Appendix 4E

RUN CORP LIMITED

ABN: 15 111 764 437

ASX PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET
AND LODGED WITH THE AUSTRALIAN STOCK EXCHANGE
UNDER LISTING RULE 4.3A

	2013 A$'000	2012 A$'000	(% Change)
Revenue	27,689	43,356	(36%)
Profit attributable to members of RUN Corp Limited	1,518	13,855	(89%)
Profit attributable to ordinary equity holders of the Company	1,518	13,855	(89%)
– Basic Earnings per share	0.01	0.12	
– Diluted Earnings per share	0.01	0.11	
Net tangible asset backing			
Net tangible liability backing per ordinary security (cents)	(0.16)	(0.17)	

Dividends	Amount per security	Franked Amount per security
Final dividend proposed	0.4 cents	0.4 cents
Interim dividend paid	0.4 cents	0.4 cents

Record date for determining entitlements to the final dividend	19 September 2013
Payment date	9 October 2013

Brief explanation of any of the figures above which is necessary to enable the figures to be understood.

Refer accompanying annual report and invester presentation

This report is based on accounts which have been audited by Ernst & Young (EY)

Jeff Stein
Company Secretary

ANNUAL REPORT

30 JUNE 2013

RUN Corp Limited and
Controlled Entities ACN 111 764 437

run.com.au

RUN
SALES | LEASING | MANAGEMENT

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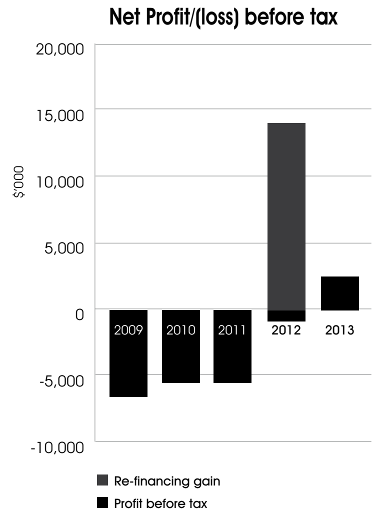
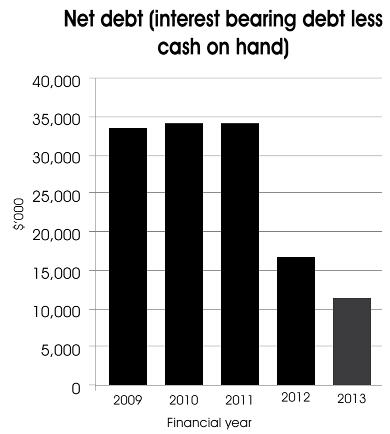
CHAIRMAN'S LETTER





Dear Shareholders,

With record low interest rates, we are now seeing positive signs in the real estate market. We are growing our sales business, experiencing an increase in activity, which should translate into higher sales revenue.

Once again, this year we have improved your company's standing. Our financial results have continued to improve with significant improvements in Net Profit before tax and EBITDA, (excluding last year's re-financing gain) and have reduced net debt by $5.4M. Not only has our reputation in three states grown stronger, but we have made significant inroads to rolling out our new storefronts. We are attracting leading sales staff from competitors in all our operating states, and our sales business is growing.

RUN implemented the concept of mass-scale operations to property management many years ago and we have continued to service a larger rent-roll of residential properties than any other independent organisation in the country.

At our general meeting, shareholders voted clearly in favour of a transaction supporting a conditional Sale agreement – however this Sale agreement has been terminated and the $4M deposit will remain with RUN (ultimately to be converted to equity at $0.40 per share). We are excited to be able, following this brief distraction, to advance our desire to continue innovating and presenting the market with new and improved services.

We are proud of our maiden dividend this year and further delighted to present a final fully franked dividend taking the annual distribution to 0.8 cents per share.

The key enhancements in our future will flow from the investment we are making in our Sales businesses across all territories, and the innovation which you will see emanating from our Agentplus (technology and outsourcing) business.

It is RUN Corp's goal to build a portfolio of Real Estate related business and have decided to change the name of the public entity to Real Estate Corp Ltd. The Board feels that this name more aptly reflects the function of the business and the intention to build a diversified Real Estate group. This will be put to shareholders at the AGM.

Our long-serving senior management team remains energised, and I thank the team for their diligence over the years. Their character and resolve to better the company for shareholders' benefit has been remarkable.

As always, I thank you for your continued support and assure you again that the Board and Management are committed to providing positive landlord sentiment and strong commercial results for the long RUN.

Nathan Cher
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

Over the past two years RUN has successfully transformed its balance sheet and operating profits whilst continuing to build brand recognition in key markets and investing for growth.

I am delighted to report that over the 2012/13 period RUN has:

Improved financial performance

- Profit before tax of $2,335k compared to $14,079k. Excluding the re-finance gain the loss for the prior year was $902k. EBITDA of $5,517k for the period, an increase of 16% from the previous year (excluding the re-finance gain);
- Cash flow from operations was $3.5M for the year, compared to $3.1M for the prior period;
- Maiden interim fully franked dividend of 0.4 cents paid with a final fully franked dividend of 0.4 cents per share declared; and
- Real Estate Sales division now positively contributing to profits with EBITDA improvement of $450k

Reduced net debt by $5.4M

- Further reduction in net debt (interest bearing liabilities less cash on hand) of $5.4M with net debt now at $11.4M providing a debt to value of rent roll ratio of less than 20%. The board views this level of debt provides the company with a secure mix of debt and equity;
- Debt secured against stable and reliable rent roll indicatively valued at $60M; and
- Interest cost reduced by $1.2M per annum which has contributed to improved cash flows.

Repositioned the RUN brand for growth

- Investment has been made in marketing resourcing and strategies, the value of which is emerging in improved levels of business in sales and property management;
- New office design rolled out to selected offices; and
- New look branding implemented to support planned growth activities.

Note regarding non-IFRS financial information

(1) Throughout this report, RUN has included certain non-IFRS financial information, including EBITDA.

(2) EBITDA reflects Earnings Before Interest, Tax, Depreciation and Amortisation and is reconciled to Profit Before Tax (PBT) on page [5]. The individual components of this non-IFRS measure are included as line items within the Consolidated Statement of Comprehensive Income on page [22].

(3) This information is presented to assist in making appropriate comparisons with prior periods and to assess the performance of the Company. EBITDA is the measure most frequently quoted in the industry and forms the basis upon which investors, financiers and analysts are briefed.

(4) Non-IFRS information is not audited.

Over the coming year the company is focussed primarily on delivering revenue growth across the business and has a clear strategy in 3 key areas:

Build a trusted, recognised brand	Grow our Real Estate Sales teams and increase properties under management	Launch new industry services
■ Finalise roll out of new brand refresh ■ Upgrade remaining offices ■ Execute specific marketing initiatives that increase awareness and generate leads	■ Invest in the branch leadership structure to support real estate sales revenue growth ■ Recruit experienced sales professionals in key markets to achieve revenue growth (the sales team has increased by 30% in the last 3 months) ■ Increased investment in property management new business activities	■ Identify and launch new product opportunities that can benefit RUN, Agentplus and other Real Estate agents, including a new business in the maintenance management area. (Maintenance Matcher Pty Ltd)

The coming 12 months are an exciting period for the business. We recognise that investing in initiatives that grow revenues provides the opportunity for RUN to continue to deliver Shareholder value.

On behalf of me and the Executive team I would also like to thank the entire RUN team for their dedication and support over the past year, it is very much appreciated.

Rob Farmer
Chief Executive Officer

DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to hereafter as "RUN") consisting of RUN Corp Limited and the entities that it controlled at the end of, or during the year ended 30 June 2013.

DIRECTORS

The names of the directors in office at any time during or since the end of the year to the date of this report are:

Names
Nathan Paul Cher
Samuel Jacob Herszberg
Jane Anne Tongs

Qualifications, experience and special responsibilities

Nathan Paul Cher, B.Sc (Comp), FAICD *(Chairman)*

Nathan is a co-founder of RUN and has experience in developing and leveraging systems and technology to improve customer service.

Nathan was formerly a co-founder and director of Com Tech Communications Pty Ltd and other private companies.

Nathan is a member of the Audit Committee.

Nathan did not serve as a director of any listed company other than RUN Corp Limited in the last 3 years.

Samuel Jacob Herszberg *(Executive Director)*

Samuel is a co-founder of RUN, Executive Director and officer in effective control. He has 25 years experience as a real estate agent, auctioneer and property manager.

For licensing purposes, Samuel is the licensed real estate agent for RUN Property Pty Ltd.

Samuel is also a director of Central Australia Phosphate Limited (appointed August 2012).

Samuel was re-elected on 22 November 2012, after retiring by rotation in accordance with the constitution and offering himself for re-election.

Jane Anne Tongs, FCA, FCPA, M.A.I.C.D, BBUS, MBA *(Non-Executive Director)*

A former partner with PricewaterhouseCoopers, Jane is a director of several private sector companies, government organisations and Chairman of a number of Audit Committees. These include Chairman of Netwealth Holdings Limited and a Director of Warakirri Holdings Limited and related subsidiaries, CCI Insurances Ltd and the Australian Energy Market Operator.

Jane has significant experience in corporate governance and financial services particularly within insurance, funds management and superannuation.

Jane is the Chairperson of the Audit Committee. Jane did not serve as a director of any listed company other than RUN Corp Limited in the last 3 years.

Company Secretary

Jeff Stein, CA (AU)

Jeff is Company Secretary and Chief Financial Officer of RUN. Jeff has significant public company experience serving in senior finance positions in South Africa and Malaysia.

Directors' interests in RUN at the date of this report:

As at the date of this report, the interests of the directors in the shares of RUN Corp Limited were

	Ordinary Shares
Nathan Cher	23,833,240
Sam Herszberg	27,689,294
Jane Tongs	458,055
	51,980,589

PRINCIPAL ACTIVITIES

The principal activity during the year of the entities within the consolidated group was retail property management and sales. There has been no significant change in the nature of these activities during the year.

REVIEW OF OPERATIONS

RUN Corp Limited's consolidated results for the year ended 30 June 2013 are summarised as follows:

	2013 Actual ($'000)	2012 Actual ($'000)
Property management commissions	18,445	18,700
Other revenue	9,836	9,581
Net gain on re-financing of debt facilities	-	14,981
Total revenue and other income (excluding interest received)	28,281	43,262
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	**5,517**	**19,741**
Net finance cost	(1,387)	(2,605)
Earnings Before Tax, Depreciation & Amortisation (EBTDA)	**4,130**	**17,136**
Depreciation and amortisation	(1,795)	(3,057)
Profit before Tax	**2,335**	**14,079**
Taxation expense	(817)	(224)
Net profit after tax attributable to members	**1,518**	**13,855**

FINANCIAL AND OPERATIONAL HIGHLIGHTS

The Company has continued to deliver improved financial results and achieved the following during the year under review:

- Maiden dividend paid in March 2013,with a fully franked final dividend of 0.4c per share declared for payment in October 2013 making a total dividend for the financial year of 0.8c per share;
- Profit before tax of $2,335k compared to $14,079k ($902k loss excluding re-finance gain). EBITDA of $5,517k for the period, an increase of 16% from the previous year (excluding the re-finance gain);
- Revenue and earnings growth in the sales division with an increase in recruitment towards the end of the year. At the date of this report there are 25 salespeople in the business against a total of 17 as at 31 December 2012;
- Balance of the $4 million deposit was received from Rental Management Australia, with short term debt commitments settled by September 2012. The Sale Agreement was terminated in April 2013 and the $4 million will be converted into 10 million RUN Corp shares (calculated at 40c per share). The latest conversion date in 30 September 2013 or as otherwise agreed by the parties. As at the balance date, and the date of this report, conversion had not yet occured;
- Total debt repayment of $5.9 million for the year with net debt of $11.4 million at the end of the period, secured by a rent roll indicatively valued in excess of $60 million;
- New RUN branding finalised at the end of the period and launched in July 2013;
- Business plan for a new maintenance business established and technology developed for commencement in the first half of FY14; and
- Continued innovation by Agent Plus with the mobile Inspections Application launched in April 2013.

As noted in the Chief Executive Officer's report the focus for the next year is on growth and the Company will:

- Invest in building RUN brand awareness and increase property management and sales lead generation;
- Continue to invest to expand the sales business;
- Invest further in property management New Business activities to organically grow the value of properties under management; and
- Launch a Maintenance Search business which will generate new revenue streams from the 1st half of the financial year.

FINANCIAL PERFORMANCE

Profit before tax of $2,335k compared to $14,079k ($902k loss excluding re-finance gain in the prior period). EBITDA of $5,517k for the period, an increase of 16% from the previous year (excluding the re-finance gain).

The $757k (16%) increase in EBITDA was a consequence of $1,413k in lower expenses partially offset by $656k in lower revenue discussed in more detail below.

As per the segment information total income from property management (which includes property management commission, letting fees, property management advertising and ancillary fees) was $400k lower than the prior year. There was a $70k increase in sales income and a $325k decrease in Agentplus revenue when compared to the previous period.

The primary driver of property management revenue is property numbers which declined in the first part of the

DIRECTORS' REPORT (continued)

period, but increased over the last quarter of the financial year with the acquisition of a small rent roll. There have been a number of initiatives targeted at increasing property numbers, including an increase in the number of New Business executives to be supported by an increase in marketing and brand awareness. It is expected that these initiatives will contribute to increased property management revenue in the coming year.

Profit contribution from the Agentplus business was stable despite Elders migrating away from the platform. As foreshadowed in previous reporting periods the decline in Agentplus revenue was a consequence of Elders properties migrating off the platform with revenue from Elders $463k lower than the corresponding period. This did not impact profit contribution from the Agentplus business as there was a growth in revenue of $130k from new Agentplus customers and additional properties from existing agent plus customers and cost savings achieved through operational innovations.

There was a substantial increase in contributions from the real estate sales division over the period. EBITDA contribution improved by more than $500K achieved with moderate revenue increases and operational efficiencies. In the last half of the financial year, the focus shifted to growing this business by recruitment, with a number of salespeople joining the company in the last quarter of the 2013 financial year and early in the current financial year.

There is further detailed commentary later in this report on how the Company has already started investing in activities to grow revenue from all three of these divisions.

There was a concerted effort to decrease costs, with expenses $1.4 million (16%) less than the prior period including the following cost category reductions:

■ Advertising costs	$399k
■ Payroll & associated costs	$383k
■ General & Administration costs	$480k

EBITDA for the second half of the year of $2.5 million was $0.5 million lower than the first half of the year.

- The first half includes approximately $120k in End of Financial year Statement fee revenue which is receivable each July;
- Sales revenue was almost $400k lower in the second half, reflecting the seasonality of the business (sales activity generally peaks during the Spring period and at its lowest early in the calendar year); and
- The company has undertaken investment in property management and sales growth activities.

The Company has commenced a number of initiatives to increase brand awareness and to grow sales and property management revenue including:

- Appointment of a marketing manager in November 2012, with a new brand rollout in July 2013;
- Appointment of a NSW state manager in the 2nd half to oversee property management performance and to grow the sales team;
- Aggressive recruitment of sales people. The number of sales agents has increased from 17 at the end of December to 25 currently; and
- Increased investment in property management new business, including the formation of a telephone based lead generation department. As at the end of December there were 15 new business employees in the business which has increased to 20 at the date of this report.

Early signs are that these initiatives are contributing to positive performance.

Amortisation reflects the Company's policy of a 15-20 per cent per annum amortisation charge on purchased property management rights as well as capitalised cost of software development. The amortisation of property management rights charge has decreased from $2,327k at 30 June 2012 to $757k at 30 June 2013. This decrease is due to the fact that the original rent roll acquisitions have now been fully amortised. Amortisation of software development costs has increased from $499k to $699k, primarily due to an increased investment in Agentplus software development.

Net interest expense was $1.2 million lower, primarily a result of the refinancing of debt facilities in December 2011. Interest is expected to reduce further as the Company continues to repay debt. The Board is of the opinion that the current debt and equity levels provide a reasonable allocation.

In accordance with group policy and the requirements of Australian Accounting Standards the carrying value of the property management rights, both the identifiable intangible and the goodwill associated with property management rights have been assessed for impairment.

In line with previous reporting periods, goodwill and intangible assets relating to property management rights acquired through business combinations are being managed on a State-by-State basis.

The stable property management commission is the reason that the carrying value of the rent-roll has primarily been maintained (rent roll valuations, considered by management and the Board, are based on a multiple of annualised property management commissions).

The recoverable amount of cash-generating units comprising the goodwill and intangible assets has been assessed on the basis of fair value less costs to sell, based on valuer letters received from independent valuers. The valuers provided a market update on recent roll- roll transactions as well as indicative valuation multiples for the RUN business. Based on this information, the Company has assessed the recoverable amount of the cash generating units to be approximately $60 million against a carrying amount of $36 million and therefore no adjustments to the carrying amount of goodwill and intangibles is required.

STRATEGY

Over the past few years the RUN team have worked hard to develop strong foundations for the business to grow. Both the Board and Executive feel the time is now right to invest in growth initiatives that will deliver future shareholder returns.

The Board and Executive have spent considerable time in the 2nd half of the 2013 financial year analysing the business and agreeing on strategy for the 2014 and future financial years. During the first half of the year the Company was in discussion with Rental Management Australia for a possible acquisition of the RUN and Agentplus businesses. During this time, the focus of the Company was on cash generation and profitability with less emphasis on growth. The Acquisition Agreement was terminated in April 2013 and the Company is now focused on growing the business.

There are three pillars of the RUN Corp growth plan.

1. Build a trusted, recognised Real Estate brand

A key element of the growth plan is to enhance the RUN brand as a trusted, recognised Real Estate brand. RUN is able to be a true National brand unlike many who are only known in a very small geographical area.

In the second half of the last financial year RUN, invested in a new Marketing Manager and a range of initiatives to start this process. A key focus was to refresh the brand to represent our modern and progressive approach to real estate. The refresh extended to RUN sign boards, offices and livery which has been received positively by clients, the real estate industry and the RUN team.

During FY14, RUN plans to implement a range of initiatives aimed at building brand awareness to increase lead generation and revenue growth.

2. Grow our Real Estate Sales teams and increase properties under management

With a strengthening property market the Company feels the time is now right to invest in growing the real estate sales team. RUN is very well positioned within its existing fixed cost base to build a substantial revenue stream from real estate sales.

Once established, a strong sales division contributes to brand awareness, rent roll growth and revenues. There are 4 key phases for any new sales person:

Recruit	Induction	Pipeline building	Profit contribution
■ -6 to 0 months ■ Agents are attracted to strong brands with leads	■ 0 - 3 months ■ Over this period agents are likely to adversley impact profits and cashflows	■ 3 - 12 months ■ Over this period agents are building pipelines and are unlikely to contribute positively to profits	■ 12+ months ■ Once established, good agents have the ability to make a positive contribution

DIRECTORS' REPORT (continued)

As the number of sales people increases so should the increase in revenues. Typically it is not until the second year that an agent positively contributes to profits. The company believes that this investment is well justified as a strong sales business not only generates profits but assists build brand awareness and rent roll growth.

As part of this strategy we are investing in the leadership structure within our branches to support this growth.

RUN has successfully managed to increase the number of sales people. At 31 December 2012 there were 17 sales people in the business compared to 25 as at the date of this report. Most of these people were recruited in the last quarter of the financial year under review or in the current period. As illustrated above, the Company is investing in the sales business understanding that it will impact earnings in the short term but is expected to generate long term favourable results. So far we have seen the new sales members generate business in line with our expectations.

RUN has maintained recurring revenue and rent roll value primarily through rental increases, even though property numbers have declined in some areas. RUN needs to invest further to consistently grow property numbers across all regions.

Rent Rolls/property management rights can be purchased at a multiple of 2.8-3.5x recurring property management commission. Based on past experience RUN can organically acquire new management agreements at a payroll cost approximating 1x annualised management commission income.

At 31 December 2012 the Company employed 15 New Business executives. As at the date of this report, there are 20 New Business people working within the business.

The Company will also make strategic acquisitions when commercially feasible. In May 2013, the Company purchased approximately 350 properties from a financial planning practice and also entered into a referral relationship which should generate in excess of 500 additional managements over the next 2 years. The purchase price payable is dependent of the number of additional referred properties and the maximum amount payable is $530k if a minimum of 550 properties are successfully referred to RUN over a 2 year period.

3. Launching new industry services (Maintenance Matcher)

In 2009 RUN launched Agentplus, a business that focused on providing cloud based technology and a range of outsourced services to Real Estate agencies.

RUN has identified and has developed the technology and operational capabilities to launch a new business in the maintenance management area. A typical frustration amongst landlords, property managers and householders is obtaining access to high quality and competitively priced maintenance services. This new business venture is aimed at addressing this need.

It is currently being trialled within our own business operations and it is planned in the first half of FY14 to provide access to a broader market.

CAPITAL AND FUNDING STRUCTURE

At 30 June 2013, the Company had bank debt of $14.5 million with $3 million cash on deposit, resulting in net debt of $11.5 million at balance date.

The facility with Macquarie bank expires in December 2014 and it expected that this will be extended in the current financial year. Interest is payable at a current variable rate of 8.25%, with debt repayments of $1M per year payable in monthly amounts of $83.3k which commenced in January 2013.

Risk Management and Compliance

The Board has ultimate responsibility for the oversight of risk management and compliance across the Company.

Risk is an integral part of the Company's decision making process and all risks and opportunities are adequately and appropriately assessed, to ensure that unreasonable risk exposures are minimised. The Company's risk and compliance frameworks ensure that all risks and compliance obligations are properly identified and managed, that insurances are adequate and that processes are in place to ensure compliance with regulatory requirements.

The Chief Executive Officer is accountable to the Board for the development and management of the Company's risk and compliance frameworks and is supported by the Chief Financial Officer in terms of adopting appropriate risk management and compliance processes, including regular reporting to the Board.

The key risks identified in the Company's Risk Register are addressed through the risk and compliance frameworks, reducing risk exposure to key stakeholders.

The Company's risk and compliance frameworks are based on the following process:

- Board approval of a Strategic Plan, which encompasses the Company's vision and strategic goals.
- As part of the Company's annual strategic planning

process, the Risk Management Policy is reviewed and submitted to the Board for approval.

- An Operating Plan is developed each year to translate the Company's long term strategy into key financial and operational objectives for the year.
- Key Performance Indicators for the Chief Executive Officer, Chief Financial Officer on which they are rewarded are linked to the Company's objectives.
- Performance against the Operating Plan is reported to the Board on a monthly basis. This report provides the Board with a basis to assess if the Company's strategy is being executed effectively and allows the Board to assess management's performance against objectives on a regular basis.

The Board approved Risk Management Framework includes the following:

- The Board approved Risk Management Policy; and
- The Company Risk Register detailing key strategic, operational, financial, commercial, legal and compliance risk factors.

RUN's key business strategies as highlighted in this report are focused on growing the business. The specific strategic objectives and RUN's prospects of achieving them and the risks that could adversely affect their achievement are set out in the table below.

Strategic Objective	Actions	Risks
Build a trusted recognised Real Estate brand	RUN will continue to pursue initiatives to strengthen the foundations of its business. These include: - Investing in people with industry and specialist skills - Continuing to refresh the brand and image of RUN customer facing facilities and build brand awareness	The achievement of these strategic objectives may be affected by Australian macro-economic risks. RUN will seek to manage these risks by: - Succession planning and staff development programs - Marketing and growth strategies to expand sales and increase properties under management.
Grow the Real Estate sales team	RUN intends to grow this key market through strategies which include: - Continuous improvement in marketing strategies - Developing staff by ongoing training - Recruitment of experienced sales agents	The achievement of these strategic objectives may be affected by Australian macro-economic risks. RUN will seek to manage these risks by: - Ongoing analysis of markets, customers and competitors to determine potential impacts and determine necessary actions - Rigorous application of Key Performance Indicators to manage employee performance and identify staff performance needs.
Increase properties under management	RUN intends to grow its core asset base of properties under management which include: - Increased referrals from the sales division - Referrals from key partners - Expansion of the new business team - Enhancing staff skills	The achievement of these strategic objectives may be affected by Australian macro-economic risks. Failure to achieve growth in the business would adversely impact RUN's future financial performance. RUN will continue to manage its exposure to these risks through: - Forming and working strategic partnerships with referral sources - Strategic value adding rent roll acquisitions - Rigorous application of Key Performance Indicators to manage employee performance and identify staff performance needs.
Expand IT enabled service offerings	RUN continues to enhance and expand its property management software to maintain efficiencies and customer service advantages. Strategies will include: - Expanding the Agentplus software capabilities - Establish a maintenance management product	The achievement of these strategic objectives may be affected by Australian macro-economic risks. The maintenance product is a new initiative and has the risks of new and untried concepts. RUN will manage its exposure to these risks through: - Rigorous application testing before the system goes live - Initially used in the RUN business to rectify any issues before being made available to Agentplus partners.

DIRECTORS' REPORT (continued)

DETAILS OF MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' meetings eligible to attend	Directors' meetings attended	Audit Committee meetings eligible to attend	Audit Committee meetings attended
Number of meetings held:	10		2	
Number of meetings attended:				
Nathan Paul Cher	10	10	2	2
Samuel Jacob Herszberg	10	9	2	1
Jane Anne Tongs	10	10	2	2

Committee membership

As at the date of this report, the company had an Audit Committee. Given the importance of the Nomination and Remuneration functions, the Board as a whole undertakes these responsibilities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than referred to in the Review of Operations, there has been no significant changes in the Company's state of affairs during the financial year.

DIVIDENDS

An interim fully franked dividend of 0.4 cents per share (total $480,734) was paid on 22nd March 2013. The Board is pleased to announce that it has declared a final dividend of 0.4c cents per share. The dividend will be fully franked. The record date for determining a shareholder's entitlement to the dividend is Thursday, 19 September 2013, and the payment date for the dividend will be Wednesday, 9 October 2013.

The Board confirms that the Company's dividend reinvestment plan (DRP) will operate in respect of the announced dividend. The following details are provided in relation to the operation of the DRP:

1. Participation in the DRP is optional. If a shareholder wishes to participate in the DRP, the shareholder must complete an application form and must ensure that the completed application form for the DRP is received by the Company by no later than 5:00pm on Thursday, 19 September 2013.
2. As permitted by clause 6.7 of the DRP, the price at which any shares will be issued or transferred to shareholders under the DRP will be determined by the Board. The Board intends to set the price over the next 7 business days from the date of this report, and will announce the relevant price on, or shortly after, that date.
3. In determining the price under the DRP, the Board is mindful that applying a regular VWAP calculation may not be appropriate given the historic low volume of trades in the Company's shares. For this reason, the Board will set the price for the purposes of the DRP which will include having regard to the following guiding principles in doing so:
   - The Board will have regard to recent trading activity in the shares of the Company, including the volume and price of recent trades (but will disregard any trades that it considers to be unusual or otherwise not in the ordinary course).
   - After considering these trades, the Board will determine a price which it regards as appropriate and reasonable and, given that the Board wishes to encourage shareholders to participate in the DRP, the Board will apply a discount of 10% to that price for the purposes of the DRP.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Past year end, the Directors of RUN Corp Limited resolved to adopt a Dividend Reinvestment Plan. The Plan provides shareholders with the opportunity of investing dividends in ordinary shares in the company free of brokerage, commission and other transaction costs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The key areas of focus for the 2014 financial year will be to:

- Build a further trusted and recognised brand;
- Grow the value and number of properties under management;
- Grow the real estate sales teams; and
- Launch new industry services.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and unless otherwise indicated) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has paid a premium of $41,802 to insure the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director of the Company, other than conduct involving a willful breach of duty in relation to the Company. Other than Deeds of Indemnity, Insurance and Access provided to officers of the Company and its subsidiaries, no other indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

EMPLOYEES

	2013	2012
Number of Full Time Equivalents (FTE's) at balance date	214	205

AUDIT & NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied the provision of the non-audit services is compatible with the general standard of independence for the auditors imposed by the Corporations Act 2001.

AUDITOR'S INDEMNIFICATION

The Company has not, during or since the financial year, in respect of any person who is or has been an auditor of the Company:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director of the parent company.

The Key Management Personnel

(I) Directors

N Cher	Chairman (Non-Executive)
S Herszberg	Executive
J Tongs	Non-Executive

(II) Executives

R Farmer	Chief Executive Officer
J Stein	Chief Financial Officer
D Robinson	Chief Technology Officer
T Tebb	National Manager

C Shepherd changed roles during the year and is not included as a KMP in the 2013 report.

Compensation Policy

The Board as a whole undertakes the Nomination and Remuneration function responsibilities including determining remuneration packages applicable to the Board members, the CEO and senior executives.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

The Board remuneration policy has been developed to ensure that remuneration packages properly reflect each person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Board nomination policy has been developed to ensure that the composition of the Board is regularly reviewed, including reviewing issues such as identifying and selecting nominees and succession planning. When a Board vacancy occurs or where it is considered that the Board would benefit from the services of a new Director with particular skills, nominations for suitable candidates will be sought.

Remuneration Committee

The Board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for directors and executives.

The Board assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality, high performing directors and executives.

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To achieve this, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- have a significant portion of executive remuneration 'at risk'; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

The Company prohibits executives from entering into arrangements to protect the value of their equity based remuneration. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package, and is monitored by the Board on an ongoing basis.

Remuneration Structure

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

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the members meeting held on 27 October 2005, where members approved an aggregate remuneration of $300,000 per year.

Each non-executive director receives a base fee (excluding superannuation) of $62,000 (effective 1 January 2012) for being a director of the Group. The chairman is entitled to a base fee (excluding superannuation) of $71,000 (effective 1 January 2012). Superannuation is paid at 9.25% from 1 July 2013.

The Board considered the valuable contribution made by Jane Tongs as a founding member of the Board and as Chairperson of the Audit Committee since 2005 and awarded additional fees of $80,000 during the period to recognise these valuable services.

The remuneration of non-executive directors for the period ending 30 June 2013 and 30 June 2012 is detailed later in this report.

Executive Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration considering their position and responsibilities within the Group so as to:

- reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

The Company has entered into a detailed contract of employment with the Chief Executive Officer and Chief Financial Officer and a standard contract with other executives. Details of these contracts are provided in the *service agreements* section in this report.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary, superannuation and non-monetary benefits);
- Variable remuneration
  - Short term incentive (STI)
  - Long term incentive (LTI)

Independent Review

During the 2012 financial year the Company engaged Mercer (Australia) Pty Ltd (Mercer) to conduct an independent review of remuneration for the Chief Executive Officer (CEO) and Chief Financial Officer & Company Secretary (CFO) roles. The Company commissioned Mercer to provide advice on whether the current and planned remuneration levels were in line with the market. The Board of Directors is of the opinion that the advice provided is still relevant for the 2013 financial year.

In order that the remuneration committee is provided with advice, and as required, remuneration recommendations, free from undue influence by members of the KMP to whom the recommendations may relate, the engagement of Mercer by the remuneration committee was based on an agreed set of protocols. The Board is satisfied that the remuneration recommendations were made free from undue influence by the members of the key management personnel to whom the recommendations relate. Mercer charged the Company $6,300 for proving this service in 2012.

Approach

In completing this assignment, Mercer undertook the following activities:

- Gained an overview of the organisational context through a discussion with directors;
- Studied relevant information including position description, organisation charts and financial dimensions;
- Measured the relative job size of the positions using Mercer's International Position Evaluation System, ensuring relativity with other positions internally and externally in the boarder market;
- Sourced and analysed remuneration data based on job size form Mercer's 'all industries and sectors' database;
- Sourced and analysed a specific cut of data based on job size from a customised payline of top corporate organisations; and
- Sourced and analysed a specific cut of data based on job size from a customised payline including top corporate organisations in the financial service sector.

Summary

The benchmarking indicated that the total package for both the CEO and CFO roles (fixed pay and variable pay) was competitively positioned against the top comparable corporate organisations and finance sector organisations.

To supplement the data provided, Mercer outlined a number of unique variables relevant to the Company that may impact remuneration for executive roles including:

- The criticality of executives to drive confidence in the marketplace;
- The criticality of executives to drive confidence with key stakeholders, including bankers;
- The requirement to balance pay mix where long-term incentive arrangements may be less tangible; and
- The requirement for executives to drive the growth engine, and ensure continuity of the business strategy to ensure long term success.

The relevance of these factors and their criticality to the business may impact striking an appropriate remuneration level for executive roles, and that RUN may choose to apply a premium to these roles dependant on the level of applicability and impact of these factors.

Fixed Remuneration

Objective

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of the business and individual performance as well as relevant comparative remuneration.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and allowances. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Variable Remuneration-short term incentive (STI)

Objective

The objective of the variable component of total remuneration is to link the achievement of the Group's financial and operational targets with the remuneration received by the executives charged with meeting those targets. The total potential variable portion is set at a level so as to provide sufficient incentive to the executive to achieve the financial targets and such that the cost to the Group is reasonable in the circumstances.

Structure

Actual variable payments granted to each executive depend on the extent to which specific targets are met. These targets consist of a number of Key Performance Indicators (KPI's) covering both financial and non financial measures.

The Board of RUN may provide for increasing bonus payments for differing levels of exceptional performance or achievements which exceed each relevant key performance indicator. However, the parties have agreed that the maximum aggregate bonus payable in respect to achievement of KPI's shall equate to 20% of annual total employment cost. RUN may in its absolute discretion make an additional bonus payment of up to 10%.

STI bonus for 2013 and 2012 financial years

The KPI's in place for the CEO and CFO for the 2013 financial year included growth in EBITDA, an increase in rent-roll value as well as other non-financial metrics. Most of the KPI's were achieved in the year under review and the Board approved a STI bonus of 20% of annual total employment cost payable to the CEO and CFO. In addition a 10% discretionary bonus payment was approved by the Board.

In the 2012 financial year, the Board decided to award the full 30% STI bonus to both the CEO and CFO which was subject to the Company receiving the $4 million deposit from Rental Management Australia (formerly Rental Express). These amounts were paid to the executives in the current financial year.

STI bonuses were paid to T Tebb and D Robinson for both the 2012 and 2013 financial years. These payments were partly performance based and partly discretionary.

Variable Remuneration-long term incentive (LTI)

Objective

The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance against the relevant long term performance hurdle.

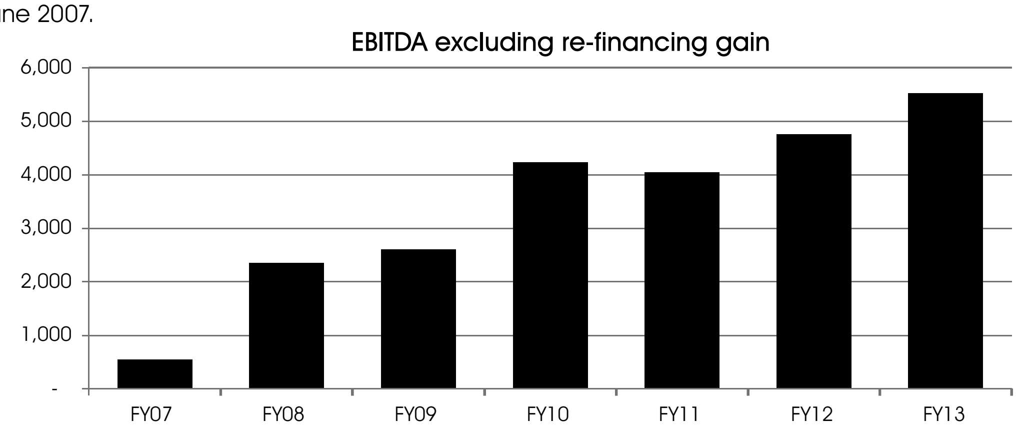
Structure

The following executives were granted shares in February 2010 and issued in 3 series. The value of the share issue expense and associated reserve was calculated based on the Share Price as at the date of the offer ($0.035). There are no conditions attached to the issue of these shares other than continued employment at the end of each financial year.

	Trish Tebb	Don Robinson	Total	
Number of Shares (Series 1)	100,000	150,000	250,000	Vested 12 July 2010
Number of Shares (Series 2)	200,000	650,000	850,000	Vested 4 July 2011
Number of Shares (Series 3)	150,000	450,000	600,000	Vested 5 July 2012

Group performance

The graph below shows the annual EBITDA performance of the Group (excluding re-Financing gains) from the period ending June 2007.



Service Agreements

Remuneration and other terms of employment for some Key Management Personnel have been formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below.

Chief Executive Officer

The key terms of the current employment contact with CEO, Rob Farmer, are as follows:

- Total fixed remuneration package of $515,000 per annum.
- Either RUN or Rob Farmer may terminate employment by giving the other the applicable period of written notice as follows:
  - Between 1 July 2011 and 31 December 2013, 12 months' notice.
  - From 1 January 2014, 6 months' notice.

If a period of notice is given as above, the Company may at its discretion decide to pay Rob Farmer in lieu of notice for part or all of the period. This payment will be calculated on the basis of TEC (Total Employment Cost) at the time of termination. RUN may still terminate employment without giving notice if Rob Farmer engages in conduct which would entitle RUN to end his employment summarily.

Prior to the completion of each financial year, the Board of RUN will determine the key performance indicators that may be applicable to the following financial year and the relevant bonuses which may be payable in respect of any exceptional performance or achievements which exceed or outperform those key performance indicators set by the Board.

The Board of RUN may provide for increasing bonus payments for differing levels of exceptional performance or achievements which exceed each relevant key performance indicator. The parties have agreed that the maximum aggregate bonus payable for achievement of these KPI's shall equate to 20% of annual TEC.

RUN may in its absolute discretion make an additional bonus payment of up to 10%.

Chief Financial Officer

The key terms of the current employment contract with CFO, Jeff Stein, are as follows:

Total fixed remuneration package of $283,250 per annum.

Either RUN or Jeff Stein may terminate employment with 120 days written notice.

Prior to the completion of each financial year, the Board of RUN will determine the key performance indicators that may be applicable to the following financial year and the relevant bonuses which may be payable in respect of any exceptional performance or achievements which exceed or outperform those key performance indicators set by the Board.

The Board of RUN may provide for increasing bonus payments for differing levels of exceptional performance or achievements which exceed each relevant key performance indicator. The parties have agreed that the maximum aggregate bonus payable for achievement of these KPI's shall equate to 20% of annual TEC.

RUN may in its absolute discretion make an additional bonus payment of up to 10%.

Other Executives (standard contracts)

- All executives have rolling contracts
- Employment may be terminated by the executive or the Company with 60 days written notice

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

	Short-Term			Post employ-ment	Long-term		Share based payment		
	Salaries and fees	Cash bonus	Non monetary bonus	Super-annuation	Incentive plans	Long service leave	Shares	Total	Perform-ance related
2013	($)	($)	($)	($)	($)	($)	($)	($)	%
Directors									
Nathan Cher	71,000	-	-	6,390	-	-	-	77,390	-
Sam Herszberg	62,000	-	-	5,580	-	-	-	67,580	-
Jane Tongs	135,394	-	-	12,186	-	-	-	147,580	-
Executives									
Robert Farmer	490,000	149,350	-	25,000	-	13,551	-	677,901	22%
Jeff Stein	268,250	82,143	-	15,000	-	7,707	-	373,100	22%
Don Robinson	183,060	20,000	-	17,348	-	5,250	-	225,658	9%
Trish Tebb	176,030	20,000	-	26,170	-	5,705	-	227,905	9%
	1,385,734	**271,493**	**-**	**107,674**	**-**	**32,213**	**-**	**1,797,114**	

2012	($)	($)	($)	($)	($)	($)	($)	($)	%
Directors									
Nathan Cher	68,500	-	-	6,165	-	-	-	74,665	-
Sam Herszberg	59,689	2,400	-	5,581	-	-	-	67,670	4%
Jane Tongs	62,000	-	-	5,580	-	-	-	67,580	-
Executives									
Robert Farmer	475,340	150,000	5,000	25,000	-	38,822	-	694,162	22%
Jeff Stein	260,000	82,500	5,000	15,000	-	18,802	-	381,302	22%
Don Robinson	180,473	25,000	-	16,252	-	10,796	6,517	239,038	13%
Carolyn Shepherd	125,603	25,000	-	11,268	-	6,819	-	168,690	15%
Trish Tebb	148,220	27,500	-	47,276	-	12,892	2,172	238,060	12%
	1,379,825	**312,400**	**10,000**	**132,122**	**-**	**88,131**	**8,689**	**1,931,167**	

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307 of the Corporations Act 2001 is set out on page 22.

Signed in accordance with a resolution of the directors:

Nathan Cher	**Jane Tongs**
Chairman	Non Executive Director

Dated this 23rd day of August 2013

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of RUN is responsible for ensuring good corporate governance of the consolidated entity in order to protect and enhance shareholder value. The Board guides and monitors the business on behalf of the shareholders by whom they are elected and to whom they are accountable.

RUN's Corporate Governance Statement outlines the main corporate governance practices in place and is structured with reference to the Australian Stock Exchange Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. RUN considers that it was fully compliant with these principles and recommendations.

Principle 1: Lay solid foundations for management and oversight

The Directors are responsible, and primarily accountable to the shareholders for the effective corporate governance of the Company. This means that the Board is responsible for directing and controlling the Company, guiding and monitoring its strategy and business affairs.

The corporate governance of the Company is carried out through the delegations of appropriate authority to the Chief Executive Officer (CEO) and, through the CEO, to the management of the Company.

All senior executives are measured against agreed key performance indicators (KPI's). The variable portion of remuneration for these executives is based on achievement of these KPI's.

The Board has adopted a Charter as a guiding framework for the corporate governance of the Company. In addition, a Code of Conduct for Directors and Officers has been adopted by the Board, and also a range of relevant governance policies, all of which are available from the Company Secretary. All Directors, individually and as a Board, are required to agree, upon appointment, to act in accordance with the Charter, the Code of Conduct and the policies.

The role of the Board, as the body ultimately responsible for the corporate governance of the Company, specifically consists of the following major functions:

- Providing accountability to shareholders and other stakeholders;
- Appointing and working with the CEO;
- Approval of Group strategy;
- Development of key Group policy; and
- Monitoring management and operations.

The Board held 10 meetings during the year. Attendance at the Board Meetings is detailed in the Directors' Report. Details of the Directors, their qualifications, skills and experience are also set out in the Directors' Report.

Principle 2: Structure the Board to add value

Under the Company's Constitution, the Board comprises a minimum of three and a maximum of seven Directors. As far as practicable, the Board:

- Comprises people who bring robust and independent judgement to the Board;
- Comprises people with a broad range of experience, expertise, skills and contacts relevant to the Company and its business at any relevant point in time; and
- Includes an independent Chairman.

The Board has established an Independence and Conflicts of Interest Policy which assesses the independence of directors and addresses the handling of conflicts that may arise for Directors.

From the beginning of the financial year, the Board comprised the following:

From	To	No. of Non-Executive Directors	No. of Executive Directors
01/07/2012	30/06/2013	2	1

At 30 June 2013, the Board included two Directors (Samuel Herszberg and Nathan Cher) whose individual relevant interests constituted more than 5% of the Company's voting capital and hence were classified as substantial shareholders.

However, the Board considers that the overriding consideration in determining the independence of a particular Director is whether a Director is independent of management and free of outside influences which could materially interfere with the independent and objective judgement of the Director. The Board confirms that in its view all Directors met this criterion during the financial year.

The Board periodically assesses the independence of each Director in the light of the interests disclosed by them, and each Director provides the Board with all relevant information for that purpose.

The Board is responsible for the financial and operating performance of the Company against approved strategies. This is done through receiving regular management reporting at Board meetings and participation in meeting of Committees of the Board with management. Directors are entitled to request additional information where they consider such information is necessary to make informed decisions.

The Company Secretary supports the board by monitoring that board policies and procedures are followed and ensuring the timely completion and despatch of board agenda and supporting material.

Given the importance of the function of a Nomination and Remuneration Committee, the Board as a whole undertakes these responsibilities. This includes devising and implementing policies covering the composition, succession planning, appointment, remuneration and evaluation of the performance of the Board, Directors, CEO and CFO.

Principle 3: Promote ethical and responsible decision making

The Board has adopted a Code of Conduct for Directors and Officers to guide behaviour, enhance investor confidence in the Company and demonstrate a commitment to ethical standards and practices.

The Board has also adopted a Securities Trading Policy. This aims to ensure that the Directors and employees do not inadvertently breach the insider trading provisions of the Corporations Act 2001 when dealing in securities of the Company.

The code of conduct and trading policies are available from the company secretary.

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit Committee which operates under an approved Audit Committee Charter. The role of the Audit Committee is to assist the Board in discharging its obligations to ensure:

- the integrity and reliability of information prepared for use by the Board, shareholders and other stakeholders, including financial information; and
- the integrity of the Company's internal controls affecting the preparation and provision of that information.

The Audit Committee has two Directors (Jane Tongs and Nathan Cher) appointed by the Board and:

- comprises independent non executive Directors
- is chaired by Jane Tongs who is an independent Director and is not the Chairman of the Board;
- comprises members who are financially literate;
- has at least one member with financial expertise;
- has at least one member with an understanding of the industry in which the Company operates; and
- external auditors, other Board members, CEO and CFO are invited to attend meetings at the discretion of the Audit Committee.

The experience and qualifications of members of the Audit Committee together with attendance at 2013 Committee meetings, is detailed in the Directors' Report.

The Audit Committee, amongst other things:

- recommends and supervises the engagement of the external auditor, monitors auditor performance and ensures action is taken in relation to audit reports;
- evaluates the adequacy and effectiveness of internal controls and management information;
- reviews all areas of significant risk and arrangements in place to contain those to acceptable levels of exposure;
- reviews financial information, accounting policies and ASX reporting statements; and
- monitors internal controls and compliance with the Corporations Act 2001, ASX Listing Rules and other regulatory requirements.

The CEO and CFO are required to declare whether, in their respective opinions, the Company's financial records have been properly maintained and whether the financial statements present a true and fair view of the Company's financial position and performance, and are in accordance with relevant accounting standards.

The external auditor has declared its independence to the Board. The Board has satisfied itself that there has been compliance with the standards for auditor independence.

Principle 5: Make timely and balanced disclosure

The Board has adopted a Continuous Disclosure and External Communications Policy with the objective of ensuring compliance with the Company's continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001. This ensures that the market is appropriately informed of the Company's strategy and

CORPORATE GOVERNANCE STATEMENT (continued)

financial performance. The Company aims to achieve this by seeking to provide equal access to information for all investors and avoiding the disclosure of material information to any person on a selective basis.

The Company Secretary is responsible for communications with ASX including overseeing information going to the ASX, shareholders and other interested parties.

The Company places all relevant market announcements on its website www.run.com.au.

Principle 6: Respect the rights of shareholders

The Board is primarily responsible and accountable to shareholders to oversee the proper management and conduct of the business of the Company.

The Board aims to ensure that shareholders, on behalf of whom they act, are informed of information necessary to assess the performance of the Company. Information on major developments affecting the Company is communicated through the annual and half-yearly reports, notices of general meetings, reporting to the ASX, reporting at the Annual General Meeting and on the Company's website.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit.

Principle 7: Recognise and manage risk

In its governance role, and particularly in exercising its duty of care and diligence, and associated legal duties, the Board is responsible for ensuring that appropriate risk management policies and procedures are in place to protect the assets and undertaking of the Company. A risk management framework has been developed and implemented. As a consequence, management are able to provide appropriate risk management certifications to the Board.

The Board adopts an active approach to risk management which recognises that the Company is engaged in activities which necessarily demand that the Company take usual business, entrepreneurial and operational risks.

Accordingly, and in the interests of the enhanced performance of the Company, the Board embraces a responsible approach to risk management as a risk aware company and not a risk averse one.

Principle 8: Remunerate fairly and responsibly

The Company's Remuneration Report is set out in the Directors' Report.

Given the importance of the function of a Remuneration Committee, the Board as a whole undertakes this responsibility including determining remuneration packages applicable to Board members, the CEO and senior executives. The remuneration committee is provided with sufficient information to ensure informed decision-making.

The Board remuneration policy has been developed to ensure that remuneration packages properly reflect each person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Executive remuneration packages include a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the company's circumstances and goals.

Diversity at RUN

The Group recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience. RUN believes its diverse workforce is the key to its continued growth, improved productivity and performance.

We actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. While RUN is committed to fostering diversity at all levels, gender diversity has been and continues to be a priority for the Group.

The Group supports and complies with the recommendations contained in the ASX Corporate Governance Principles and Recommendations. The Group has established a diversity policy outlining the board's measurable objectives for achieving diversity. This is assessed annually to measure the progress towards achieving those objectives. A copy of the public report submitted under te *Workplace Gender Equality Act 2012* is included under the invester section of run.com.au.

The table below outlines the diversity objectives established by the board, the steps taken during the year to achieve these objectives, and the outcomes.

Objectives	Steps taken
Provide flexible workplace arrangements including part time work.	Policies and practices in place: > Part-time work considered both at staff request and to resolve staffing problems; > 4 out of 5 staff returning from parental leave returned on a part-time basis; > 8% of all staff work part time and also 5 female staff working on a casual part-time basis. Of all women, 11% work part-time including 1 manager; > Flexible work options used to benefit both individual and RUN; > Staff to work from home or flexible hours to accommodate individual needs; > A number of employees in different roles and locations regularly work one or more days from home. Other staff have been permitted to work from home or remotely on a short-term due to varying circumstances; > Working from Home Policy and Procedures available for guidance; and > Flexibility in hours provided to staff in response to staff requests where possible (eg. flexible start/finish hours, time in lieu, staff allowed to make up hours for leaving early etc).
Maintain the number of woman in the workforce and target an increase in the number of women holding senior management positions.	> The percentage of female employees at RUN was 68% in this reporting period and recruitment of women to the organisation is not an issue; > 3 female employees were promoted to team leader or manager roles; and > 44 female staff were promoted to a higher level role or transferred to a new role for personal development.
Promote an inclusive culture that treats the workforce with fairness and respect.	RUN has a zero tolerance policy against discrimination of employees at all levels. The company also provides a mechanism for employees to voice their concerns or report any discrimination. Policies and practices in place: > Equal Employment Opportunity, Bullying and Harassment Policy provided to new staff with induction kit and available online for all staff on RUN intranet; > Regular EEO training conducted, including harassment, discrimination and bullying as part of formal induction program; > EEO online training for all new staff and managers; > EEO Contact Officer trained; > Complaints procedure in place for harassment, discrimination and bullying and a new page added to Company intranet outlining the procedures and including option of speaking to the EEO Contact Officer; > Online exit interview questionnaire includes question relating to harassment and bullying; and > Employee Survey conducted which includes question on harassment, discrimination and bullying.

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
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Melbourne VIC 3000 Australia
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Auditor's Independence Declaration to the Directors of RUN Corp Limited

In relation to our audit of the financial report of RUN Corp Limited for the financial year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ashley Butler
Partner
23 August 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 30 June 2013

	NOTE	CONSOLIDATED June 2013 $'000	CONSOLIDATED June 2012 $'000
Revenue	4(a)	27,689	28,375
Other Income	4(b)	-	14,981
Total revenue and other income		27,689	43,356
Advertising and promotion		(1,255)	(1,653)
IT & Telecommunications		(753)	(846)
Professional fees and legal costs		(396)	(561)
Employee benefits expense	5(a)	(15,849)	(16,232)
Other expenses		(1,899)	(2,173)
Rent and outgoings		(1,385)	(1,313)
Printing, stationery and postage		(572)	(743)
Depreciation expense	9	(339)	(231)
Amortisation expense	5(b)	(1,456)	(2,826)
Finance costs	5(c)	(1,450)	(2,699)
Total expenses		(25,354)	(29,277)
Profit before income tax		**2,335**	**14,079**
Income tax (expense)	6(b)	(817)	(224)
Profit after income tax		**1,518**	**13,855**
Profit attributable to members of RUN Corp Limited		**1,518**	**13,855**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income		**1,518**	**13,855**
Earnings Per Share:			
Basic earnings per share	25	0.01	0.12
Diluted earnings per share	25	0.01	0.11

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	NOTE	CONSOLIDATED June 2013 $'000	CONSOLIDATED June 2012 $'000
CURRENT ASSETS			
Cash and cash equivalents	7	3,074	3,535
Receivables and other assets	8	675	793
TOTAL CURRENT ASSETS		3,749	4,328
NON CURRENT ASSETS			
Property, plant and equipment	9	490	382
Deferred tax assets	6(c)	274	490
Intangible assets	10	37,844	37,959
TOTAL NON CURRENT ASSETS		38,608	38,831
TOTAL ASSETS		42,357	43,159
CURRENT LIABILITIES			
Payables	11	2,270	2,430
Income tax payable		653	570
Interest bearing liabilities	14	1,000	6,923
Convertible Deposit	12	4,000	200
Rent roll acquisition		430	-
Provisions	13	1,601	1,690
TOTAL CURRENT LIABILITIES		9,954	11,813
NON CURRENT LIABILITIES			
Interest bearing liabilities	14	13,425	13,375
Provisions	13	260	288
TOTAL NON CURRENT LIABILITIES		13,685	13,663
TOTAL LIABILITIES		23,639	25,476
NET ASSETS		18,718	17,683
EQUITY			
Contributed equity	15	57,376	57,344
Share based payment reserve	15(b)	-	34
Current year profit reserve		1,037	-
Accumulated losses	16	(39,695)	(39,695)
TOTAL EQUITY		18,718	17,683

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

RUN
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CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2013

	NOTE	CONSOLIDATED June 2013 $'000	CONSOLIDATED June 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		27,773	28,550
Cash payments to suppliers and employees		(22,459)	(23,383)
Interest received		63	94
Interest paid		(1,395)	(2,155)
Taxation paid		(517)	-
Net cash inflow from operating activities	17(a)	3,465	3,106
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property management rights		(104)	-
Payments for property management referrals		(158)	(241)
Payments for property, plant and equipment		(412)	(78)
Payments for software development costs		(646)	(485)
Net cash (outflow) from investing activities		**(1,320)**	**(804)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	20,423
Repayment of borrowings		(5,923)	(20,000)
Refinance fees paid		-	(590)
Loan establishment fees		-	(150)
Deposit proceeds from Rental Management Australia Pty Ltd		3,800	200
Transaction costs		(2)	-
Dividend paid		(481)	-
Net cash (outflow) from financing activities		(2,606)	(117)
Net increase/(decrease) in cash and cash equivalents		**(461)**	**2,185**
Cash and cash equivalents at the beginning of the year		3,535	1,350
Cash and cash equivalents at the end of the year	7	**3,074**	**3,535**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Year Ended 30 June 2013

CONSOLIDATED	Contributed Equity $'000	Accumulated Lossess $'000	Reserves: Current Year Profit Reserve $'000	Reserves: Share Based Payment $'000	Total Equity $'000
At at 1 July 2011	57,294	(53,550)		70	3,814
Total comprehensive income for the period	-	13,855		-	13,855
Transfer of vested share based payments	50	-		(50)	-
Executive share based payments	-	-		14	14
At 30 June 2012	57,344	(39,695)		34	17,683
At at 1 July 2012	57,344	(39,695)	-	34	17,683
Total comprehensive income for the period	-	-	1,518	-	1,518
Transfer of vested share based payments	34	-	-	(34)	-
Dividend Payment	-	-	(481)	-	(481)
Transaction costs	(2)	-		-	(2)
At 30 June 2013	57,376	(39,695)	1,037	-	18,718

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

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the year ended 30 June 2013 has been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other authoritative pronouncements of the Australian Accounting Standards Board. The Group's functional and presentation currency is Australian Dollars ($'000s). The consolidated financial report was authorised for issue in accordance with a resolution of directors on 23 August 2013.

(a) Basis of preparation

The financial report relates to RUN Corp Limited and controlled entities as a consolidated entity (the Group). RUN Corp Limited is a company limited by shares, incorporated and domiciled in Australia. RUN Corp Limited was incorporated on 24 December 2004 and is listed on the Australian Securities Exchange.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance with IFRS

The group is a for-profit entity. The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Going Concern basis of Accounting

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company generated a profit of $1,518k after tax for the 12 months ended 30 June 2013 with a net current liability position of $6.2M, of which $4,000k relates to the deposit received from Rental Management Australia Group Limited. Inclusive of cash, trade debtors, trade creditors, accruals and tax payable the Company is in a positive working capital position.

During the financial year, the Company repaid the Gardez Nominees Pty Limited facility of $5 million and reduced the Macquarie Bank debt by $923k. As at 30 June 2013, the Company had the following in place with Macquarie Bank Limited:

- A facility drawn to $14.5 million, expiring in December 2014, with a current variable interest rate of 8.25%. It is expected that the facility will be extended prior to its expiry date.

Key terms of this agreement include:

- Covenants and undertakings provided in favour of Macquarie Bank, including financial covenants around interest cover, debt to EBITDA and property management revenue together with applicable guarantees and indemnities supported by securities (including all asset charges against the Company and its subsidiaries) for the benefit of Macquarie Bank.
- The facility is to be repaid by monthly principal instalments of $83.3k per month which commenced in January 2013.

The directors have satisfied themselves that the continued application of the going concern basis is appropriate based on operational performance and cash flow forecasts and it is currently expected that the Company will be able to repay all debts as and when they full due from the free cash flow generated by operations and fund any dividend payouts.

The directors have assumed on the basis of the Company's current relationship with its financier, Macquarie Bank Limited that all facilities will be appropriately rolled over prior to December 2014.

(c) New accounting standards and interpretations

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory for financial reporting year ended 30 June 2013. They are expected to impact the group in the period of initial application. All of the following are available for early adoption, but have not been applied in preparing this financial report.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.	1 January 2013	This does not impact the Group based on the current corporate structure	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities - Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.	1 January 2013	This does not impact the Group	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	This does not have a material impact to the Group	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	This does not have a material impact to the Group	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	This is not expected to have a material impact to the Group	1 July 2013

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: • repeat application of AASB 1 is permitted (AASB 1); and • clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 January 2013	This does not have a material impact to the Group	1 July 2013
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 Interpretation of Standards to evidence the withdrawal of Australian Interpretation 1039 Substantive Enactment of Major Tax Bills in Australia.	1 January 2013	This does not have a material impact to the Group	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	This does not have a material impact to the Group	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	This does not have a material impact to the Group	1 July 2015

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of RUN Corp Limited and its subsidiaries as at each reporting date ('the Group' or 'the consolidated entity').

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from the rendering of services including property management commissions, letting fees, statement fees and ancillary fees are recognised upon the percentage of completion and delivery of services to customers. Commission revenue from the sale of property is recognised on the unconditional exchange of that property. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the current income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profit will be available to utilise those temporary differences and losses.

Deferred tax assets or liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax relating to amounts recognised directly in equity are also recognised directly in equity.

A deferred tax liability arises in relation to the property management right intangible assets acquired as part of a business combination. This is because the value of these assets is expected to be recovered through use in the business and no tax deduction is available for the accounting amortisation charge. The recognition of this deferred tax liability as part of the business combination accounting results in an increase to goodwill on acquisition.

Tax consolidation

RUN Corp Limited and its Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime as of 24 December 2004.

The head entity, RUN Corp Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continued to be a stand-alone tax payer in its own right.

No tax funding agreement is in place at present. The amounts assumed are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(g) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a diminishing value basis to allocate the cost of the assets, net of their residual values, over their estimated useful lives, as follows:

- Furniture, fixtures and equipment – 30 to 37.5%
- Computer equipment – 37.5%

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

(i) Intangible assets

The Group has acquired the shares or net assets of the property management businesses of a number of real estate agents. A calculation is performed to assess the value of the Property Management Rights at the date of acquisition. The remainder of unidentified net assets acquired represents goodwill. The nature of the businesses acquired is that they have few tangible assets. Many of the future economic benefits anticipated to flow to the Group in future years relate to assets that are not capable of being individually identified and separately recognised. Such amounts are included in goodwill.

The Group has also acquired Property Management Rights of individual rent rolls. The fair value paid on such transactions forms the basis of their acquisition cost.

Identifiable intangible assets

Intangible assets acquired separately are recognised at cost and assets acquired from a business combination are recognised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortisation is calculated on a straight-line basis to allocate the cost of assets with finite lives over their estimated useful lives and taken to the income statement.

Intangible assets are tested for impairment where an indicator of impairment exists and, in the case of intangibles with indefinite lives, on an annual basis, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Property Management Rights are measured at fair value as at the date of acquisition. Fair value at acquisition is determined on the basis of estimated discounted future cash flows that are expected to be derived from these assets. The useful lives of these intangible assets are assessed to be finite. For Property Management Rights this is assessed as the period that the underlying contracts are retained.

The director's view that it is appropriate to amortise these property management rights over a period of between 5-7 years (varies by state).

Goodwill

Goodwill represents the excess of the cost of the business combination over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary or business at the date of acquisition. Goodwill acquired in business combinations is not amortised. Instead, goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and is carried at cost less accumulated impairment losses.

As at the acquisition date, goodwill is allocated to cash-generating units expected to benefit from the combination's synergies for the purpose of impairment testing.

Gains and losses on the disposal of an entity or business include the carrying amount of goodwill relating to the entity or business sold. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Computer software

Computer software acquired separately or in a business combination is capitalised.

Expenditure on software development is recognised in the income statement as incurred, unless specific requirements mainly relating to technical and commercial feasibility are met, in which case the expenditure is capitalised.

Capital development costs are amortised at 37.5% on a diminishing value basis to allocate the cost over the estimated useful life.

(j) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Refer to note 10 for further details.

(k) Leases

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statement. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

(l) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

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 date.

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that they are capitalised in accordance with the requirements of AASB 123 Borrowing Costs.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is included in the income statement net of any reimbursement.

If the effect of the time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs relating to the issue of new shares or options that are directly attributable to the acquisition of a business are included in the cost of the acquisition as part of the purchase consideration.

(o) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and term deposits with a maturity of 3 months or less.

(p) Receivables

Receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment.

(q) Payables

Trade accounts payable, including accruals not yet billed, are recognised when the group becomes obliged to make future payments as a result of a purchase of assets or services and are recognised initially at fair value and subsequently at amortised cost. Trade accounts payable are unsecured and generally settled within agreed supplier terms.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the balance sheet.

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

(s) Employee Benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within one year of the reporting date are recognised in other payables or provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled plus related on-costs.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the value of the expected future payments to be made in respect of services provided by employees up to the reporting date. The company policy starts accruing on a pro-rata basis for long service leave from inception of employment.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from superannuation funds on a defined contribution basis. The funds receive contributions from Group companies and the Group's obligation is restricted to these contributions.

Contributions are recognised as an expense as they become payable.

(iv) Share-based payments

Equity settled transactions

The Group provides benefits to its employees (including key management personnel) in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined as the market price of the shares at the grant date.

The cost of the equity settled transactions is recognised as an expense, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the equity instruments ('vesting date').

(t) Working capital

The excess of current liabilities over current assets reflects the nature of RUN's ongoing business and is supported by RUN's operating cashflow generation and banking facilities. Refer note 1(b).

(u) Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable and unless otherwise disclosed) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the class order applies.

(v) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent entity, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit attributable to members of the parent entity, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares outstanding during the year and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other factors considered reasonable under the circumstances.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgements

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. For disclosure purposes any deferred tax asset or liability is disclosed on a net basis.

Unrecognised deferred tax assets relating to carried forward tax losses are reassessed at each balance sheet date and are recognised to the extent that that it has become probable that future taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. There are no carried forward tax losses at 30 June 2013.

Capitalised development costs

Development costs are capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to reliably measure the expenditure attributable to the intangible asset during its development.

(ii) Significant accounting estimates and assumptions

Amortisation of intangibles

The directors view that it is appropriate to amortise property management rights acquired over a period of 5-7 years. This estimate is based on management's expectations of the benefits expected to be derived from these property management rights.

Goodwill and intangible assets

The excess of consideration paid for business combinations is either recognised as goodwill or property management rights. The consideration is first attributed to the fair values of all tangible assets and liabilities, then to intangible assets (recognised in respect of property management rights that have been identified as meeting the requirements of a separate intangible asset under AASB 3 'Business Combinations'), with any residual excess recognised as goodwill. Judgement has been applied as to the split between property management rights and goodwill. Goodwill is not amortised but is tested annually for impairment.

Estimated impairment of goodwill and property management rights

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash generating units have been determined based on the fair value less costs to sell.

These calculations require the use of assumptions. Refer to note 10 for details of these assumptions and the carrying amount of the assets subject to impairment testing. The Group also tests for impairment of property management rights on the same basis.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of share options at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Other equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined as the market price of the shares at the grant date.

In valuing equity-settled transactions, account is taken of the probability of employment on the proposed issue date.

Make good provisions

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with bringing the premises back to a similar condition as at the start of the lease period. The calculation of this provision requires estimates of the total cost to be incurred as well as assumptions as to expected lease terms. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Changes for the estimated future costs are recognised in the Statement of Financial Position by adjusting both the expense and provision. The related carrying amounts are disclosed in note 13.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to interest rate risk on its cash and cash equivalents, interest bearing liabilities and credit risk only. The Group is not subject to any other market risk. The nature of the Group's exposure to financial risk does not require formal risk management policies other than in relation to interest bearing liabilities. All risk management is carried out by the directors on an ongoing basis.

The Group's principal financial instruments comprise receivables, payables and bank bills.

The Group manages its exposure to key financial risks, primarily interest rate risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Risk Exposures and Responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's long term debt obligations.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian Variable interest rate.

	Consolidated	
	2013 $'000	2012 $'000
Financial Assets		
Cash and cash equivalents	3,074	3,535
Financial Liabilities		
Bank Debt	(14,500)	(15,423)
Net exposure	(11,426)	(11,888)

As at 30 June 2013, the interest rate payable on the facility was as follows:

Party	Capital	Fixed/variable	Interest rate
Macquarie Bank Limited	$14,500,000	Variable	8.25%

Treasury management for the Group is centralised.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2013, if interest rates had moved, as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

	Pre Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
Judgements of reasonably possible movements:	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Consolidated				
+1% (100 basis points)	(132)	(170)	(132)	(170)
- 0.5% (50 basis points)	66	85	66	85

Management have chosen the above variation which is considered representative of forecast interest rate movements.

The movements in profit are due to the higher/(lower) interest costs from the variable rate debt and cash balances.

The movement in equity is in line with the increase/(decrease) in pre tax profit.

Liquidity Risk

The Group's objective is to maintain sufficient available cash on hand and un-drawn bank facilities to meet ongoing working capital requirements.

The excess of current liabilities over current assets reflects the nature of RUN's ongoing business and is supported by RUN's operating cashflow generation, and banking facilities. Current liabilities also include the $4 million deposit received from Rental Management Australia which will be converted into equity.

As noted previously, the loan facility of $5 million with Gardez Nominees was settled in full during the period and the Company secured a $15 million facility with Macquarie Bank Limited with a current variable interest rate of 8.25%.

Key terms of the agreement include:

> Covenants and undertakings provided in favour of Macquarie Bank, including financial covenants around interest cover, debt to EBITDA and property management revenue together with applicable guarantees and indemnities supported by securities (including all asset charges against the Company and its subsidiaries) for the benefit of the bank.

> The initial $15 million facility drawn to $14.5 million to be repaid by monthly principal instalments of $83.3k per month which commenced in January 2013, with a final repayment amount of $13 million due on 31 December 2014.

> Current expiry date of the initial three year facility is 31 December 2014 and the Company will work towards extending the expiry date in the 2014 financial year.

Refer to Note 12 for details of the $4 million convertible deposit received from Rental Management Australia.

Maturity analysis of financial assets and liabilities based on management's expectation

The risk implied from the values shown in the table below, reflect a balanced view of cash inflows and outflows. To monitor existing financial assets and liabilities, the Company has established risk reporting that reflect expectations of management of expected settlement of financial assets and liabilities.

The tables below include any interest payable on the borrowings until the facility end date.

Year ended 30 June 2013	< 6 Months $000	6-12 Months $000	1-2 years $000	2 Years + $000	Total $000
Consolidated					
Financial assets					
Cash & cash equivalents	3,074	-	-	-	3,074
Trade & other receivables	675	-	-	-	675
	3,749	-	-	-	3,749
Consolidated					
Financial liabilities					
Trade & other payables	3,138	215	-	-	3,353
Interest bearing borrowings	1,090	1,069	14,048	-	16,207
Bank guarantees	284	-	-	-	284
	4,512	1,284	14,048	-	19,844
Net maturity	**(763)**	**(1,284)**	**(14,048)**	**-**	**(16,095)**

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Year ended 30 June 2012	< 6 Months $000	6-12 Months $000	1-2 years $000	2 Years + $000	Total $000
Consolidated					
Financial assets					
Cash & cash equivalents	3,535	-	-	-	3,535
Trade & other receivables	793	-	-	-	793
	4,328	-	-	-	4,328
Consolidated					
Financial liabilities					
Trade & other payables	4,170	570	247	-	4,987
Interest bearing borrowings	7,519	1,103	2,140	13,037	23,799
Bank guarantees	281	-	-	-	281
	11,970	1,673	2,387	13,037	29,067
Net maturity	**(7,642)**	**(1,673)**	**(2,387)**	**(13,037)**	**(24,739)**

Fair value

Unless disclosed below, the carrying amount of Financial liabilities approximate their fair value.

The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates being 8.25% (2012: 14.8%)

	2013		2012	
	Carrying Amount $'000	Fair Value $'000	Carrying Amount $'000	Fair Value $'000
Interest Bearing Liabilities	14,500	14,580	20,423	20,428

Credit Risk

The credit risk on financial assets of the Group which have been recognised in the Statement of Financial Position is generally the carrying amount of those assets net of any provision for impairment. The Group does not have any material credit risk exposure to a single debtor or group of debtors under financial instruments entered into by the Group.

Interest rate risk

The following table sets out the carrying amount, by maturity of the financial instruments exposed to interest rate risk:

	<1 year $'000	>1-<2 years $'000	>2-<3 years $'000	>3-<4 years $'000	>4-<5 years $'000	> 5 years $'000	Total $'000	Weighted average effective bank bill rate %
Year end 30 June 2013								
CONSOLIDATED								
FINANCIAL LIABILITIES								
Floating Rate								
Macquarie Bank	1,000	13,500	-	-	-	-	14,500	
Weighted average effective interest rate	8.25%	8.25%	-	-	-	-		8.25%
Year end 30 June 2012								
CONSOLIDATED								
FINANCIAL LIABILITIES								
Fixed rate								
Gardez Nominees	5,000	-	-	-	-	-	5,000	
Weighted average effective interest rate	15.0%	-	-	-	-	-		15.0%
Floating Rate								
Macquarie Bank	1,923	1,000	12,500	-	-	-	15,423	
Weighted average effective interest rate	13.2%	8.8%	8.8%	-	-	-		9.4%

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 3: SEGMENT INFORMATION

(a) Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are used and reviewed by the executive management team in assessing performance and in determining the allocation of resources.

The operating segments have been identified by management based on the type of service provided and the region in which those services were performed. Separate financial information about each of these operating businesses is reported to the executive management team on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided.

Types of services

Property management

The property management business is conducted in the following states, each of which has been determined as both operating segments and reportable segments.

> Victoria

> New South Wales

> Queensland

The property management business provides services primarily to property owners; these services include the sourcing of tenants, collection of rent, inspection of premises and disbursement of funds. The material revenue components are management commission, which is earned when rent is received and letting fees which is collected when a new tenant is sourced.

Property sales

Sales commission is received by RUN referring a sales lead to a partner agent or alternatively when a property is sold directly by the RUN sales team. Sales commission is earned on the sale of rent roll and non rent roll properties as well as properties sourced from developers and marketed to the RUN database.

Agentplus

The Agentplus business provides trust accounting and other administrative services to the real estate industry. These services are provided to the RUN property network as well as to other independent real estate agents. A fee is charged for services and is typically based on the number of properties managed by a particular agent.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts and in the prior period except as detailed below:

Inter-entity sales

Inter-entity sales are recognised on an internally set transfer price. This price is determined annually and reflects the price that the business operation could achieve if this service was provided to external real estate agents at arm's length.

These amounts are eliminated on consolidation.

Corporate Charges

Corporate charges comprise non-segmental expenses such as head office expenses, corporate marketing and interest.

The charges are currently not allocated to the business units for internal reporting.

Amortisation

Amortisation is provided on the identifiable intangible component of the rent rolls purchases. This charge is allocated to the property management business segments based on the original purchase price of the rent-rolls purchased and the amount allocated to identifiable intangibles. An amortisation rate of 15% is applied for VIC and 20% for NSW and QLD.

Income tax benefit

An income tax benefit is allocated to the property management segments based on 30% (2012:30%) of the amortisation charge recognised. No effect is given for taxable or deductible temporary differences.

The following items are not allocated to the operating segments as they are not considered part of the core operations of any segment:

- Interest revenue and interest expense
- Head office expenses

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2013 and 30 June 2012.

	Continuing operations					
	Property Management - Victoria	Property Management - NSW	Property Management - Queensland	Sales	AgentPlus*	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2013						
Revenue						
Sales to external customers	11,533	8,130	3,429	3,003	1,531	27,626
Inter-segment sales	-	-	-	-	1,696	1,696
Total segment revenue	11,533	8,130	3,429	3,003	3,227	29,322
Interest income						63
Inter-segment elimination						(1,696)
Total revenue per the statement of comprehensive income						**27,689**
Result						
Total revenue net of direct costs	3,719	2,336	889	252	777	7,973
Amortisation	(761)	-	-	-	(695)	(1,456)
Taxation benefit (on amortisation)	227	-	-	-	210	437
Segment result	3,185	2,336	889	252	292	6,954
Reconciliation of segment net profit after tax to net profit before tax						
Income tax adjustments						(437)
Corporate charges						(2,456)
Net Finance costs						(1,387)
Depreciation						(339)
Net profit before tax per the statement of comprehensive income						**2,335**
Year ended 30 June 2012						
Revenue						
Sales to external customers	11,604	8,524	3,364	2,933	1,856	28,281
Inter-segment sales	-	-	-	-	1,789	1,789
Total segment revenue	11,604	8,524	3,364	2,933	3,645	30,070
Interest income						94
Inter-segment elimination						(1,789)
Total revenue per the statement of comprehensive income						**28,375**
Result						
Total revenue net of direct costs	3,425	2,761	677	(285)	795	7,373
Amortisation	(2,118)	(209)	-	-	(499)	(2,826)
Taxation benefit (on amortisation)	636	63	-	-	150	849
Segment result	1,943	2,615	677	(285)	446	5,396
Reconciliation of segment net profit after tax to net profit before tax						
Income tax adjustments						(849)
Net gain on re-financing of debt facilities						14,981
Corporate charges						(2,613)
Net Finance costs						(2,605)
Depreciation						(231)
Net profit before tax per the statement of comprehensive income						**14,079**

* Agentplus provides trust accounting and administrative services to RUN Property and other real estate agents

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 3: SEGMENT INFORMATION (continued)

	NOTE	CONSOLIDATED June 2013 $'000	CONSOLIDATED June 2012 $'000
NOTE 4: REVENUE			
(a) Revenue			
Property management commission fees		18,445	18,700
Letting fees		2,641	2,932
Statement fees		537	534
Sales Commissions		2,654	2,456
Advertising		1,025	932
AgentPlus Revenue		1,531	1,850
Other revenue		793	877
Interest income		63	94
		27,689	28,375
(b) Other income			
Net gain on re-financing of debt facilities		-	14,981
		-	14,981
NOTE 5: EXPENSES			
(a) Employee benefits expense			
Wages, salaries and commissions		13,765	14,086
Share based payments expense		-	14
Defined contributions superannuation expense		1,100	1,164
Annual & Long service leave provision		81	111
Other employment related costs		1,134	1,092
Less: capitalised salaries, wages and superannuation		(231)	(235)
		15,849	16,232
(b) Amortisation of intangibles			
Amortisation of property management rights	10	761	2,327
Amortisation of software	10	695	499
		1,456	2,826
(c) Finance costs			
Interest on debt and borrowings		1,384	2,661
Other interest expense		16	13
Amortisation of establishment fees		50	25
		1,450	2,699
(d) Lease payments			
Minimum lease payments - operating leases		1,158	1,134
		1,158	1,134

	NOTE	CONSOLIDATED June 2013 $'000	June 2012 $'000
NOTE 6: INCOME TAX EXPENSE			
(a) The major components of income tax are:			
Current year taxation		724	570
Deferred income tax relating to origination and reversal of temporary differences		215	(346)
Prior year adjustment		(122)	-
Income tax reported in the income statement		817	224
(b) Reconciliation			
Reconciliation between tax (benefit) and the product of accounting profit / (loss) before income tax multiplied by the Group's applicable income tax rate is as follows:			
Accounting profit before tax		2,335	14,079
At the Group's income tax rate of 30% (2012: 30%)		701	4,224
Non-deductible expenses		60	638
Tax effect of profit on refinancing applied against prior year losses		-	(4,494)
Other non-assessable items		56	(144)
Income tax expense reported in the consolidated income statement		**817**	**224**
Franking Accout Balance		**826**	**515**
(c) Deferred income tax balances			
Deferred income tax at 30 June relates to the following:			
Deferred tax liabilities			
Property management rights		156	179
Software		213	148
Property, plant and equipment		46	49
		415	376
Deferred tax assets			
Employee entitlements		352	339
Blackhole expenditure		96	55
Accruals		113	275
Provisions		128	197
		689	866
Net Deferred tax asset		**274**	**490**

There are no unused tax losses.

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and in hand		3,074	3,535
		3,074	3,535

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

	NOTE	CONSOLIDATED June 2013 $'000	June 2012 $'000
NOTE 8: RECEIVABLES AND OTHER ASSETS			
Trade receivables		205	392
Provision for doubtful debts		-	(40)
Prepayments		146	220
Other current receivables		324	221
Total receivables		675	793

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally settled on a 30-60 day term. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment provision of $nil (2012: $40k) has been recognised in the current year.

At 30 June, the ageing analysis of trade receivables is as follows: ($'000)

		Total	Current	31-60 Days PDNI*	61-90 days PDNI*	61-90 days CI*	+91 Days PDNI*	+91 Days CI*
2013	Consolidated	205	198	-	-	-	-	7
2012	Consolidated	392	147	69	111	-	25	40

* Past due not impaired (PDNI)
Considered impaired (CI)

Receivables past due not considered impaired are $7k (2012 $205k). Based on the history of prior dealings with these customers, the Company is satisfied that payment will be received in full.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

	CONSOLIDATED ($'000)				
	Computer Equipment	Office Equipment	Furniture	Leasehold improvements	Total
NOTE 9: PROPERTY, PLANT & EQUIPMENT					
Year ended 30 June 2013					
At 1 July 2012, net of accumulated depreciation and impairment	83	26	-	273	382
Additions	96	31	-	320	447
Disposals	-	-	-	-	-
Depreciation charge for the year	(82)	(24)	-	(233)	(339)
At 30 June 2013, net of accumulated depreciation and impairment	97	33	-	360	490

	CONSOLIDATED ($'000)				
	Computer Equipment	Office Equipment	Furniture	Leasehold improvements	Total
Year ended 30 June 2012					
At 1 July 2011, net of accumulated depreciation and impairment	149	48	-	338	535
Additions	24	6	-	48	78
Disposals	-	-	-	-	-
Depreciation charge for the year	(90)	(28)	-	(113)	(231)
At 30 June 2012, net of accumulated depreciation and impairment	83	26	-	273	382
At 30 June 2013					
Cost	1,481	488	25	1,850	3,844
Accumulated Depreciation	(1,384)	(455)	(25)	(1,490)	(3,354)
Net carrying amount	97	33	-	360	490
At 30 June 2012					
Cost	1,386	457	25	1,565	3,433
Accumulated Depreciation	(1,303)	(431)	(25)	(1,292)	(3,051)
Net carrying amount	83	26	-	273	382

For non-current assets pledged as security, refer to Note 14.

	CONSOLIDATED	
	June 2013 $'000	June 2012 $'000
NOTE 10: INTANGIBLE ASSETS		
Identifiable Intangible - Property management rights		
Cost	30,066	29,371
Accumulated amortisation	(29,546)	(28,785)
Net carrying amount	520	586
Computer Software		
Cost	4,571	3,925
Accumulated amortisation	(3,642)	(2,947)
Net carrying amount	929	978
Total Identifiable Intangibles	1,449	1,564
Goodwill associated with property management right business acquisitions		
Cost	53,294	53,294
Provision for impairment	(16,899)	(16,899)
Total Goodwill associated with property management right business acquisitions	36,395	36,395
Total Intangible Assets	37,844	37,959

In April 2013, the Company acquired a rent roll of approximately 350 properties from a financial planning practice. Simultaneously the Companies also entered into a Referral Agreement whereby the company continues to refer additional properties to RUN to manage. The purchase price for the rent roll is payable is tranches and is linked to the total number of properties initially purchased as well as the number of properties subsequently referred to RUN to manage. The maximum purchase price multiple has been calculated at 1.25x annualised properties management income if the total number of properties (purchased and referred) exceeds 900 over a 2 year period. The maximum purchase price payable is $534k of which $104k was paid prior to 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 10: INTANGIBLE ASSETS (continued)

	CONSOLIDATED			
2013 - Reconciliation of intangible asset movements ($'000)	Prop Mgt Rights	Computer Software	Goodwill	Total
Year ended 30 June 2013				
At 1 July 2012, net of accumulated amortisation and impairment	586	978	36,395	37,959
Additions	691	650	-	1,341
Amortisation charge for the year	(757)	(699)	-	(1,456)
At 30 June 2013 net of accumulated amortisation and impairment	520	929	36,395	37,844
2012 - Reconciliation of intangible asset movements ($'000)				
Year ended 30 June 2012				
At 1 July 2011, net of accumulated amortisation and impairment	2,672	992	36,395	40,059
Additions	241	485	-	726
Amortisation charge for the year	(2,327)	(499)	-	(2,826)
At 30 June 2012, net of accumulated amortisation and impairment	586	978	36,395	37,959

IMPAIRMENT TESTING

In accordance with Group policy and the requirements of Australian Accounting Standards the carrying value of the property management rights, both the identifiable intangible and the goodwill associated with property management rights, have been assessed for impairment.

The recoverable amounts of cash generating units (CGU's) have been determined based on fair value less costs to sell.

Information about goodwill and impairment	VIC $'000	NSW $'000	QLD $'000	TOTAL $'000
Goodwill allocated to the CGUs	23,587	24,115	5,592	53,294
Provision for impairment of goodwill	(8,699)	(6,678)	(1,522)	(16,899)
Total	14,888	17,437	4,070	36,395

In 2008, RUN engaged independent valuers to perform valuations of the property management rights (rent rolls) in each state, on an office by office basis.

The market value of these rent rolls may be defined as the best price at which the interest in the rent roll being valued might be expected to be sold at the date of valuation assuming:

> A willing but not over anxious vendor and purchaser;

> A reasonable period in which to negotiate the sale, taking into account the value of the rent roll and the state of the market;

> The value will remain static throughout the period;

> The rent roll will be freely exposed to the market; and

> No account is to be taken of any additional bid by a special purchaser.

In addition

> The valuations assume the renewal of management agreements in the name of the purchaser, either at settlement or within a reasonable time after settlement and before the expiry date for retention adjustment; and

> Retention adjustment at an agreed date within three to six months from settlement date, whereby portion of the purchase price is withheld at settlement, either by the purchaser or placed in an interest bearing trust account, pending adjustment against rent roll losses on an agreed specified date.

A rent-roll generally consists of a number of managing agency agreements, whose agreements are a contract between the real estate agent, and the landlord that sets out the terms and conditions under which the real estate agent manages the landlord's real property.

A management agency agreement allows the real estate agent to charge a commission and to deduct this amount from the rents collected. It is these commissions that the real estate agent collects and attracts value which determines the ultimate value of the rent roll.

The acceptable method of valuing a rent roll is to multiply annual management commission received by the real estate agent by a multiplier factor. This factor is derived from the analysis of sales of similar rent rolls.

For the 2013 financial year, RUN received formal correspondence from the same valuers as those used in 2008 confirming that similar valuation multiples, per office, were still applicable and evidence of recent arms length transactions tracking rent rolls at consistent multiples based on information supplied by RUN including property numbers, average rent and average commission rates.

The range of valuation multiples per state, used in the assessment of fair values are as follows:

> VIC 2.5-3.25 (2012: 2.6-3.1)

> NSW 3.0-3.7 (2012: 3.0-3.6)

> QLD 2.6-3.0 (2012: 2.6-3.0)

Based on the above valuation multiples, the indicative valuation of the rent roll is $60 million and the fair value less costs to sell of the cash generating units (CGU's) exceeded the carrying value in each state with no impairment adjustment required.

The above valuation multiples are driven by market forces. Any increase to these multiples will increase the valuation of these assets whilst any decrease in these multiples will adversely affect the valuation and potentially the carrying value. Similarly, the loss of properties included in the rent rolls would also have an adverse impact on the fair value calculation when the multiple impacts are taken into account.

Disposal costs were estimated to be 1% of the market valuation and approximated the legal costs incurred by RUN in entering into the original rent roll acquisition agreements. The directors have assessed that should disposal costs be reasonably above the 1% estimate, no impairment would be required.

Software is not considered impaired because it was recently developed and is currently used to provide trust accounting services outsourced to the RUN Group and to external customers.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

	CONSOLIDATED	
	June 2013 $'000	June 2012 $'000
NOTE 11: Payables		
CURRENT		
Payables-Unsecured		
Trade Creditors	646	850
Accrued liabilities	1,624	1,580
Total payables	2,270	2,430
NOTE 12: Convertible Deposit		
Convertible deposit from Rental Management Australia	4,000	200
	4,000	200

As announced on 11 May 2012, the Company entered into two conditional and interdependent sale agreements with Rental Management Australia Group Limited (formerly Rental Express Group Limited) and Heritage Acquisitions Limited ("HAL") pursuant to which the Company has agreed to sell all the issued share capital of RUN Property Pty Ltd to Rental Management and all the issued share capital of Agentplus Pty Ltd to HAL, subject to the satisfaction or waiver of a number of conditions precedent. Under the RUN Property Sale Agreement, Rental Management Australia Group Limited paid a $4 million deposit, which would have formed part of the cash component of the purchase price should the transaction have completed.

The conditions of the sale agreement were not met and the Sale Agreement was terminated by RUN. Under the agreement the $4 million deposit will be applied as subscription monies by Rental Management to subscribe for ordinary shares in the Company to be issued at $0.40 per ordinary share. This would equate to the issue of 10 million ordinary shares in the Company to Rental Management. The Companies have agreed to extend the conversion date until 30 September 2013 or an earlier or later date as agreed by either of the parties. As at reporting date and the date of this report, no conversion has occurred.

The $4 million deposit has been disclosed as a current liability consistent with prior periods, on the basis that it does not meet the definition of equity at reporting date.

	June 2013 $'000	June 2012 $'000
NOTE 13: Provisions		
CURRENT		
Employee benefits - Annual leave and long service leave	1,021	883
Make good costs	151	150
Bonus provision	429	657
	1,601	1,690
NON-CURRENT		
Make good costs	107	41
Employee benefits - long service leave	153	247
	260	288
Movement in provisions - Make good		
As at 1 July	191	196
Arising during the year	120	7
Utilised	(53)	(12)
As at 30 June	258	191

Nature and timing of provisions

(a) Make good provision

In accordance with lease conditions, the Group must restore leased premises back to their original condition at the end of the lease term.

Because of the nature of the liability (with lease expiry dates extending to July 2015), the greatest uncertainty in estimating the provision is the costs that will ultimately be incurred. This provision has been calculated using a pre-tax discount rate of 4%.

(b) Employee benefits (annual and long service leave)

Refer to note 1(s) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

(c) Bonus provision

The bonus provision reflects the best estimate of bonus payments payable to executives and other employees, based on the 2013 financial year performance.

	June 2013 $'000	June 2012 $'000
NOTE 14: Interest Bearing Liabilities		
CURRENT		
Secured debt facility	1,000	6,923
	1,000	6,923
NON-CURRENT		
Secured debt facility	13,500	13,500
Borrowing costs	(75)	(125)
	13,425	13,375

Security for the Group's facilities with Macquarie Bank comprises includes mortgage debentures over all Group assets, an Interlocking Guarantee and Indemnity given by all Group entities.

The Company has complied with all covenants in relation to the facility for the year ended 30 June 2013.

As at 30 June 2013, the financial covenants that were in effect relate to:

- property management income;
- interest cover; and
- ratio of debt to EBITDA.

The classification as a non current interest bearing liability disclosed above at reporting date reflects principal loan repayments committed in accordance with the facility, in accordance with the Bank's facility terms.

The key terms of the finance facilities are:

- An initial $15 million facility with Macquarie Bank expiring on 31 December 2014 with a current variable rate of 8.25% (Macquarie Bank reference rate plus a margin of 2.3%). Repayment of this facility by monthly principal instalments of $83.3k commenced in January 2013, with a final repayment of $13 million payable on or before the maturity date of 31 December 2014. As noted in the going concern note, the Directors believe that the facilities will be extended prior to this date.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

	CONSOLIDATED	
	June 2013 $'000	June 2012 $'000
NOTE 15: CONTRIBUTED EQUITY		
Balance at beginning of year	57,344	57,294
Issue of shares under share Executive issue	34	50
Transaction costs	(2)	-
Total	57,376	57,344
MOVEMENT IN ORDINARY SHARES	Number	Number
(a) Issues of ordinary shares during the year:		
Balance at beginning of year	119,233,427	117,808,427
Shares issued to Executives	950,000	1,425,000
Balance at the end of year	120,183,427	119,233,427
(b) Share Based Payment reserve		
Opening Balance	34	70
Transfer of vested share based payments	(34)	(50)
Executive share based payments	-	14
Closing balance	-	34

Executive share based payments

As announced in February 2010 2,750,000 shares were proposed to be issued to 3 executives (other than the CEO and CFO) in 3 tranches, based on continued employment, as follows:

375,000 shares on continued employment on 1 July 2010 (these shares were issued in July 2010)

1,425,000 shares on continued employment on 1 July 2011 (these share were issued 4 July 2011)

950,000 shares on continued employment on 1 July 2012 (these shares were issued 5 July 2012)

The share payment expense has been calculated based on the share price at grant date (3.5 cents)

(c) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders.

	CONSOLIDATED	
	June 2013 $'000	June 2012 $'000
NOTE 16: ACCUMULATED LOSSES		
Accumulated losses at the beginning of the period	(39,695)	(53,550)
Net profit/(loss) attributable to members of the parent entity	-	13,855
Accumulated losses at the end of the period	(39,695)	(39,695)

NOTE 17: CASH FLOW RECONCILIATION		
(a) Reconciliation of net profit after income tax to net cash flow from		
Operating profit after income tax	1,518	13,855
Add/(Less) items classified as financing activities		
Net gain on refinancing	-	(14,981)
Add/(Less) non cash items		
Depreciation	339	231
Amortisation	1,456	2,826
Share based payments	-	14
Non cash interest charges	56	25
Non cash addition for Make good transactions	24	-
Changes in assets/liabilities during the financial year		
Decrease in receivables and other assets	118	766
(Increase)/Decrease in deferred tax asset	216	(346)
Increase/(Decrease) in provisions	(185)	194
Decrease in payables	(160)	(48)
Increase in income tax payable	83	570
Net cash inflow from operating activities	3,465	3,106

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 18: BUSINESS COMBINATIONS

During the years ended 30 June 2013 and 30 June 2012 the parent entity, through its wholly owned subsidiary RUN Property Ltd, did not acquire (or dispose of) any new property management businesses.

	CONSOLIDATED	
	June 2013 $'000	June 2012 $'000
NOTE 19: CAPITAL AND LEASING COMMITMENTS		
(a) Operating lease commitments - Group as lessee		
Minimum lease payments under Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Payable		
- not later than one year	585	531
- later than one year but not later than five years	879	512
- later than five years	-	-
	1,464	1,043

The Group has entered into property leases which are non-cancellable and have a life of 2-5 years.
Certain leases require a deposit as security. These amounts have been recognised as other assets in the Statement of Financial Position.
The Group also leases motor vehicles under operating lease commitments.

(b) Capital expenditure commitments
At reporting date, RUN had no commitments for capital expenditure.

(c) Guarantees
RUN Property Pty Limited has Bank Guarantees totalling $281,398 at 30 June 2013 (2012: $281,398). These primarily relate to security deposits for property leases.

NOTE 20: AUDITOR'S REMUNERATION		
The auditor of RUN Corporation Limited is Ernst & Young		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- an audit or review of the financial report of the entity and any other entity	162,000	190,500
- in the consolidated group		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
- Tax compliance	15,480	12,500
- Other assurance services	67,000	74,463
	244,480	277,463

NOTE 21: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the following, there are no matters or circumstances that have arisen since the end of the financial year that may have significantly affected or may significantly affect the operations of the company, the results of these operations, or the state of affairs of the company in future financial years.

The Board is pleased to announce that it has declared a final dividend of 0.4c cents per share. The dividend will be fully franked. The record date for determining a shareholder's entitlement to the dividend is Thursday, 19 September 2013, and the payment date for the dividend will be Wednesday, 9 October 2013.

The Board confirms that the Company's dividend reinvestment plan (DRP) will operate in respect of the announced dividend. The following details are provided in relation to the operation of the DRP:

1. Participation in the DRP is optional. If a shareholder wishes to participate in the DRP, the shareholder must complete an application form and must ensure that the completed application form for the DRP is received by the Company by no later than 5:00pm on Thursday, 19 September 2013.
2. As permitted by clause 6.7 of the DRP, the price at which any shares will be issued or transferred to shareholders under the DRP will be determined by the Board. The Board intends to set the price over the next 7 business days, and will announce the relevant price on, or shortly after, that date.
3. In determining the price under the DRP, the Board is mindful that applying a regular VWAP calculation may not be appropriate given the historic low volume of trades in the Company's shares. For this reason, the Board will set the price for the purposes of the DRP which will include having regard to the following guiding principles in doing so:
   - The Board will have regard to recent trading activity in the shares of the Company, including the volume and price of recent trades (but will disregard any trades that it considers to be unusual or otherwise not in the ordinary course).
   - After considering these trades, the Board will determine a price which it regards as appropriate and reasonable and, given that the Board wishes to encourage shareholders to participate in the DRP, the Board will apply a discount of 10% to that price for the purposes of the DRP.

NOTE 22: RELATED PARTY DISCLOSURES

(a) Key Management Personnel

Disclosures in relation to key management personnel (KMP) of RUN during the financial year report are set out in note 23 and the remuneration report.

(b) Subsidiaries

The consolidated financial statements include the financial statements of RUN Corp Limited and the subsidiaries listed in the following table:

		% Equity Interest	
Name	Country of Incorporation	2013	2012
Parent Entity			
RUN Corp Limited (Ultimate Parent)			
Controlled entities of RUN Corp Limited			
RUN Property Pty Ltd	Australia	100	100
Maintenance Matcher Pty Ltd (formerly ResSafe Pty Ltd)	Australia	100	100
Agentplus Pty Ltd	Australia	100	100
RUN Property Franchise Pty Ltd	Australia	100	100
Controlled entities of RUN Property Pty Ltd			
RUN Property (MPM) Pty Ltd	Australia	100	100
Real Estate Corp Pty Ltd (formerly RUN Property (Richmond) Pty Ltd)	Australia	100	100
RUN Property (Carlton) Pty Ltd	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

Name	Country of Incorporation	% Equity Interest 2013	2012
RUN Property (Brunswick) Pty Ltd	Australia	100	100
RUN Property (CBD 1) Pty Ltd	Australia	100	100
RUN Property (CBD 2) Pty Ltd	Australia	100	100
RUN Property (CBD 3) Pty Ltd	Australia	100	100
RUN Property (Bondi 1) Pty Ltd	Australia	100	100
RUN Property (Bondi 2) Pty Ltd	Australia	100	100
RUN Property (QLD) Pty Ltd (formerly Network Real Estate Pty Ltd)	Australia	100	100
Rental Hotline Pty Ltd	Australia	100	100

Entities subject to class order

Pursuant to Class Order 98/1418, relief has been granted to RUN Property Pty Ltd from the Corporations Act

2001 requirements for preparation and lodgment of its financial reports. The closed group consists of RUN Corp Limited and RUN Property Pty Ltd.

As a condition of the class order, RUN Corp Limited entered into a Deed of Cross Guarantee to pay any deficiency in the event of winding up RUN Property Pty Ltd if it does not meet its obligations under the terms of the overdraft, loans, leases or other liabilities subject to the guarantee.

Refer section (c) below for the Closed Group balance sheet and income statement.

(c) Closed Group Balance Sheet & Income Statement

Pursuant to Class Order 98/1418, relief has been granted to RUN Property Pty Ltd from the Corporations Act 2001 requirements for preparation and lodgment of their financial reports.

The closed group consists of RUN Corp Limited and RUN Property Pty Ltd.

Closed Group

	Closed Group	
	June 2013 $'000	June 2012 $'000
Revenue	26,158	26,523
Other income	-	14,981
Total revenue and other income	26,158	41,504
Advertising and promotion	(1,255)	(1,653)
IT & Telecommunications	(753)	(846)
Professional fees, legal costs and litigation funding	(396)	(561)
Employee benefits expense	(15,849)	(16,232)
Other expenses	(1,899)	(3,962)
Rent	(1,385)	(1,313)
Printing, stationery and postage	(572)	(743)
Depreciation expense	(339)	(231)
Amortisation expense	(761)	(2,468)
Finance costs	(1,450)	(2,699)
Total expenses	(24,659)	(30,708)
Profit before income tax	1,499	10,796
Income tax expense / benefit	(817)	761
Profit from continuing operations	682	11,557

	Closed Group	
	June 2013 $'000	June 2012 $'000
CURRENT ASSETS		
Cash and cash equivalents	3,071	3,532
Receivables and other assets	490	596
TOTAL CURRENT ASSETS	3,561	4,128
NON CURRENT ASSETS		
Property, plant and equipment	490	382
Deferred tax assets	274	522
Intangible assets	25,460	24,608
Loans receivable	9,558	10,860
TOTAL NON CURRENT ASSETS	35,782	36,372
TOTAL ASSETS	39,343	40,500
CURRENT LIABILITIES		
Payables	2,270	2,630
Interest bearing liabilities	1,000	6,923
Income tax payable	653	570
Convertible deposit	4,000	-
Rent roll acquisition	430	-
Provisions	1,601	1,540
TOTAL CURRENT LIABILITIES	9,954	11,663
NON CURRENT LIABILITIES		
Interest bearing liabilities	13,425	13,375
Provisions	260	438
TOTAL NON CURRENT LIABILITIES	13,685	13,813
TOTAL LIABILITIES	23,639	25,476
NET ASSETS	15,704	15,024
EQUITY		
Contributed equity	57,376	57,344
Share based payment reserve	-	34
Current year profit reserve	682	-
Accumulated losses	(42,354)	(42,354)
TOTAL EQUITY	15,704	15,024
Summary of movements in Accumulated losses		
Accumulated losses at the beginning of the financial year	(42,354)	(53,911)
Profit for the year	682	11,557
Accumulated losses at the end of the financial year	(41,672)	(42,354)

NOTE 23: KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

Nathan Cher	Chairman
Sam Herszberg	Executive Director
Jane Tongs	Non-Executive Director

(ii) Executives

Robert Farmer	Chief Executive Officer
Jeff Stein	Chief Financial Officer & Company Secretary
Don Robinson	Chief Technology Officer
Trish Tebb	National Manager

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

NOTE 23: KEY MANAGEMENT PERSONNEL (continued)

(b) Compensation of Key Management Personnel (not rounded)

CONSOLIDATED	Short-Term Employee Benefits ($)	Post-Employment Benefits ($)	Other long term Benefits ($)	Share Based Payments Shares ($)	Total ($)
Year end 30 June 2013					
Compensation	1,657,227	107,674	32,213	-	1,797,114
Year end 30 June 2012					
Compensation	1,702,225	132,122	88,131	8,689	1,931,167

(c) Equity instrument disclosures relating to key management personnel

(i) Ordinary Shares

nterests Associated with:	Number at 30-Jun-12	Number acquired	Number issued as remuneration	Number disposed	Number at 30-Jun-13
Directors					
Nathan Cher (1)	23,833,240	-	-	-	23,833,240
Sam Herszberg (2)	27,689,294	-	-	-	27,689,294
Jane Tongs (3)	353,691	104,364	-	-	458,055
Executives					
Robert Farmer (4)	14,510,589	-	-	-	14,510,589
Jeff Stein (5)	7,524,194	-	-	-	7,524,194
Don Robinson (6)	1,514,369	-	450,000	-	1,964,369
Trish Tebb (7)	303,868	-	150,000	-	453,868
	75,729,245	104,364	600,000	-	76,433,609

Interests Associated with:	Number at 30-Jun-11	Number acquired	Number issued as remuneration	Number disposed	Number at 30-Jun-12
Directors					
Nathan Cher (1)	23,833,240	-	-	-	23,833,240
Sam Herszberg (2)	27,689,294	-	-	-	27,689,294
Jane Tongs (3)	353,691	-	-	-	353,691
Executives					
Robert Farmer (4)	14,510,589	-	-	-	14,510,589
Jeff Stein (5)	7,524,194	-	-	-	7,524,194
Don Robinson (6)	864,369	-	650,000	-	1,514,369
Trish Tebb (7)	103,868	-	200,000	-	303,868
Carolyn Shepherd (8)	-	-	-	-	-
	74,879,245	-	850,000	-	75,729,245

1) Interests associated with Nathan Cher

Nathan Cher's primary interest in RUN is held via NCN Investments Pty Ltd as trustee of a family trust.

As at the date of this report, entities associated with Nathan Cher hold a total of 23,833,240 shares.

2) Interests associated with Sam Herszberg

Sam Herszberg's current interest in RUN Corp is primarily held through Dash Corp Pty Ltd and through an associated entity Rentamobile Pty Ltd. In addition, in October 2005, the Company entered into an Acquisition Agreement with Kleiber Nominees Pty Ltd, being an entity associated with Sam Herszberg. Under the terms of that agreement, Kleiber Nominees sold to RUN its management rights to approximately 150 properties. The consideration paid to Kleiber Nominees was satisfied by way of an issue of 377,515 shares at the price set under the Prospectus of $1 per share.

In total, as at the date of this report, entities or persons associated with Sam Herszberg hold 27,689,294 shares.

3) Interests associated with Jane Tongs

As at the date of this report Jane Tongs holds 204,364 through P&J Tongs Superannuation Fund and 253,691 through Tongs Corporation Pty Ltd.

4) Interests associated with Robert Farmer

At 30 June 2013, Robert Farmer held directly and indirectly a total of 14,510,589 shares.

5) Interests associated with Jeff Stein

At 30 June 2013 Jeff Stein directly and indirectly held 7,524,194 shares.

6) Interests associated with Don Robinson

At 30 June 2013 Don Robinson directly and indirectly held 1,964,369 shares.

During the year 450,000 shares were issued to Don under the RUN executive benefit plan.

7) Interests associated with Trish Tebb

At 30 June 2013 Trish Tebb directly and indirectly held 453,868 shares.

During the year 150,000 shares were issued to Trish under the RUN executive benefit plan.

8) Interests associated with Carolyn Shepherd

Carolyn Shepherd does not own any shares in RUN. Carolyn changed roles during the year and is not included as a KMP in the 2013 report.

(d) Other transactions with Key Management Personnel

Transactions are all on normal arms length terms and conditions.

(i) RUN manages a number of investment properties on behalf of Directors and executives and associates of Directors and executives on normal commercial terms and conditions:

- Sam Herszberg and related entities have investment properties managed by RUN. Revenue was $26,479 (2012: 26,415),
- Nathan Cher and associates have investment properties managed by RUN. Revenue was $30,982 (2012: $33,983)
- Robert Farmer has investment properties managed by RUN. Revenue was $4,336 (2012: $3,109)
- Don Robinson has investment properties managed by RUN. Revenue was $2,849 (2012: $1,900)

NOTE 24: CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities, other than bank guarantees disclosed in note 18, as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2013 (continued)

	CONSOLIDATED	
	2013 ($'000)	2012 ($'000)
NOTE 25: EARNINGS PER SHARE		
(a) Earnings used in calculating earnings per share*	1,518	13,855
* Earnings used agrees to the net profit / (loss) after tax as shown in the income statements as there are no reconciling adjustments required.		
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	120,183,427	119,217,853
Effect of dilution:		
Executive share based payments	-	965,574
Potential conversion of deposit from Rental Management Australia	10,000,000	1,366,120
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	130,183,427	121,549,547

Other than as disclosed in note 23, no other transactions involving ordinary shares would significantly change the number of ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTE 26: PARENT ENTITY INFORMATION

	2013 ($'000)	2012 ($'000)
Information relating to RUN Corp Limited		
Current assets	2	3
Total assets	20,151	23,469
Current liabilities	(5,823)	(7,842)
Total liabilities	(19,248)	(21,217)
Issued capital	57,376	57,344
Accumulated losses	(58,008)	(55,126)
Current year profit reserve	1,518	-
Dividend equity	19	-
Share based payment reserve	-	34
Total shareholders equity	905	2,252
Loss of the parent entity	(2,887)	(1,416)
Total comprehensive loss of the parent entity	(2,887)	(1,416)

Security for the Group's facilities with Macquarie Bank Limited comprises registered mortgage debentures over all Group assets, an interlocking Guarantee and indemnity given by all Group entities.

The Parent Entity is subject to a deed of cross guarantee. refer to note 22(b) for further information.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of RUN Corp Limited, we state that:

1) In the opinion of the directors:

   a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date

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

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

   c) the financial report complies with Australian Accounting Standards and international financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2013.

3) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 22 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.

On behalf of the Board

Nathan Cher	Jane Tongs
Chairman	Non executive Director

Dated this 23rd day of August 2013

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Independent audit report to members of RUN Corp Limited

Report on the financial report

We have audited the accompanying financial report of RUN Corp Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Building a better
working world

Opinion

In our opinion:

a. the financial report of RUN Corp Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of RUN Corp Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ashley Butler
Partner
Melbourne
23 August 2013

SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is set out below.

(a) Distribution of ordinary shares

The number of shareholders, by size of holding, as at 31 July 2013:

1 – 1,000	75
1,001 – 5,000	133
5,001 – 10,000	77
10,001 – 100,000	223
100,001 and over	75
	583

There are 120,183,427 ordinary shares held by 583 individual shareholders as at 31 July 2013.

Each share carries one right to vote.

(b) Substantial shareholders as at 31 July 2013

Ordinary shareholders	No. of ordinary shares held	% of issued capital
NCN Investments Pty Ltd	23,833,240	19.83
Rentamobile Pty Ltd	15,425,525	12.83
Robert Farmer	14,510,589	12.07
Dash Corp Pty Limited	11,834,997	9.85
Jeffrey Stein	7,524,194	6.26

(c) Marketable Parcel

The number of holders holding parcels of less than $500 was 103 as at 31 July 2013.

(d) Shares subject to voluntary escrow

As at 31 July 2013 there were no shares subject to voluntary escrow.

(e) Twenty Largest holders of quoted equity securities as at 31 July 2013

	No. of ordinary shares held	% of Issued Share Capital
NCN Investments Pty Ltd	23,833,240	19.83
Rentamobile Pty Ltd	15,425,525	12.83
Dash Corp Pty Limited	11,834,997	9.85
Robert Farmer	10,203,805	8.49
Jeffrey Stein	7,454,577	6.20
National Nominees Limited	3,704,311	3.08
Velocity 3 Pty Ltd	3,256,784	2.71
Mr Peter Maurice Friede & Mrs Maureen Friede	2,970,829	2.48
Vadaro Holdings Pty Ltd	2,250,000	1.87
Donald Charles Robinson & Catherine Maree Robinson	1,924,369	1.60
Ms Sylvia Cohen and Ms Illana Friede	1,800,000	1.50
Luxor Super Pty Ltd	1,419,100	1.18
Sandhurst Trusteed Ltd	1,358,000	1.13
Dorvell Pty Ltd	1,064,284	0.89
Mr Simon Beach	1,060,000	0.88
Whitechurch Developments Pty Ltd	1,052,350	0.88
Robert Farmer & Kirrily Farmer	1,050,000	0.87
Steven Douglas	1,000,000	0.83
John Ramon Vila	984,488	0.82
Toppo Pty Ltd	966,908	0.80
	94,613,567	**78.72**

(f) Additional Statement

The entity, in accordance with ASX listing rule 1.3.2(b), utilised cash and assets at the time of admission

in a manner that was consistent with its business objectives.

(g) Share Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford
Victoria 3067 Australia

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CORPORATE INFORMATION

This annual report covers RUN Corp Limited ("RUN") as a consolidated entity comprising RUN and its subsidiaries.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report on pages 5 to 18. The directors' report does not form part of the financial report.

Directors
Nathan Paul Cher (Non-Executive Chairman)
Samuel Jacob Herszberg (Executive)
Jane Anne Tongs (Non-Executive)

Company Secretary
Jeff Stein

Registered Office
107 High Street
Prahran, Victoria, 3181

Principal Place of Business
107 High Street
Prahran, Victoria, 3181

Share Register
Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067
GPO Box 52
Melbourne, Victoria 8060 Australia

Solicitors
DLA Piper
Level 21
140 William Street
Melbourne, Victoria, 3000

Bankers
Macquarie Bank
Level 23
101 Collins Street
Melbourne, Victoria, 3000

Auditor
Ernst & Young
8 Exhibition Street
Melbourne, Victoria, 3000

Website
www.run.com.au

ASX Code
RNC

Annual General Meeting Date
8 October 2013

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