onevue

Strength in numbers

2017
ANNUAL REPORT

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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 2017 financial year. Now in our third year as a publicly listed company, I am very pleased to say that we have concluded a defining year achieving profitability, positive cash flow and real earnings momentum.

Financial highlights for the year

Underlying revenue from services of $40.0 million increased by 53% over the prior year and we ended the year with $5.0 million operating cash flow up $5.2 million from the previous year. We completed the integration of Diversa and achieved the forecast full year synergies of $4.0 million per annum ahead of schedule, underscoring our strong execution capability. With the addition of Diversa to the Group and the continued growth of Fund Services, we've further improved revenue quality and diversification with 91% of total revenue now recurring. Customer concentration risk has continued to reduce as forecast with the largest client now contributing 7% of Group revenue down from 12.6% at the same time last year. The Group recorded record positive underlying EBITDA of $4.5 million due to strong revenue growth and continued vigilance on expenses leading to a significant improvement in EBITDA margin to 11%, an improvement of 16% from the previous year.

Business highlights for the year

Fund Services

Fund Services revenue of $19.3 million increased by 65% over the prior year and managed fund administration funds under administration (FUA) closed at $489 billion an increase of $79 billion. Fund Services contributed $2.6 million EBITDA.

We are the number one provider of managed fund administration in Australia.

The announcement this year of the contract with NAB Asset Servicing has further entrenched our leadership position potentially doubling the size of the business at the completion of all transitions.

OneVue Superannuation Member Administration Services continues to delight its customers closing the year with FUA of $1.96 billion an increase of $0.8 billion from the previous year, driven by organic growth with new clients acquired simply through reputation and word of mouth.

Platform Services

Revenue for Platform Services of $17.2 million increased by 11% over the prior year and FUA closed the year at a record $4 billion, having doubled since IPO and representing a compound annual growth rate (CAGR) of 27%. Gross funds flow was $1.2 billion which represented a 35% increase on the prior year. Platform Services contributed $3.7 million EBITDA.

Superannuation Trustee Services

The Trustee Services business achieved $5.6 million revenue and contributed $2.2 million EBITDA. Funds Under Trusteeship (FUT) closed at $9.4 billion, having grown by $1 billion or 11% post acquisition.

OneVue's Ecosystem

While each of the three businesses is earnings positive in its own right, there are material cost and revenue synergies by having them in one Group. Cost synergies are in technology, risk management and governance. Even more importantly, there are material and growing revenue synergies as customers of one business increasingly are becoming customers of two or even all three business units. The FUND.eXchange 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. It is a perfect illustration of the OneVue Ecosystem and the ability of the Group to provide a broader and deeper value proposition to its customers.

Board changes

Last year we began a Board refresh program and welcomed three new directors to the Board including Ron Dewhurst, the former Chair of Diversa. The new Board members have brought greater depth in investment management, business process outsourcing and technology which has been particularly helpful to the management team.

The year ahead

We look forward to another exciting year ahead now the Diversa acquisition has been fully integrated, the accelerated takeup of the FUND.eXchange and the continued conversion of the Fund Services pipeline. OneVue has never been in such a strong position as it stands today.

Recognising our shareholders, supporters and staff

Building a business isn't easy. Last year I quoted Elon Musk who said "Starting and growing a business is as much about the innovation, drive, and determination of the people behind it as the product they sell." That still remains very relevant so once again, on behalf of the Board, I'd like to thank our tireless and dedicated staff and our talented and incredibly focussed Managing Director, Connie Mckeage. I'd also like to acknowledge the support of our shareholders throughout the year.

Yours sincerely

Gail Pemberton
Chair

Letter from the Managing Director

The end of financial year permits a moment of reflection, creates time to remind ourselves of what has been achieved in the previous twelve months but most importantly forces us to move towards what lies ahead knowing we have created a solid foundation beneath us.

The last financial year has been both challenging and rewarding but as I reflect back on the year I think most about how OneVue's unique and systematically designed strategy is now materialising and poised to make a mark on an industry crying out for genuine disruption.

We stand firmly behind the fundamental beliefs that have helped shaped our strategy and business model and if anything we are even more committed to changing the financial services landscape in a way that delivers real value to the forgotten participant in the value chain – the end investor.

Six structural shifts remain at the fore of our actions.

1. Regulators, advisers, fund managers and investors are calling for greater transparency of platform costs and revenue drivers. The platforms are one of the few participants in the market where the costs remain tightly bundled under platform costs.
2. There is large scale disintermediation occurring across sectors globally. Financial services will not be immune to the pressures of disintermediating where little or no value is being created. The future is unfolding before us with blockchain initiatives and disintermediated proprietary networks.
3. The total cost to the client must come down.
4. We continue to believe that it is increasingly difficult to differentiate between various platform providers on products and features alone. It is rare for anyone to be able to quickly outline the core differences between the select platform providers or even intelligently comment on their respective unique features. We continue to believe that ultimately in a sector lacking true differentiation the best position is one of scale and automation.
5. As regulation has become more complex there is a growing trend to outsource functions to third party specialists particularly in the areas of superannuation member administration, fund administration and trustee services.
6. The financial services value chain is flawed. Participants such as fund managers have borne the greatest margin diminishment of all platform participants. They are squeezed on margins, they pay for platform efficiencies such as Calastone and mFunds, they pay for the Responsible Entity (RE) and the custodian yet they have the most potential for creating genuine value to the end investor.

Over the last few years we have systematically embarked on a strategy to prepare OneVue to capitalise on these material shifts. This financial year each of the key pillars of change, Fund Services, Platform Services and Trustee Services became profitable and solidified their position as successful stand-alone businesses. More importantly however they contribute as an important part of a unique ecosystem positioned to make a difference in a market rife for real change.

So it has been a rewarding year as we achieved each of our financial and strategic goals and continued along our 20 Mile March. The challenge for any publicly listed business with a strategy however is short-termism. To develop a genuine market differentiated strategy takes time and necessitates a thoughtful and systematic approach to change. In an era where fund managers are under pressure to deliver results quarter on quarter it is often too easy to fall prey to short-termism.

As stated in the *Harvard Business Review* earlier this year the average holding period for a US public company in 1976 was 5.1 years, in 2015 it had dropped to 7.3 months.

This is the environment we realistically work within whilst building a medium to longer term sustainable business model. The issue with short-termism is it flys in the face of strategy whose core definition is a plan of action designed to achieve a longer term overall objective.

As you will see in the OneVue 20 Mile March stories embedded throughout this Annual Report we are focused on our longer term mission. So, we would like to thank all those investors who have supported our drive to make a real difference. Those with the patience to back a company that is not reacting to knee jerk short-termism but one poised to survive a set of new market dynamics.

Respectfully yours

Connie McKeage

Connie Mckeage
Managing Director

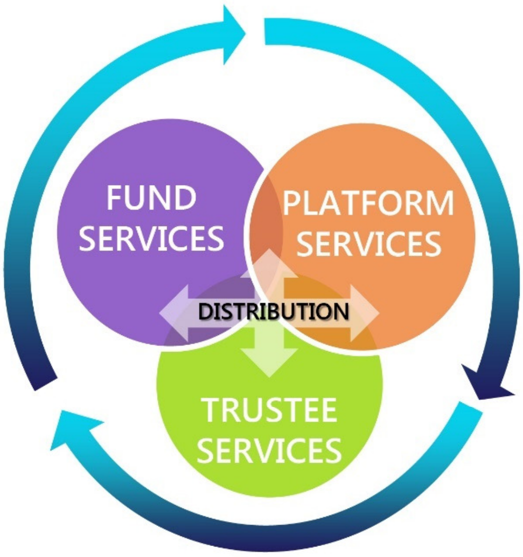
BUSINESS OVERVIEW

Business overview

OneVue Group, an integrated offering

FUND SERVICES
THE ADMINISTRATION BUSINESSES

- Market leader in managed fund administration
  FUA $489b
- Superannuation member administration
  FUA $1.96b



PLATFORM SERVICES
THE DIRECT AND INTERMEDIATED DISTRIBUTION GATEWAY

- A full function platform administering a wide range of assets including managed funds and managed accounts
  FUA $4.0b

SUPERANNUATION TRUSTEE SERVICES
THE LEGAL ENABLER

- Market leader in comprehensive trustee services for registered superannuation funds
  FUT $9.4b

Group dashboard

Revenue	EBITDA*	EBITDA margin
$40.9m ▲ 53%	$4.5m ▲ $5.7m	11% ▲ 16%

Operating cashflow#	EBIT^	EPS
$5.0m ▲ $5.2m	$0.4m ▲ $4.5m	0.08 cents ▲ 2.29 cents

Notes
* EBITDA excludes one off costs and share based payments.
# Operating cashflow excludes non recurring costs of acquisitions
^ EBIT excludes one off costs and share based payments

Financial year 2017 scorecard

Delivered on strategic priorities

- A material 5 year **Fund Services** fund administration contract signed with NAB Asset Servicing, potentially doubling the number of items processed, fund managers and funds
- **Fund Services** fund administration achieves record growth in number of fund managers, Funds Under Administration, up $79b to $489b and items processed up 60%
- **Fund Services** superannuation member administration also achieves record growth in number of funds, Funds Under Administration up $0.8b to $1.96b and members, up by 53,000 to 90,000
- **Platform Services** reaches $1.2b gross inflows taking Funds Under Administration to a record $4.0b and Investment Trends awards a Top 3 in Online client portal capability and winner of most new Platform developments
- **Diversa** acquisition completed in October 2016, integration and synergies achieved 14 months ahead of schedule
- Post acquisition Funds Under Trusteeship have grown by $1.0b to a record $9.4b

Fund Services dashboard

Revenue	EBITDA*	EBITDA margin
$19.3m ▲ 65%	$2.6m ▲ 286%	14% ▲ 8%

FUA# Managed funds admin	FUA# Super member admin	Managed funds admin Items processed
$489.0b ▲ $79b	$1.96b ▲ $0.8b	216,311 ▲ 60%

Notes
* EBITDA excludes one off costs
# Funds under administration

Managed fund administration

- Provides administration services to fund managers, contracts either via custodians or directly with fund managers.
- Services include institutional, wholesale and retail managed fund administration. Underpinned by large scale automation and delivered via proprietary core technology.

On-boarding

Processing such as applications and redemptions

Distributions

Reporting including tax reporting and correspondence

Premium services such as call centre and AML

Superannuation member administration

- Provides member administration services connecting superannuation funds to the members and employers.
- Services include; processing, asset administration, reporting and communication, using proven and scaled technology.

Platform Services dashboard

Revenue	EBITDA*	EBITDA margin
$17.2m ▲ 11%	$3.7m ▲ 151%	22% ▲ 12%

Retail FUA#	Gross inflows
$4.0b ▲ 22%	$1.2b ▲ 35%

Notes
* EBITDA excludes one off costs
# Funds under administration

Innovation recognised

OneVue won the **Most New Developments** award from *Investment Trends' 2016 Platform Competitive Analysis and Benchmarking Report.*

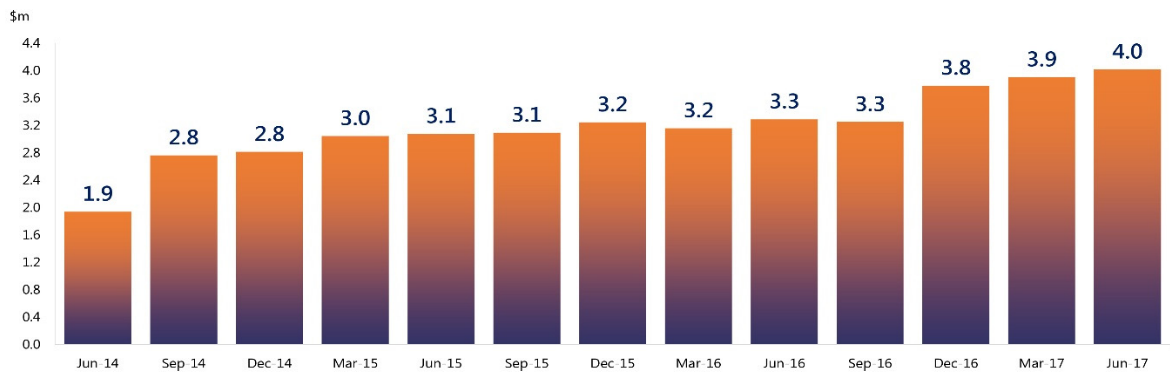
OneVue was the platform which made the greatest advances in functionality in the last 12 months.

- OneVue's platform is both a direct and intermediated solution that enables investors to transact, manage and report on their investments on a consolidated basis.
- A full function platform administering a wide range of assets including managed accounts, unit trusts, term deposits, ASX listed securities, as well as property and debt.

A leader in providing planner clients the richest feature set.

OneVue awarded '**Best Innovator**' in the Self Managed Super Fund Provider Awards.
The award recognises outstanding service to the self managed superannuation fund (SMSF) sector from a survey of over 850 financial advisers and accountants providing SMSF advice conducted by leading financial services research house, CoreData.

Retail FUA has doubled since IPO to reach $4.0 billion at 30 June 2017, a CAGR of 27%



Superannuation Trustee Services dashboard

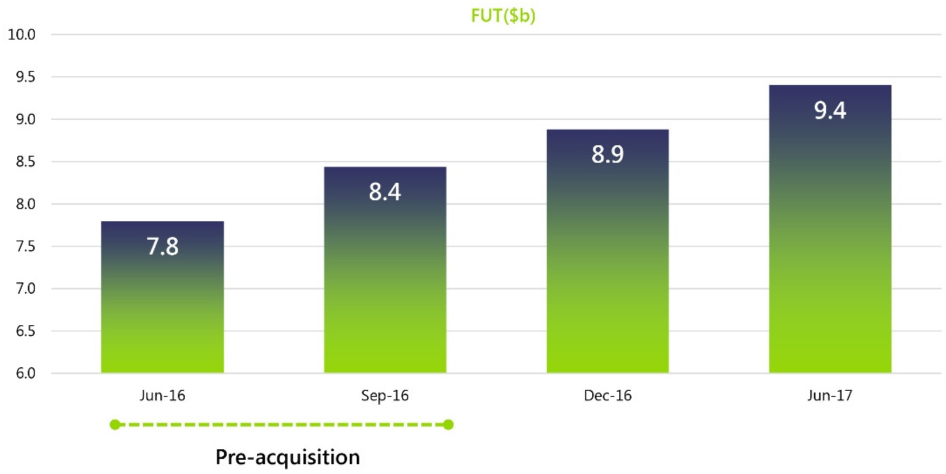
Revenue	EBITDA*	EBIDTDA margin	FUT#
$5.6m	$2.2	38%	$9.4b ▲ 21%

Notes
*EBITDA excludes one off costs
Funds under trusteeship

Superannuation Trustee Services represents the recently acquired Diversa Trustees business, the market leader in outsourced retail superannuation trustee services in Australia, leveraged to the fast growing managed account providers and disruptors.

- Provides superannuation trustee services for APRA registered superannuation funds.
- Specialist governance and compliance functions performed by a trustee in the highly regulated superannuation industry.
- Managing superannuation funds in accordance with their Trust Deed and regulatory obligations.

Funds under trusteeship have grown by $1 billion since acquisition



Key business measures

	H1 FY 2017	H2 FY 2017	FY 2017	H1 FY 2016	H2 FY 2016	FY 2016	Change 17 vs 16	Change %
FUND SERVICES								
Managed fund administration FUA ($'b)	435.9	489.1	489.1	413.2	410.0	410.0	79.1	19%
Managed fund administration items processed	92,282	124,029	216,311	52,547	83,039	135,586	80,725	60%
Managed fund administration nos of investors	114,321	119,823	119,823	111,082	110,775	110,775	8,508	8%
Super member administration FUA ($'m)	1,728	1,956	1,956	1,126	1,139	1,139	817	72%
Super member administration members	90,395	89,845	89,845	33,422	36,744	36,744	53,101	145%
PLATFORM SERVICES								
Retail FUA ($'m)	3,781	4,018	4,018	3,247	3,289	3,289	729	22%
FUA gross inflows ($'m)	616	600	1,216	484	418	901	315	35%
Net inflows ($'m)[1]	135*	257	392	210	204	413	(21)	(5%)
SUPERANNUATION TRUSTEE SERVICES								
FUT ($'m)	8,882	9,401	9,401	6,994**	7,796	7,796	1,605	21%

Notes

[1] Net inflows exclude market movements.

* Includes $225m transition out by one client. Net inflows excluding the client loss amounted to $360 million.

** The business was acquired on 6 October 2016, prior statistics provided by Diversa Limited are provided for information.

PEOPLE AND CULTURE

People and culture

The OneVue philosophy

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

The best way for OneVue to maintain its high growth 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 South 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 15 December 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, 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 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 25 January, 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 six days of gale force winds and travelled on none, whereas Amundsen faced 15 and travelled on eight.

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.

> *Without a vision and a reason to go to work every day it is just a job – and people doing a job rather than being passionate about what they are creating and an understanding of why what they are doing is important, will never go the extra mile.*

Connie Mckeage

The beginning of OneVue

2006

Connie Mckeage

OneVue Managing Director

All I remember about the beginning really are **three things**.

1. It was very tough and even on my worse days today, they don't compare to the challenges we had in the earlier days when we had purchased an asset worth less than zero and I was worried about meeting payroll. There were not many believers in the business or the vision then. Compare that to today where I have a lot of bench strength around me and over 330 clients and no one client represents more than 7% of the total revenues. We got from there to here one day at a time one foot in front of the other. The 20 Mile March is very meaningful to me as in those first few months in particular there was no other way to move forward and survive.

2. Clients can pleasantly surprise you at the worst of times. When we took over the managed fund software business called Pentafin (the software was called OneVue) we had two major clients Australian Unity and Aviva Investors (now called Antares). Both were very unhappy with the service being provided and were thinking of leaving. I asked them to stick with us (we were five people) and to allow us six months to turn the business and the service around. Mark Pratt at Australian Unity (still there) and the then CEO of Aviva Investors said you have six months. It was a very challenging six months and we spoke to both clients every day several times a day. Together they accounted for all OneVue's (then Pentafin's) revenue. We did what we said we would do during the timeframe we said we would do it and they stuck with us. Both Australian Unity and Aviva Investors (Antares) gave us the benefit of the doubt and that has played out over and over in our business. Clients and staff in the end are the most valuable assets we have. Both clients are still with OneVue as are three of the other four staff members who helped me through.

3. Without a vision and a reason to go to work every day it is just a job – and people doing a job rather than being passionate about what they are creating and an understanding of why what they are doing is important, will never go the extra mile. I feel extremely fortunate to have had the team I had around me in the beginning work tirelessly to help me turn around the business and I feel just as grateful today knowing that if I needed that same level of commitment from our teams they would and do deliver. A really important insight for anyone building a business is knowing no matter how intelligent you are you cannot do it alone. In the beginning controlling as much as you can is very important and over time letting go becomes more important. And knowing when to move from one to the other is always difficult.

2011

Stephen Karrasch

Head of Distribution

It's hard to imagine that just six years ago the concept of giving ordinary investors a professionally managed portfolio of shares and managed funds under their own beneficial ownership with consolidated portfolio and tax reporting, was such a big idea.

Like every great expedition there are turning points that make all the difference to success. The acquisition of Direct Portfolio Services Limited (DPSL) in 2011 was a significant milestone in the history of OneVue. DPSL was a pioneer in creating separately managed accounts (SMA) in Australia.

Before SMAs, investors had to accept a 'one size fits all' approach to investing – a unitised investment structure where tax benefits and impacts were shared by all investors, regardless of your situation. As an investor you had a simple choice – hold direct shares that gave you control but without the benefit of investment management, or buy managed funds that gave access to fund managers sharing the cost among many, but with very limited control to change your portfolio.

OneVue saw the potential of investing in managed accounts and we were one of the first in Australia to integrate SMAs into an investment platform, allowing advisers and investors unprecedented levels of access to control and manage their own portfolio and reporting while accessing the best fund managers in the market. By acquiring Ozport (a piece of technology) at the same time, we integrated a portfolio rebalancing capability into the SMA which allowed advisers to make large scale adjustments to their portfolios.

Living the 20 Mile March philosophy gives us a determination and persistence that ensures we reach our milestones. It's vital to our success.

But every expedition needs the vision to choose the best path to its destination. SMAs changed the game for OneVue and Australian investors and that innovation continues with new initiatives such as the FUND.eXchange. Consistency and innovation are two words used a lot around OneVue.

2013

Lisa McCallum

Executive General Manager, Group Initiatives

OneVue acquired Computershare Fund Services' managed fund administration business and software in 2013. We were already providing managed funds installed software solutions to organisations like Australian Unity and Antares but we believed that the industry would increasingly move to more of an outsourced model. Being able to purchase the Computershare business however catapulted us forward in providing managed fund administration services.

Once the transaction was completed, we had 20 weeks to complete the full transition of Computershare's managed fund administration business into OneVue. That meant transitioning 18 fund managers and three global custodians, setting up new technology and infrastructure, replacing the Computershare components of their proprietary software, building 40 websites for investors, advisers and fund managers, and implementing OneVue's workflow and document management systems. We also had to relocate staff to new premises and focus on turning around the culture and lift staff morale.

This was a huge undertaking for 20 weeks but we approached it systematically and with persistence. Starting with Connie reassuring staff that our focus was on turning the business around and being successful. They were also introduced to the 20 Mile March and our steadfast commitment to high performance during tough times. Staff began to feel inspired and trusted the leadership to do what it set out to do.

When we first took over the business we were constantly quizzed on our commitment and regularly asked two questions,

1. What made us think we could make the business profitable if Computershare didn't think it could?
2. How would an organisation the size of OneVue retain clients such as global custodians and premier fund managers post the acquisition?

The reality is that we could not have been any more successful than Computershare under the same market conditions however we knew that the market conditions were changing rapidly and we understood that automation would make all the difference. The introduction of Calastone and mFunds enabled OneVue to take what were once very manual processes and create straight through processes. Today OneVue drives the largest throughput of both Calastone and mFunds in the market.

Since then we have continued to automate via workflow systems and have automated interfunding and a host of other initiatives such as IntelliMatch.

Also the CFS business contributed little to the overall Computershare business so whether CFS succeed or failed would not have made a material difference to Computershare's total revenues. From day one however the CFS business represented a third of OneVue's revenues and we could not afford for this business to fail. As a result, it got the appropriate management time and focus.

Secondly clients could see that we were committed to making this business successful and against all odds the clients stayed with us. We are very fortunate to have the clients we have in Fund Services as more than any other business within OneVue they contribute directly to our success by making us better.

This once downtrodden business exited the 2016/17 financial year at a 17.5% EBITDA margin and will overtake the rest of the business units in revenue.

We have just exceeded $489 billion in assets and are the clear market leader in the provision of managed fund administration. I often think this is a good case study of taking a business that was closing down to market leadership in 3.5 years. We never doubted we could make it work however so not much time was spent wondering – we just started marching towards the goal.

2014

Scott Hardie

Head of OneVue Super Services

Tackling projects in a systematic way is what we do with fervour. We are focused on reaching our key milestones and together, taking another step forward in OneVue's unflinching growth strategy.

The purchase of the superannuation trustee MAP Funds Management business in January 2014 saw the transition of super administration from MAP Funds Management to Super Managers Australia Pty Ltd, now known as OneVue Super Services.

As project manager, my focus was on the conversion of an inhouse system to a commercial system, introducing more scalable systems and processes and improving the service and delivery to clients.

During this time we also launched five white label superannuation funds via the OneVue investment platform and clients benefited from the improved efficiencies, capabilities and technology which delivered a reduced administration fee to members in the MAP Superannuation Plan.

The 20 Mile March put us in good stead to successfully implement the transition and expand into the fast growing superannuation member administration sector. It's really about perseverance and focusing on getting the right result which ultimately is a good outcome for both OneVue and our clients.

Yes, it was a challenging project and there were unexpected hurdles such as changes in regulations but we are good at breaking large projects down into smaller pieces.

The MAP acquisition was a significant evolution in OneVue's history because it gave OneVue control over is member administration and enabled us to drive the business and utilise technology already in use in other parts of the OneVue group. The last year has been fantastic for the business because like managed fund administration automation has also come to this sector. We were one of the first to introduce SuperMatch and we have just gone live with SuperTick. Superannuation member administration is no longer just about size and scale but more about automation and operating leverage.

2014

Brett Marsh

Head of Product and Technical Services

OneVue was a small, privately-owned financial services business with just 50 employees, operating an investment platform for financial advisers.

To reach our aspirations of changing the landscape of wealth management in Australia the Board knew it had to embark on a bold growth strategy which involved acquiring three businesses between September 2013 and May 2014, and propelling us into a new stage of evolution.

The purchase of Computershare's managed funds registry business made OneVue the overnight market leader, which was rapidly followed by the acquisition of MAP Funds Management.

Every expedition needs capital or resources. To fund our growth, we decided to open our business to the world and seek capital through an Initial Public Offer (IPO) in July 2014, raising $15 million. I was the Chief Financial Officer at the time and anyone who's ever been involved in an IPO knows how demanding the process is.

It's a complex and emotional experience. You're exposed to the market and the bare scrutiny of regulators, brokers, analysts, the media and investors. It was during this time that the 20 Mile March really kicked in for me. I worked harder and longer than at any time in my career. The due diligence process put enormous pressure on us, and our families.

It was the planning, perseverance, consistency and working as a team week in, week out that led us towards the end goal. When I stepped up to ring the bell to herald our listing to the Australian Stock Exchange in July 2014 it was a pivotal moment for us, and for me personally. OneVue had arrived. We could make change and build a business that could lead the way.

Ultimately, the IPO was just another step in our 20 Mile March on our journey that keeps evolving. I remember the spirit of what got us there on that day and how determination and grit kept us moving forward with momentum and purpose.

I also remember the private investors who supported us especially Michael Cole, Nigel Stokes and Walter Lewin and then the first institutions who invested in us – Perpetual Funds Management and Thorneys. Junctures like this are defined as much by the people involved as the actual process.

Robert Chmielewski

Executive General Manager, Trustee Services

2016

The acquisition of MAP laid the foundation to extract the synergies from the merger between OneVue and Diversa. As Head of the Diversa Trustee business it was interesting to be a part of the drive to rapidly integrate the respective businesses.

The MAP Trustee when merged with Diversa, we became the largest Trustee in Partnership business in the market. Matched with the leading managed fund administration business, the pieces were coming together to form a market disruptive play.

The Trustee moved from a sub-scale Trustee to the largest superannuation administration operations and a trustee business with 33 super funds and $9.4 billion of funds under trusteeship. This milestone became a vital piece of the picture being systematically built to create a complete solution under the one roof for our clients, extracting value and efficiencies beyond the market. The pieces were now in place to execute on the strategy to make the superannuation sector more transparent and enable clients to access managed funds more efficiently at a lower cost.

The challenge of any expedition is to unite the team and work together to reach the ultimate goal. Diversa and OneVue were both still smaller companies with young cultures but it was our shared values of striving to find better ways for our clients that cemented us together.

Our 20 Mile March is about looking ahead, tackling one goal at a time with the aim of opening ourselves up for a more exciting future. I see our persistence and drive as what makes us who we are. The people in OneVue and Diversa want to make a difference and create value for our clients. That's what defines our journey.

Richard Harris-Smith

Executive General Manager, Fund Services

2016

OneVue has long seen the strategic opportunity of connecting our extensive network of fund manager clients to distribution in order to provide the marketplace with more efficient, lower cost distribution opportunities. The Australian managed funds marketplace is expected to continue to grow which positions OneVue well for innovation and technology disruption in this sector.

FUND.eXchange has been a natural strategic evolution for OneVue, driven recently from the incredible growth of funds in our managed fund administration business and an increasing need to better support investment managers and dealer groups in Australia.

I joined OneVue because I wanted to make a difference and it has been really exciting to see the pieces come together. As EGM Fund Services, every day I am required to balance managing traditional, critical market-reliant services for our clients, whilst remaining innovative, nimble and strategically pro-active. Whilst innovating we need patience and so the approach the team has taken to systematically putting together the components needed to change the market is a form of 20 Mile March. But the real test of our ability to consistently do the 20 miles under all conditions is the challenge of delivering quality outputs on a daily basis to a high quality client base. I am very proud to be a part of a group of people committed to change the market for the better and equally proud to lead a team of people who care day in and day out about our clients.

DIRECTORS' REPORT

Directors' report

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 2017.

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:

- Ronald Dewhurst (Appointed 6 October 2016)
- Karen Gibson (1 March 2014 to 6 October 2016)
- Stephen Knight (Appointed 26 August 2016)
- Andrew Macpherson (Appointed 6 October 2016)
- Connie Mckeage
- Gail Pemberton
- Greta Thomas (27 March 2014 to 6 October 2016)
- Garry Wayling

Principal activities

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

- Managed fund administration and superannuation member administration
- Full function platform administration including managed funds and managed accounts and administration services, portfolio construction services and investment management.
- Superannuation trustee services for registered superannuation funds.

The business was enhanced during the year by the complementary acquisition of Diversa Limited expanding OneVue's comprehensive and quality offering of superannuation, trustee and fund administration services.

Dividends

The Company has not recommended, declared or paid a dividend with respect to the year ended 30 June 2017 (2016: Nil).

Review of Financial Results

Year ended 30 June ($'000)	2017	2016	Change %
Revenue			
Services revenue	39,643	26,354	50%
Performance fee revenue	1,233	282	337%
Total revenue	**40,876**	**26,636**	**53%**
Other income	105	-	
Operating expenses	(36,473)	(27,852)	(31%)
EBITDA*	**4,508**	**(1,216)**	
EBITDA margin %	11.0%	(4.5%)	16%
Depreciation & amortisation	(4,097)	(2,868)	(43%)
EBIT	**411**	**(4,084)**	
Interest	(640)	68	
Share based payments	(238)	(1)	
Non-recurring expenses	(1,671)	(614)	(172%)
Loss before tax	**(2,138)**	**(4,631)**	**54%**
Tax	2,347	624	283%
Profit (loss) after tax	**209**	**(4,007)**	
Earnings per share (cents)	0.08	(2.21)	

Note: * EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

Financial results

2017 was a landmark year with profitability, positive operating cashflow and earnings momentum.

Revenue growth of 53% has translated into a significant profit uplift with positive and increasing margins and a net profit after tax for the year of $0.2 million, a $4.2 million improvement on the prior year. Earnings per share for the year of 0.08 cents was up 2.29 cents.

Total services revenues increased by $13.3 million to $39.6 million, an increase of 50% over the prior year, with organic growth supplemented by acquisitions growth of $11.8 million (including $9.9 million from Diversa since acquisition in October 2016). Revenues are underpinned by the quality of recurring revenue which now represent 91% of total revenues. Improved market performance was reflected in the performance fee revenues.

Operating expenses increased by only 31% demonstrating the benefits of scale. EBITDA for the year was $4.5 million, a $5.7 million improvement on the prior year.

The depreciation and amortisation expense of $4.1 million (2016: $2.9 million) was higher than the prior year due primarily to the impact of amortisation from acquisitions.

Non-recurring expenses of $1.7 million (2016: $0.6 million) were related to acquisition and restructure costs.

The tax benefit for the period relates to the recognition of tax losses to offset the deferred tax liability recognised on acquisitions.

Diversa Limited acquisition

The acquisition of Diversa Limited was completed on 6 October 2016. The integration of the business, its people and systems was completed by the end of March 2017, some fourteen months ahead of schedule. Cost saving synergies of $1.9 million were achieved in the period and the full year benefit of these synergies in the year ended 30 June 2018 is expected to exceed $4.0 million.

The Diversa businesses contributed revenue of $9.9 million in the period from acquisition to 30 June 2017, and a net profit of $1.9 million.

Segment results

Year ended 30 June ($'000)	2017	2016	Change %
Segment revenue			
Fund Services			
- Managed fund administration	11,132	9,075	23%
- Super member administration	8,123	2,610	212%
	19,255	11,685	65%
Platform Services	17,174	15,581	11%
Superannuation Trustee Services	5,598	-	
Corporate (including eliminations)	(1,151)	(630)	(83%)
Total revenue	**40,876**	**26,636**	**53%**
Segment EBITDA			
Fund Services	2,637	666	286%
Platform Services	3,726	1,499	151%
Superannuation Trustee Services	2,156	-	
Corporate	(4,011)	(3,381)	(19%)
EBITDA*	**4,508**	**(1,216)**	

Notes: *EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

Fund Services

Fund Services revenue grew by $7.6 million or 65% over the prior year. Of this growth, $5.4 million was from the Diversa and prior year OneVue Super Services acquisitions. Growth from new and existing clients contributing further revenue of $2.2 million. EBITDA of $2.6 million was up by $2.0 million from the prior year with margins increasing by 8% to 13.7%, demonstrating the benefits of operating scale.

Six new fund managers were added and Funds Under Administration (FUA) increased by $79.1 billion to $489.1 billion as at 30 June 2017 in the Managed Fund Administration business.

Transactions processed were up by 60% over the prior year.

There are now 610 funds administered across 38 fund managers, further cementing OneVue's position as the market leader.

During the year a material contract was signed with NAB Asset Servicing, which will potentially double the number of items processed, fund managers and funds when all the funds have been transitioned.

The business has an estimated $6.0 million per annum of contracted organic revenue to transition over the 2018 and 2019 financial years.

Superannuation Fund Administration now administers 22 funds, with over 90,000 members and FUA reached $1.96 billion at 30 June 2017, an increase of $817 million (72% on the prior year) with growth from:

- New clients including Praemium, one of Australia's fastest growing managed account providers adding $653 million in FUA and 3,896 members from December 2016
- The integration of Diversa superannuation members administration adding $415 million in FUA and 52,935 members from 6 October 2016

Fund Services key measures

	2017	2016	Change	Change %
Managed fund administration FUA $billion	489.1	410.0	79.1	19%
Managed fund administration transactions	216,311	135,586	80,725	60%
Super member administration FUA $million	1,956	1,139	817	72%
Super Services members	89,845	36,744	53,101	145%

Platform Services

Platform Services reached a record high retail superannuation FUA of $4.0 billion, up 22%, driven by gross inflows and $415 million funds inflows from the Diversa acquisition. Gross inflows were up 35% on the prior year to $315 million for the period.

Platform Services revenue was up 11% compared to the prior year.

EBITDA of $3.7 million was up 151% from the prior year due to higher performance fees and benefits from cost management and increased scale.

Other highlights during the period included:

- Investment Trends award for the Top 3 in Online Client Portal capability and winner of most new Platform Developments
- Three new White Labels were signed in the year

Platform Services FUA

FUA $m	2017	2016	Change	Change %
Retail FUA	4,018	3,289	729	22%
Gross Inflows	1,216	901	315	35%
Net Inflows[1] [2]	392	413	(21)	(5%)

Notes: [1] Net inflows exclude market movements

[2] Net inflows were impacted by the $225 million transition out of one client in September 2016.

Superannuation Trustee Services

Superannuation Trustee Services represents the recently acquired Diversa Trustees business, the market leader in outsourced retail superannuation trustee services in Australia, leveraged to fast growing disruptive managed accounts providers.

Funds under trusteeship (FUT) increased by $962 million (11%) since acquisition in October 2016 driven by growth in assets of existing clients. FUT as 30 June 2017 closed at $9.4 billion.

Revenue of $5.6 million since acquisition was in line with expectation and EBITDA of $2.2 million reflected the revenue result and benefits of synergies realised.

Superannuation Trustee Services key measures

Total FUT $m	2017	2016	Change	Change %
FUT	9,401	7,796*	1,605	21%

Note: * The business was acquired on 6 October 2016, prior year statistics provided by Diversa Limited are provided for information.

Corporate costs of $4.0 million, which cover Director fees, costs of the listed entity (including audit, tax and insurance) and central corporate services provided to the operating divisions including HR, IT, Risks, Compliance, Finance and Marketing, were higher than the prior year due to business growth, including corporate costs from the Diversa acquisition.

Financial position

As at 30 June ($000)	2017	2016	Change $'000	Change %
Cash and deposits	26,645	18,673	7,972	43%
Other current assets	6,754	4,649	2,105	45%
Intangible assets	75,753	21,469	54,284	253%
Other non-current assets	746	559	187	33%
Total assets	109,898	45,350	64,548	142%
Trade and other payables	13,354	5,925	(7,429)	(125%)
Loans and borrowings	8,981	-	(8,981)	
Other current liabilities	2,094	1,804	(290)	(16%)
Non-current liabilities	728	743	15	2%
Total liabilities	25,157	8,472	(16,685)	(197%)
Total equity	84,741	36,878	47,863	130%

Cash and deposits have increased to $26.7 million. The increase was mainly due to the $7.3 million net cash inflow on the Diversa acquisition. Net operating cash flows were positive $3.3 million for the year, after $1.7 million of non recurring costs.

Intangible assets have increased principally due to the acquisition of Diversa ($54.7 million), representing goodwill of $46.9 million and customer relationships of $7.8 million.

The increase in trade and other payables in the period was mainly due to the Diversa acquisition and business growth.

Borrowings of $9.0 million relate to the Diversa business. A secured facility was refinanced in December 2016, with the term extended and the interest rate reduced from a fixed 15% to a variable rate of 7% p.a. above BBSY.

Contributed equity has increased due to the shares issued as part of the consideration for the Diversa acquisition.

Significant changes in the state of affairs

On 6 October 2016, OneVue completed the acquisition of Diversa Limited and its subsidiaries by acquiring 100% of Diversa's ordinary shares under a Scheme. This transaction brought together two businesses with shared vision of capitalising on the growth in the superannuation services market by offering comprehensive and quality superannuation, trustee and fund administration services. The fair value of total consideration was $49.8 million.

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

Matters subsequent to the end of the financial year

On 30 August 2017, 1,000,000 performance rights were issued to key management pursuant to the OneVue Holdings Limited LTI and Rights Plan exerciseable at $0.00 and expiring 30 August 2022.

On 12 September 2017, 1,000,000 OneVue Holdings Limited shares were issued on the exercise of the performance rights that were issued on 30 August 2017.

Future developments, prospects and business strategies

The year ended 30 June 2017 was a defining year for OneVue during which it cemented its strategic position in the fast growing superannuation sector.

OneVue's superannuation growth strategy is focused on the fast growing managed account and managed fund segments of the market. Three complementary businesses now create an integrated offering with enhanced growth opportunities and cross selling opportunities using the OneVue ecosystem. Accelerated growth via strategically aligned and compelling acquisitions may supplement organic growth.

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:	Ronald Dewhurst
Title:	Non-Executive Director
Qualifications:	Fellow, Finsia
Experience and expertise:	Ron has held senior leadership roles in the Investment Banking and Asset Management industries over a 40 year career. Ron brings his extensive experience in M&A and global wealth management in public companies to the Board.
Other current Directorships:	Non-Executive Director of Sprott Inc, Chair of Rhinomed Ltd and Unscript'd Limited
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:	900,000 ordinary shares
Interests in options and performance rights:	None

Name:	Stephen Knight
Title:	Non-Executive Director
Qualifications:	BA, FAICD
Experience and expertise:	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. Stephen's deep understanding of finance and audit along with his extensive experience in the wealth and superannuation industry make him a valuable addition to the Board.
Other current Directorships:	Director of the Sydney Financial Forum, Member of the Primary Ethics Investment Committee and the Australian Office of Financial Management.
Former Directorships (last 3 years):	None
Board responsibilities:	Chair of the Investment Committee
Interests in shares:	200,000 ordinary shares
Interests in options and performance rights:	None

Name:	Andrew Macpherson
Title:	Non-Executive Director
Qualifications:	BE (Hons), MAICD
Experience and expertise:	Andrew has 30 years' experience in financial and management consulting, specialising in technology strategy and implementation. He was previously a Regional Managing Director for Accenture until his retirement in 2005. Andrew brings to the Board deep expertise in technology implementations and outsourcing contracts in Financial Services.
Other current Directorships:	Chair of SIRCA Limited and Work Ventures Ltd, Non-Executive Director of Melbourne IT Limited
Former Directorships (last 3 years):	None
Board responsibilities:	Member of the Human Resources, Nomination and Remuneration Committee

Name:	Andrew Macpherson
Interests in shares:	155,000 ordinary shares
Interests in options and performance rights:	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. With her deep understanding of the wealth and superannuation industry, Connie brings her expertise in outsourcing management, M&A and technology implementations to the Board.
Other current Directorships:	OneVentures
Former Directorships (last 3 years):	None
Board responsibilities:	
Interests in shares:	36,823,279 ordinary shares
Interests in options and performance rights:	284,865 performance rights and 316,035 restricted rights

Name:	Gail Pemberton
Title:	Non-Executive Chair
Qualifications:	FAICD, MA, Grad Cert Finance
Experience and expertise:	Gail has over 35 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. With her global market experience, Gail brings to the Board her valuable knowledge in technology, outsourcing management, M&A and regulatory compliance to the Board.
Other current Directorships:	Non-Executive Director of PayPal Australia Pty Limited and Eclipx Group Limited and Chair of 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 and performance rights:	None

Name:	Garry Wayling
Title:	Non-Executive Director
Qualifications:	BCom, GAICD, ACA
Experience and expertise:	Garry has more than 40 years of accounting and business leadership experience. He brings to the Board extensive expertise in accounting and financial reporting along with his valuable experience in advising listed growth companies.
Other current Directorships:	Non-Executive Director Inabox Group Limited
Former Directorships (last 3 years):	None

Name:	Garry Wayling
Board responsibilities:	Chair of the Audit, Risk Management and Compliance Committee.
Interests in shares:	304,027 ordinary shares
Interests in options and performance rights:	None

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 a 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 2017, 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*
Ron Dewhurst	7	9	2	3	4	4
Stephen Knight	8	10	-	-	-	-
Andrew Macpherson	9	9	3	3	-	-
Connie Mckeage	9	12	-	-	-	-
Gail Pemberton	12	12	4	4	6	6
Garry Wayling	12	12	-	-	6	6
Former Directors	Attended	Held*	Attended	Held*	Attended	Held*
Karen Gibson	3	3	1	1	2	2
Greta Thomas	2	3	1	1	2	2

* 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 2017 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		
Ronald Dewhurst	Non-Executive Director	6 October 2016
Stephen Knight	Non-Executive Director	26 August 2016
Andrew Macpherson	Non-Executive Director	6 October 2016
Gail Pemberton	Chair	January 2007
Garry Wayling	Non-Executive Director	7 February 2014
KMP – Former Non-Executive Directors		
Karen Gibson	Non-Executive Director	1 March 2014
Greta Thomas	Non-Executive Director	27 March 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 and non-executive Directors by reference to relevant employment market conditions, with the overall objective of attracting and retaining Directors 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 2017 are Mr Ronald Dewhurst (Chairperson), Ms Gail Pemberton and Mr Andrew Macpherson. The HRNRC Chair and its membership are 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 2015 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.

No remuneration consultant was engaged during the financial year ended 30 June 2017 as the Company had, in prior financial year, commissioned remuneration consultants Godfrey Remuneration Group Pty Limited (GRG) to provide information and recommendations regarding executive remuneration including the structure of short term and long term incentives.

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 2017 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.

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

- 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 executives.

The major provisions of the employment contracts relating to remuneration are set out below. Salaries set out below are for the financial year ended 30 June 2017 and are subject to review annually by the HRNC.

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 $393,000 (incl. superannuation)
Executives:				
Ashley Fenton	CFO and Company Secretary	Full financial year	Ongoing, 3 months notice	Annual base salary $280,000 (incl. superannuation)
Richard Harris-Smith	Head of Fund Services	Appointed 1 February 2016	Ongoing, 3 months notice	Annual base salary $242,000 (incl. superannuation)
Lisa McCallum	Head of Platform Services	Full financial year	Ongoing, 3 months notice	Annual base salary $242,000 (incl. superannuation).
James Thorpe	Chief Technology Officer	Full financial year	Ongoing, 3 months notice	Annual base salary $242,000 (incl. superannuation).

Remuneration structure

The existing short term incentive plan, medium term incentive plan (MTI) and long term incentive rights plan (LTI) formed 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, MTI 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	STI Annual cash payment based on achievement of agreed KPIs MTI Retention rights granted under the OneVue Holdings Limited LTI and Rights Plan	Performance and restricted 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

Shareholders at the 2016 AGM approved the award of 316,035 restricted rights and 284,865 performance rights to Ms Mckeage to ensure Ms Mckeage is remunerated appropriately for her role.

Senior Executives

Fixed	Variable		Approval Process
	Short and Medium Term Incentives	Long Term Incentive	
Base salary including superannuation and car parking	STI 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 MTI 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, conditions 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 2017 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 2017 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 2017 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	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. 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.
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

Shareholders at the 2016 AGM approved the award of 284,865 performance rights to Ms Mckeage. This is calculated as 50% (target LTI) of the base package ($393,000) ÷ Right Value of $0.6898.

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

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 2017 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 $600,000.

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 2017 and 30 June 2016 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)	2017 $	2016 $
OneVue Holding Limited Board		
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 2017	Short term benefits			Post-employment benefits	Long term benefits	Share-based payments	Total	Performance related
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Options and rights settled		
	$	$	$	$	$	$	$	%
Non-Executive Directors:								
Ron Dewhurst[1]	40,323	-	=	3,831	-	-	44,154	-
Karen Gibson[3]	27,378	-	-	2,601	-	-	29,979	-
Stephen Knight[2]	47,280	-	-	4,492	-	-	51,772	-
Andrew Macpherson[1]	38,307	-	-	3,639	-	-	41,946	-
Gail Pemberton (Chair)	91,324	-	-	8,676	-	-	100,000	-
Greta Thomas*[3]	15,672	-	-	-	-	-	15,672	-
Garry Wayling**	89,193	-	-	8,473	-	-	97,666	-
Executive Director:								
Connie Mckeage	178,329	-	16,873	17,052	7,580	238,467	458,301	4.4%
Other KMP:								
Ashley Fenton	250,198	-	-	19,616	1,349	-	271,163	-
Richard Harris-Smith	242,242	-	-	19,616	431	-	262,289	-
Lisa McCallum	216,452	-	16,873	21,126	7,499	-	261,950	-
James Thorpe	227,795	-	-	19,993	9,757	-	257,545	-
	1,464,493	**-**	**33,746**	**129,115**	**26,616**	**238,467**	**1,892,437**	

* Represents remuneration including GST
** Includes fees for subsidiary boards
[1] Appointed as a Non-Executive Director on 6 October 2016
[2] Appointed as a Non-Executive Director on 26 August 2016
[3] Resigned as a Non-Executive Director on 6 October 2016

Year ended 30 June 2016	Short term benefits			Post-employment benefits	Long term benefits	Share-based payments	Total	Performance related
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Options and rights settled		
	$	$	$	$	$	$	$	%
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	-	14,424	15,089	4,139		212,805	-
Other KMP:								
Ashley Fenton	231,950	-	-	19,308	-	-	251,258	-
Richard Harris-Smith[1]	101,006	-	-	8,045	-	-	109,051	-
Lisa McCallum	200,136	2,283	14,424	17,384	9,086	-	243,313	-
James Thorpe	221,467	-	-	17,167	12,095	-	250,729	-
	1,301,079	**2,283**	**28,848**	**96,664**	**25,320**	-	**1,454,194**	

* Represents remuneration including GST
** Includes fees for subsidiary boards
[1] Appointed as Head of Fund Services on 1 February 2016

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 2017.

Rights and options

At the 2016 AGM, the OneVue shareholders approved the issue of:

- 284,865 Performance Rights to the Managing Director with vesting subject to the achievement of performance relative to the vesting condition; and fixed salary
- 316,035 Restricted Rights issued to the Managing Director in relation to a salary sacrifice arrangement.

On 30 August 2017 1,000,000 performance rights were issued to Key Management pursuant to the OneVue Holdings Limited LTI & Rights Plan exerciseable at $0.00 and expiring 30 August 2022.

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					
Ronald Dewhurst	-	-	1,237,500	(337,500)	900,000
Karen Gibson*	236,900	-	-	(236,900)	-
Stephen Knight	-	-	200,000	-	200,000
Andrew Macpherson	-	-	155,000	-	155,000
Gail Pemberton	2,278,714	-	-	-	2,278,714
Greta Thomas*	199,597	-	-	(199,597)	-
Garry Wayling	267,328	-	25,409	-	292,737
Connie Mckeage[1]	35,900,943	-	922,336	-	36,823,279
Ashley Fenton	76,900	-	-	-	76,900
Richard Harris-Smith	-	-	64,500	-	64,500
Lisa McCallum*	2,448,679	-	-		2,448,679
James Thorpe	2,217,925	-	-	-	2,217,925
	43,626,986	-	**2,604,745**	**(773,997)**	**45,457,734**

[1] Connie Mckeage directly holds 876,728 ordinary shares, indirectly holds 1,442,028 ordinary shares and 34,504,523 ordinary shares are held by related parties.

* Where an employee is no longer a KMP during the financial year their shareholdings at that time is disclosed as a disposal of shares. There were no OneVue Holdings options or rights held by KMPs as at 30 June 2017 (30 June 2016: Nil)

Details of rights outstanding at year end:

Holder	Security type	Grant date	Exercisable at 30 June 2017	Expiry date	30 June 2017 Outstanding right	Exercise price	Issued date fair value
			%			$	$
Connie Mckeage	Performance rights	24 November 2016	Nil	30 August 2022	284,865	$0.00	0.22
Connie Mckeage	Restricted rights	24 November 2016	100%	30 August 2022	316,035	$0.00	0.69
					600,900		

Other transactions with KMP and their related parties

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

This concludes the remuneration report, which has been audited.

Options and rights over ordinary shares

There are 600,900 unissued ordinary shares of OneVue Holdings Limited under performance and restricted rights at the date of this report.

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 and rights

1,000,000 shares were issued on the exercise of performance rights on 12 September 2017. These were in relation to performance rights issued to Key Management on 30 August 2017.

There were no shares issued on the exercise of options or performance rights during the financial year.

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 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.

Shareholder returns

In considering OneVue's performance the Board has regard to the following with respect to the current year and previous financial years:

Year ended	2017	2016	2015	2014
EBITDA* ($'000)	4,508	(1,216)	1,124	(1,662)
Share price at 30 June (cents)	0.60	0.61	0.39	0.32
Basic earnings per share (cents)	0.08	(2.21)	(0.13)	(5.29)

Note: * EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

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 2017, 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 2017

FINANCIAL STATEMENTS

Financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
REVENUE	1		
Services revenue		39,643	26,354
Performance fee revenue		1,233	282
Total revenue		**40,876**	**26,636**
Other income	2	105	186
EXPENSES			
Employee benefits expense		24,003	17,217
Administration expenses		5,502	4,386
Investment management expense		5,121	3,990
Depreciation and amortisation expense		4,097	2,868
Occupancy costs		2,316	1,779
Interest expense		745	119
Other expenses		1,335	1,094
Total expenses		**43,119**	**31,453**
Loss before income tax		**(2,138)**	**(4,631)**
Income tax benefit	4	**2,347**	**624**
Profit (loss) after income tax		**209**	**(4,007)**
Other comprehensive income net of tax		**-**	**-**
Total comprehensive income (loss) for the year attributable to the owners of OneVue Holdings Limited		**209**	**(4,007)**

		Cents	Cents
Basic and diluted loss per share	25	0.08	(2.21)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 30 June 2017

	Note	2017 $'000	2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	26,645	13,851
Deposits	5(a)	-	4,822
Trade and other receivables	5(b)	4,757	3,855
Financial assets	6	1,091	269
Prepayments		906	525
Total current assets		**33,399**	**23,322**
Non-current assets			
Intangible assets	7	75,753	21,469
Property, plant and equipment		689	537
Investment in associates		57	22
Total non-current assets		**76,499**	**22,028**
Total assets		**109,898**	**45,350**
LIABILITIES			
Current liabilities			
Trade and other payables	5(c)	13,354	5,925
Employee benefits	5(d)	2,094	1,804
Loans and borrowings	8	8,981	-
Total current liabilities		**24,429**	**7,729**
Non-current liabilities			
Other payables	5(c)	326	381
Employee benefits	5(d)	402	362
Total non-current liabilities		**728**	**743**
Total liabilities		**25,157**	**8,472**
Net assets		**84,741**	**36,878**
EQUITY			
Contributed equity	9	109,984	62,568
Reserves	10	613	391
Accumulated losses		(25,856)	(26,081)
Total equity		**84,741**	**36,878**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2017

Year ended 30 June 2017	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2016	62,568	391	(26,081)	36,878
Profit after income tax for the year	-	-	209	209
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	209	209
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	45	222	16	283
Contribution of equity	47,371	-	-	47,371
Balance at 30 June 2017	**109,984**	**613**	**(25,856)**	**84,741**

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)
Transactions with owners in their capacity as owners:				
Other share based payments and other transfers of reserves	655	(195)	198	658
Contribution of equity, net of transaction costs	16,774	-	-	16,774
Balance at 30 June 2016	**62,568**	**391**	**(26,081)**	**36,878**

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		44,540	29,165
Payments to suppliers and employees (inclusive of GST)		(39,872)	(30,525)
Interest received		959	384
Research and development tax incentive received		-	1,014
Interest paid		(745)	(119)
Net cash provided (used) in operating activities	24	**3,257**	**(752)**
Cash flows from investing activities			
Payment for acquisitions (net of cash acquired)		7,306	(4,278)
Payment for direct acquisition costs		(1,780)	-
Payments for intangible assets		(2,902)	(2,782)
Payments for property, plant and equipment		(226)	(40)
Payment for equity investments		(30)	-
Net cash provided (used) in investing activities		**2,368**	**(7,100)**
Cash flows from financing activities			
Proceeds from share issues		45	17,252
Proceeds from borrowing		3,241	3,500
Repayment of borrowing		(939)	(3,500)
Net cash generated from financing activities		**2,347**	**17,252**
Net increase in cash and cash equivalents		7,972	9,400
Cash and cash equivalents at the beginning of the year		18,673	9,273
Cash and cash equivalents at the end of year	5(a)	**26,645**	**18,673**

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	
	2017 $'000	2016 $'000
Services revenue		
Sale of services	37,179	25,340
Interest on trading accounts	1,972	750
Fair value adjustment on financial assets (Note 6)	210	57
Dividend revenue	104	60
Rental revenue	178	147
Total Services revenue	39,643	26,354
Performance fee revenue	1,233	282
Total revenue from continuing operations	**40,876**	**26,636**

2. Other income

Other income includes:

	Consolidated	
	2017 $'000	2016 $'000
Interest income	105	157
Fair value adjustment on loan	-	45
Fair value adjustment of contingent consideration on acquisition	-	(16)
Other income	**105**	**186**

3. Description of segments

Identification of reportable operating segments

OneVue is organised into three operating segments: Fund Services, Platform Services and Superannuation Trustee 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 below this level.

The Board also uses EBITDA (earnings before interest, tax, depreciation and amortisation excluding share based payments and non-recurring items) 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	Managed fund administration and superannuation member administration.
Platform Services	Full function platform administration including managed funds and managed accounts and administration services, portfolio construction services and investment management.
Superannuation Trustee Services	Superannuation trustee services for registered superannuation funds.

Intersegment receivables, payables and loans

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

Major customers

OneVue does not rely on any major customers. The largest single customer accounts for only 7% of total revenue.

3. Description of segments (continued)

Segment income

Year ended 30 June 2017	Fund Services $'000	Platform Services $'000	Super-annuation Trustee Services $'000	Corporate $'000	Total $'000
Segment revenue	19,255	17,174	5,598	-	42,027
Eliminations					(1,151)
Total group revenue	19,255	17,174	5,598	-	40,876
EBITDA*	2,637	3,726	2,156	(4,011)	4,508
Depreciation and amortisation expense	(1,269)	(1,682)	(799)	(347)	(4,097)
Interest			(701)	61	(640)
Earnings before income tax**	1,368	2,044	656	(4,297)	(229)
Share based payments				(238)	(238)
Acquisition and related restructure costs				(1,671)	(1,671)
Profit (loss) before income tax	1,368	2,044	656	(6,206)	(2,138)

Year ended 30 June 2016	Fund Services $'000	Platform Services $'000	Corporate $'000	Total $'000
Segment revenue	11,685	15,581	4	27,270
Eliminations				(634)
Total group revenue	11,685	15,581	4	26,636
EBITDA*	666	1,499	(3,381)	(1,216)
Depreciation and amortisation expense	(858)	(1,696)	(314)	(2,868)
Interest			68	68
Earnings before income tax**	(192)	(197)	(3,627)	(4,016)
Share based payments			(1)	(1)
Acquisition and related restructure costs			(614)	(614)
Loss before income tax	(192)	(197)	(4,242)	(4,631)

* EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

** Earnings before income tax represents the earnings before income tax excluding non-recurring items and share based payments

3. Description of segments (continued)

Segment assets and liabilities

As at 30 June 2017	Fund Services $'000	Platform Services $'000	Super-annuation Trustee Services $'000	Corporate $'000	Total $'000
Segment assets	47,048	22,235	39,893	722	109,898
Segment assets include:					
Additions to non-current assets	24,972	5,719	27,346	-	58,037
Segment liabilities	4,123	6,516	11,618	2,900	25,157

Segment assets and liabilities (continued)

As at 30 June 2016	Fund Services $'000	Platform Services $'000	Super-annuation Trustee Services $'000	Corporate $'000	Total $'000
Segment assets	23,628	12,695	-	9,027	45,350
Segment assets include:					
Additions to non-current assets	7,441	1,451	-	-	8,892
Segment liabilities	3,886	4,607	-	(21)	8,472

Geographical information

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

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 $2.35 million has been recognised in accounting for the acquisition of Diversa Limited (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 $2.35 million.

4. Income tax (continued)

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 $5.01 million (2016: $2.58 million).

The amount of unrecognised income tax losses as at year end was $109.34 million (2016: $12.69 million). In future periods, available fraction rules govern the amount of these losses that can be used in a single year.

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	
	2017 $'000	2016 $'000
Income tax benefit		
Income tax benefit	2,347	624
Aggregate income tax benefit	2,347	624
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,138)	(4,631)
Tax at the statutory tax rate of 30%	(641)	(1,390)
Expenditure not allowable for income tax purposes	1,508	715
Movement in temporary differences	(1,037)	(773)
Research and development tax incentive	-	(818)
Tax losses carried forward not recognised	171	2,265
Previously unrecognised tax losses used to offset deferred tax liability	(2,347)	(624)
Income tax benefit	**(2,347)**	**(624)**

OneVue has a franking account balance of $2.44 million (2016: $2.44 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.

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	
	2017 $'000	2016 $'000
Cash at bank and in hand	15,541	13,851
Cash at bank and in hand – restricted (1)	11,104	-
Reconciliation to cash and cash equivalents at the end of the financial year shown in the statement of cash flows as follows		
Cash balances as above	26,645	13,851
Term deposits	-	4,822
Balance as per statement of cash flows	**26,645**	**18,673**

(1) includes amounts held for prudential purposes and is restricted in use.

(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	
	2017 $'000	2016 $'000
Trade receivables	4,527	3,704
Less: Provision for impairment of receivables	(84)	(10)
	4,443	3,694
Other receivables	314	161
Trade and other receivables	**4,757**	**3,855**

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 $0.58 million ($0.60 million as at 30 June 2016). OneVue does not consider a credit risk exists on the aggregate balances after reviewing credit terms based on recent collection practices.

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	
	2017 $'000	2016 $'000
Trade payables	3,090	1,209
Accrued expenses and other payables	8,072	4,550
Deferred acquisition payments	1,902	-
Short term lease incentive	290	166
Trade and other payables	**13,354**	**5,925**

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.

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 $1.99 million (2016: $1.29 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.

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

	Consolidated	
	2017 $'000	2016 $'000
Listed ordinary shares - held for trading	313	269
Financial assets - restricted[2]	778	-
Total Financial assets	1,091	269
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:		
Opening fair value	269	306
Additions	-	-
Additions by Acquisition	672	
Revaluation increments	210	57
Redemption	(60)	(94)
Closing fair value	**1,091**	**269**

[2] includes amounts held for prudential purposes and is restricted in use.

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 amortisation 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.

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 their finite life of between 5 to 10 years.

Client establishment costs

Client establishment costs are costs incurred in relation to 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.

7. Non-current assets – intangibles (continued)

	Consolidated	
	2017	2016
	$'000	$'000
Goodwill	56,204	9,274
Less: Impairment	-	-
	56,204	9,274
Customer relationships - at cost	16,328	8,496
Less: Accumulated amortisation	(5,321)	(3,060)
	11,007	5,436
Project development - at cost	8,860	7,394
Less: Accumulated amortisation	(3,760)	(2,629)
	5,100	4,765
Computer software - at cost	4,267	3,893
Less: Accumulated amortisation	(3,297)	(3,076)
	970	817
Client establishment costs - at cost	2,631	1,195
Less: Accumulated amortisation	(159)	(18)
	2,472	1,177
Total Intangible assets	**75,753**	**21,469**

Consolidated	Goodwill	Customer relationships	Project development	Computer software	Client establishment costs	Total
	$'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**
Acquisitions through business combinations	46,930	7,832	-			54,762
Other additions	-	-	1,466	373	1,436	3,275
Amortisation expense	-	(2,261)	(1,131)	(220)	(141)	(3,753)
Balance at 30 June 2017	**56,204**	**11,007**	**5,100**	**970**	**2,472**	**75,753**

7. Non-current assets – intangibles (continued)

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

	Consolidated	
	2017 $'000	2016 $'000
Platform Services	7,828	3,136
Fund Services	27,258	6,138
Superannuation Trustee Services	21,118	-
	56,204	**9,274**

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.

Key assumptions used in value-in-use calculation

Growth rates

Growth rates reflect management's plans for the Fund Services, Platform Services and Superannuation Trustee Services divisions. Management have estimated the five year compound annual growth rates of Platform Services 9%, Fund Services 15% and Trustee Services of 14%. decreasing to a terminal growth rate of 3.8% beyond year five.

Discount rates

The discount rate of 13.9% (2016: 14.7%) pre-tax reflects management's estimate of the time value of money and OneVue's weighted average cost of capital adjusted for the Fund Services, Platform Services and Superannuation Trustee 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, Platform Services, and Superannuation Trustee Service 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

OneVue assesses impairment of non-financial assets other than goodwill 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.

8. Loans and borrowings

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in profit or loss over the expected life of the borrowings.

All borrowings have contracted maturities less than 12 months after the reporting date and are therefore classified as current liabilities.

	Consolidated	
	2017 $'000	2016 $'000
Loan facility	6,855	-
Prudential capital funding	2,045	-
Insurance premium funding	81	-
Loans and borrowings	**8,981**	**-**

Loan facility

OneVue drew down $1.86 million on the funding facility with Macquarie Bank during the current financial year. The facility provides funding of prudential capital obligations for one of its client funds, with $6.86 million drawn on this facility as at 30 June 2017. The facility currently matures on 13 June 2018 with interest payable at BBSY bid plus 7% pa paid monthly . Diversa Limited has pledged as collateral to Macquarie Bank first ranking security interest over all of its assets and its equity interests.

Prudential capital funding

OneVue has funding arrangements totalling $5.05 million with the promoters of two client superannuation funds to provide funding for prudential purposes for the required operational risk reserve. A total of $2.05 million was funded by the promoters as at 30 June 2017, and of this amount $2.00 million is repayable in 31 December 2017 with interest payable of 17% pa paid monthly, and $45,000 is repayable at call with no interest payable. The proceeds of these arrangements are held in cash – refer Note 5(a) and financial assets – refer Note 6.

9. 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.

70,179,753 ordinary shares were issued in October 2016 as part of the consideration for the Diversa Limited acquisition.

9. Contributed equity – issued capital (continued)

	Consolidated			
	2017 Shares	2016 Shares	2017 $'000	2016 $'000
Ordinary shares - fully paid	263,337,753	193,158,000	109,984	62,568

Number of securities on issue

Details	2017 No. of securities	2016 No. of securities
Opening balance	193,158,000	166,242,253
Issue of shares	70,179,753	26,915,747
Closing balance	**263,337,753**	**193,158,000**

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.

10. Equity – reserves

Details	2017 $'000	2016 $'000
Share based payment reserve	613	391
Opening balance	391	421
Repayment of limited recourse loan	(16)	(33)
Share based payment expense	238	3
Closing balance	**613**	**391**

Share based payments reserve

The share based payments reserve records the fair value of performance and restricted rights issued.

NOTES TO THE FINANCIAL STATEMENTS

11. 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.

Financial 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.

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. OneVue's interest bearing loan from Macquarie Bank has a variable interest rate giving rise to interest rate risk as variable interest rates may increase. 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	
	2017 $'000	2016 $'000
50 basis points increase in interest rate	99	93
50 basis points decrease in interest rate	(99)	(93)
Net impact on profit (loss) after tax		
Profit (loss) after income tax:	209	(4,007)
50 basis point increase	308	(3,914)
50 basis point decrease	110	(4,100)

11. Financial instruments (continued)

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.

See note 8 for details of OneVue’s financial arrangements at year end.

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 2017 and 30 June 2016 were 1 year or less.

Consolidated	2017 1 year or less $'000	2016 1 year or less $'000
Non-derivatives		
Non-interest bearing		
Trade and other payables	12,937	5,575
Interest bearing		
Loans and borrowings	8,981	-
Total non-derivatives	**21,918**	**5,575**

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.

12. 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	
	2017 $	2016 $
Share based payment expense	238,467	-
Short term employee benefits	1,498,239	1,332,210
Post-employment benefits	129,115	96,664
Long term benefits	26,616	25,320
	1,892,437	**1,454,194**

13. 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:

	2017 $	2016 $
Audit and review services and other regulatory returns		
BDO East Coast partnership	254,000	154,000
Ernst and Young	58,000	58,000
Moore Stephens	15,000	15,000
	327,000	227,000
Audit and review services for non-consolidated managed funds and superannuation funds*		
BDO East Coast partnership	118,500	169,000
Ernst and Young	200,702	256,000
Price Waterhouse Coopers	70,000	-
Total audit fee attributable to the audit and review of non-consolidated funds	389,202	425,000
Total Audit and review services	716,202	652,000
Non-audit services - Tax and other services		
BDO East Coast partnership	31,500	33,500
Moore Stephens	-	5,000
	31,500	38,500
Non-audit services - Tax and other services for non-consolidated managed funds and superannuation funds*		
Ernst and Young	71,280	75,000
Total Non-audit services	102,780	113,500

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

NOTES TO THE FINANCIAL STATEMENTS

14. Contingent assets

OneVue has no contingent assets as at 30 June 2017 (2016: $Nil).

15. Contingent liabilities

OneVue has the following contingent liabilities:

	Consolidated	
	2017 $'000	2016 $'000
Guarantee for ASX bond	500	500
Guarantees for rental bonds	1,184	1,152
	1,684	**1,652**

16. 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.

17. Commitments

Future minimum rentals payable under non-cancellable operating leases:

	Consolidated	
	2017 $'000	2016 $'000
Within one year	1,508	1,371
One to five years	2,120	2,907
	3,628	**4,278**

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 $1.54 million (2016: $1.78 million).

18. Related party transactions

Parent entity

OneVue Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Associates

Interests in associates are set out in note 22.

18. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 12 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 2017.

19. Parent entity information

Set out below is supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2017 $'000	2016 $'000
Profit after income tax	812	407
Total comprehensive income	**812**	**407**

Statement of financial position

	Parent	
	2017 $'000	2016 $'000
Total current assets	23,188	27,607
Total assets	93,105	44,185
Total current liabilities	362	338
Total liabilities	362	338
Equity		
Contributed equity	109,984	62,568
Options reserve	629	390
Accumulated losses	(17,870)	(19,111)
Total equity	**92,743**	**43,847**

There has been a restatement to the investment value in a reporting period prior to the comparative period. This has resulted in a restatement of the accumulated losses in the prior comparative period.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

19. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

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.

20. Business combinations

Diversa Limited and subsidiaries

On 6 October 2016, OneVue acquired 100% of the shares of Diversa Limited under a Scheme of Arrangement.

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 merged entity has brought 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. It increases the overall operational efficiency, breadth and depth of services both companies offer customers.

Goodwill on the 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.

The acquired businesses contributed revenues of $9.9 million and net profit of $1.9 million for the year ended 30 June 2017. If the acquisitions had occurred on 1 July 2016 then contributed revenues and profit would have been $13.6. million and $2.5 million respectively.

The consideration for Diversa comprised:

- cash paid of $2.5 million; plus
- $47.4 million from the issue of 70.2 million fully paid ordinary shares in OneVue Holdings Limited (at the bid price of $0.675 each).

Acquisition date fair value of the total consideration transferred	$'000
Cash paid or payable to vendor	2,464
Ordinary shares issued	47,371
Fair value of the total consideration transferred	**49,835**
Net cash inflow arising on acquisition	
Consideration paid in cash	(2,464)
Cash and cash equivalent balances acquired	9,770
Net cash inflow arising on acquisition	**7,306**

20. Business combinations (continued)

The provisional fair values of the identifiable assets and liabilities of Diversa at the date of acquisition and the cash flow at acquisition were as follows:

Consolidated	$'000
Cash and cash equivalents	9,770
Trade receivables and other assets	2,294
Fixed assets	276
Intangibles assets – customer relationships	7,831
Trade creditors and other payables	(4,210)
Borrowings	(7,045)
Employee entitlements	(719)
Tax liabilities	(2,359)
Deferred acquisition payments	(2,273)
Other liabilities	(665)
Net assets acquired	2,900
Goodwill	46,936

Direct costs relating to the acquisition were $0.3 million. These were all expensed through the administrative expenses in the statement of profit and loss and other comprehensive income.

The initial acquisition accounting of Diversa has been provisionally determined. OneVue has 12 months from the date of acquisition to finalise the accounting to reflect any new information.

21. 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 2017 and the results of all subsidiaries for the year ended 30 June 2017.

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.

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.

21. Consolidated group and interests in subsidiaries (continued)

Principles of consolidation (continued)

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 difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquire is recognised 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.

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.

21. Consolidated group and interests in subsidiaries (continued)

Business combinations (continued)

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 2017 %	2016 %
CCSL Limited	Australia	100%	-
Diversa Funds Management Pty Ltd	Australia	100%	-
Diversa Pty Ltd (formely Diversa Limited)	Australia	100%	-
Diversa Superannuation Services Limited	Australia	100%	-
Diversa Trustee Limited	Australia	100%	-
FUND.eXchange Pty Ltd (formerly OneVue Private Clients Pty Limited)	Australia	100%	100%
Glykoz Pty Ltd	Australia	100%	-
Group Insurance & Superannuation Concepts Pty Ltd	Australia	100%	-
InvestSelect Pty Ltd	Australia	100%	100%
LESF Pty Ltd	Australia	100%	-
MAP Financial Planning Pty Ltd	Australia	100%	100%
MAP Funds Management Ltd	Australia	100%	100%
OneVue Financial Pty Limited	Australia	100%	100%
OneVue Fund Services Pty Ltd	Australia	100%	100%
OneVue Pty Limited (formerly OneVue Limited)	Australia	100%	100%
OneVue RE Services Limited	Australia	100%	100%
OneVue Services Pty Ltd	Australia	100%	100%
OneVue Super Services Holdings Pty Limited	Australia	100%	100%
OneVue Super Services Pty Limited	Australia	100%	100%
OneVue UMA Pty Limited	Australia	100%	100%
OneVue Unit Registry Pty Ltd	Australia	100%	100%
OneVue Wealth Services Pty Limited	Australia	100%	-
Pellias Pty Limited	Australia	100%	-
Select Funds Pty Limited	Australia	100%	100%
Select Investment Partners Limited	Australia	100%	100%
SMSF Managers Pty Ltd	Australia	100%	100%
Tranzact Consulting Pty Limited	Australia	100%	-
Tranzact Financial Services Pty Limited	Australia	100%	-
Tranzact Superannuation Services Pty Ltd	Australia	100%	-

21. Consolidated group and interests in subsidiaries (continued)

Business combinations (continued)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests.

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 2017	Ownership interest 2016	Ownership interest 2017	Ownership interest 2016
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.

22. 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 2017 %	2016 %
Gold Financial Pty Ltd	Australia	3.43%	-
WealthPortal Pty Limited	Australia	20.00%	20.00%

23. Events after the reporting period

On 30 August 2017, 1,000,000 performance rights were issued to Key Management pursuant to the OneVue Holdings Limited LTI and Rights Plan exerciseable at $0.00 and expiring 30 August 2022.

Also, on 30 August 2017, 284,865 performance rights and 316,035 restricted rights were issued to the Managing Director.The performance rights vest subject to the achievement of performance relative to the vesting conditions and fixed salary. The restricted rights were issued in relation to a salary sacrifice arrangement.

On 12 September 2017, 1,000,000 shares were issued on the exercise of the performance rights that were issued on 30 August 2017.

24. Reconciliation of cash flows

	Consolidated	
	2017 $'000	2016 $'000
Net profit (loss) after income tax expense for the year	209	(4,007)
Non-cash items		
Depreciation and amortisation	4,097	2,868
Share based payments	238	-
Financial assets mark to market	(104)	53
Acquisition costs	-	50
Discount of loan	-	(44)
Lease incentive liability	(269)	(212)
Change in operating assets and liabilities:		
Increase in deferred tax assets	(2,346)	(636)
Decrease in receivables	573	885
Increase in trade and other payables	1,138	413
(Increase) in prepayments	(279)	(122)
Net cash provided (used) in operating activities	**3,257**	**(752)**

25. Earnings per share

Earnings per share are determined by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are adjusted from the basic earnings per share by taking into account the impact of dilutive potential units.

	2017 Cents	2016 Cents
Basic and diluted earnings per share	0.08	(2.21)

	Number ('000)	Number ('000)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	245,793	181,536

26. 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.

Performance Rights and Restricted Rights

At the 2016 AGM, the OneVue shareholders approved the issue of:

- 284,865 Performance Rights to the Managing Director with vesting subject to the achievement of performance relative to the vesting condition; and
- 316,035 Restricted Rights issued to the Managing Director in relation to a salary sacrifice arrangement.

These Performance Rights may be converted into shares in OneVue subject to the satisfaction the following service based conditions and performance hurdles: the Managing Director must still be an employee at the vesting date and OneVue's total shareholder return (TSR) measure is achieved over the three year or longer measuring period. These Restricted Rights are not subject to performance testing or vesting conditions.

600,900 rights were outstanding as at 30 June 2017 (30 June 2016: Nil) and issued during the year ended 30 June 2017.

Employee share scheme

No shares were issued as part of an employee share scheme in 2017 (2016: Nil).

Employee Option Plan

No options were issued as part of an employee option plan in 2017 (2016: Nil).

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 which ends on 30 May 2019 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 5 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.

27. Corporate information

The consolidated financial statements of OneVue and its subsidiaries for the year ended 30 June 2017 were authorised for issue in accordance with the resolution of the Directors on 27 September 2017. OneVue is a company 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.

28. 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 19.

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.

28. Summary of significant accounting policies (continued)

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 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.

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 Directors' preliminary view is that the application of AASB 9 is unlikely to have a material impact on the financial statements.

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 Directors' preliminary view is that the application of AASB 16 is unlikely to have a material impact on the financial statements.

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.

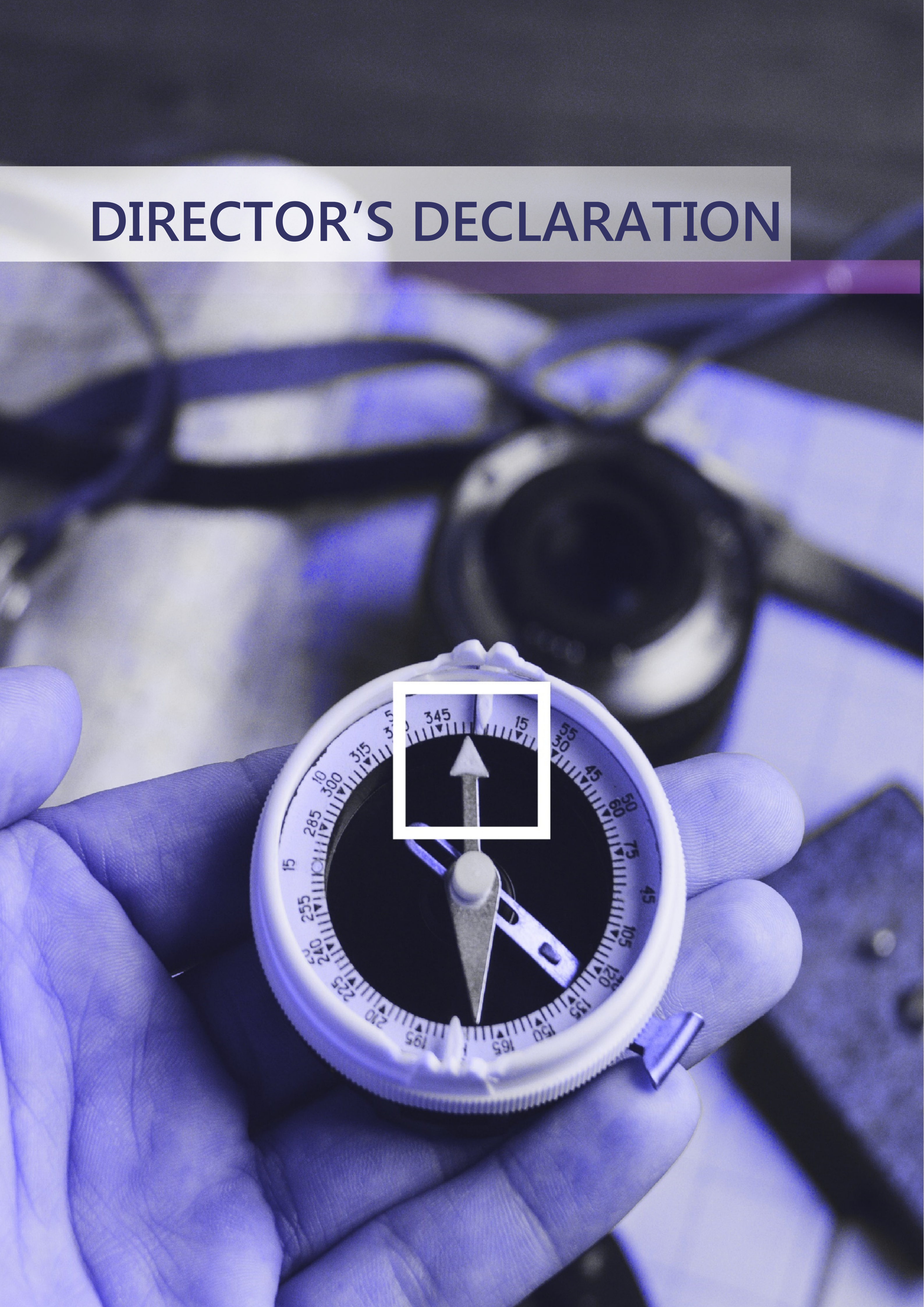
28. Summary of significant accounting policies (continued)

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.

In accordance with the revenue recognition policies described in these financial statements, revenue is typically recognised as these services are delivered. Accordingly, the Directors' preliminary view is that the application of AASB 15 is unlikely to have a material impact on the timing of revenue recognition and therefore the amounts recognised in the financial statements.

OneVue is still in the process of assessing the full impact of the application of AASB 15 on OneVue's financial statements. As a result, the above preliminary assessment is subject to change. OneVue does not intend to early adopt the standard and intends to use the full retrospective method upon adoption.

DIRECTOR'S DECLARATION



Directors' declaration

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2017. 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 1 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 2017 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

Gail Pemberton

Director

27 September 2017

Sydney

INDEPENDENT AUDITOR'S REPORT

BDO

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of OneVue Holdings Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for opinion

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

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

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

Key audit matters

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

Impairment testing of Goodwill and other Intangible Assets

Key audit matter	*How the matter was addressed in our audit*

As at 30 June 2017 the Group held goodwill and other intangible assets of $75.8m, as disclosed in Note 7 to the financial statements.
 	
This was determined to be a key audit matter as the amounts involved are material and the determination of the 'Value in Use' of each cash generating unit ('CGU') and whether or not an impairment charge is necessary required management to apply significant judgement in relation to discount rates, future revenue growth and cost assumptions.
	To determine whether the carrying amount of the assets was adequately supported, we undertook, amongst others, the following audit procedures:
	
	• Assessed the basis of allocation of goodwill between the CGU's of the Group, being Fund Services, Platform Services and Superannuation Trustee Services.
	
	• Obtained the discounted cash flow model ("DCF") prepared by management in support of the carrying amount of goodwill and reviewed the calculation for mathematical accuracy.
	
	• Challenged the key assumptions and inputs applied by management in preparing the DCF. In doing so, we:
	
	    • Analysed the growth rate applied to revenue and expenses and compared this to historical performance and our existing understanding of the Group;
	
	    • Evaluated the appropriateness of the discount rate applied by considering available market data and data from comparable companies; and
	
	    • Considered the growth rate applied to the terminal value in light of historical growth experienced by the Group.
	
	• Considered the sensitivity of the key assumptions in the models by analysing the impact on the recoverable amount from changes in key assumptions.

Acquisition of Diversa Limited

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 20 to the financial report, on 6 October 2016 the Group acquired 100% of the ordinary share capital of Diversa Limited for a total consideration of $49.8m. Accounting for this acquisition was a key audit matter due to the due to the size of the transaction and the complexity in accounting for a business combination.	To ensure the provisional accounting for the acquisition was appropriate, we undertook, amongst others, the following audit procedures: • Obtained the executed Scheme of Arrangement between OneVue Holdings Limited and Diversa Limited. • Checked the calculation of the consideration payable in light of the terms of the Scheme of Arrangement and the requirements of accounting standards. • Assessed the fair value attributed to the assets acquired and liabilities assumed on acquisition and compared the amounts recorded to supporting documentation. • Obtained the valuation with respect to the customer relationship asset recognised and assessed the inputs and assumptions applied in determining the fair value at acquisition date. • Recalculated expected goodwill and compared this to the goodwill recognised as at reporting date. • Considered the adequacy of the business combination disclosures in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 41 of the directors' report for the year ended 30 June 2017.

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

Responsibilities

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.

BDO East Coast Partnership

BDO

Arthur Milner

Partner

Sydney, 27 September 2017

ASX ADDITIONAL INFORMATION

ASX additional information

The shareholder information set out below is as at 14 September 2017.

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.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,627,687	11.96
2.	ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	30,306,339	11.47
3.	UBS NOMINEES PTY LTD	29,098,722	11.01
4.	CITICORP NOMINEES PTY LIMITED	24,854,038	9.40
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	7,700,966	2.91
6.	NATIONAL NOMINEES LIMITED	6,658,304	2.52
7.	NIGEL STOKES PTY LTD <COMPANY SUPER FUND A/C>	5,000,852	1.89
8.	SUPERTCO PTY LTD <TAG SMALL CAP FUND A/C>	3,500,000	1.32
9.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <VFA A/C>	2,560,031	0.97
10.	PHAROS FINANCIAL GROUP PTY LTD <THE PHAROS FIN GROUP A/C>	2,550,233	0.96
11.	ABTOURK (SYD NO 376) PTY LTD	2,523,641	0.95
12.	STEPHEN J M KARRASCH	2,440,878	0.92
13.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	2,144,114	0.81
14.	GMBP PTY LTD <GM PEMBERTON SUPER FUND>	2,046,967	0.77
15.	CRX INVESTMENTS PTY LTD	2,000,000	0.76
16.	KARRASCH PTY LTD <KARRASCH SUPERANNUATION FUND>	1,976,806	0.75
17.	ARLJM INVESTMENTS PTY LTD <ARLJM FAMILY A/C>	1,536,428	0.58
18.	POSSE INVESTMENT HOLDINGS PTY LIMITED	1,488,813	0.56
19.	GINGA PTY LTD <T G KLINGER SUPER FUND A/C>	1,404,993	0.53
20.	STRATEGIC CONSULTANTS INTERNATIONAL PTY LTD <STRATEGIC ADVANTAGE S/F A/C>	1,349,678	0.51
	Top 20 holders of issued capital	162,769,490	61.58
	Remaining holders balance	101,568,263	38.42
	Total Issued Capital	**264,337,753**	**100.00**

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	266	562	358	827	214
Shares	85,280	1,541,928	2,776,095	28,432,185	231,502,265
Total holders	2,227				
Total shares	264,337,753				

Total number of shareholders with less than a marketable a parcel of shares (valued at $500 or less): 212.

Unquoted equity securities

	Number on issue	Number of holders
Rights over ordinary shares issued	600,900	1

Substantial holders

Details of the substantial shareholders as at 14 September 2017:

Shareholder	Shares held	% of total shares issued
Abtourk Group	34,125,023	12.9%
Thorney Investment Group	30,930,467	11.7%
Commonwealth Bank of Australia	24,544,105	9.3%
Tribeca Investment Partners Pty Ltd	15,482,354	5.9%

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 14 September 2017.

CORPORATE DIRECTORY

Corporate directory

Directors

- Ronald Dewhurst
- Stephen Knight
- Andrew Macpherson
- Connie Mckeage (Managing Director)
- Gail Pemberton (Chair)
- 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, 23 November 2017

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

onevue.com.au

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Strength in numbers

onevue