, customer or supplier relationships on terms and conditions no more favourable than dealings in the same circumstances on an arm’s length basis.

Certain directors of Veda are also directors of other companies which supply Veda with goods and services or acquire goods or services from Veda. Those transactions are approved by management within delegated limits of authority and the directors do not participate in the decisions to enter into such transactions. If the decision to enter into those transactions should require approval of the Board, the director concerned will not vote upon that decision nor take part in the consideration of it.

(d) Transactions with ultimate controlling party

(i) Loans to/from ultimate controlling party

During the year ended 30 June 2014 PEP was the ultimate controlling party of the Group. Movement in loans to PEP were as follows:

18 Related party transactions (continued)

(d) Transactions with ultimate controlling party (continued)

	2015 $'000	2014 $'000
Beginning of the year	**-**	(123,407)
Loan repayments made	**-**	123,407
Interest charged	**-**	(7,554)
Interest paid	**-**	7,554
End of the year	**-**	-

PEP ceased being the ultimate controlling party of Veda in September 2014.

19 Share-based payments

(a) Executive Incentive Plan

During the period, the Company revised its Short Term Incentive (STI) plan to include a share based component and introduced a Long Term Incentive (LTI) plan. The nature of the plans is disclosed below:

(i) Short term incentive (STI) plan

(i) Share based component of STI plan

During the period, the Company revised the structure of its STI to enhance the existing system of cash rewards. The revised STI plan introduced a Deferred STI scheme for the members of the Senior Leadership Team (SLT), being the CEO and her direct reports, and designated members of the Extended Leadership Team (ELT), being other key senior managers reporting to the SLT. The participant's deferred STI is set At Target as a percentage of Fixed Remuneration and will be paid in Deferred Share Rights (DSRs).

(ii) Calculation of number of DSRs

The dollar value of DSRs will reflect actual performance, assessed against a variety of measures including Revenue, EBITDA, NPAT and Cash from Operation and Investment. Each SLT and ELT member is notified of their potential after the beginning of the fiscal year. The number of DSRs allocated for that dollar amount will reflect an average VWAP of Veda's share price for a 30 day period prior to the allocation, discounted to fair value to reflect the fact that DSRs do not attract dividends.

(iii) Vesting of DSRs

For SLT, DSRs will vest in three equal tranches one, two and three years after the date of grant. For designated ELT, DSRs will vest in two equal tranches, one and two years after the date of grant, unless the grant is de minimis, in which case it will vest one year after the date of grant.

Once issued, DSRs will vest in all cases provided the employee is still employed at the point of vesting, with Directors having discretion to waive this provision in the case of death, disability, genuine retirement, redundancy or in other exceptional circumstances.

There were no DSR's issued, forfeited, exercised or expired during the year ended 30 June 2015 (30 June 2014: nil).

There are no DSR's outstanding or exercisable as at 30 June 2015 (30 June 2014: nil).

The Company expects to issue DSRs in respect of the FY15 STI, in September 2015 after the Board has determined the At Target outcome.

19 Share-based payments (continued)

(a) Executive Incentive Plan (continued)

Whilst the allocation of DSRs are not determined until finalisation of the financial year results and the board's approval, employees have begun rendering services in relation to FY15 DSRs from the date the plans were established. As the grant date of these awards have not been achieved at 30 June 2015 and will only occur after finalisation of financial year result, the Company has estimated the fair value of these awards at 30 June 2015 and recognised an expense for the year ended 30 June 2015 accordingly.

(ii) Long term incentive (LTI) plan

(i) Description of LTI

An LTI scheme has been established with effect from 1 September 2014 and is applicable to members of the SLT and key members of the ELT. It is envisaged that the potential for a grant will be made each year. Each relevant member of staff has been notified of their potential allocation for the first year of the Scheme, with their being informed that any grant at year end will reflect both their performance in the year just past and their potential to make an ongoing significant contribution to Veda's future.

Allocation of LTI is made in the form of options, which are the right to a fully paid share in the Company upon payment of an exercise price. The exercise price will be determined as the volume weighted average market price for the Company's shares traded on ASX in the 30 days ending immediately prior to the date of grant.

(ii) Vesting conditions and TSR hurdle of LTI

Options will vest in equal tranches at the end of 3 and 4 years from the date of grant, if the participant is still employed at that time, subject to specific exceptions.

The options will have a performance hurdle being TSR relative to the ASX-200 group of companies as comprised at the date of grant. Relative TSR is measured at the end of the third and fourth year after the grant is made. Performance hurdles are set out below:

(a) If at the end of three or four years (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or above the 50th percentile of the ASX 200 companies, then 50% of the options become exercisable;

(b) If at the end of three years or four years (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or above the 75th percentile of the ASX 200 companies, then 100% of the options become exercisable;

(c) If at the end of three or four years (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is between the 50th percentile of the ASX 200 companies and the 75th percentile of the ASX 200 companies, then for each one percentile above the 50th percentile the number of options exercisable increases by 2%; and

(d) If at the end of three years or four years (as specified in the offer) after the Grant Date, the Company's Total Shareholder Return is at or below the 50th percentile of the ASX 200 companies then no options are exercisable and the options lapse.

Prior to exercise, options carry no voting rights or entitlement to dividends.

In order to exercise vested options, the exercise price must be paid before the shares can be allotted.

There were no LTI Options issued, forfeited, exercised or expired during the year ended 30 June 2015 (30 June 2014: nil).

There are no LTI Options outstanding or exercisable as at 30 June 2015 (30 June 2014: nil).

19 Share-based payments (continued)

(a) Executive Incentive Plan (continued)

Whilst the allocation of LTI options are not determined until finalisation of the financial year results and the Board's approval, employees have begun rendering services in relation to FY15 LTIs from the date the plans were established. As the grant date of these awards have not been achieved at 30 June 2015 and will only occur after finalisation of financial year result, the Company has estimated the fair value of these awards at 30 June 2015 and recognised an expense for the year ended 30 June 2015 accordingly.

Total expense recognised for the year ended 30 June 2015 based on expected achievement of Veda's FY 2015 Targets and estimates of fair value in respect to DSR and LTI options is $0.9 million (30 June 2014 : $Nil).

(b) Management Performance Shares (MPS)

Historically, and as part of private equity ownership, various members of the SLT and ELT participated in an equity incentive scheme for the issue of Management Performance Shares (MPS). In the lead-up to the IPO, these arrangements were re-negotiated. Specifically, 53.3 million shares were forfeited, being 25% of Tranche A shares; and 100% of Tranches B and C and 14.4 million Shares (Tranche A) were reclassified and the re-classification price was varied from $1.00 to $0.25. The modification resulted in $6.9 million of modification value being expensed immediately upon the IPO as no future service period attached to the shares. The vesting of the MPS also resulted in acceleration of the remaining unamortised share based payments expense in the amount of $2.4 million. The expenses were included in "IPO related expenses" respectively in the statement of comprehensive income at 31 December 2013.

To fund the reclassification amount, executives were offered a full recourse loan at market rates ('Executive Loan'). Interest on the loan includes both a margin and a reference rate, which has to be paid semi-annually. The loans are repayable on the earlier of five years; sale of the Shares; or when the individual ceases to be an employee (subject to a period to enable the employee to trade the Shares). At 30 June 2015, the balance of loans outstanding to various members of the SLT and ELT was $2.8 million. (30 June 2014: $3.4 million).

(c) Share Options (equity-settled)

As part of the IPO in December 2013, the Company issued share options that entitle senior executives to purchase shares in the Company, subject to the payment of an exercise price.

There are two tranches of options with strike prices of $1.90 and $2.10 per option. The options were fully vested on issue and, subject to payment of the exercise price are exercisable at any time as fully paid ordinary shares in the ratio of one option per one share, subject to adjustments in accordance with the ASX listing rules for certain capital actions.

The aggregate number of all options as at 30 June 2015 at an exercise price of $1.90 is 20,934,000 (30 June 2014: 21,150,000) and at an exercise price of $2.10 is 17,832,667 (30 June 2014 : 18,016,667).

The options were valued as follows:

	Number of Options '000	Value per option	Total value $'000
Series 1 options	20,934	$0.07	1,465
Series 2 options	17,833	$0.05	892
			2,357

The options were fully vested upon issue. Accordingly, the entire $2.4 million total value above was expensed immediately in December 2013 and is included in the "IPO related expenses" in the statement of comprehensive income.

20 Auditors remuneration

	2015 **$**	2014 $
Audit and review services		
KPMG Australia:		
Audit and review of financial reports	**469,000**	434,000
KPMG Singapore		
Audit and review of financial reports	**10,000**	13,390
Other services		
KPMG Australia:		
IPO related transaction services	**-**	1,486,907
Other audit related services	**25,000**	31,000
Tax compliance services	**138,000**	108,000
Other tax advisory services	**82,000**	31,196
Other advisory services	**114,000**	40,000
Other transaction services	**-**	30,315
Other services		
KPMG New Zealand Taxation services	**39,000**	9,918
	877,000	2,184,726

21 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise of share options granted to senior executives.

The calculation of earnings per share was based on the information as follows:

Basic earnings per share

	2015	2014
Parent basic earnings per share/(loss) (cents)	**9.3**	3.2
Parent diluted earnings per share/(loss) (cents)	**9.2**	3.2
Profit for the period attributable to parent shareholders ($'000)	**77,919**	22,403

	2015	2014
In thousands of shares		
Issued ordinary shares at 1 July	**842,055**	513,029
Effect of allotment and issuances	**100**	182,591
Basic weighted average number of ordinary shares	**842,155**	695,620

21 Earnings per share (continued)

Basic earnings per share (continued)

	2015	2014
In thousands of shares		
Basic weighted average number of ordinary shares	**842,155**	695,620
Effect of share options on issue	**5,031**	1,068
Diluted weighted average number of ordinary shares	**847,186**	696,688

At 30 June 2015, 38 million options were included in the diluted weighted average number of ordinary shares calculation. In 2014, 18 million options were excluded in the diluted weighted average number of ordinary shares as their effect would have been anti-dilutive.

22 Group entities

All significant operating subsidiaries listed below are 100% owned for all periods presented.

Significant subsidiaries	**Country of incorporation**
VA Australia Finance Pty Limited	Australia
Veda Advantage Information Services and Solutions Limited	Australia
Veda Advantage Solutions Group Pty Limited	Australia
Veda Advantage Decision Solutions Pty Ltd	Australia
Veda Advantage (Australia) Pty Ltd	Australia
VA (NZ) Holdings Limited	New Zealand
Veda Advantage (NZ) Limited	New Zealand

23 Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgment of financial reports and Directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

23 Deed of cross guarantee (continued)

The subsidiaries subject to the Deed are:

- Veda Group Limited
- VA Australia Finance Pty Limited
- Veda Advantage Limited
- Veda Advantage Solutions Group Pty Limited
- Veda Advantage (Australia) Pty Limited
- Veda Advantage Information Services and Solutions Limited
- Verify Holdings Australia Pty Limited
- Corporate Scorecard Pty Limited
- Veda Advantage General Custodian Pty Limited
- Superannuation Search Pty limited
- Veda Advantage Decision Solutions Pty Limited
- Veda Advantage Lending Solutions (Australia) Pty Limited
- Veda Advantage Software Solutions Pty limited
- Veda Advantage Value Solutions Pty Limited
- Secure Sentinel Pty Limited
- Spire Australia Holdings Pty Ltd
- Kingsway Financial Assessments Pty Ltd
- The Prospect Shop Pty Ltd
- Veda Fraud Solutions Pty Limited

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2015 is set out as follows:

Statement of comprehensive income and accumulated losses

	2015 $'000	2014 $'000
Revenue	**297,664**	253,559
Cost of external data and products used for resale	**(58,064)**	(51,029)
Employee benefit expense	**(86,943)**	(76,203)
Depreciation and amortisation expense	**(26,600)**	(20,360)
Finance costs	**(7,182)**	(41,115)
Finance income	**553**	2,042
Professional and legal fees	**(3,567)**	(3,002)
Other expenses	**(23,586)**	(44,824)
Income tax expense	**(25,357)**	(6,761)
Profit after tax	**66,918**	12,307
Total comprehensive income for the year	**66,918**	12,307

	2015 $'000	2014 $'000
Consolidated statement of profit or loss and other comprehensive income		
Other comprehensive income		
Profit for the year	**66,918**	12,307
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**-**	(1,516)
Changes in the fair value of cash flow hedges	**89**	595
Other comprehensive income for the period, net of tax	**89**	(921)
Total comprehensive income for the year	**67,007**	11,386

23 Deed of cross guarantee (continued)

Statement of financial position

	2015 $'000	2014 $'000
Current assets		
Cash and cash equivalents	**22,171**	20,626
Trade and other receivables	**41,186**	31,875
Other current assets	**2,406**	1,964
Total current assets	**65,763**	54,465
Non-current assets		
Investments in group entities	**110,018**	105,023
Deferred tax assets	**14,974**	39,300
Property, plant and equipment	**4,501**	3,773
Intangible assets	**747,549**	706,411
Other non-current assets	**2,801**	4,266
Total non-current assets	**879,843**	858,773
Total assets	**945,606**	913,238
Current liabilities		
Trade and other payables	**23,765**	19,699
Provision	**18,612**	20,751
Deferred income	**5,580**	2,509
Derivative financial instruments	**-**	127
Current tax liabilities	**1,588**	-
Total current liabilities	**49,545**	43,086
Non-current liabilities		
Loans and borrowings	**120,519**	145,205
Provisions	**8,094**	2,655
Other payables	**6,080**	14,005
Total non-current liabilities	**134,693**	161,865
Total liabilities	**184,238**	204,951
Net assets	**761,368**	708,287
Equity		
Share capital	**792,161**	791,364
Reserves	**8,458**	7,462
Accumulated losses	**(39,251)**	(90,539)
Total equity	**761,368**	708,287

24 Parent entity financial information

As at, and throughout, the financial year ending 30 June 2015 the parent entity of the Group was Veda Group Limited formerly known as VA Australia Holdings Pty Limited.

	2015 $'000	2014 $'000
Financial position of parent entity at year end		
Current assets	**30**	118
Non-current assets	**800,909**	799,177
Total assets	**800,939**	799,295
Current liabilities	**320**	380
Total liabilities	**320**	380
Result of parent entity		
Total comprehensive income for the year	**-**	-
Shareholders' equity		
Share capital	**792,161**	791,364
Reserves	**8,458**	7,551
Total equity	**800,619**	798,915

Parent entity capital commitments for acquisition of property, plant and equipment

The Parent entity did not have any contractual commitments as at 30 June 2015 and 30 June 2014.

25 Business combination

(a) Summary of acquisition - KMS Data Limited

Effective 31 July 2014, the Group acquired 100% of KMS Data Ltd, a business providing database resources primarily used for marketing, research and analytical purposes in New Zealand, for consideration of $1,759,772, net of cash acquired.

In the 11 months to 30 June 2015, KMS contributed revenue of $1,288,705 and net profit of $367,366 to the Group results. If the acquisition had occurred on 1 July 2014, management estimates that consolidated revenue for the year would have been $1,405,860 and consolidated profit for the year would have been $400,763. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014,

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid (net of cash acquired)	**1,441**
Deferred consideration	**319**
Total purchase consideration	**1,760**

25 Business combination (continued)

(a) Summary of acquisition - KMS Data Limited (continued)

	$'000
Net intangible assets acquired	1,208
Deferred tax liabilities on intangible assets	(323)
Other net tangible assets acquired	(6)
Goodwill	881
Fair value of net assets acquired	**1,760**

(b) Summary of acquisition - Kingsway Financial Assessments Pty Ltd

Effective 31 August 2014, the Group acquired 100% of Kingsway Financial Assessments Pty Ltd, a business specialising in independent financial assessment reports for procurement professionals. The total consideration for the acquisition was $3,154,912, net of cash acquired.

In the 10 months to 30 June 2015, Kingsway contributed revenue of $1,134,124 and net profit of $200,799 to the Group results. If the acquisition had occurred on 1 July 2014, management estimates that consolidated revenue for the year would have been $1,360,948 and consolidated profit for the year would have been $240,958. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014,

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid (net of cash acquired)	812
Deferred consideration	2,343
Total purchase consideration	**3,155**

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Net intangible assets acquired	1,570
Deferred tax liabilities on intangible assets	(236)
Other net tangible assets acquired	48
Goodwill	1,773
Fair value of net assets acquired	**3,155**

(c) Summary of acquisition - The Prospect Shop Pty Ltd

Effective 1 December 2014, the Group acquired 100% of The Prospect Shop Pty Limited (TPS), a business primarily providing direct marketing and data agency services to the not-for-profit sector. The total consideration for the acquisition was $4,483,466, net of cash acquired.

In the 7 months to 30 June 2015, TPS contributed revenue of $5,121,461 and net profit of $559,904 to the Group results. If the acquisition had occurred on 1 July 2014, management estimates that consolidated revenue for the year would have been $8,779,648 and consolidated profit for the year would have been $959,836. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014,

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

25 Business combination (continued)

(c) Summary of acquisition - The Prospect Shop Pty Ltd (continued)

	$'000
Purchase consideration	
Cash paid (net of cash acquired)	**2,217**
Deferred consideration	**2,266**
Total purchase consideration	**4,483**

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Net intangible assets acquired	**1,310**
Deferred tax liabilities on intangible assets	**(337)**
Other net tangible assets acquired	**(149)**
Goodwill	**3,659**
Fair value of net assets acquired	**4,483**

(d) Summary of acquisition - Zip ID Pty Limited

Effective 1 July 2015, the Group acquired 100% of ZipID Holdings Pty Limited ("ZipID") a business providing face to face and mobile enabled identity verification services.

The consideration for the acquisition consists of a payment of $500,000 on completion with further consideration contingent on the performance of the business as measured by gross profit of the business times an agreed profit multiple over the first three years from acquisition.

Due to the recent acquisition date and the early stage of operations of the ZipID business with its large and uncertain potential future gross profits, the purchase price accounting is still to be finalised.

(e) Summary of acquisition - GetCreditScore Pty Ltd

Effective 1 July 2015, the Group acquired 75% of GetCreditScore Pty Ltd ("GetCreditScore") a business providing a web portal to allow consumers to access their credit bureau score for free and to collect leads from those consumers to use for marketing purposes. The consideration for the acquisition consists of a payment of $75 on completion with further consideration contingent on the performance of the business as measured by the number of consumer leads generated in the first year after acquisition.

Due to the recent acquisition date and the start-up stage of operations of the GetCreditScore business with an untested market, the purchase price accounting is still to be finalised.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 66 to 124 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (ii) complying with Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (iii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date, and

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

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 23 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 23.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Helen Nugent
Chairman

Sydney
27 August 2015

Independent auditor's report to the members of Veda Group Limited

Report on the financial report

We have audited the accompanying financial report of Veda Group Limited (the company), which comprises the consolidated balance sheet as at 30 June 2015, and 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 ended on that date, notes 1 to 25 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the 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 2015 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Veda Group Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

John Wigglesworth
Partner

Sydney

27 August 2015