

# Annual Report 2016





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# Letter from the Chair

## Dear Shareholders,

On behalf of the Board of OneVue Holdings Limited, we are pleased to present OneVue's Annual Report for the 2016 financial year. Now in our second year as a publicly listed company, we have laid the foundations necessary, in terms of capital and capability, to drive the considerable growth we expect over the next three years.

## Financial Highlights for the Year

Underlying revenue from services of \$26.4 million increased by 19% over the prior year and we ended the year with \$18.7 million in Cash due to the highly successful capital raising undertaken in December 2015. Due to the maturing and growth of the Fund Services business the revenue base of the Group is substantially more diversified than in the past with Fund Services now contributing 43% of Group revenue. Customer concentration risk has also reduced significantly with the largest client now contributing 12.9% of Group revenue and we anticipate continued improvement in both of these ratios. The Group recorded an underlying EBITDA loss of \$1.2 million due in part to market conditions in Platform Services, slower than anticipated transitions in Fund Services and investments in systems, processes and people to support future growth.

## Business Highlights for the Year

### Fund Services

Fund Services revenue of \$11.7 million increased by 56% over the prior year and outsourced unit registry Funds under Administration closed at \$410 billion with \$54.5 billion FUA transitioned during the year. We have \$3.3m in contracted transitions and a rich pipeline of \$10 million annualised organic revenue.

We are now the #1 provider of outsourced unit registry in Australia. We are in the very fortunate position of having highly engaged customers and an enviable business pipeline. While the Fund Services sales process is long and complex, once opportunities are closed the relationships and revenues that result are stable and enduring.

OneVue Super Services has proved to be an excellent acquisition and the business is operating extremely well,

with FUA of \$1.14 billion and growing as we continue to take on new clients simply through our reputation and word of mouth.

### Platform Services

Revenue for Platform Services ex performance fees of \$15.3 million increased by 4% over the prior year and FUA closed the year at \$3.3 billion. Net funds flow was \$409 million which represented an 11.7% increase on the prior year. We launched the LUMINOUS platform and laid the foundations for the FUND.eXchange later this calendar year and created new client opportunities. It is a key strategic initiative for the Group and one which we believe will drive down the costs of distribution, delivery of advice and wealth administration services for all those who participate.


## The year ahead

We look forward to an exciting year ahead with the completion of the merger with Diversa, taking our combined Retail Superannuation Trustee business to market leadership, the full launch of the FUND.eXchange and the conversion of the Fund Services pipeline.

## Recognising our shareholders, supporters and staff

Building a business isn't easy. To quote Elon Musk "Starting and growing a business is as much about the innovation, drive, and determination of the people behind it as the product they sell." So I'd like to thank our tireless and dedicated staff and our talented and incredibly focussed Managing Director, Connie McKeage. Their steadfastness and commitment is inspirational to me and my fellow directors. I'd also like to acknowledge the support of our shareholders throughout the year.

Yours sincerely



Gail Pemberton  
Chair



# Letter from the Managing Director

I always think the end of the financial year is a business person's equivalent to New Year's Eve. It is the closing of a chapter, a time for reflection, a moment to thank all those that have supported us throughout the year and a chance to look forward with enthusiasm and excitement for what lies ahead.

In particular 2016, more than any other year, has laid the foundation for sustainable growth and cemented our position as a leading provider of outsourced unit registry services.

The lingering doubts of whether the outsourced unit registry business could be profitable and deliver increasing operating leverage were finally put to rest. The early investment in automation has created a scalable model and enabled Fund Services to deliver rapid growth while increasing service standards and enhancing our clients' experience. We were fortunate to have acquired the business at a time when the market was moving with us and this enabled the rapid deployment of other automated solutions such as mFund and Calastone to further complement our own automation initiatives.

We closed the financial year with outsourced unit registry services having achieved record revenue growth with Funds Under Administration reaching over \$410 billion and the potential of a further \$10 million per annum of organic revenue in the pipeline.

The acquisition of an outsourced superannuation member administration business, OneVue Super Services in December 2015, also contributed positively to OneVue's revenue and profit for the half year - both as a standalone business and as a bundled service packaged with Trustee and outsourced unit registry services. An unprecedented pipeline of opportunities in OneVue Super Services combined with a new benchmark in service standards and automation, including the integration with SuperStream and SuperTick, positions OneVue well for the year ahead.

As 2016 fades into the background and we stride forward into 2017 we begin with our first public company merger - one that has been seamless thanks to the ongoing support of the Diversa Board, staff, and shareholders as well as OneVue's own staff and shareholders.

Our initial focus will be on the integration of the Diversa business into OneVue and delivering the \$4 million of synergies outlined in the Scheme document.

Most importantly this new financial year will see the birth of the FUND.eXchange. Strategically, this is the result of an innate understanding that in an increasingly competitive Platform Services market in Australia, a true competitive advantage can only be created by leveraging OneVue's core capabilities. As a result, our unique Ecosystem is being leveraged to deliver a digital gateway for our Platform Services customers to access lower cost managed funds administration. Our Fund Services investment management partners will be supported by the Platform Services team through the creation of a distribution bias, providing them with the opportunity to gain access to better value distribution of their products to both investors and advisers.

I would like to end by commenting on our people and culture. We remain committed to our "20 Mile March" philosophy. As a provider of outsourced superannuation services the strength of the team is always more important than the success of any one individual - and the thread that binds us all together is a common understanding of what the 20 Mile March really means - not just a theoretical concept but the challenge to deliver a consistent level of service day in and day out. This is what makes OneVue unique and throughout this year's report, you will notice quotes from our staff as to what this means for them in practice.

I want to thank our staff, my colleagues, the Board, our shareholders - and our clients for their ongoing support throughout the year and I look forward to sharing the next chapter of the OneVue story with you.

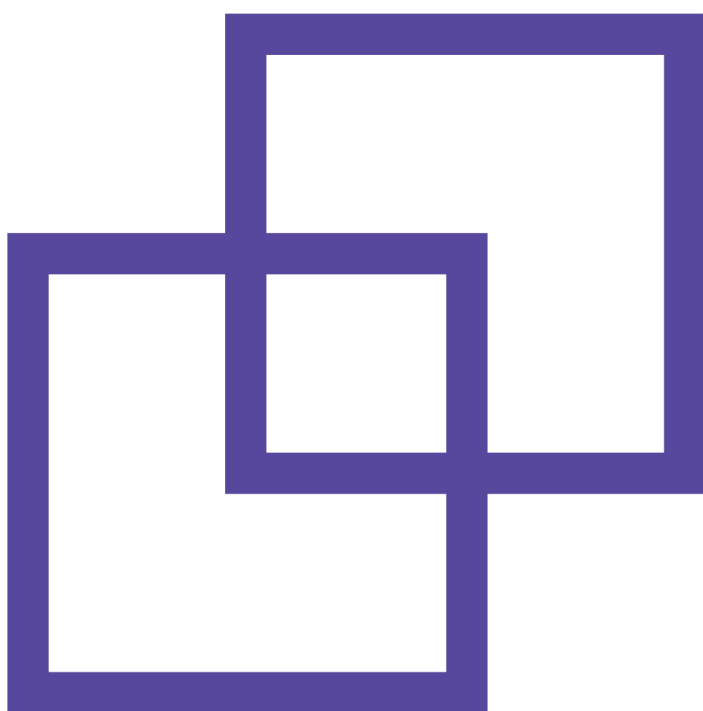
Respectfully yours



Connie Mckeage  
Managing Director



# Business Overview



# OneVue Group Overview

## Key metrics as at 30 June 2016



**19%**

Underlying revenue growth



**\$18.7m**

Cash and deposits



Both businesses  
EBITDA profitable



**\$1.2m**

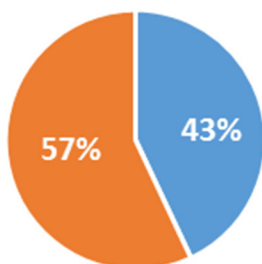
Group EBITDA loss

### Fund Services

**43%** FY16



**30%** FY15



■ FS ■ PS

Increasing revenue diversification (% of revenue)



Top 10 clients represent

**52.0%**

of revenues

Largest client represents only

**12.9%** of total

revenues

## Industry overview

OneVue is a provider of outsourced services to the superannuation sector. OneVue offers these outsourced services through two operating divisions – Fund Services and Platform Services.

Our mission is to deliver superannuation investors true choice and control by creating digital gateways between investors and their financial community. This includes the creation of a gateway between Fund Services (product creators) and Platform Services (distributors).



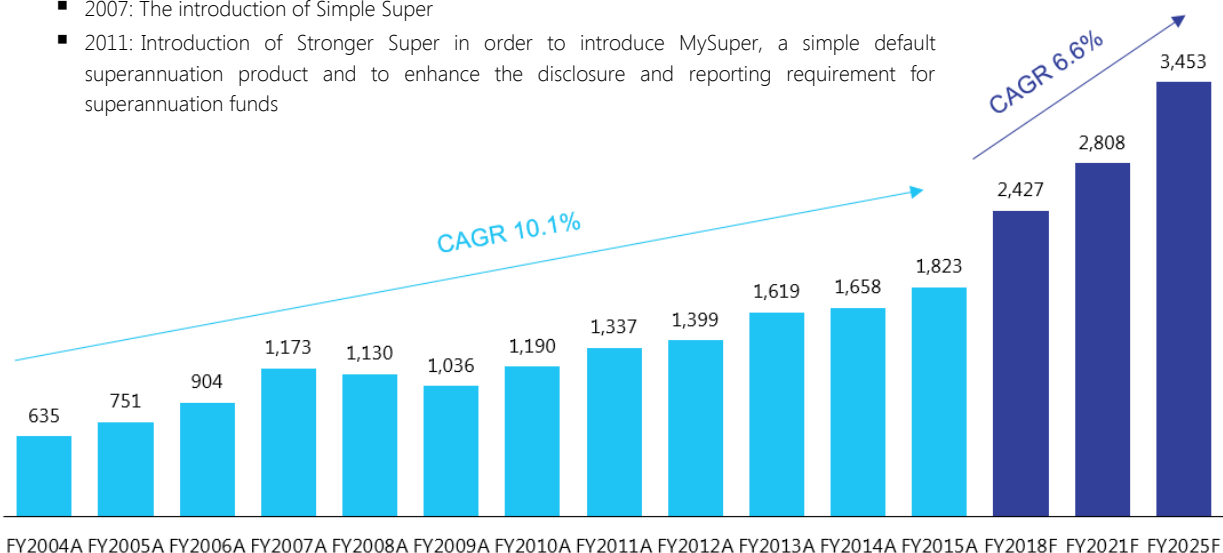
A measure of the size and growth of Australia's superannuation sector is shown in the graph below.

## Superannuation industry overview

**Australian superannuation FUM is expected to grow at CAGR of 6.6% in the next 10 years.**

### Total Australian superannuation FUM (\$m)

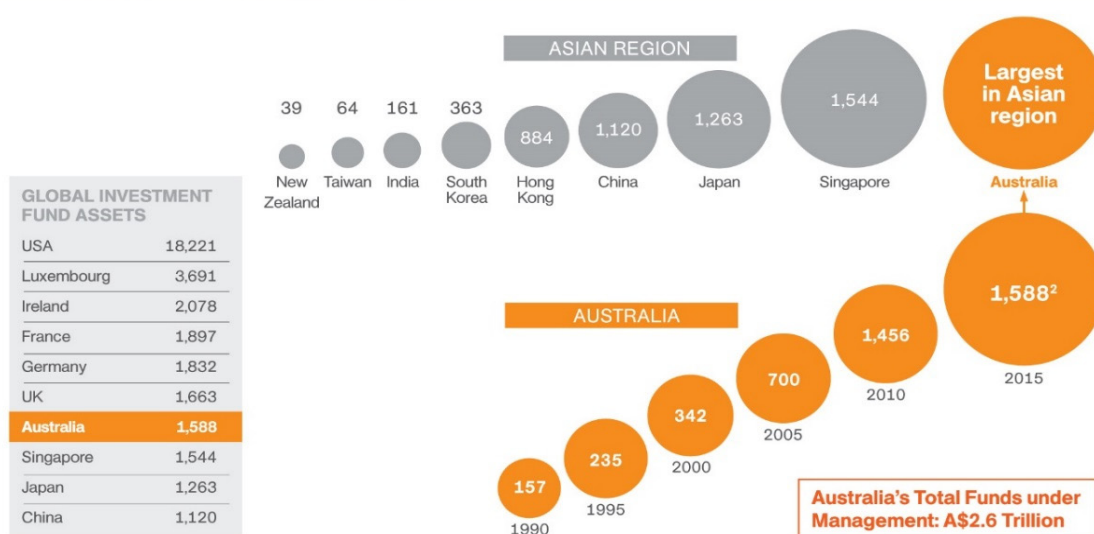
- Since inception a number of major changes have been made to the superannuation system including:
  - 1998: Establishment of APRA
  - 2005: Ability of employees to choose their own superannuation fund (Superannuation Choice), including SMSFs
  - 2007: The introduction of Simple Super
  - 2011: Introduction of Stronger Super in order to introduce MySuper, a simple default superannuation product and to enhance the disclosure and reporting requirement for superannuation funds



Source: APRA and OneVue

## GLOBAL SIGNIFICANCE OF AUSTRALIA'S INVESTMENT FUND ASSETS POOL

Investment fund assets<sup>1</sup>, US\$ billion, June quarter, 2015



Note: Circles are not to scale. Data between countries is not strictly comparable.

1. Refers to home domiciled funds, except Hong Kong and New Zealand, which include home and foreign-domiciled funds. Funds of funds are not included, except for France, Germany, Italy and Luxembourg. In this statistical release, 'investment fund' refers to a publicly offered, open-end fund investing in transferable securities and money market funds. It is equivalent to 'mutual fund' in the USA and 'UCITS' (Undertakings for the Collective Investment of Transferable Securities) in the European Fund and Asset Management Association's statistics on the European investment fund industry.

2. Australia's investment funds in the Investment Company Institute survey only include consolidated assets of domestic collective investment institutions.

Source: Investment Company Institute, Worldwide Mutual Fund Assets and Flows, second quarter 2015 (released 30 September 2015).



## Fund Services

Fund Services benefits from the overall growth of funds under management which in Australia continues to be largely driven by superannuation investments. OneVue provides outsourced superannuation, unit registry and responsible entity services to a range of custodians and investment managers. These investment managers and their custodians create products and manage money on behalf of these superannuation investors.

## Platform Services

Platform Services benefits from Australia's compulsory superannuation contribution framework. Superannuation wealth must be invested somewhere either directly by an investor or with the assistance of an adviser or accountant. OneVue has a platform that offers both advised and direct superannuation solutions.

Platform Service's outsourced solution set delivers end to end superannuation services including investment administration, tax and reporting services for both retail superannuation funds and SMSFs. Along with retail superannuation funds and SMSFs, Industry and Corporate Funds can also enhance their member propositions by leveraging Platform Services' direct to member solutions.

## Client and revenue mix

Importantly during the year the Group has further reduced key client concentration risk with the top 10 OneVue clients now representing 52% of total revenue and the largest single client representing less than 13% of total revenue.

The mix of revenues has also changed between the operating businesses during the year with Fund Services revenues as a portion of Group revenues increasing from 30% of total Group revenues in 2015 to more than 43% in 2016.

## Growth

OneVue's organic growth has been underpinned by the increase in superannuation assets and the direct benefits of this growth to both investment managers and superannuation service providers.

Additionally OneVue's integration of acquisitions has enabled it to grow and increase scale significantly, most recently with the acquisition of OneVue Super Services, an outsourced provider of superannuation member administration.

OneVue continues to have an enviable track record of successfully integrating acquisitions and a demonstrated ability to reduce expenses below the pre-acquisition cost bases. Growth by acquisition is expected to continue to have a multiplier effect.

OneVue expects to continue to grow both organically and by acquisition focussing on:

- retaining existing clients
- cross-selling and upselling additional products or services to existing clients
- enhancing existing products and services
- attracting new clients
- intelligently investing in proprietary technologies
- capitalising on market opportunities as they arise
- launching the FUND.eXchange.



## Fund Services

### Key metrics as at 30 June 2016



**56%**

Revenue growth



**\$0.7m**

First full year  
EBITDA profit

#### Super admin



**\$1.14b**

FUA



**36,774**

members

#### Unit registry

**\$10m**

New business pipeline  
(annualised revenue)

**\$410b** FUA



**\$54.5b** FUA

Growth over the year

**33**

Fund managers

**> 200**

Funds added in the year

**459**

Funds administered

#### Transactions for the year



**63%** increase



**450%**

Increase in mFunds  
throughput

## Fund Services overview

The Fund Services business provides outsourced unit registry services and installed unit registry software, superannuation administration and Responsible Entity (RE) Services to a range of investment managers and custodians.

In the last year our outsourced unit registry solution has become the market leader in the delivery of a highly scalable, competitive offering now represented by over \$410 billion in Funds Under Administration (FUA).

## What Fund Services offers

Fund Services delivers unit registry and RE solutions to two client segments:

- investment managers who manage money on behalf of investors
- custodians who bundle OneVue's unit registry services and RE Services with their own custody services to deliver a packaged outsourced service to investment managers.

Fund Services earns fees from contracts with investment managers and custodians for transactions,



administration, reporting and document processing as well as providing projects management, transition and installed software services. The key drivers of Fund Services revenue includes the number of:

- investment managers
- trusts managed by those investment managers
- investors
- transactions processed
- licensed users.

The Fund Services revenue model complements the predominantly FUA based model driving Platform Services revenues. The revenue base of Fund Services has also widened with the introduction of RE Services adding basis points and minimum fees.

### Growth in demand for outsourced unit registry

OneVue has seen significant growth in demand from custodians and investment managers as they seek to outsource their unit registry processing to a specialist provider. OneVue has cemented its position as the market leading unit registry service to meet this demand via its proprietary software, Trust Architect.

The combination of proprietary technology and scalable workflow gives OneVue a competitive advantage and the opportunity to achieve its objective of being the Australian outsourced unit registry provider of choice. Straight-through processing of transactions and workflow has created a scalable platform which is expected to provide further operating leverage as revenues increase.

Total unit registry FUA as at 30 June 2016 stood at \$410 billion, up \$55 billion on the previous year with 213 funds and 22 new investment managers added during the year and over 450 funds now being administered.

OneVue has continued to invest in resources in order to deliver on newly contracted clients and to convert an unprecedented pipeline of opportunities. The Fund Services business has started to benefit from efficiencies of scale without commensurate increases in operating costs.



## Platform Services

### Key metrics as at 30 June 2016



**↑ 23%**

Underlying EBITDA  
(excl. performance fees)



**↑ 19% to 8%**

Underlying EBITDA margin



**\$3.3b**

Retail FUA



**\$409m**

Net fund flows



**11.7%**

Increase in net inflows  
over the prior year



Launch of International SMAs  
and blended models

New Compass Funds white label



### Platform Services overview

The Platform Services business provides a solution set that delivers investment administration, tax and reporting services for both superannuation and other investments. OneVue delivers its platform to end investors via third parties often referred to as white labelling. The end investor can either access the platform via an intermediary or directly using the digital direct portal.

Within Platform Services, OneVue also offers a retail superannuation fund and multi-award winning specialist SMSF service including compliance and administration services.

### What Platform Services offers

Platform Services offers online reporting and transaction capabilities across the superannuation sector using a common platform infrastructure. OneVue's Platform Services focusses on SMSFs and other investment structures using a powerful asset management and tax reporting service that facilitates the administration of a broad range of assets and liabilities with an integrated straight-through end to end SMSF offering. In addition OneVue offers an end to end retail superannuation service.

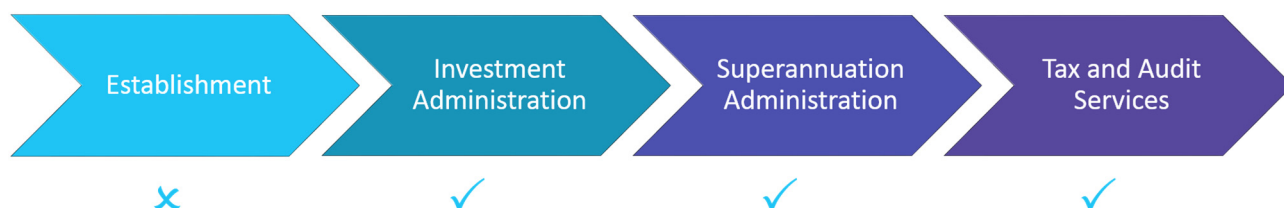


This is illustrated by the following diagrams:

#### End to end Retail Superannuation Service



#### End to end SMSF Services



The OneVue platform also has the capability of managing all major asset classes, including direct property, listed shares, separately managed accounts, term deposits, managed funds, warrants, as well as personal assets and investments including collectibles.

Within Platform Services, OneVue earns fees from providing product, tax, reporting, administration and SMSF services. The key drivers of revenue are:

- Funds Under Administration
- number of transactions
- number of accounts
- particular services utilised.

The revenue is predominantly recurring comprised of yearly renewals and service fees.

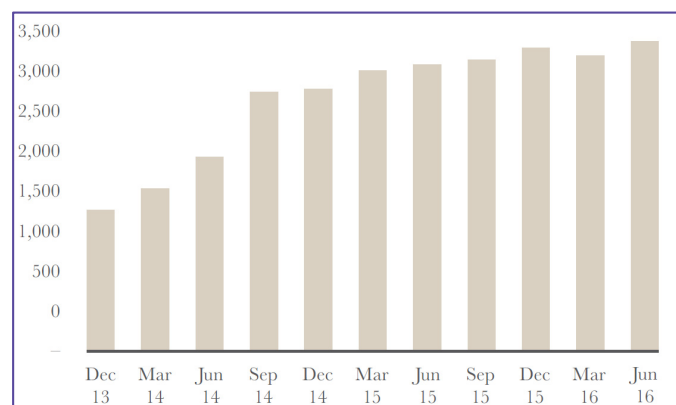
#### Funds Under Administration (FUA) Growth

As at 30 June 2016, Platform Services Funds Under Administration (FUA) stood at \$3.289 billion.

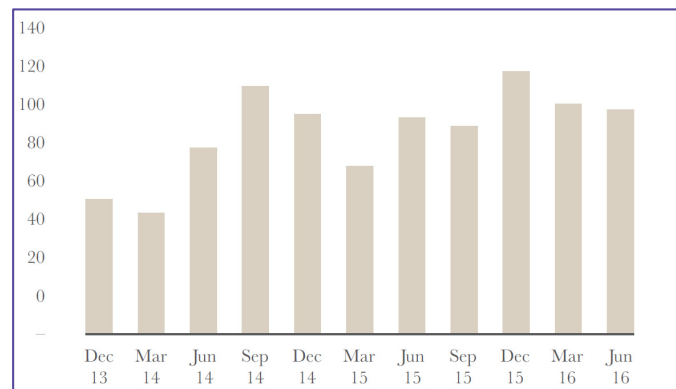
Net inflows for the quarter ended 30 June 2016 were \$101 million, up 11.7% on the prior year, taking the total net inflows for the 12 months to 30 June 2016 to \$413 million.

The historical growth of FUA and net funds flow is set out below:

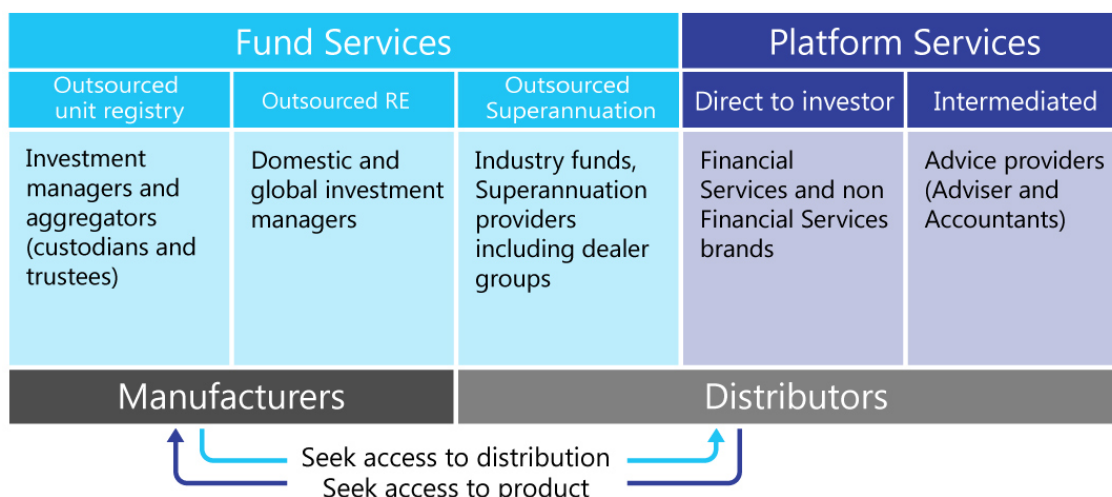
#### Funds Under Administration (\$'m)



#### Net funds flow (\$'m)



## OneVue's Unique Ecosystem



There is a natural interplay between clients in OneVue's two businesses, which creates an aligned business community – the OneVue Ecosystem. Each operating business is on a growth trajectory as a standalone; but it is the interaction between the two operating businesses, the 'OneVue Ecosystem', that delivers OneVue's unique and sustainable value proposition and competitive advantage.

The Ecosystem leverages OneVue's proprietary technology across both businesses to create solution driven outcomes for clients.

By introducing manufacturers of product to distributors of product and vice versa OneVue can demonstrate enhanced revenue opportunities across both businesses and foster deeper client relationships.

The OneVue team actively looks for opportunities to bring clients together who offer complementary value-adding services to each other whether that be distribution, advice, product manufacturing or more recently technology sharing.

**FUND.**  
**eXchange**

The FUND.eXchange is a new initiative that OneVue plans to launch later this calendar year.

The FUND.eXchange is borne out of the Ecosystem and will create, via a digital gateway, a unique exchange for

Platform Services customers (dealers, investors and financial advisers) to more cost effectively access and invest in managed funds. The FUND.eXchange also allows Fund Services customers (such as investment and fund managers) improved access and distribution of their products to investors. It leverages Fund Services' outsourced unit trust pricing model (fee for service based), scale and clients to deliver a transparent and transformational fee for service model.

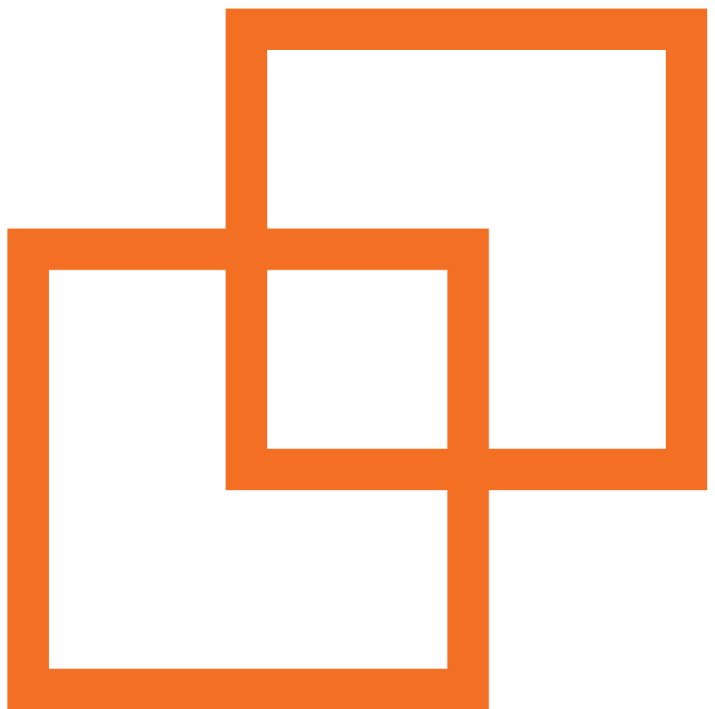
## The Year Ahead

As 2017 approaches we will increase our focus on:

- integrating the Diversa business into OneVue's operating model as quickly as possible and delivering on the \$4 million of committed synergies
- leveraging the OneVue ecosystem to deliver the FUND.eXchange
- delivering the Fund Services transitions in the pipeline. These transitions will not only deliver significant revenue to the organisation but each transition we complete broadens and deepens the FUND.eXchange product menu.



# People and Culture



## People and Culture

### The OneVue Philosophy

We are 20 Mile Marchers. We make no apology for this.

The best way for OneVue to maintain its high growth targets is to continue delivering consistently to our existing clients (ensuring we retain and grow with them) whilst also aggressively looking for new clients and opportunities.

### The 20 Mile March - The Story of Amundsen versus Scott

The round trip trek was roughly fourteen hundred miles. The environment was uncertain and unforgiving, where temperatures could easily reach 20 degrees below zero even during the summer. They had no means of modern communications – no mobile phones, no satellite links, no radio – a rescue would have been improbable were they to err. One leader led his team to victory and safety. The other led his team to defeat and death.

Amundsen prepared rigorously for years in advance of the journey. He learned what worked in polar conditions, going as far as to live with Eskimos to learn how they moved in sub-zero temperatures and what they wore, ensuring he prepared for every conceivable situation that his team might encounter en route to the Pole. He trained his body and mind with fanatical discipline. In contrast to Amundsen, Scott's preparation was limited, and what plans he made were based on his own intuitive conclusions, rather than direct research of the environment he was entering.

Amundsen stored three tons of supplies for five men, versus Scott, who stored one ton for seventeen men. Amundsen used sled dogs (learned from the Eskimos), whereas Scott used unproven "motor sledges" which failed within days of his journey. Amundsen carried enough extra supplies to miss every single supply depot and still have enough to go another hundred miles. Scott ran everything dangerously close to his calculations, so that missing even one supply depot would bring disaster. A single detail aptly highlights the difference between their approaches. Scott brought one thermometer for a key altitude measurement and he exploded in "an outburst of wrath" when it broke. Amundsen brought four such devices. The divergence in preparation goes on and on.

Unlike Scott, Amundsen systematically built enormous buffers for unforeseen events. He designed the entire journey to systematically reduce the role of big forces and chance events. He presumed that bad events would strike his team somewhere along the journey and he prepared for them.

On December 15, 1911 Amundsen and his team reached the South Pole. He and his teammates planted the Norwegian flag and then went right back to work. They could not have known that Scott and his team were now desperately man-hauling their sleds, fully 360 miles behind. More than a month later, Scott found himself staring at Amundsen's flag at the South Pole. Amundsen had already travelled five hundred miles back North. Scott and his team turned back North dejected, just as the season began to turn. The already menacing weather turned more severe, while supplies dwindled and Scott and his men struggled through the snow.

Amundsen and his team reached home base on January 25, the precise day he had planned. Running out of supplies, Scott and his team stalled in mid-March, exhausted and depressed. Eight months later, a British reconnaissance party found the frozen bodies of Scott and two teammates in a forlorn, snow-drifted little tent, just ten miles short of his supply depot. His whole team had perished.

Throughout the journey, Amundsen adhered to a regimen of consistent progress, never going too far in good weather, careful to stay away from the red line of exhaustion that could leave his team exposed, yet pressing ahead in nasty weather to stay on pace. Amundsen throttled back his well-tuned team to travel



between 15 and 20 miles per day, in a relentless march to 90 degrees south. When a member of Amundsen's team suggested they could go faster, up to 25 miles a day, Amundsen said no. They needed to rest and sleep so as to continually replenish their energy. In contrast, Scott would sometimes drive his team to exhaustion on good days and then sit in his tent and complain about the weather on bad days. At one point Scott faced 6 days of gale force winds and travelled on none, whereas Amundsen faced 15 and travelled on 8.

Amundsen clocked in at the South Pole right on his pre-decided pace, having averaged 15.5 miles per day. Scott in contrast fell behind early, with no plan of a daily pace, and as the conditions worsened, enhanced by his lack of preparation for unforeseen events, he and his team never recovered.

The important point was that they stuck to their 20 miles. In other words, you keep up the effort – 20 miles, 20

miles, 20 miles – and even when you cross into the plains and it's glorious springtime, and you feel you can go 40 or 50 miles in a day – you don't. Instead, you sustain your pace, marching 20 miles consistently.

### 20 Mile March is more than a philosophy

It's about having concrete, clear, intelligent, and rigorously pursued performance mechanisms that keep us on track. The 20 Mile March, just like Amundsen and his team, creates two types of self-imposed discomfort:

- the discomfort of unwavering commitment to high performance in difficult conditions
- the discomfort of holding back in good conditions.

To achieve consistent performance, we need both parts of the 20 Mile March, a lower boundary and an upper boundary – a hurdle that we jump over and a ceiling that we will not rise above, the ambition to achieve, and the self-control to hold back.



"The 20 Mile March has always been embedded in our culture but this year it has meant more to me than any other year. I think it is because we are seeing the culmination of over 3 years of hard work in creating the FUND.eXchange and it has been incredibly difficult executing a strategy in a market dominated by short term market sentiment.

We had a vision however and we knew we needed to deliver a differentiated platform proposition in a highly saturated market rife with aggressive competition. So we methodically came in every day and delivered tactically against our medium term strategy. Day in and day out for 3 years. That's what I call a committed 20 Mile March and I couldn't be prouder of the organisation for understanding the need to persevere in times of adversity and to not succumb to another me-too solution because it might have been easier in the short term."

*Connie McKeage*

Managing Director



## How is the 20 Mile March real for you?



"It's about a group of people that want to take the service and the offering to new heights. It's an even contribution from everyone across the board - administrators, team leaders, managers, and right up to the executives. To me, in my role as the Head of Transitions in Fund Services, I have a holistic view of all teams as many people across the business need to contribute to be able to successfully go-live with a new Fund Manager.

It's such a supportive environment working at OneVue, which has assisted me to do my job more effectively. I get so many people in our department at the coalface taking the load off me and my team of Transition and Project Managers. I'm really fortunate to be part of a group of people on a mission to keep grafting away, to keep looking for small improvements, unwavering in our commitment to the main goal of becoming the unit registry provider of choice in the industry. It's one thing to set a direction but it's your people that get you there - we're not there yet but we're on the right path. The 20 Mile March epitomises the positive culture, the outcomes we achieve and the way we interact with each other, our partners and our clients."

*Andrew Macciocca*

Head of Transitions, Fund Services



"What the 20 Mile March means to me is to methodically and consistently deliver on our promises and to move forward towards our goals as a team. Every day we march as a team, but individually we set our own tasks and goals. As a leader of the Platform Services team we use the 20 Mile March concept to motivate the team to excel in achieving our goals.

The 20 Mile March is a great concept as it reminds us all that these goals can be achieved even when at times it is difficult to deliver, because you can't always control all the elements in such an extensive service offering. The important thing is that we are consistent and support each other at all times rather than only pushing ourselves during challenging periods. As a leader my daily march includes supporting the team with our daily deliverables, while progressing our team's goals and priorities. By applying the 20 Mile March principles the team has found greater success in the delivery of the Platform Services' strategy and the achievement of our common goals, especially with a small team."

*Lisa McCallum*

Head of Platform Services



"For me the meaning of the 20 Mile March in 2016 has been an understanding of it not being an individual's responsibility to maintain their march, but an awareness of people being in step together. At times the scale of what has been set to be achieved has seemed massively challenging and it's been this pulling together that's made the difference.

Within our own team it's been about progressing from meeting obligations to being responsive and closer to our business teams. The return has been a richer understanding which improves what we do and what we produce."

*Glen Mcleod*

Deputy Chief Financial Officer





"I have been with OneVue for over 10 years in a number of roles in administration and operations, information technology and project delivery.

I use the 20 Mile March example and the story of Scott and Amundsen and their race to reach the South Pole as a practice to manage my day-to-day work life and assist with outcomes.

We have all had to manage difficult projects and conflicting priorities and deadlines. By using the examples of the 20 Mile March I am able to prioritise my deliverables - this ensures that any distractions are minimised and that there is no chasing shiny objects. I always set targets and ensure I meet them especially when things are difficult. As Jim Collins says "be consistent in whatever task you undertake".

The benefit that I have found with following the 20 Mile March is that it provides me with a discipline to stick to through the tough patches and still achieve my expected results. It reminds me that I have the means to manage when the going is easy and that I have the energy I need to push through bad times, to ensure that I am producing results at a comfortable, predictable pace. To me the 20 Mile March is about ensuring consistency in the good times and the bad times. It isn't just about setting a minimum, but also about setting a maximum and staying consistent. "

*Scott Hardie*

Head of OneVue Super Services



"I joined OneVue just over 15 months ago in a contract role and happily moved to a permanent role 2 months later. What struck me initially was OneVue's energetic culture and exciting, innovative vision. The first Staff Meeting I attended had a presentation of the 20 Mile March and I remember finding this extremely interesting and smart for the business.

My roles at OneVue have been varied starting as an analyst helping Platform Services, then continuing to work with Platform in product management and now leading an incredible team of Adviser Service consultants supporting our Platform Service clients. What I have found is that in each role the 20 Mile March has played a large and significant part of how I work and plan my key tasks and responsibilities each day. Taking steady steps as an individual, leading my team and being part of the OneVue team as we head towards our goal. The 20 Mile March to me is about taking the good days and the bad, always with a smile and a can-do attitude both for our clients and the business."

*Caroline Borge*

Team Leader Customer Solutions, Platform Services





"My role within the investment team is primarily to perform risk analytics on our portfolios. In part this role involves gathering substantial amounts of data from multiple sources (primarily the managers we invest with), verifying the usefulness of the data and finally turning it into actionable data for both the Investment Management team and our external clients.

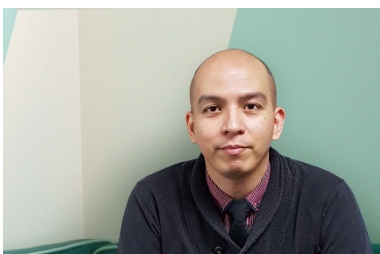
Our processes are designed to produce reporting that assists our clients (internal and external) to make informed investment decisions. There are

several tools I use on a day-to-day basis to help achieve this, with BarraOne being perhaps the most well-known of those tools. In his quest for the pole Amundsen had a well thought out plan and he stuck to it. Two of the aspects of the 20 Mile March that assist me in meeting my objectives are persistence and planning.

As a team we have external deadlines, both monthly and weekly and thanks to our planning and our adherence to those processes I know what I need to do and when it needs to be done to both meet my part of the requirements and assist my colleagues to meet theirs."

*Michael Kiernan*

Risk and Investment Specialist, Select Investment Partners



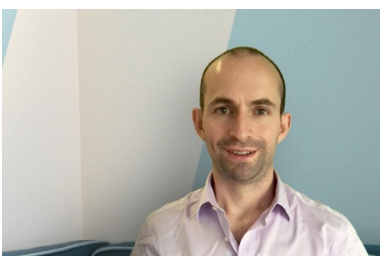
"Late in 2015, I moved from a Projects role to being the lead of the Specialist Team, effectively taking on board our accountants. With some departures from the team around that time, significant training was required in order for us to succeed. This was my first significant brush with the 20 Mile March. As a team and as individuals, we came a long way over the ensuing months. We balanced our learning and upskilling with meeting our deliverables and by taking the structured and methodical approach as

The March dictates. Yes, we stumbled ... but we had also begun to hit our stride.

A consistent effort is applied, week in and week out, always working towards the end result while also quietly celebrating the minor milestones along the way. Little of this would have been possible without the great people that surround me. Above all else, our philosophy gives me direction when everything begins to feel overwhelming; it is a calming thought knowing that we are progressing through our challenges using a solid and proven method – and that's 20 miles at a time."

*Luis Gonzalez*

Team Leader Specialist Team, OneVue Super Services



"The 20 Mile March message has always resonated strongly with me. Having participated in endurance events I know that while not always glamorous, it's the day-in day-out work that enables you to hone your skills and achieve the best outcome on race day. Planning, consistent training, a strong team behind you and a positive outlook, that's the ethos of the 20 Mile March to me. Here at OneVue, I see this same ethos being applied daily.

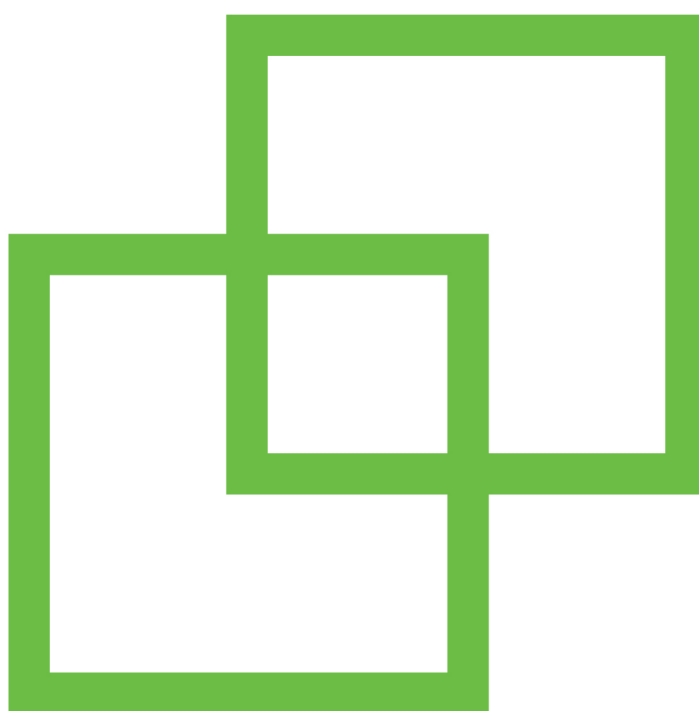
While we are measured by outcomes, consistency in our day-to-day work is key, irrespective of your part in the process. We understand this. The final outcome is only the tip of a much larger effort in bringing a group of individuals, teams, and departments together all working towards a common goal, to provide service excellence to our clients. OneVue has the people, culture, vision and technology not only to talk about the 20 Mile March but also 'walk the walk'."

*George Wilson*

Head of Dealing, Fund Services



# Directors' Report



# Directors' Report

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to as 'OneVue') consisting of OneVue Holdings Limited (referred to as the 'company' or 'parent entity') and the entities it controlled at the end of, or during the year ended 30 June 2016.

## Directors

The following persons were Directors of OneVue Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Karen Gibson
- Stephen Knight (Appointed 26 August 2016)
- Connie Mckeage
- Gail Pemberton
- Greta Thomas
- Garry Wayling

## Dividends

The Directors have not declared a final dividend for the year ended 30 June 2016 (2015: Nil).

Dividends are not expected to be declared in respect of any period after the 2016 financial year until they can be paid on a part or fully franked basis. Given the level of carry forward tax losses, the timing of the commencement of payment of fully franked dividends will be dependent on the future profitability of the OneVue Group.

## Principal activities

During the financial year the principal continuing activities of OneVue consisted of:

- outsourced superannuation administration, unit registry and responsible entity services
- end to end superannuation services including the provision of investment and portfolio administration, tax and reporting services.

The business was enhanced during the year by the acquisition of the Super Managers Group (now OneVue Superannuation Services) (OVSS) expanding OneVue's capability further into the fast growing superannuation administration sector.



## Review of operations

### Performance compared with the prior year

Year ended 30 June (\$'000)	2016	2015	Change %
<b>Revenue</b>			
Services revenue	26,354	22,170	19%
Performance fee revenue	282	3,232	(91%)
<b>Total revenue</b>	<b>26,636</b>	<b>25,402</b>	<b>5%</b>
Other income	-	22	n/a
Operating expenses	(27,853)	(24,720)	(13%)
<b>Underlying EBITDA</b>	<b>(1,217)</b>	<b>704</b>	<b>(273%)</b>
Depreciation & Amortisation	(2,868)	(2,179)	(31%)
<b>EBIT</b>	<b>(4,085)</b>	<b>(1,475)</b>	<b>(176%)</b>
Interest	68	49	38%
Non-recurring expenses	(614)	(623)	1%
<b>Loss before tax</b>	<b>(4,631)</b>	<b>(2,049)</b>	<b>(126%)</b>
Tax	624	1,829	(66%)
<b>Net loss After Tax</b>	<b>(4,007)</b>	<b>(220)</b>	<b>Nmf*</b>
<b>Segment revenue</b>			
Fund Services	11,685	7,502	56%
Platform Services	15,581	17,878	(13%)
Corporate (including eliminations)	(630)	22	Nmf*
<b>Total revenue</b>	<b>26,636</b>	<b>25,402</b>	<b>5%</b>
<b>Segment EBITDA</b>			
Fund Services	666	(19)	Nmf*
Platform Services	1,499	4,217	(64%)
Corporate (including eliminations)	(3,382)	(3,494)	3%
<b>Underlying EBITDA</b>	<b>(1,217)</b>	<b>704</b>	<b>(273%)</b>

\*Nmf – no meaningful figure can be calculated.

## Financial results

Acquisitions and organic growth contributed \$2.1 million and \$2.3 million to services revenue respectively. Unfavourable market performance impacted the performance fee revenues for the year.

The increase in operating expenses for the year was due to costs supporting growth and from acquisitions.

The Board uses Underlying EBITDA (earnings before interest, tax, depreciation and amortisation) (Excluding non-recurring items) as a principal profit and cash measure. Underlying EBITDA, for the year ended 30 June 2016 was a loss of \$1.2 million compared to a profit of \$0.7 million in the prior year. However, excluding

performance fees, EBITDA improved by \$1.0 million compared to the prior year.

Non-recurring expenses of \$0.6 million (FY15: \$0.6 million) were related to acquisition and restructuring costs. The depreciation and amortisation expense of \$2.9 million (FY15: \$2.2 million) was higher than the prior year due to the impact of amortisation from acquisitions and increased capitalised development.

The tax benefit for the year relates to the recognition of tax losses carried forward to offset the Deferred Tax Liability (DTL) recognised on the OVSS acquisition. The DTL reflects the difference between the accounting and tax base of the customer relationship asset acquired.



There is no tax benefit booked for the research and development tax incentive in the current year. As OneVue revenues now exceed \$20.0 million, the Australian R&D incentive will be applied as a reduction to income tax payable. In the prior year a cash incentive of \$1.0 million was received and recognised as an income tax benefit.

### Fund Services now Australia's #1 provider of outsourced unit registry

Fund Services revenue grew by \$4.2 million or 56% over the prior year. \$2.6 million of this growth was from the OVSS acquisition. There was also growth from new unit registry clients contributing \$1.6 million.

Fund Services unit registry Funds Under Administration (FUA) increased by \$54.5 billion to \$410.0 billion as at 30 June 2016.

Transactions processed were up by 63% over the prior year. The focus on automation continued with 81% of transactions now automated.

Over the period 22 new fund managers were added taking the total number of fund managers to 33. The number of funds administered also more than doubled to 459, with investor accounts reaching over 130,000.

Fund Services reached EBITDA profitability in H1 and contributed \$0.7 million for the year. This was due to operating leverage and growth from new clients.

Contracted new client transitions continued to grow with a further \$3.1 million per annum to be added over the next 18 months. In addition, a high probability new business pipeline now stands at \$10.0 million per annum.

The acquisition of OVSS in December 2015 established OneVue's superannuation administration footprint. The business has delivered revenues above expectations and is well positioned to increase its scale and continue its growth momentum.

### Platform Services set for disruption strategy with the FUND.eXchange

Platform Services revenue, which excludes performance fees was up by 4% despite market performance being down by 4%.

Platform Services reached a record retail superannuation FUA of \$3.3 billion despite the negative overall market performance. Net inflows were up 11.7% on the prior year to \$409 million.

Underlying EBITDA of \$1.5 million was down from the prior year due to lower performance fees. Excluding performance fees underlying EBITDA was up 23.6% and the underlying EBITDA margin grew 19% to 8%.

New product initiatives during the year included:

- release of a new white label "Compass Funds" with Sentry Group who advise on over \$5.0 billion of funds;
- launch of international SMA capability
- launch of model portfolio capability, allowing the management of client portfolios across SMAs, managed funds and listed securities
- addition of 5 suites of managed funds model portfolios within the product structure of an SMA or MDA, giving advisers increased back office efficiency.

LUMINOUS was delivered during the year and has positioned OneVue well with a highly scalable digital wealth platform.

The FUND.eXchange will leverage LUMINOUS to create a digital gateway between Platform Services and Fund Services, providing a unique disruptive service and pricing model.

Further details about the business are contained in the business overview section.

Corporate costs, which cover Directors' fees, costs of the listed entity (including audit, tax and insurance) and central staff of \$3.4 million, were managed down by 3% compared to the prior year.

## Financial position

As at 30 June (\$000)	2016	2015	Change
Cash and deposits	18,673	9,273	101%
Other current assets	4,649	4,875	(5%)
Intangible assets	21,469	15,124	42%
Other non-current assets	559	2,196	(75%)
<b>Total assets</b>	<b>45,350</b>	<b>31,468</b>	<b>44%</b>
<b>Total liabilities</b>	<b>8,472</b>	<b>8,015</b>	<b>(6%)</b>
<b>Total equity</b>	<b>36,878</b>	<b>23,453</b>	<b>57%</b>

Cash and deposits have increased 101% to \$18.7 million. A share placement and share purchase plan (both heavily oversubscribed) enabled OneVue to raise \$16.8 million net of costs. Funds have been utilised in the acquisition



of businesses (\$4.2 million, principally OVSS). Net operating cash outflows for the year were \$0.8 million.

OneVue has no external bank borrowings. During the current year OneVue arranged a \$3.5 million loan and overdraft facility. The loan was drawn in December 2015 and was fully repaid as at 30 June 2016.

Intangible assets have increased principally due to the acquisition of OVSS (\$6.1 million). Other additions and amortisation are largely offset. OneVue also continued to invest in the development of unique software products and the establishment of clients in Fund Services (\$2.8m).

Contributed equity has increased due to the capital raisings presented above whilst other balance sheet growth is the result of the OVSS acquisition.

## Significant changes in the state of affairs

During the current year contributed equity increased by \$17.5 million (from \$45.1 million to \$62.6 million) due to the share placement (\$12.5 million), and the share purchase plan (\$5 million), offset by \$0.8 million in capital raising costs.

The company completed the acquisition of OVSS on 8 December 2015. The fair value of total consideration was \$5.1 million.

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

## Matters subsequent to the end of the financial year

On 14 June 2016, OneVue and Diversa Group Limited (Diversa) announced that they had entered into a Scheme Implementation Deed, under which it is proposed that OneVue will acquire all of Diversa's ordinary shares under a Scheme of Arrangement (Scheme).

The Scheme is expected to be implemented on 6 October 2016, following the approval received from the Diversa shareholders on 20 September 2016 and Court approval on 27 September 2016. Further details on the Diversa acquisition are contained in Note 22 of the financial statements.

## Future developments, prospects and business strategies

Over the last 12 months OneVue has cemented its strategic position in the fast growing superannuation sector and is now positioned to capitalise in the near term on the investments made over the period.

OneVue has established itself as #1 in the industry in the provision of outsourced unit registry services focussed on premium global investment managers, custodians and leading domestic fund managers.

OneVue's Fund Services, with a rich new business pipeline, is focussed on organic growth, capitalising on the trend to outsource back office functions building further automation whilst continuing to deepen existing custodian and investment manager relationships.

With the acquisition of OVSS, OneVue is well positioned for further growth in outsourced superannuation administration services. Growth has been substantial since the acquisition and will be augmented by the integration of Diversa.

OneVue's Platform Services is now positioned to capitalise on the projected growth in the managed account sector and deliver its disruptive strategy with the introduction of the FUND.eXchange.

## Diversa merger to create #1 provider of retail superannuation trustee services

The merger will bring together two highly complementary and culturally aligned businesses to create the #1 outsourced provider of retail superannuation trustee services in Australia.

OneVue anticipates the combination of the two businesses will be earnings-per-share (EPS) accretive in the first year (excluding any one off transaction and integration costs) due to the significant level of expected synergies (in the order of \$4 million per annum by the end of FY18 (excluding one-off transactions and integration costs)).

OneVue will continue to explore further synergistic acquisitions that are earnings accretive and enhance OneVue's strategic capabilities.



Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

## Environmental regulation

OneVue is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on Directors

The following information is current as at the date of this report.

Name:	Gail Pemberton
Title:	Non-Executive Chair
Qualifications:	FAICD, MA (UTS)
Experience and expertise:	Gail has over 30 years experience in the financial services and technology sectors in CIO, COO and Managing Director roles at companies including Macquarie Bank and BNP Paribas Securities Services. Gail joined the Board of OneVue Holdings Limited in 2007 as Chair.
Other current Directorships:	Non-Executive Director of SIRCA Technology Pty Limited, QIC Limited, PayPal Australia Pty Limited, Eclix Group Limited and Melbourne IT Limited.
Former Directorships (last 3 years):	Non-Executive Director of UXC Limited (2011 - 2016), Non-Executive Director of Onthehouse Holdings Limited (2011 - 2015).
Board responsibilities:	Member of the Audit, Risk Management and Compliance Committee and Human Resources, Nomination and Remuneration Committee.
Interests in shares:	2,278,714 ordinary shares
Interests in options:	None

Name:	Connie Mckeage
Title:	Managing Director
Qualifications:	Dip Arts & Sci
Experience and expertise:	Connie has more than 30 years of experience in asset management, broking, consulting and business leadership roles.
Other current Directorships:	None
Former Directorships (last 3 years):	None
Board responsibilities:	
Interests in shares:	35,900,943 ordinary shares
Interests in options:	None

Name:	Karen Gibson
Title:	Non-Executive Director
Qualifications:	BSc, MBA, GAICD
Experience and expertise:	Karen has more than 20 years of corporate and senior executive experience in superannuation and financial services.
Other current Directorships:	None
Former Directorships (last 3 years):	None
Board responsibilities:	Chair of the Human Resources, Nomination and Remuneration Committee, member of the Audit, Risk Management and Compliance Committee.
Interests in shares:	236,900 ordinary shares
Interests in options:	None



<b>Name:</b>	<b>Greta Thomas</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	MBA, GAICD
<b>Experience and expertise:</b>	Greta has more than 25 years of innovation, strategy, marketing and business growth experience.
<b>Other current Directorships:</b>	None
<b>Former Directorships (last 3 years):</b>	None
<b>Board responsibilities:</b>	Member of the Audit, Risk Management and Compliance Committee and the Human Resources, Nomination and Remuneration Committee.
<b>Interests in shares:</b>	199,597 ordinary shares
<b>Interests in options:</b>	None

<b>Name:</b>	<b>Stephen Knight</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	BA, FAICD
<b>Experience and expertise:</b>	Stephen has more than 30 years of senior executive experience in the financial services industry with a particular focus on the investment management, capital markets and government sectors.
<b>Other current Directorships:</b>	Director of the Sydney Financial Forum, Primary Ethics Future Trust (PEFT) and is an Advisory Board member of the Australian Office of Financial Management (AOFM).
<b>Former Directorships (last 3 years):</b>	None
<b>Board responsibilities:</b>	
<b>Interests in shares:</b>	None
<b>Interests in options:</b>	None

<b>Name:</b>	<b>Garry Wayling</b>
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	BCom, GAICD, ACA
<b>Experience and expertise:</b>	Garry has more than 35 years of accounting and business leadership experience.
<b>Other current Directorships:</b>	Non-Executive Director Inabox Group Limited
<b>Former Directorships (last 3 years):</b>	Coalworks Limited
<b>Board responsibilities:</b>	Chair of the Audit, Risk Management and Compliance Committee.
<b>Interests in shares:</b>	267,328 ordinary shares
<b>Interests in options:</b>	None

Other current directorships and former directorships above are for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company Secretary

Ashley Fenton is an FCA (Fellow of the Institute of Chartered Accountants in Australia) and has held senior finance positions with ASX listed companies (including Salmat Limited, Fairfax Media Limited and Cable and Wireless Optus Limited) and has also been Company Secretary of ASX listed entities.



## Meeting of Directors

The number of meetings of the company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Full board		Human Resources, Nomination and Remuneration Committee		Audit, Risk Management and Compliance Committee	
	Attended	Held*	Attended	Held*	Attended	Held*
Karen Gibson	15	17	2	2	8	8
Connie Mckeage	16	17				
Gail Pemberton	17	17	2	2	7	8
Greta Thomas	16	17	2	2	7	8
Garry Wayling	17	17	2	2	8	8

\* Represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

## Remuneration report - audited

This remuneration report of OneVue Holdings Limited (OneVue) which has been audited outlines the Key Management Personnel (KMP) remuneration arrangements for the consolidated entity for the year ending 30 June 2016 and is prepared in accordance with the requirements of Section 300A of the Corporations Act 2001 and its Regulations.

The remuneration report is presented under the following sections:

- Key management personnel
- Remuneration philosophy
- Board oversight of remuneration
- Use of remuneration consultants
- Executive remuneration
- Non-Executive Director remuneration
- Detail of KMP remuneration
- Share based compensation
- Additional disclosures relating to KMP

## Key management personnel

The remuneration report details the remuneration arrangements for KMP being those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Directors (whether executive or otherwise) of the parent Company.

KMP	Role	Commencement date
KMP – Non-Executive Directors		
Karen Gibson	Non-Executive Director	1 March 2014
Stephen Knight	Non-Executive Director	26 August 2016
Gail Pemberton	Chair	January 2007
Greta Thomas	Non-Executive Director	27 March 2014
Garry Wayling	Non-Executive Director	7 February 2014
KMP – Executive Directors		
Connie Mckeage	Managing Director	January 2007
KMP – Executives		
Ashley Fenton	CFO & Company Secretary	29 April 2015
Richard Harris-Smith	Head of Fund Services	1 February 2016
Lisa McCallum	Head of Platform Services	9 April 2010
James Thorpe	Chief Technology Officer	21 May 2007



## Remuneration philosophy

OneVue's remuneration strategy is designed to attract, motivate and retain employees by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company.

To this end, key objectives of the Company's reward framework are to ensure that its remuneration practices:

- are aligned to the long term success of the company and the Company's business strategy and shareholder interests
- offer market competitive total remuneration packages designed to reward outperformance
- provide strong alignment between individual and Company performance.

## Board oversight of remuneration

### Human Resources, Nominations and Remuneration Committee

The Board has established a Human Resources, Nominations and Remuneration Committee (HRNRC). The committee is responsible for making recommendations to the Board on remuneration policy and reward structures, Board and committee composition, succession and diversity strategy. The committee is also responsible for ensuring that management has an appropriate Human Resources policy framework in place including recruitment, retention, and performance measurement and termination policies.

The HRNRC assesses the appropriateness of the composition and quantum of remuneration for the Managing Director, direct reports to the Managing Director and non-executive Directors by reference to relevant employment market conditions, with the overall objective of attracting and retaining Directors and executives who will create value for shareholders. In determining the level and composition of executive remuneration, the HRNRC committee may engage external consultants to provide independent advice.

The members of the HRNRC at 30 June 2016 are Ms Karen Gibson (Chairperson), Ms Gail Pemberton and Ms

Greta Thomas. The HRNRC Chair and its membership is reviewed annually by the Board.

### Remuneration approval process

The Board approves the remuneration arrangements of the Managing Director as recommended by the HRNRC. The HRNRC reviews the recommendations of the Managing Director in regards to the remuneration arrangements of the direct reports to the Managing Director including awards made under incentive plans and makes recommendations to the Board for approval of these arrangements. In the 2016 financial year, the remuneration framework was amended to include a long term incentive component (LTI) with the aim of driving greater balance and alignment between staff performance and the short and medium to long term goals and performance of the business.

The Board also sets the aggregate remuneration of non-executive Directors, which is then subject to shareholder approval. The HRNRC reviews fees paid to non-executive Directors annually by reference to fees paid to Directors of companies of similar scale and in a similar sector.

In accordance with best practice corporate governance the structure of Non-Executive Director and other KMP remuneration is separate and distinct.

## Use of remuneration consultants

The HRNRC may from time to time receive advice from independent remuneration consultants to ensure executive remuneration is appropriate and in line with market.

During the financial year ended 30 June 2016, the Company engaged Godfrey Remuneration Group Pty Limited (GRG), remuneration consultants, to provide information and recommendations regarding executive remuneration including the structure of short term and long term incentives. GRG was paid \$21,450 for these services.

A set of protocols was in place to ensure that the remuneration recommendations would be free from undue influence from KMP. The Board is satisfied that these protocols were followed and as such there was no undue influence.



## Executive remuneration

### Remuneration policy

OneVue aims to reward executives with a level and mix of remuneration that is aligned with the long term success of the company and commensurate with their position and responsibilities.

In the 2016 financial year, the executive remuneration framework consisted of the following components:

- fixed salary
- short-term incentive (STI).

Key elements of the remuneration structure are:

- remuneration and other terms of employment are formalised in employment contracts
- senior fixed remuneration levels are in line with relevant market benchmarks
- no termination benefits are payable under employment contracts
- fixed remuneration may be received in the form of base salary, superannuation and non-monetary benefits
- a proportion of remuneration consists of short-term incentives, which are at risk.
- all executive contracts may be terminated by either party with agreed notice periods
- OneVue may terminate the employment contract without notice in the event of serious misconduct, neglect of duty or dishonesty on the part of executive
- KMP have no entitlement to termination payments in the event of removal for misconduct
- executive contracts of employment do not include any guaranteed base pay increases
- executives may receive their fixed remuneration in the form of cash, superannuation contributions or fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to OneVue and provides additional value to the executive.

The level of fixed remuneration for the Managing Director and KMP is reviewed annually by the HRNRC taking into account the overall performance of OneVue, individual performances and comparable market remuneration trends, and where appropriate external advice on policies and practices.

### Contract details

Name	Title	Term as KMP	Term of Agreement	Detail \$
Executive Directors:				
Connie Mckeage	Managing Director	Full financial year	Ongoing, 6 months notice	Annual base salary \$175,000 (incl. superannuation) with 30 business days of annual leave
Executives:				
Ashley Fenton	CFO and Company Secretary	Full financial year	Ongoing, 3 months notice	Annual base salary \$250,000 (incl. superannuation) with 20 business days of annual leave
Richard Harris-Smith	Head of Fund Services	Appointed 1 February 2016	Ongoing, 3 months notice	Annual base salary \$242,000 (incl. superannuation) with 20 business days of annual leave
Lisa McCallum	Head of Platform Services	Full financial year	Ongoing, 3 months notice	Annual base salary \$242,000 (incl. superannuation) with 20 business days of annual leave.
James Thorpe	Chief Technology Officer	Full financial year	Ongoing, 3 months notice	Annual base salary \$242,000 (incl. superannuation) with 20 business days of annual leave.



## Remuneration structure

In addition to the existing short term incentive plan the Board approved a medium term incentive plan (MTI) and a long term incentive rights plan (LTI) which form part of the Company's Senior Executive remuneration strategy for the 2017 financial year. The objective of the plan is to focus executives on achieving individual and business goals that

contribute to sustained shareholder value and in the case of the LTI are linked to long term financial performance and shareholder returns. Achievement of any STI and LTI awards will be linked to the financial and business performance of OneVue relative to plans and budgets as determined by the Board.

## Managing Director

Fixed	Variable		Approval Process
	Short and Medium Term Incentive	Long Term Incentive	
Base salary including superannuation and car parking	<b>STI</b> Annual cash payment based on achievement of agreed KPI's  <b>MTI</b> Retention rights granted under the OneVue Holdings Limited LTI and Rights Plan	Performance rights in relation to long term incentives, with vesting subject to the achievement of performance relative to the vesting condition  The vesting condition used is the Indexed Total Shareholder Return (ITSR)	Board approval

The 2015 AGM approved for Ms Mckeage to be awarded 348,866 restricted rights to ensure Ms Mckeage is remunerated appropriately for her role. Ms Mckeage elected to forfeit these rights in this financial year.

## Senior Executives

Fixed	Variable		Approval Process
	Short and Medium Term Incentives	Long Term Incentive	
Base salary including superannuation and car parking	<b>STI</b> Annual cash payment with the quantum and participants to be determined by the Managing Director with the total amount not to exceed the maximum pool approved by the Board  <b>MTI</b> Retention rights granted under the OneVue Holdings Limited LTI and Rights Plan	Performance rights in relation to long term incentives, with vesting subject to the achievement of performance relative to the vesting condition	The Board approves the quantum of the STI pool and the recommendations of the Managing Director in regards to the remuneration and incentives of the KMP and direct reports to the Managing Director  The Board will determine to whom offers will be made under the LTI and Rights Plan and the type and number of rights to be offered

The performance-based components are described in detail on the following pages.



## STI Awards

The total amount of STI awards will not exceed the maximum pool as determined by the Board for the period 1 July to the following 30 June.

There is no mandatory STI entitlement where an executive's employment terminates prior to the payment date for the STI.

No STI payments were made in the 2016 financial year.

## MTI Awards

The retention rights will be divided into two equal tranches with one tranche vesting one year after the end of the financial year to which the award relates and other vesting two years after the financial year to which the award relates.

Funds are not set aside or reserved for payment of awards under the Plan. The Company will budget for target levels of STI awards and the amount to be amortised in respect of MTI awards of retention rights.

No retention rights were awarded in the 2016 financial year.

## LTI Awards

The Company makes long term incentive awards using performance rights which vest when performance conditions have been satisfied. No LTI awards were issued in the 2016 financial year.

The main features of the OneVue long term Incentive arrangements are set out in the table below:

Aspect	Details
Terms & Conditions	All Performance Rights offered will be subject to vesting conditions, which are intended to be challenging, and linked to growth in shareholder value. The terms and conditions of the Plan include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to Shareholders and the treatment of Rights in the circumstances of various forms of termination of employment. Rights will lapse if they are unvested and there is no possibility for them to vest.
Number of Rights	The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.
Measurement Period	The Measurement Period of performance rights is intended to be three years (starting from the start of the financial year in which a grant is made) with no vesting prior to the end of the Measurement Period.
Vesting Conditions	<p>Vesting Conditions are to be determined by the Board as part of each offer of Performance Rights, however the conditions selected are intended to create alignment with the experiences and expectations of Shareholders over the Measurement Period.</p> <p>The Board retains discretion to vary vesting including if it forms the view that the level of vesting that would otherwise apply would be inappropriate in the circumstance having regard to the experience of Shareholders during the relevant Measurement Period.</p>
Loans	No loans will be provided to any Participants in relation to the acquisition or exercise of Rights under the Plan.
Performance gate	No performance rights in a tranche will vest unless Company's TSR for the measurement period is positive.
Clawback	The Company has a policy that allows clawback of unvested and/or vested rights and/or restricted shares.
Board discretion	The Board retains discretion to increase or decrease, including to nil, the vesting percentage in relation to each tranche of performance rights if it forms the view that it is appropriate to do so.



## Managing Director Performance Rights

The maximum number of Performance Rights for Tranche 1 for the Managing Director was agreed at the 2015 AGM. This maximum was determined as 479,000. This is calculated as 50% (target LTI) of the base package (\$393,000) ÷ Right Value of \$0.4099.

The maximum number of Performance Rights apply when OneVue's TSR is 150% of the movement in the All Ordinaries Accumulation Index.

Ms McKeage elected to forfeit these rights in this financial year.

## Managing Director KPIs

The STI component of the Managing Director's total remuneration is based on a set of financial and non-financial KPIs. The STI award is not made if the company's financial targets are not met. For the 2016 financial year the Managing Director was not awarded an STI payment.

## Non-Executive Director remuneration

### Structure

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

The amount of fixed remuneration comprising Board and Committee fees (where applicable) is established for individual Directors by resolution of the full Board, within the aggregate limit set by shareholders. The aggregate Non-Executive Directors' remuneration for the Company approved by shareholders is an aggregate remuneration limit of \$500,000.

The current Non-Executive Directors received a single grant of options upon appointment by a resolution of the Board. These options were exercised in the 2016 financial year.

There are no retirement schemes or retirement benefits other than the statutory benefits that apply for Non-Executive Directors.

Each Director is paid a fee as a member of the Board and an additional amount as a Chair of the Board or of a committee. An additional fee is paid to a member (other than a Chair) who is a member of two committees. Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred in execution of their duties as directors.

The remuneration of Non-Executive Directors for the financial years ended 30 June 2016 and 30 June 2015 are detailed in the KMP remuneration section of this remuneration report.

The following base fees including superannuation apply for the Non-Executive Directors:

Annual Fees Applicable (inclusive of any applicable superannuation)	2016 \$	2015 \$
<b>OneVue Holding Limited Board</b>		
Chair	100,000	100,000
Director and Committee Chair	60,000	60,000
Director and member of second committee	57,000	57,000
Director	50,000	50,000



## Details of KMP remuneration

Details of the remuneration of the KMP of the consolidated entity are set out in the following tables.

Year ended 30 June 2016	Short term benefits			Post-employment benefits	Long term benefits	Share-based payments	
	Cash salary and fees	Bonus	Non- monetary	Superannuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Karen Gibson	91,507	-	-	8,693	-	-	100,200
Gail Pemberton* (Chair)	118,984	-	-	2,892	-	-	121,876
Greta Thomas*	71,762	-	-	-	-	-	71,762
Garry Wayling	85,114	-	-	8,086	-	-	93,200
Executive Director:							
Connie Mckeage	179,153	-	-	15,089	4,139	-	198,381
Other KMP:							
Ashley Fenton	231,950	-	-	19,308	-	-	251,258
Richard Harris-Smith <sup>1</sup>	101,006	-	-	8,045	-	-	109,051
Lisa McCallum	200,136	2,283	-	17,384	9,086	-	228,889
James Thorpe	221,467	-	-	17,167	12,095	-	250,729
	1,301,079	2,283	-	96,664	25,320	-	1,425,346

\* Represents remuneration including GST

<sup>1</sup> Appointed as Head of Fund Services on 1 February 2016

Year ended 30 June 2015	Short term benefits			Post-employment benefits	Long term benefits	Share-based payments	
	Cash salary and fees	Bonus	Non- monetary	Superannuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Karen Gibson	90,171	-	-	8,566	-	-	98,737
Gail Pemberton* (Chair)	112,343	-	-	-	-	-	112,343
Greta Thomas*	67,141	-	-	-	-	-	67,141
Garry Wayling	92,391	-	-	16,346	-	-	108,737
Executive Director:							
Connie Mckeage	163,043	-	-	13,881	639	-	177,563
Other KMP:							
Ashley Fenton <sup>1</sup>	41,847	-	-	5,833	-	-	47,680
Brendan Foley <sup>2</sup>	188,868	-	-	9,363	-	-	198,231
Brett Marsh <sup>3</sup>	166,574	4,566	-	16,050	2,022	-	189,212
Lisa McCallum	164,384	4,566	-	16,050	15,536	-	200,536
Thomas Robertson <sup>4</sup>	176,886	-	-	15,792	-	-	192,678
James Thorpe	165,722	4,566	-	16,050	2,102	-	188,440
	1,429,370	13,698	-	117,931	20,299	-	1,581,298

\* Represents remuneration including GST

<sup>1</sup> Appointed Company Secretary and Chief Financial Officer 29 April 2015

<sup>2</sup> Appointed 29 August 2014 and resigned 16 March 2015

<sup>3</sup> Resigned as Chief Financial Officer on 29 April 2015 and appointed as Head of Product and Marketing

<sup>4</sup> Resigned as Company Secretary 29 April 2015

All amounts represent remuneration expenses incurred in the financial year, noting engagement and resignation dates and includes fees for acting as Director on the subsidiary boards. No remuneration was linked to performance.



## Share-based remuneration

### Issue of shares

No shares were issued to KMP during the year ended 30 June 2016.

### Options

No options were granted to KMP during the year ended 30 June 2016.

The terms and conditions of 562,500 options over ordinary shares granted to KMP in prior years that were exercised in the current year are as follows:

Grant date	Exercisable date	Expiry date	Exercise price	Fair value per option at grant date
1 March 2014	25 July 2015	25 January 2016	\$0.35	\$0.04

Options granted carry no dividend or voting rights.

### Performance rights

No performance rights were granted to KMP during the year ended 30 June 2016.

## Additional disclosures relating to KMP

### Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Karen Gibson	75,000	-	161,900	-	236,900
Gail Pemberton	1,941,710	-	337,004	-	2,278,714
Greta Thomas	57,697	-	141,900	-	199,597
Garry Wayling	71,428	-	195,900	-	267,328
Connie Mckeage <sup>1</sup>	35,593,143	-	307,800	-	35,900,943
Ashley Fenton	-	-	76,900	-	76,900
Richard Harris-Smith	-	-	-	-	-
Lisa McCallum	2,414,879	-	33,800	-	2,448,679
James Thorpe	2,590,386	-	-	(372,461)	2,217,925
	42,744,243	-	1,255,204	(372,461)	43,626,986

<sup>1</sup> Connie Mckeage directly holds 876,728 ordinary shares, indirectly holds 1,428,578 ordinary shares and 33,595,637 ordinary shares are held by related parties.

	Options Held at 30 June 2015	Options Granted	Number of Options Exercised	Options Held at 30 June 2016
Karen Gibson	125,000	-	125,000	-
Gail Pemberton	187,500	-	187,500	-
Greta Thomas	125,000	-	125,000	-
Garry Wayling	125,000	-	125,000	-
	562,500	-	562,500	-



## Other transactions with KMP and their related parties

During the current year guarantees were issued by OneVue replacing guarantees that were previously provided by related parties.

There were no other material transactions with KMP and their related parties during the financial year.

**This concludes the remuneration report, which has been audited.**

## Shares under option

There are no unissued ordinary shares of OneVue Holdings Limited under option at the date of this report.

## Shares issued on the exercise of options

The following ordinary shares of OneVue Holdings Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of options granted:

Exercise date	Exercise price	Number of shares issued
21 December 2015	\$0.35	562,500

## Indemnity and insurance of officers

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

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

## Additional information

### Indemnity and insurance of auditor

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

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

## Proceedings on behalf of the Company

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

## Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 12 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in note 12 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

## Corporate governance

The Company's Corporate Governance Statement is available at

<https://www.onevue.com.au/web/onevue/corporate-governance>

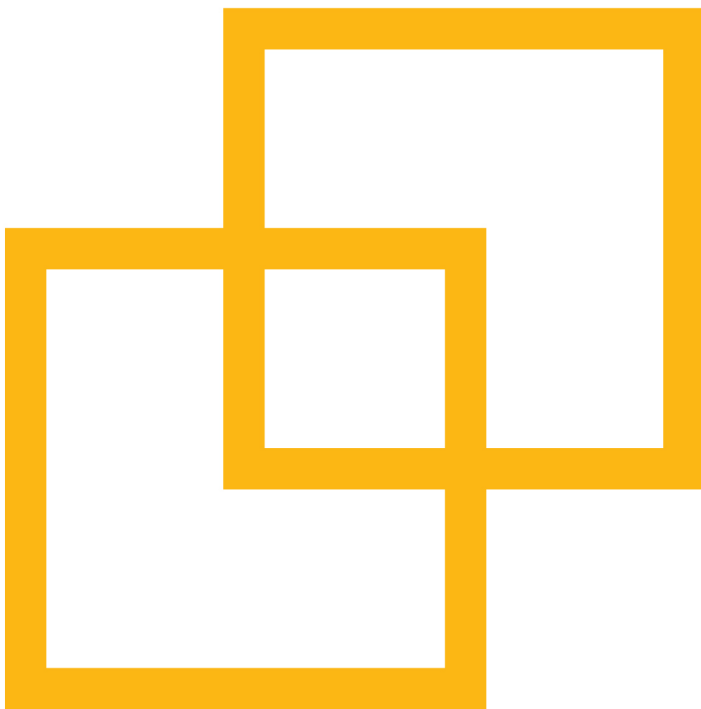


## Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.



# Auditor's Independence Declaration





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Australia

## **DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF ONEVUE HOLDINGS LIMITED**

As lead auditor of OneVue Holdings Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of OneVue Holdings Limited and the entities it controlled during the period.

Arthur Milner  
Partner

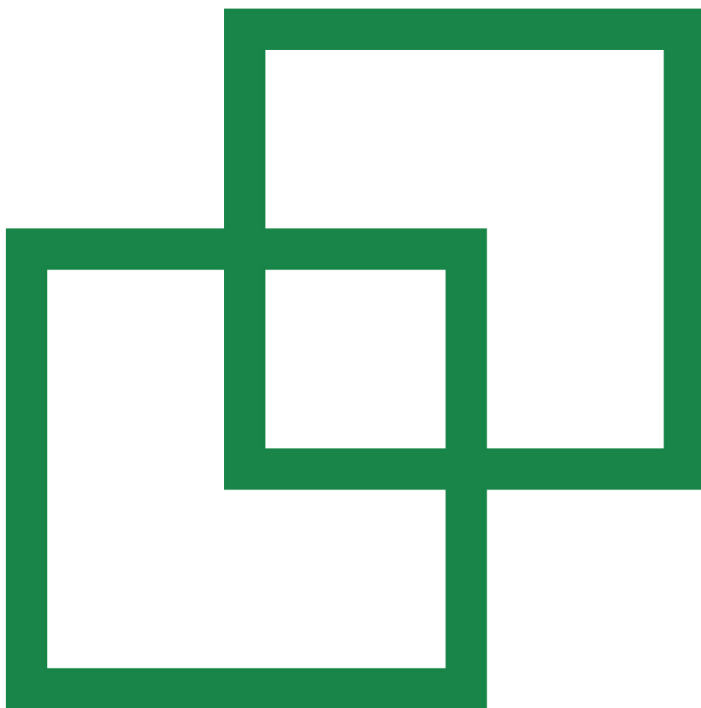
**BDO East Coast Partnership**

Sydney, 27 September 2016

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



# Financial Statements



## Financial statements

### Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Revenue</b>	1		
Services revenue		26,354	22,170
Performance fee revenue		282	3,232
<b>Total revenue</b>		<b>26,636</b>	<b>25,402</b>
<b>Other income</b>	2	186	429
<b>Expenses</b>			
Employee benefits expense		(17,217)	(15,214)
Administration expenses		(4,386)	(4,126)
Investment management expense		(3,990)	(3,777)
Depreciation and amortisation expense		(2,868)	(2,179)
Occupancy costs		(1,779)	(1,488)
Interest expense		(119)	(111)
Other expenses		(1,094)	(985)
<b>Total expenses</b>		<b>(31,453)</b>	<b>(27,880)</b>
<b>Loss before income tax</b>		<b>(4,631)</b>	<b>(2,049)</b>
Income tax benefit	4	624	815
Research and development tax incentive	4	-	1,014
<b>Loss after income tax</b>		<b>(4,007)</b>	<b>(220)</b>
Other comprehensive income net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of OneVue Holdings Limited</b>		<b>(4,007)</b>	<b>(220)</b>

		Cents	Cents
Basic and diluted loss per share	24	(2.21)	(0.13)

The accompanying notes form part of these financial statements.



# Consolidated statement of financial position

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5(a)	13,851	6,843
Deposits	5(a)	4,822	2,430
Trade and other receivables	5(b)	3,855	4,166
Financial assets	6	269	306
Prepayments		525	403
<b>Total current assets</b>		<b>23,322</b>	<b>14,148</b>
<b>Non-current assets</b>			
Intangible assets	7	21,469	15,124
Property, plant and equipment		537	811
Investment in associate		22	19
Trade and other receivables		-	1,366
<b>Total non-current assets</b>		<b>22,028</b>	<b>17,320</b>
<b>Total assets</b>		<b>45,350</b>	<b>31,468</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5(c)	5,925	4,937
Employee benefits	5(d)	1,804	1,324
Financial liabilities		-	706
Other financial liabilities		-	200
<b>Total current liabilities</b>		<b>7,729</b>	<b>7,167</b>
<b>Non-current liabilities</b>			
Other payables	5(c)	381	547
Employee benefits	5(d)	362	301
<b>Total non-current liabilities</b>		<b>743</b>	<b>848</b>
<b>Total liabilities</b>		<b>8,472</b>	<b>8,015</b>
<b>Net assets</b>		<b>36,878</b>	<b>23,453</b>
<b>EQUITY</b>			
Contributed equity	8	62,568	45,139
Reserves	9	391	586
Accumulated losses		(26,081)	(22,272)
<b>Total equity</b>		<b>36,878</b>	<b>23,453</b>

The accompanying notes form part of these financial statements.



# Consolidated statement of changes in equity

For the year ended 30 June 2016

Year ended 30 June 2016	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2015	45,139	586	(22,272)	23,453
Loss after income tax for the year	-	-	(4,007)	(4,007)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,007)	(4,007)
Option expense	-	3	-	3
<i>Transactions with owners in their capacity as owners:</i>				
Other share based payments and other transfers of reserves	655	(198)	198	655
Contribution of equity, net of transaction costs	16,774	-	-	16,774
Balance at 30 June 2016	62,568	391	(26,081)	36,878

Year ended 30 June 2015	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2014	27,510	585	(22,068)	6,027
Loss after income tax for the year	-	-	(220)	(220)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(220)	(220)
Option expense	-	17	-	17
<i>Transactions with owners in their capacity as owners:</i>				
Other share based payments and other transfers of reserves	294	(16)	16	294
Contribution of equity, net of transaction costs	17,335	-	-	17,335
Balance at 30 June 2015	45,139	586	(22,272)	23,453

The accompanying notes form part of these financial statements.



# Notes to the financial statements

## Statement of cash flows

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		29,165	27,609
Payments to suppliers and employees (inclusive of GST)		(31,315)	(28,233)
Interest received		384	303
Research and development tax incentive received		1,014	-
Income taxes paid		-	(202)
<b>Net cash used in operating activities</b>	23	(752)	(523)
<b>Cash flows from investing activities</b>			
Payment for acquisitions (net of cash acquired)		(4,278)	(2,977)
Payments for intangible assets		(2,782)	(1,930)
Payments for property, plant and equipment		(40)	(32)
Loans to other parties		-	(1,000)
<b>Net cash used in investing activities</b>		(7,100)	(5,939)
<b>Cash flows from financing activities</b>			
Proceeds from share issues	8	18,015	14,297
Proceeds from borrowing		3,500	-
Repayment of borrowing		(3,500)	-
Share issue costs		(763)	(872)
<b>Net cash generated from financing activities</b>		17,252	13,425
<b>Net increase in cash and cash equivalents</b>		<b>9,400</b>	<b>6,963</b>
Cash and cash equivalents at the beginning of the year		9,273	2,310
<b>Cash and cash equivalents at the end of year</b>	5(a)	<b>18,673</b>	<b>9,273</b>

The accompanying notes form part of these financial statements.



# Notes to the financial statements

## 1. Revenue

### Rendering of services and performance

Services and Performance revenue is recognised when it is probable that the economic benefit will flow to OneVue and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

### Interest

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.

### Dividends

Dividends are recognised as revenue when the right to receive payment is established.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

OneVue Holdings Limited and its controlled entities (referred to as 'OneVue') derives the following types of revenue:

	Consolidated	
	2016 \$'000	2015 \$'000
<b>Services revenue</b>		
Sale of services	25,340	21,437
Interest on trading accounts	750	582
Fair value adjustment on financial assets (Note 6)	57	57
Dividend revenue	60	55
Rental revenue	147	39
Total Services revenue	26,354	22,170
Performance fee revenue	282	3,232
Total revenue from continuing operations	26,636	25,402



# Notes to the financial statements

## 2. Other income

Other income includes:

	Consolidated	
	2016 \$'000	2015 \$'000
Fair value adjustment of contingent consideration on acquisition	(16)	300
Fair value adjustment on loan	45	108
Interest income	157	-
Sundry income	-	21
Other income	186	429

## 3. Description of segments

### Identification of reportable operating segments

OneVue is organised into two operating segments: Fund Services and Platform Services. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Board also uses EBITDA (earnings before interest, tax, depreciation and amortisation) as a principal profit measure. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

### Types of services

The principal services of each of these operating segments are as follows:

Fund Services	Outsourced unit registry services and installed software to a range of investment managers, custodians, trustees, RE services and superannuation administration.
Platform Services	Investment administration, tax and reporting services for both superannuation and other investments, a retail superannuation fund, specialist SMSF compliance and administration services and investment management.

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

### Major customers

During the year ended 30 June 2016, OneVue's two largest clients accounted for approximately 13% or \$3.4 million and 11% or \$2.9 million of OneVue's external revenue respectively. Both clients are Financial Services companies and are serviced by the Platform Services segment.



# Notes to the financial statements

## 3. Description of segments (continued)

### Segment Income

Year ended 30 June 2016	Fund Services \$'000	Platform Services \$'000	Corporate \$'000	Total \$'000
Segment revenue	11,685	15,581	4	27,270
Inter-segment revenue eliminated on consolidation				(634)
Total revenue				26,636
Underlying EBITDA	666	1,499	(3,382)	(1,217)
Depreciation and amortisation expense				(2,868)
Net finance income				68
Underlying loss before income tax				(4,017)
Non-recurring items*				(614)
Loss before income tax				(4,631)

Year ended 30 June 2015	Fund Services \$'000	Platform Services \$'000	Corporate \$'000	Total \$'000
Segment revenue	7,502	17,878	22	25,402
Total revenue				25,402
Underlying EBITDA	(19)	4,217	(3,494)	704
Depreciation and amortisation expense				(2,179)
Net finance income				49
Underlying loss before income tax				(1,426)
Non-recurring items*				(623)
Loss before income tax				(2,049)

Non-recurring items included in total expenses/(other income) \*

Year ended 30 June	2016 \$'000	2015 \$'000
Fair value adjustment of contingent consideration on acquisition	-	(300)
Acquisition and related restructure costs	614	770
IPO Costs	-	153
Total non-recurring items	614	623

### Segment assets and liabilities

As at 30 June 2016	Fund Services \$'000	Platform Services \$'000	Corporate \$'000	Total \$'000
Segment assets	23,628	12,695	9,027	45,350
Segment liabilities	3,886	4,607	(21)	8,472



# Notes to the financial statements

## 3. Description of segments (continued)

### Segment assets and liabilities (continued)

As at 30 June 2015	Fund Services \$'000	Platform Services \$'000	Corporate \$'000	Total \$'000
Segment assets	15,211	14,775	1,482	31,468
Segment liabilities	3,192	3,971	852	8,015

### Geographical information

OneVue is based in Australia with offices in Sydney, Melbourne and Albury.

## 4. Income tax

OneVue Holdings Limited and its wholly-owned Australian controlled entities have formed an income tax consolidated Group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts. The tax consolidated Group has applied the 'separate taxpayer within Group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated Group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

### Deferred tax assets and liabilities offset in the statement of financial position

A deferred tax liability of \$0.64 million has been recognised in accounting for the acquisition of Super Managers Australia (refer note 20). This reflects differences between the accounting and tax cost bases of the acquired customer relationship assets. A deferred tax asset equal to this amount was recognised, utilising previously unrecognised tax losses to the extent of the deferred tax liability recognised. These transactions result in an income tax benefit of \$0.64 million.

### Research and development tax incentive

OneVue capitalises certain development expenses which can also give rise to a research and development tax incentive. The last Australian R&D cash incentive was received in FY15. From 2016 onwards as the Group revenues now exceed \$20 million, the Australian R&D incentive will be applied as a reduction to income tax payable.

### Unrecognised income tax losses and timing differences

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Total temporary differences not brought to account in the current year is \$2.58 million (2015: \$3.33 million).

The amount of unrecognised income tax losses as at year end was \$12.69 million (2015: \$11.00 million).



# Notes to the financial statements

## 4. Income tax (continued)

### Other taxes

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

	Consolidated	
	2016 \$'000	2015 \$'000
<b>Income tax benefit</b>		
Research and development tax incentive	-	1,014
Income tax benefit	624	815
Aggregate income tax benefit	624	1,829
<b>Numerical reconciliation of income tax benefit and tax at the statutory rate</b>		
Loss before income tax benefit	(4,631)	(2,049)
Tax at the statutory tax rate of 30%	(1,390)	(615)
Expenditure not allowable for income tax purposes	715	474
Research and development tax incentive	(818)	(1,014)
Tax losses carried forward not recognised	1,493	141
Previously unrecognised tax losses used to offset deferred tax liability	(624)	(815)
Income tax benefit	(624)	(1,829)

OneVue has a franking account balance of \$2.44 million (2015: \$1.22 million).

### Key estimates and judgements

#### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if OneVue considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



# Notes to the financial statements

## 5. Working capital and employee benefits provisions

### (a) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	Consolidated	
	2016 \$'000	2015 \$'000
Cash at bank and in hand	13,851	6,843
<b>Reconciliation to cash and cash equivalents at the end of the financial year shown in the statement of cash flows as follows</b>		
Cash balances as above	13,851	6,843
Term deposits	4,822	2,430
Balance as per statement of cash flows	18,673	9,273

### (b) Trade and other receivables

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature. Trade receivables are recognised at fair value less any provision for impairment.

	Consolidated	
	2016 \$'000	2015 \$'000
Trade receivables	3,704	4,032
Less: Provision for impairment of receivables	(10)	(10)
	3,694	4,022
Other receivables	161	144
Trade and other receivables	3,855	4,166

### Key estimates and judgements

#### Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

#### Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$0.60 million (\$0.53 million as at 30 June 2015). OneVue did not consider a credit risk existed on the aggregate balances after reviewing credit terms based on recent collection practices.



# Notes to the financial statements

## 5. Working capital and employee benefits provisions (continued)

### (c) Trade and other payables

These amounts represent liabilities for goods and services provided to OneVue prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Other payables not expected to be settled in the twelve months after reporting date are classified as non-current.

The current trade and other payables are set out below:

	Consolidated	
	2016 \$'000	2015 \$'000
Trade payables	1,209	784
Accrued expenses and other payables	4,550	3,941
Short term lease incentive	166	212
Trade and other payables	5,925	4,937

The non-current other payables balance is made up entirely of non-current lease incentives.

### Lease Incentives

The benefit of a contribution of a lessor to the fit out of a property is recognised as a lease incentive and classified as a liability. The respective fit out costs are recognised as an asset. The asset is depreciated on a straight line basis over the lease term and the corresponding lease incentive is also amortised on a straight line over the term of the lease.

### (d) Employee benefits provisions

A provision is recognised when an obligation exists as a result of a past event and it is probable that a future outflow of cash or other benefit will be required to settle the obligation.

### Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

### Other long term employee benefits

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.



# Notes to the financial statements

## 5. Working capital and employee benefits provisions (continued)

### Other long term employee benefits (continued)

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Related on-costs have also been included in the liability.

### Defined contribution plans

The cost of the defined contribution plans for the year was \$1.29 million (2015: \$1.08 million).

### Key estimates and judgements

#### Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

## 6. Current assets - financial assets at fair value through profit or loss

OneVue has assessed its investments held at fair value through profit or loss and these investments are held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit. These investments primarily comprise of holdings in ASX listed equities. Regular purchases and sales of investments are recognised on trade date, the date on which OneVue commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Subsequent movements in the fair value of financial assets are recognised in the statement of profit or loss and other comprehensive income. These investments, which are categorised as Level 1 in the "Fair Value Hierarchy", are valued using the quoted price in active markets.

### Impairment of financial assets

OneVue assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.



# Notes to the financial statements

## 6. Current assets - financial assets at fair value through profit or loss (continued)

	Consolidated	
	2016 \$'000	2015 \$'000
Listed ordinary shares - held for trading	269	306
<b>Reconciliation</b>		
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:		
Opening fair value	306	252
Additions	-	3
Revaluation increments	57	57
Redemption	(94)	(6)
Closing fair value	269	306

## 7. Non-current assets – intangibles

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 3).

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Customer relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which is considered to be between 5 and 7 years.



# Notes to the financial statements

## 7. Non-current assets – intangibles (continued)

### Capitalisation of project development costs and software

Research costs and costs associated with maintaining software programmes are expensed in the period in which they are incurred. Development costs and software costs that are directly attributable to the design and testing of identifiable and unique software products controlled by OneVue are recognised as intangible assets and amortised from the point which the asset is ready for use when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs and software are amortised on a straight line basis over the period of their expected benefit. Capitalised development costs are amortised over their finite life of between 5 to 7 years while capitalised software is amortised over 5 years.

### Client establishment costs

Client establishment costs are costs incurred in relation to securing a customer contract. These include costs incurred prior to and during the contract bidding process as well as costs incurred upon set-up and mobilisation of a contract upon award. They are capitalised in intangible assets when there is a probable expectation that they will be recovered and that they can be reliably measured. They are amortised on a straight line basis over the shorter of the period of the contract or five years. Where a contract award is subsequently unsuccessful, any capitalised costs are immediately expensed to profit or loss as other expenses.



# Notes to the financial statements

## 7. Non-current assets – intangibles (continued)

	Consolidated	
	2016 \$'000	2015 \$'000
Goodwill	9,274	5,467
Less: Impairment	-	-
	9,274	5,467
Customer relationships - at cost	8,496	6,377
Less: Accumulated amortisation	(3,060)	(1,908)
	5,436	4,469
Project development - at cost	7,394	5,761
Less: Accumulated amortisation	(2,629)	(1,509)
	4,765	4,252
Computer software - at cost	3,893	3,708
Less: Accumulated amortisation	(3,076)	(2,818)
	817	890
Client establishment costs - at cost	1,195	46
Less: Accumulated amortisation	(18)	-
	1,177	46
Total Intangible assets	21,469	15,124

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Goodwill	Customer relationships	Project development	Computer software	Client establishment costs	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2015	5,467	4,469	4,252	890	46	15,124
Acquisitions through business combinations	3,807	2,120	-	185	-	6,112
Other additions	-	-	1,632	-	1,149	2,781
Amortisation expense	-	(1,153)	(1,119)	(258)	(18)	(2,548)
Balance at 30 June 2016	9,274	5,436	4,765	817	1,177	21,469

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	2016 \$'000	2015 \$'000
Platform Services	3,136	3,137
Fund Services	6,138	2,330
	9,274	5,467

The recoverable amount of intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on revenue projections over a five year period, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.



# Notes to the financial statements

## 7. Non-current assets – intangibles (continued)

### Key assumptions used in value-in-use calculation

#### Growth rates

Growth rates reflect management's plans for the Fund Services and Platform Services divisions. Given Fund Service's stage of development, growth rates are significant in the next five years then reduce to a terminal growth rate of 2.5%. Platform Services has a lower growth rate which is expected to peak in year four before decreasing to a terminal growth rate of 2.5%.

#### Discount rates

The discount rate of 14.7% (2015: 17.1%) pre-tax reflects management's estimate of the time value of money and OneVue's weighted average cost of capital adjusted for both the Fund Services and Platform Services divisions, the risk free rate and the volatility of the share price relative to market movements.

There were no other key assumptions.

Based on the above, there is no impairment charge for the Fund Services and Platform Services divisions.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the cash generating unit's intangibles are based would not cause the applicable carrying amounts to exceed their recoverable amounts.

### Key estimates and judgements

#### Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

OneVue assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to OneVue and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### Estimation of useful lives of assets

OneVue determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



# Notes to the financial statements

## 8. Contributed equity - issued capital

### Ordinary shares

Ordinary shares are classified as contributed equity.

Ordinary shares entitle holders to receive dividends payable to ordinary shareholders and the right to vote on matters of corporate policy and the composition of the members of the board of Directors. The fully paid ordinary shares have no par value and OneVue does not have a limited amount of share capital.

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

A share placement on 16 December 2015 raised \$12.5 million with the issue of 18,382,354 ordinary shares at \$0.68 per share. The share placement was supported by a share purchase plan which raised \$5 million on 18 January 2016, with the issue of 7,353,093 ordinary shares at an agreed price of \$0.68 per share.

562,500 ordinary shares were issued in December 2015 upon Directors exercising their options. 617,800 ordinary shares were issued on 28 August 2015 as final consideration on the acquisition of the Select Group.

The transaction costs in relation to the share placement and share purchase plan were \$0.73 million (2015; \$1.13 million).

	Consolidated			
	2016 Shares	2015 Shares	2016 \$'000	2015 \$'000
Ordinary shares - fully paid	193,158,000	166,242,253	62,568	45,139

### Number of securities on issue

Details	2016 No. of securities	2015 No. of securities
Opening balance	166,242,253	113,923,929
Issue of shares	26,915,747	52,318,324
Closing balance	193,158,000	166,242,253

### Capital management

OneVue's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, OneVue may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

OneVue may elect to raise capital when an opportunity arises to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.



# Notes to the financial statements

## 9. Equity - reserves

Details	2016 \$'000	2015 \$'000
Share based payment reserve	391	421
Reserves relating to convertible note on acquisition of business	-	165
	391	586
Share based payment reserve		
Opening balance	421	420
Repayment of limited recourse loan	(33)	(16)
Share based payment expense	3	17
Closing balance	391	421
Reserves relating to convertible note on acquisition of business		
Opening balance	165	165
Transfer of reserve to accumulated losses	(165)	-
Closing balance	-	165

### Share based payments reserve

The share based payments reserve records the fair value of options issued.

### Reserves relating to convertible note on acquisition of business

The loan note reserve records the fair value of the loan notes issued.

## 10. Financial instruments

### Financial risk management objectives

OneVue's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. OneVue's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of OneVue. OneVue uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives (Finance) under policies approved by the Board of Directors (the Board). These policies include identification and analysis of the risk exposure of OneVue and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

OneVue's Audit, Risk Management and Compliance Committee oversees how management monitors compliance with OneVue's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by OneVue.



# Notes to the financial statements

## 10. Financial instruments (continued)

### Market risk

#### Foreign currency risk

OneVue is not exposed to any significant foreign currency risk.

#### Price risk

OneVue is exposed to price risk in relation to equity securities. This arises from investments held by OneVue and are classified on the statement of financial position at fair value through profit or loss. OneVue is not exposed to commodity price risk.

#### Interest rate risk

OneVue is not materially exposed to movements in short term variable interest rates on cash and cash equivalents and deposits. All other financial assets and liabilities are not exposed to variable interest rates. The Directors believe a 50 basis point movement is a reasonable sensitivity given current market conditions. A 50 basis point increase or decrease in interest rates would impact the OneVue's income statement as set out below:

	Consolidated	
	2016 \$'000	2015 \$'000
Cash and cash equivalents	13,851	6,843
Deposits	4,822	2,430
	18,673	9,273
50 basis points increase in interest rate	93	46
50 basis points decrease in interest rate	(93)	(46)
<b>Net impact on loss after tax</b>		
Loss after income tax:	(4,007)	(220)
50 basis point increase	(3,914)	(174)
50 basis point decrease	(4,100)	(266)

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to OneVue. OneVue obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. OneVue does not hold any collateral.

### Liquidity risk

Vigilant liquidity risk management requires OneVue to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

OneVue manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Under the terms of its Australian Financial Services Licence, OneVue RE Services Limited, a subsidiary of OneVue Holdings Limited is required to hold up to \$5 million in adjusted surplus liquid funds at all times.



# Notes to the financial statements

## 10. Financial instruments (continued)

### Liquidity risk (continued)

#### Financing arrangements

OneVue arranged a \$3.5 million loan and overdraft facility. The loan was drawn in December 2015 and was fully repaid by 30 June 2016.

#### Remaining contractual maturities

The following table details OneVue's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position. All contract maturities for financial instruments liabilities as at 30 June 2016 and 30 June 2015 were 1 year or less.

	2016	2015
	1 year or less	1 year or less
Consolidated	\$'000	\$'000
<b>Non-derivatives</b>		
<i>Non-interest bearing</i>		
Trade and other payables	5,575	4,635
Other financial liabilities	-	200
Total non-derivatives	5,575	4,835
<b>Derivatives</b>		
Convertible note	-	720
Total derivatives	-	720

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## 11. Key management personnel disclosures

### Compensation

The aggregate compensation made to Directors and other members of key management personnel of OneVue is set out below:

	Consolidated	
	2016 \$'000	2015 \$'000
Short term employee benefits	1,303	1,443
Post-employment benefits	97	118
Long term benefits	25	21
	1,425	1,582



# Notes to the financial statements

## 12. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditors of OneVue, and unrelated firms:

	2016 \$'000	2015 \$'000
<b>Audit and review services and other regulatory returns</b>		
BDO East Coast partnership	154	202
Ernst and Young	58	58
Moore Stephens	15	-
	227	260
<b>Audit and review services for non-consolidated managed funds and superannuation funds*</b>		
BDO East Coast partnership	169	194
Ernst and Young	256	190
Total audit fee attributable to the audit and review of non-consolidated	425	384
	652	643
<b>Non-audit services - Tax and other services</b>		
BDO East Coast partnership	34	173
Moore Stephens	5	-
	39	173
<b>Non-audit services - Tax and other services for non-consolidated managed funds and superannuation funds*</b>		
Ernst and Young	75	76
	114	249

\*These costs are recovered from the funds to which they relate.

## 13. Contingent assets

OneVue has no contingent assets as at 30 June 2016 (2015: \$Nil).

## 14. Contingent liabilities

OneVue has the following contingent liabilities:

	Consolidated	
	2016 \$'000	2015 \$'000
Guarantee for ASX bond	500	-
Guarantees for rental bonds	1,152	310
	1,652	310



# Notes to the financial statements

## 15. Litigation

OneVue Holdings Limited may be involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Based on legal advice obtained, other than the amounts already provided for in the accounts, the Directors do not expect any material liabilities to eventuate.

## 16. Commitments

Future minimum rentals payable under non-cancellable operating leases:

	Consolidated	
	2016 \$'000	2015 \$'000
Within one year	1,371	935
One to five years	2,907	1,784
	4,278	2,719

The above commitments relate mainly to the leasing of premises with lease terms between 3 and 5 years and include renewable lease terms.

The minimum lease repayments made in the year were \$1.78 million (2015: \$1.49 million).

## 17. Related party transactions

### Parent entity

OneVue Holdings Limited is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 20.

### Associates

Interests in associates are set out in note 21.

### Key management personnel

Disclosures relating to key management personnel are set out in note 11 and the remuneration report in the Directors' report.

### Transactions with related parties

There were no material transactions with related parties.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Guarantees provided by related parties

OneVue is not the beneficiary of bank guarantees over assets held by related parties as at 30 June 2016. During the current year guarantees were issued over cash held by OneVue where previously the security for the guarantees was over the personal assets of two substantial shareholders.



# Notes to the financial statements

## 18. Parent entity information

Set out below is supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2016 \$'000	2015 \$'000
Profit after income tax	407	83
Total comprehensive income	407	83

### Statement of financial position

	Parent	
	2016 \$'000	2015 \$'000
Total current assets	27,607	9,168
Total assets	64,595	47,322
Total current liabilities	338	903
Total liabilities	338	903
Equity		
Contributed equity	62,568	45,139
Options reserve	390	437
Convertible notes	-	165
Retained profits	1,299	678
Total equity	64,257	46,419

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2016 and 30 June 2015.

### Significant accounting policies of the parent entity

The accounting policies of the parent entity are consistent with those of the Group as disclosed in this financial report except for the parent entity's investments in subsidiaries and associates, which are accounted for at cost, less any impairment the parent entity.



# Notes to the financial statements

## 19. Business combinations

### Super Managers Australia Pty Ltd and Super Managers Funds Administration Pty Ltd

OneVue Holdings Limited acquired 100% of the ordinary shares of the Super Managers Group on 8 December 2015.

The Super Managers Group is comprised of the following entities:

- OneVue Super Services Holdings Pty Limited (OVSSH) (formerly known as Super Managers Australia Pty Ltd) (SMA)
- OneVue Super Services Pty Ltd (OVSS) (formerly known as Super Managers Funds Administration Pty Ltd) – 100% subsidiary of SMA.

The SMA business expands OneVue's capability further into the fast growing superannuation administration sector.

Goodwill recognised on acquisition reflects the value of the super administration processes, systems and expertise that will enhance OneVue's existing service offering. OneVue also expects to achieve cost synergies in the Group through having internal superannuation administration capability.

The acquired businesses contributed revenue of \$2.1 million and net profit of \$0.2 million. If the acquisition had occurred on 1 July 2015, then contributed revenue and net profit would have been \$3.5 million and \$0.4 million respectively.

The consideration of \$5.1 million for SMA comprised:

- loan of \$1.4 million previously provided to OVSSH by OneVue; plus
- repayment of the \$3.5 million debt of OVSSH; plus
- payment of \$0.2 million under contractual agreements.



# Notes to the financial statements

## 19. Business combinations (continued)

The provisional fair values of the acquisition are:

Consolidated	\$'000
Cash and cash equivalents	193
Trade receivables	566
Other assets	12
Intangible assets – customer relationships	2,120
Intangible assets – software	185
Tax asset	51
Trade creditors	(188)
Employee entitlements	(129)
Accruals	(698)
Other liabilities	(173)
Net assets acquired	1,939
DTL on customer relationships	(635)
Goodwill	3,807
Fair value of net assets acquired	5,111
Acquisition date fair value of the total consideration transferred	
Cash paid or payable to vendor	200
Repayment of pre-existing external debt (refinanced by OneVue)	3,500
Loan funds previously provided by OneVue	1,411
Fair value of the total consideration transferred	5,111
Cash used to acquire business, net of cash acquired	
Repayment of pre-existing external debt (refinanced by OneVue)	3,500
Cash paid or payable to vendor	200
Less: cash and cash equivalents	(193)
	3,507

There were no acquisition costs expensed to profit or loss in the period relating to the acquisition of SMA.

## 20. Consolidated group and interests in subsidiaries

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OneVue Holdings Limited (parent entity) as at 30 June 2016 and the results of all subsidiaries for the year ended 30 June 2016.

Subsidiaries are all those entities over which OneVue has control. OneVue controls an entity when OneVue is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to OneVue. They are de-consolidated from the date that control ceases.



# Notes to the financial statements

## 20. Consolidated group and interests in subsidiaries (continued)

### Principles of consolidation (continued)

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

### Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by OneVue
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. OneVue recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.



# Notes to the financial statements

## 20. Consolidated group and interests in subsidiaries (continued)

### Business combinations (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2016 %	2015 %
InvestSelect Pty Ltd	Australia	100%	100%
MAP Financial Planning Pty Ltd	Australia	100%	100%
MAP Funds Management Ltd	Australia	100%	100%
OneVue Financial Pty Limited	Australia	100%	-
OneVue Fund Services Pty Ltd	Australia	100%	100%
OneVue Limited	Australia	100%	100%
OneVue Private Clients Pty Limited	Australia	100%	100%
OneVue RE Services Limited (formerly Select Asset Management Limited)	Australia	100%	100%
OneVue Services Pty Ltd	Australia	100%	100%
OneVue Super Services Holdings Pty Limited	Australia	100%	-
OneVue Super Services Pty Limited	Australia	100%	-
OneVue UMA Pty Limited	Australia	100%	100%
OneVue Unit Registry Pty Ltd	Australia	100%	100%
Select Funds Pty Limited	Australia	100%	100%
Select Investment Partners Limited	Australia	100%	100%
SMSF Managers Pty Ltd	Australia	100%	100%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 27.

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest	Ownership interest	Ownership interest	Ownership interest
			2016	2015	2016	2015
SMA Tax & SMSF Services Pty Ltd *	Australia	SMSF Services	49%	49%	51%	51%

\*The non-controlling interest in the entity is immaterial. SMA Tax & SMSF Services Pty Ltd is dormant.



# Notes to the financial statements

## 21. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2016 %	2015 %
WealthPortal Pty Limited	Australia	20.00%	20.00%

## 22. Events after the reporting period

On 14 June 2016, OneVue and Diversa Group Limited (Diversa) announced that they had entered into a Scheme Implementation Deed, under which it is proposed that OneVue will acquire 100% of Diversa's ordinary shares under a Scheme of Arrangement (Scheme). Diversa provides superannuation trustee, administration, promotion and investment services to wholesale clients such as superannuation fund trustees and superannuation fund promoters, including financial advisers and corporates. Diversa also uses those services to provide superannuation and insurance products directly to its retail clients.

The proposed Scheme will bring together two businesses with a shared vision of capitalising on the growth in the superannuation services market by offering comprehensive and quality superannuation, trustee and fund administration services.

The Scheme is expected to be implemented on 6 October 2016, following the approval received from the Diversa shareholders on 20 September 2016, and the Court approval on 27 September 2016.

The fair value of the net assets acquired is unable to be determined in these financial statements as the implementation date is after the accounts are signed.

Goodwill to be recognised on acquisition reflects the expectation of growth opportunities through the creation of a comprehensive set of superannuation, trustee and fund administration products and services. OneVue also expects to achieve substantial efficiency gains and cost savings.

As consideration, Diversa shareholders (other than Ineligible Overseas Scheme Shareholders) will receive, at their election, either:

- ☐ 1.2375 OneVue shares for each Diversa share; or
- ☐ 1.0730 OneVue shares for each Diversa share plus cash of \$0.10 per Diversa share.



# Notes to the financial statements

## 22. Events after the reporting period (continued)

The table below shows the calculation of the number of new OneVue shares to be issued and the total value of the scheme consideration assuming all Diversa shareholders make an election to receive one type of scheme consideration:

	Maximum share consideration	Maximum cash consideration
Diversa shares currently on issue	59,768,607	59,768,607
Diversa shares to be issued under performance rights	217,456	217,456
Projected number of Diversa shares on issue prior to implementation of the scheme	59,986,063	59,986,063
Exchange ratio	1.2375	1.0730
New OneVue shares to be issued	74,232,753	64,365,046
Total number of OneVue shares on issue following implementation	267,390,753	257,523,046
OneVue share price (as at 10 June 2016)*	\$0.665	\$0.665
Cash consideration per Diversa share	nil	\$0.10
Scheme consideration	\$49,364,780	\$48,801,362

\*Being the closing price of OneVue Shares on the last trading day before the Scheme was announced.

## 23. Reconciliation of cashflows

	Consolidated	
	2016 \$'000	2015 \$'000
Net loss after income tax expense for the year	(4,007)	(220)
<b>Non-cash items</b>		
Depreciation and amortisation	2,868	2,179
Share based payments	-	17
Financial assets mark to market	53	(16)
Acquisition costs	50	265
Release of long service leave provision	-	(71)
Discount of loan	(44)	(107)
Lease incentive liability	(212)	(187)
<b>Change in operating assets and liabilities:</b>		
Decrease in current taxes	-	(198)
(Increase) in deferred tax assets	(636)	(819)
Decrease/(increase) in receivables	885	(1,279)
Increase /(decrease) in trade and other payables	413	(9)
(Increase) in prepayments	(122)	(78)
Net cash used in operating activities	(752)	(523)



# Notes to the financial statements

## 24. Loss per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of OneVue Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	Consolidated	
	2016 \$'000	2015 \$'000
Loss after income tax attributable to the owners of OneVue Holdings Limited	(4,007)	(220)

	Number ('000)	Number ('000)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	181,536	165,210

	Cents	Cents
Basic and diluted loss per share	(2.21)	(0.13)

As there are no outstanding options over ordinary shares or other dilutive securities at year end no diluted EPS calculation is presented.

## 25. Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

There were no equity-settled compensation benefits issued in 2016 (2015: 26,000 shares).

### Employee share scheme

No shares were issued as part of an employee share scheme in 2016 (2015: 26,000 shares).



# Notes to the financial statements

## 25. Share-based payments (continued)

### Employee Option Plan

A share option plan was established by OneVue by the Board in December 2009 under which the Board granted options over ordinary shares in OneVue Holdings to certain key management personnel of OneVue. The options are issued for nil consideration in accordance with the rules of the OneVue Holdings Employee Share Option Plan. No options were granted in 2016 or 2015.

Set out below are summaries of options granted under the plan and the options granted to Directors:

2016							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/2014	25/01/2016	\$0.35	562,500	-	(562,500)	-	-
			562,500	-	(562,500)	-	-
Weighted average exercise price			\$0.35	-	-	-	-

2015							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/2014	25/01/2016	\$0.35	562,500	-	-	-	562,500
			562,500	-	-	-	562,500
Weighted average exercise price			\$0.35	-	-	-	\$0.35

### Limited recourse loans secured by shares

In May 2014, options held by management were exercised and per the terms of the exercising of the options OneVue issued an interest free limited recourse loan for employees for 3 years which ends on 30 May 2017 and is repayable upon selling the shares. This loan is based on the exercise price of the initial options on 16 May 2014 at 25 cents per unit, with a total value of \$1.2 million. There is no service period required and the current employees are entitled to these shares whether or not they remain with OneVue for the 3 year period. The fair value of the limited recourse loans was determined using the same valuation and inputs as options granted during the year of issue.

## 26. Corporate information

OneVue is limited by shares and incorporated and domiciled in Australia. OneVue's shares are publicly traded on the Australian Securities Exchange (ASX code: OVH). Its registered office and principal place of business is Level 5, 10 Spring Street, Sydney NSW 2000.

A description of the nature of OneVue's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.



# Notes to the financial statements

## 27. Summary of significant accounting policies

Significant accounting policies adopted in the preparation of these consolidated financial statements have been disclosed in the relevant notes to the financial statements. All other accounting policies are outlined below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of OneVue Holdings Limited and its subsidiaries.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of OneVue only. Supplementary information about the parent entity is disclosed in note 18.

### Foreign currency

Both the functional and presentation currency of OneVue is Australian dollars.

### Fair value

OneVue measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price OneVue would receive if it sold an asset or would have to pay to transfer a liability. More information is disclosed in the applicable notes.

### New and amended standards adopted by OneVue

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

OneVue has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of OneVue.

The following Accounting Standards and Interpretations are most relevant to OneVue:

### AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

### New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by OneVue. OneVue's assessment of the impact of these new standards and interpretations is set out below.



# Notes to the financial statements

## 27. Summary of significant accounting policies (continued)

### AASB 9 Financial Instruments and its consequential amendments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. OneVue will adopt this standard from 1 July 2018. The impact of its adoption is yet to be assessed by OneVue.

### AASB 16 'Leases'

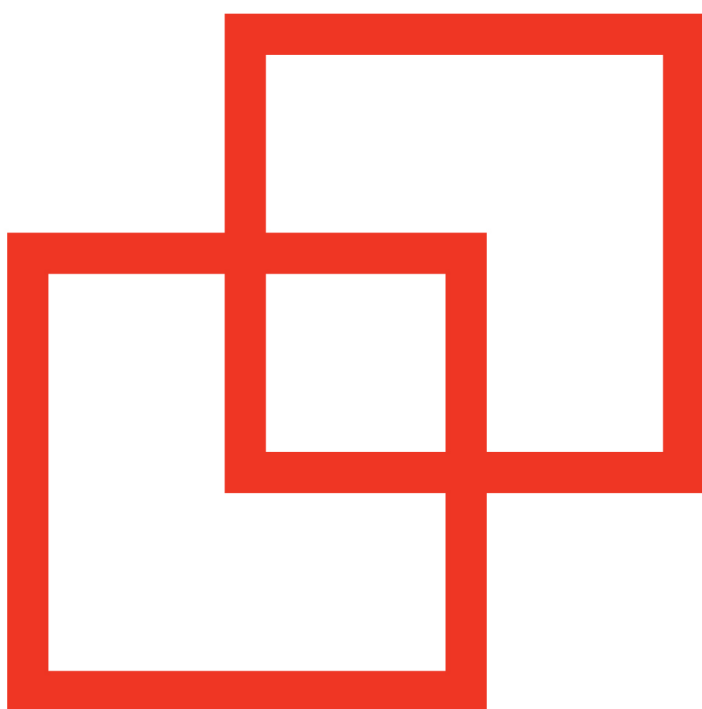
AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short term leases and leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The impact of its adoption is yet to be assessed by OneVue.

### AASB 15 'Revenue from Contracts with Customers'

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. OneVue will adopt this standard from 1 July 2018. The impact of its adoption is yet to be assessed by OneVue.



# Directors' Declaration



## Directors' Declaration

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The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2016. The Directors have the power to amend and reissue the financial statements.

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 27 to the financial statements
- the attached financial statements and notes thereto give a true and fair view of OneVue's financial position as at 30 June 2016 and of its performance for the financial year ended on that date
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors

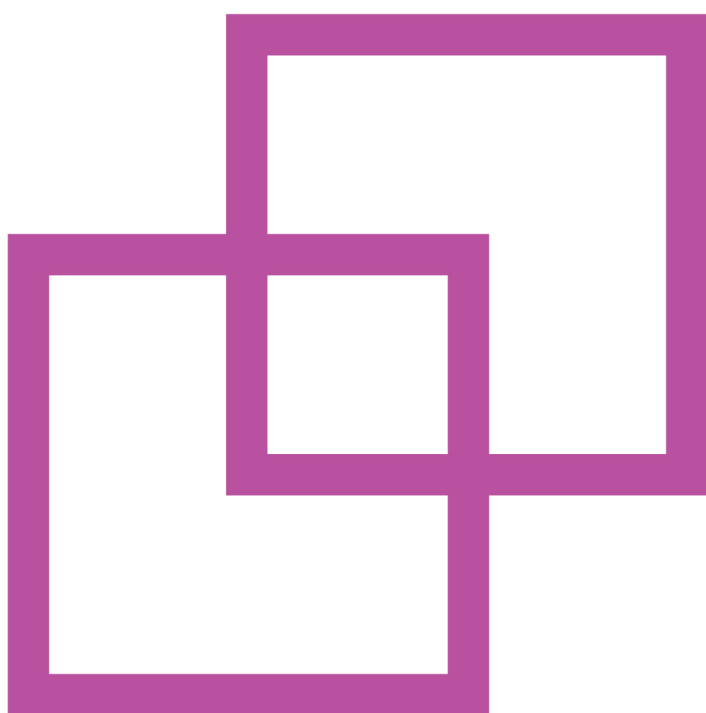
A handwritten signature in black ink, appearing to read 'G Pemberton', with a large, stylized circular flourish underneath.

Gail Pemberton  
Director

27 September 2016  
Sydney



# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

To the members of OneVue Holdings Limited

### Report on the Financial Report

We have audited the accompanying financial report of OneVue Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 27, 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Opinion

In our opinion:

- (a) the financial report of OneVue Holdings 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 2016 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 27.

### Report on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 36 of the directors' report for the year ended 30 June 2016. 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 OneVue Holdings Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership



Arthur Milner  
Partner

Sydney, 27 September 2016

# ASX Additional Information



## ASX Additional Information

The shareholder information set out below is as at 5 September 2016

### Equity security holders

Twenty largest quoted equity security holders.

The names of the twenty largest security holders of quoted equity securities:

Rank	Name	Units	% of Units
1.	ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	30,306,339	15.69
2.	CITICORP NOMINEES PTY LIMITED	25,926,742	13.42
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,454,690	7.48
4.	UBS NOMINEES PTY LTD	11,812,294	6.12
5.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <PICREDIT>	9,062,941	4.69
6.	J P MORGAN NOMINEES AUSTRALIA LIMITED	8,827,198	4.57
7.	NIGEL STOKES PTY LTD <COMPANY SUPER FUND A/C>	5,000,000	2.59
8.	NATIONAL NOMINEES LIMITED	3,268,328	1.69
9.	PHAROS FINANCIAL GROUP PTY LTD <THE PHAROS FIN GROUP A/C>	2,550,233	1.32
10.	ABTOURK (SYD NO 376) PTY LTD	2,523,641	1.31
11.	STEPHEN J M KARRASCH	2,440,878	1.26
12.	RBC INVESTOR SERVICES AUSTRALIA PTY LIMITED <VFA A/C>	2,143,282	1.11
13.	GMBP PTY LTD <GM PEMBERTON SUPER FUND>	2,046,967	1.06
14.	KARRASCH PTY LTD <KARRASCH SUPERANNUATION FUND>	1,976,806	1.02
15.	CRX INVESTMENTS PTY LTD	1,663,000	0.86
16.	ARLJM INVESTMENTS PTY LTD <ARLJM FAMILY A/C>	1,536,428	0.80
17.	STRATEGIC CONSULTANTS INTERNATIONAL PTY LTD <STRATEGIC ADVANTAGE S/F A/C>	1,349,678	0.70
18.	SANDHURST TRUSTEES LTD <DMP ASSET MANAGEMENT A/C>	1,185,131	0.61
19.	BLACKWOOD CONSULTING PTY LTD <ROGER CAMPBELL FAMILY A/C>	1,144,104	0.59
20.	BRETT MARSH	1,095,520	0.57
	Top 20 holders of issued capital	130,314,200	67.47
	Remaining holders balance	62,843,800	32.53
	<b>Total Issued Capital</b>	<b>193,158,000</b>	<b>100.00</b>



## Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	1 to 1,000	1,001 to 5,000	5,001 to 10,000	10,001 to 100,000	100,001 and over
Holders	85	307	229	497	152
Shares	44,767	884,833	1,739,508	17,577,299	172,911,593
Total holders	<b>1,270</b>				
Total shares	<b>193,158,000*</b>				

Total number of shareholders with less than a marketable parcel of shares (valued at \$500 or less): 46.

\*This represents shares on issue as at 5 September 2016 prior to the proposed Scheme of Arrangement to acquire Diversa's ordinary shares.

### Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	-	-

## Substantial holders

Details of the substantial shareholders as at 5 September 2016:

Shareholder	Shares held	% of total shares issued
ABTOURK (SYD NO 415) PTY LTD	33,098,976	17.1%
Commonwealth Bank of Australia	24,183,147	12.5%
TIGA Trading Pty Ltd	9,582,334	5.0%
Tribeca Investment Partners Pty Ltd	9,934,661	5.1%

## Voting rights

The voting rights attached to ordinary shares are set out below:

### Ordinary shares

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

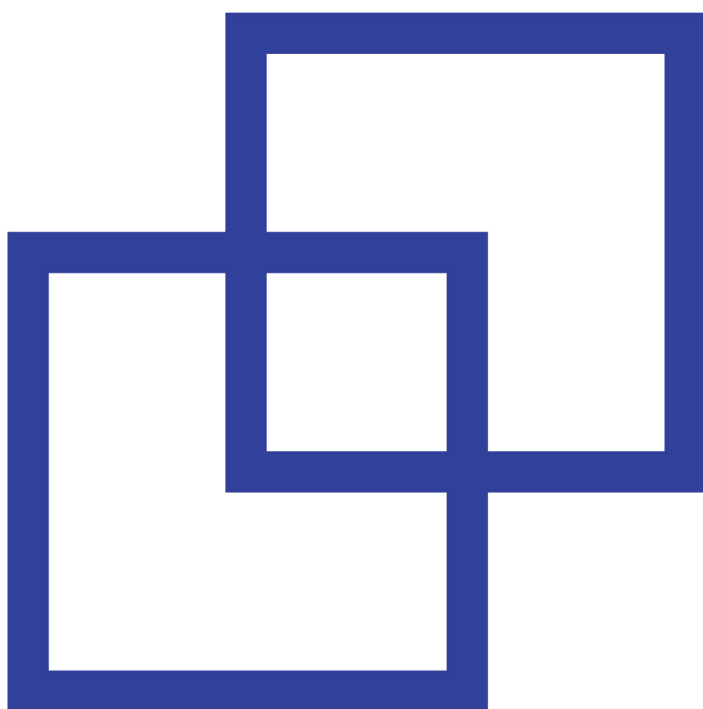
There are no other classes of equity securities entitled to vote.

## Escrow restrictions

There are no issued OneVue securities with escrow restrictions as at 5 September 2016.



# Corporate Directory



# Corporate directory

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## Directors

- Karen Gibson
- Stephen Knight
- Connie Mckeage (Managing Director)
- Gail Pemberton (Chair)
- Greta Thomas
- Garry Wayling

## Company Secretary

- Ashley Fenton

## Notice of Annual General Meeting

The details of the Annual General Meeting of OneVue Holdings Limited are:

Christie Corporate  
3 Spring Street  
Sydney NSW 2000

10am on Thursday, 24 November 2016

## Registered office and principal place of business

Level 5  
10 Spring Street  
Sydney NSW 2000

Phone: (02) 8022 7400

## Share register

Computershare Investor Services Pty Limited  
Level 4  
60 Carrington Street  
Sydney NSW 2000  
Phone: 1300 850 505

## Auditor

BDO East Coast Partnership  
Level 11  
1 Margaret Street  
Sydney NSW 2000

## Stock exchange listing

OneVue Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: OVH)

## Website

[www.onevue.com.au](http://www.onevue.com.au)





*All about you*

OneVue Holdings Limited  
ABN 15 108 221 870

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