



Appendix 4D and half year report

31 December 2018

Strength in numbers

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NAME OF ENTITY

OneVue Holdings Limited

REPORTING PERIOD

Half year ended 31 December 2018

ABN

15 108 221 870

PREVIOUS CORRESPONDING PERIOD

Half year ended 31 December 2017

Results for the announcement to the market

	31 December 2018	
	% Change	\$'000
Revenue from continuing operations	30.6 to	26,116
Revenue from discontinued operations	(4.0) to	3,338
Total revenue	25.5 to	29,454
Loss from continuing operations after tax attributable to members		(3,527)
Profit from discontinued operations after tax attributable to members	94.5 to	242
Loss for the half-year attributable to members		(3,285)

Brief explanation of the figures reported above

Refer to the attached Half-Year report (Directors' Report – Review of operations section), for commentary on the half-year results.

Dividends

No interim dividend has been paid or provided for during the current period or the previous corresponding period.

Explanation of result

Refer to the attached Directors' Report and review of operations for further explanation.

	Current period	Previous period
Net tangible assets per fully paid ordinary share	(2.74 cents)	3.73 cents

Entities over which control has been gained or lost during the period

OneVue Holdings Limited (OneVue) has not gained nor lost control of any entity during the period.

Details of associates and joint venture entities

Not applicable.

Auditor review

This report is based on the consolidated financial statements for the half year ended 31 December 2018 which were subject to a review by the Group's auditors, Deloitte Touche Tohmatsu, as set out in the review report attached which are not subject to any disputes or qualifications



Ashley Fenton
Company Secretary

25 February 2019
Sydney

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 half-year ended 31 December 2018.

DIRECTORS

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated.

CHAIR

Ronald Dewhurst

NON-EXECUTIVE DIRECTORS

Andrew Macpherson

Garry Wayling

Stephen Knight

MANAGING DIRECTOR

Connie Mckeage

OPERATING SEGMENTS

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.

CORPORATE Provision of corporate services to the operating segments. This includes costs of the listed entity (including audit, tax and insurance) and central corporate services.

Discontinued operations

TRUSTEE SERVICES Superannuation trustee services for registered superannuation funds

REVIEW OF OPERATIONS

For the half year ended	31 Dec 2018 \$'000	31 Dec 2017 \$'000	Change %
REVENUE			
Continued operations			
Services revenue	26,116	19,341	35%
Performance fee revenue	-	645	(100%)
Discontinued operations			
Services revenue	3,338	3,478	(4%)
Total revenue	29,454	23,464	25%
EBITDA from continuing operations	2,391	2,216	8%
EBITDA from discontinued operations	1,304	1,396	(7%)
EBITDA*	3,695	3,612	2%
EBITDA margin %	12.5%	15.4%	(19%)
Depreciation and amortisation	(2,918)	(2,342)	(25%)
EBIT	777	1,270	(39%)
Interest	(715)	(408)	(77%)
Share based payments	(10)	(615)	98%
Non-recurring expenses	(912)	(641)	(42%)
Fair value adjustment on contingent consideration	(2,995)	-	
Loss before tax	(3,855)	(394)	(878%)
Tax	570	6,176	(91%)
Net (loss) profit after tax	(3,285)	5,782	
Basic and diluted earnings per share	(1.24)	2.19	
Continuing operations - Basic and diluted earnings per share	(1.33)	2.14	

NOTES

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

Total revenues (including other income) increased by \$6.0 million to \$29.6 million, an increase of 26% over the prior corresponding period with organic growth of \$4.4 million supplemented by growth from acquisitions of \$4.9 million which offset revenues from prior period divestments of \$3.3 million. Revenues from continuing operations increased by 31% over the prior comparative period.

Revenues continue to be underpinned by the quality of recurring revenue which represents 91% of total revenues.

The Super member administration business acquired from KPMG contributed revenue of \$4.3 million.

EBITDA for the period ended 31 December 2018 was \$3.7 million, up 2% on the prior corresponding period. EBITDA from continuing operations increased by 7.9% over the prior corresponding period, whilst EBITDA from discontinued operations was down 7%.

Operating profit in the half was impacted by a \$3.0 million cost adjustment reflecting the increase in the fair value of the contingent consideration due on the KPMG Super acquisition. This was triggered by the signing on 21 December 2018 of the 3-year contract with Aon Hewitt Limited and Equity Trustee Superannuation Limited for the administration of the KPMG Super businesses largest fund. This contract significantly increases the value of the acquired KPMG business. The fair value adjustment represents the difference between the initial value assessed at 30 June 2018, applying a probability weighting (\$7.8 million) and the discounted final consideration amount now

payable (10.7 million). Accounting standards do not permit the reassessment of the probability factors used in the initial acquisition accounting to be recognised as an upward adjustment to the acquired asset value

The depreciation and amortisation expense of \$2.9 million (HY18: \$2.3 million) was higher than the prior corresponding period due to the impact of amortisation from acquisitions and increased capitalised development.

Non-recurring expenses of \$0.9 million (HY 17: \$0.6 million) were related to integration, acquisition and restructure costs.

A credit to the income tax expense of \$0.6 million, (\$6.2 million in the prior comparative period) relates to previously unrecognised prior period tax losses.

The consolidated net loss after tax attributable to the members of the group was \$3.3 million, compared to the profit after tax of \$5.7 million in the prior corresponding period.

RESULTS

For the half year ended	31 Dec 2018 \$'000	31 Dec 2017 \$'000	Change %
REVENUE			
Fund Services			
- Managed fund administration	8,133	6,152	31%
- Super member administration	8,416	4,097	105%
- RE Business (exited)	-	1,185	(100%)
	16,549	11,434	45%
Platform Services			
- Core Platform Services	10,276	7,004	47%
- SMSF and IM business (exited)	-	2,126	(100%)
	10,276	9,130	13%
Corporate (including eliminations)	(709)	(578)	(23%)
Total revenue – Continuing operations	26,116	19,986	31%
Discontinued - Superannuation Trustee Services	3,338	3,478	(4%)
Total revenue	29,454	23,464	25%
EBITDA*			
Fund Services	3,089	2,121	46%
Platform Services	1,550	2,214	(30%)
Corporate (including eliminations)	(2,248)	(2,119)	(6%)
EBITDA – Continuing operations	2,391	2,216	8%
Discontinued - Superannuation Trustee Services	1,304	1,396	(7%)
EBITDA*	3,695	3,612	2%

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 \$5.1 million or 45% over the prior corresponding period with strong growth from both Managed Fund Administration and Super Member Administration offset by the exited RE business.

EBITDA of \$3.1 million was up by \$1.0 million from the prior corresponding period with margins increasing by 12 basis points to 18.7%, reflecting the operating scale and leverage.

OneVue's market leading Managed Fund Administration business experienced a 61% increase in items processed, processing a record number of items in the period of 256,016. This growth was driven by a combination of new clients and continuing organic growth.

Revenues increased by 31% over the prior corresponding period.

Super Member Administration administers 39 funds, with 152,493 members and FUA at 31 December 2018 reached \$4.5 billion, an increase of \$2.4 billion (111%) on the prior corresponding period which was mainly driven by the KPMG Super Member Administration acquisition. Revenues increased by 105% over the prior corresponding period, with the acquisition contributing most of the increase.

FUND SERVICES KEY MEASURES

	H1 FY19	H1 FY18	Change	Change %
Managed fund administration transactions	256,016	159,139	96,877	61%
Managed fund administration FUA \$billion	473.0	471.7	1.3	0%
Super member administration members	152,493	90,529	61,964	68%
Super member administration FUA \$million	4,504	2,130	2,374	111%

PLATFORM SERVICES

Platform Services FUA (Funds Under Administration) of \$4.39 billion was up 7% on the prior comparative period after adjusting for the exit of the SMSF Admin and Investment Management Businesses (\$567m in April 2018). Gross inflows of \$0.6 billion and net inflows of \$0.2 billion were in line with the general trend excluding one-off transitions.

Revenue was up 13% compared to the prior corresponding period but up 47% excluding the exited SMSF Admin and Investment Management businesses.

EBITDA of \$1.6 million was up 30% from the prior corresponding period.

PLATFORM SERVICES FUA

Total FUA \$m	H1 FY19	H1 FY18	Change	Change %
Platform FUA [#]	4,389	4,114	275	7%
Gross Inflows	614	991 ²	(377)	(38%)
Net Inflows ¹	220	612 ²	(392)	(64%)

NOTES

¹ Net inflows exclude market movements

² Includes \$316m from one client transition

[#] Adjusted to exclude FUA associated with exited businesses (April 2018 and prior SMSF Admin/IM)

DISCONTINUED OPERATIONS -SUPERANNUATION TRUSTEE SERVICES

OneVue announced the sale of the Superannuation Trustee Services business on 20 December 2018 and accordingly it is disclosed as a discontinued business in this report. The business is the leading outsourced retail superannuation trustee service in Australia, leveraged to fast growing disruptive managed accounts providers.

Funds under trusteeship (FUT) increased by \$1.5 billion (14%) on the prior corresponding period mainly driven by growth in assets of existing clients. FUT as 31 December 2018 closed at \$11.8 billion.

Revenues of \$3.3 million were down by 4% on the prior corresponding period and EBITDA of \$1.3 million was down 7% on the prior corresponding period.

SUPERANNUATION TRUSTEE SERVICES KEY MEASURES

Total FUT \$m	H1 FY19	H1 FY18	Change \$	Change %
FUT	11,797	10,338	1,459	14%

OPERATING EXPENSES

For the half year ended	31 Dec 2018 \$'000	31 Dec 2017 \$'000	Change %
Continued operations			
Fund Services	13,460	9,313	(45%)
Platform Services	8,726	6,916	(26%)
Corporate	1,539	1,541	0%
Total operating expenses from continuing operations	23,725	17,770	(34%)
Discontinued - Superannuation Trustee Services	2,034	2,082	2%
Total operating expenses	25,759	19,852	(30%)

Total operating expenses from continuing operations increased by \$6.0 million or 34% over the prior corresponding period. This increase reflects acquisitions and business growth and the impact of divested businesses.

Fund Services operating expenses increased by \$4.1 million or 45%, \$3.3 million of these costs related to the newly acquired KPMG Super Member Administration. EBITDA margin increased by 12 bps to 18.7% over the prior comparative period.

Total operating expenses for the Platform Services business increased by \$1.8 million or 26% compared to the prior comparative period, with prior corresponding period divestments and the current period acquisition (No More Practice) impacting costs. \$0.9 million of the increase related to the newly acquired No More Practice business.

The operating expenses of the discontinued – Superannuation Trustee Services business remained in line with the prior comparative period with a 2% decrease.

Corporate

Costs of \$1.5 million, which cover costs of the listed entity (including audit, tax and insurance), Director fees and central corporate services provided to the operating divisions including HR, IT, Risks, Compliance, Finance and Marketing, were in line with the prior corresponding period.

BALANCE SHEET

	31 Dec 2018	30 June 2018	Change \$'000	Change
Cash and cash equivalents	15,665	19,404	(3,739)	(19%)
Debt	(4,709)	(6,159)	1,450	24%
Net cash	10,956	13,245	(2,289)	(17%)
Trade receivables and other assets	8,222	9,566	(1,344)	(14%)
Goodwill and intangible assets	89,925	89,299	626	1%
Other assets	7,419	5,950	1,469	25%
Trade and other payables	(12,511)	(14,400)	1,889	13%
Contingent consideration	(11,081)	(7,795)	(3,286)	(42%)
Other liabilities	(4,247)	(3,300)	(947)	(29%)
Net assets	88,683	92,565	(3,882)	(4%)
Net assets – Continuing operations	62,429	92,565	(30,136)	(33%)
Net assets – discontinued operations	26,254			

Cash and cash equivalents of 15.7 million at 31 December 2018, were \$3.7 million lower than the position at 30 June 2018. There were \$1.7 million of loan repayments made during the period and \$0.7 million paid towards integration restructure and acquisition costs. Net underlying operating cash flows contributed \$1.1 million for the period.

Debt as at 31 December 2018 of \$4.7 million primarily relates to the Superannuation Trustee Services business and was \$1.5 million lower mainly due to the loan repayments.

Trade receivables and other assets decreased due to working capital movements.

The Other assets increase was due to \$0.6 of deferred tax asset relating to the recognition of tax losses. There was also a \$0.9 million increase in fixed assets due to the KPMG Super Services acquisition.

Trade and other payables reduced by \$1.5 million in the period due to working capital movements.

The increase in contingent consideration in the period is the result of OneVue signing a 3-year contract with AON and Equity Trustees for the administration of the KPMG Super businesses largest fund. (Refer note 3).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 20 December 2018, OneVue announced that it has entered into an agreement to sell the Superannuation Trustee Services business to Sargon Capital Pty Limited (Sargon). Completion is expected on or before 31 March 2019.

Under the terms of the sale:

- The total conditional consideration is \$45 million in cash, with \$37 million payable on completion with a further contingent payment of \$8 million in 12 months
- Normal conditions precedent for a transaction of this nature apply

Following completion of the sale the Directors intend to declare a fully franked special dividend of 2.19 cents per share and announce a share buyback of up to 10% of share capital.

There have been no other matters or circumstances occurring subsequent to the end of the half year that have significantly affected, or may significantly affect, the operations of OneVue, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

ROUNDING OF AMOUNTS

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

AUDITOR'S INDEPENDENCE DECLARATION

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read "RD", followed by a long horizontal line.

Ronald Dewhurst
Non-Executive Chair

25 February 2019
Sydney

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2018	Note	31 Dec 2018 \$'000	31 Dec 2017 \$'000
CONTINUING OPERATIONS			
REVENUE			
Services revenue		26,116	19,341
Performance fee revenue		-	645
Total revenue	1	26,116	19,986
Other income		142	90
			-
EXPENSES			
Employment benefits expense		(14,913)	(11,534)
Administration expenses		(2,951)	(2,897)
Service fees and other direct costs		(4,652)	(2,920)
Depreciation and amortisation expense		(2,380)	(1,817)
Occupancy costs		(1,541)	(940)
Interest expense		(451)	(12)
Other expenses		(695)	(757)
Total expenses, before fair value adjustment		(27,583)	(20,877)
Fair value adjustment on contingent consideration	3	(2,995)	-
Total expenses		(30,578)	(20,877)
LOSS BEFORE INCOME TAX			
		(4,320)	(801)
Income tax benefit	6	793	6,459
(LOSS) PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS		(3,527)	5,658
DISCONTINUED OPERATIONS			
Profit from discontinued operations, after income tax	2	242	124
NET (LOSS) PROFIT FOR THE PERIOD			
		(3,285)	5,782
Other comprehensive income net of tax		-	-
Total comprehensive (loss) income for the period attributable to the owners of OneVue Holdings Limited		(3,285)	5,782
Earnings per share attributable to the owners of OneVue Holdings Limited			
	Note	Cents	Cents
Total - Basic and diluted earnings per share	4	(1.24)	2.19
Continuing operations - Basic and diluted earnings per share	4	(1.33)	2.14

The accompanying notes form part of the financial statements.

The Superannuation Trustee Services business sale was announced on 20 December 2018 and is classified as a discontinued operation, including for comparative purposes, in the above statement. Refer to note 2 for further information regarding discontinued operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018	Note	31 Dec 2018 \$'000	30 Jun 2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents		8,766	19,404
Trade and other receivables		3,763	7,269
Financial assets		650	1,227
Prepayments		1,667	1,070
Assets classified as held for sale	2	34,189	-
Total current assets		49,035	28,970
NON-CURRENT ASSETS			
Intangible assets		64,833	89,299
Property, plant and equipment		1,353	510
Deferred tax asset		7,462	5,440
Total non-current assets		73,648	95,249
Total assets		122,683	124,219
CURRENT LIABILITIES			
Trade and other payables		10,483	14,400
Contingent Consideration	3	6,222	4,385
Employee benefits		2,886	2,757
Loans and borrowings		254	6,159
Liabilities classified as held for sale	2	7,935	-
Total current liabilities		27,780	27,701
NON-CURRENT LIABILITIES			
Contingent consideration	3	4,859	3,410
Lease incentives		1,002	176
Employee benefits		359	367
Total non-current liabilities		6,220	3,953
Total liabilities		34,000	31,654
EQUITY			
Contributed equity	5	110,638	110,638
Reserves		654	644
Accumulated losses		(22,609)	(18,717)
Total equity		88,683	92,565

The accompanying notes form part of the financial statements.

The Superannuation Trustee Services business sale was announced on 20 December 2018 and is classified as a discontinued operation. The assets and liabilities associated with this business are classified as held for sale as at 31 December 2018. The comparative period is not restated. Refer to Note 2 for further information regarding discontinued operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2018

6 months ended 31 December 2018	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2018	110,638	644	(18,717)	92,565
Adjustments (note 10)	-	-	(607)	(607)
Balance as at 1 July 2018	110,638	644	(19,324)	91,958
Loss after income tax for the period			(3,285)	(3,285)
Total comprehensive income for the period			(3,285)	(3,285)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments and other transfers of reserves		10		10
Balance at 31 December 2018	110,638	654	(22,609)	88,683

6 months ended 31 December 2017	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2017	109,984	613	(25,856)	84,741
Profit after income tax for the period	-	-	5,782	5,782
Total comprehensive loss for the period	-	-	5,782	5,782
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments and other transfers of reserves	654	21	-	675
Balance at 31 December 2017	110,638	634	(20,074)	91,198

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2018	Note	31 Dec 2018 \$'000	31 Dec 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		29,072	24,637
Interest received		1,004	818
Interest paid		(342)	(464)
Payments to suppliers and employees (inclusive of GST)		(28,639)	(21,735)
Restructure and acquisition costs		(665)	(830)
Net cash provided in operating activities		430	2,426
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(86)	(100)
Payments for intangible assets		(2,649)	(2,260)
Payment for acquisitions (net of cash acquired)		-	(1,900)
Net cash (used) in investing activities		(2,735)	(4,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing		283	-
Repayment of borrowings		(1,717)	(1,581)
Net cash generated from financing activities		(1,434)	(1,581)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,739)	(3,415)
Cash and cash equivalents at the beginning of the period		19,404	26,645
Cash within assets held for sale		(6,899)	-
Cash and cash equivalents at the end of the period		8,766	23,230

The accompanying notes form part of the financial statements.

The Superannuation Trustee Services business sale was announced on 20 December 2018 and is classified as a discontinued operation. The above cash flows are inclusive of discontinued operations. Refer to note 2 for further information regarding discontinued operations including summarised cash flow information.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. OPERATING SEGMENTS

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

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

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

Discontinued operations include Superannuation Trustee Services business the sale of which was announced on 20 December 2018 with completion expected to occur on or before 31 March 2019. Refer to Note 2 for further information regarding discontinued operations.

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.
CORPORATE	Provision of corporate services to the operating segments. This includes costs of the listed entity (including audit, tax and insurance) and central corporate services.

Segment income

6 months ended 31 December 2018	Fund Services \$'000	Platform Services \$'000	Discontinued \$'000	Corporate \$'000	Total \$'000
Segment revenue	16,549	10,276	3,338	-	30,163
Eliminations					(709)
Total group revenue					29,454
EBITDA*	3,089	1,550	1,304	(2,248)	3,695
Depreciation and amortisation expense	(1,374)	(829)	(538)	(177)	(2,918)
Interest	-	-	(301)	(414)	(715)
Underlying earnings before income tax**	1,715	721	465	(2,839)	62
Share based payments				(10)	(10)
Fair value adjustment on contingent consideration				(2,995)	(2,995)
Acquisition and related restructure costs				(912)	(912)
Profit (loss) before income tax	1,715	721	465	(6,756)	(3,855)

HALF YEAR REPORT

31 December 2018



6 months ended 31 December 2017	Fund Services \$'000	Platform Services \$'000	Discontinued \$'000	Corporate \$'000	Total \$'000
Segment revenue	11,434	9,130	3,478	-	24,042
Eliminations					(578)
Total group revenue					23,464
EBITDA*	2,121	2,214	1,396	(2,119)	3,612
Depreciation and amortisation expense	(711)	(882)	(525)	(224)	(2,342)
Interest			(464)	56	(408)
Underlying earnings before income tax**	1,410	1,332	407	(2,287)	862
Share based payments				(615)	(615)
Acquisition and related restructure costs				(641)	(641)
Profit (loss) before income tax	1,410	1,332	407	(3,543)	(394)

NOTES

* Underlying 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

NOTE 2. DISCONTINUED OPERATIONS

The sale of the Superannuation Trustee Services business was announced on 20 December 2018 with completion expected to occur on or before 31 March 2019 and is classified as 'held for sale' at 31 December 2018. The operating activities of the Superannuation Trustee business were not discontinued or classified as 'held for sale' at 31 December 2017 or 30 June 2018. The comparative statement of comprehensive income has therefore been re-presented to show the discontinued operations separately from continuing operations.

(a) Results of discontinued operations

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Revenue	3,338	3,478
Operating expenses	(2,873)	(3,071)
Profit before tax	465	407
Tax expense	(223)	(283)
Profit	242	124
Basic and diluted earnings per share (cents per share)	0.09	0.05

(b) Cash flows from discontinued operations

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Net cash from operating activities	1,152	872
Net cash from financing activities	(3,213)	(1,820)
Net cash from discontinued operations	(2,061)	(948)

(c) Assets and liabilities held for sale

The assets and liabilities classified as current assets and liabilities held for sale are presented in the table below:

31 Dec 2018

\$'000

ASSETS	
Cash and cash equivalents	6,899
Trade and other receivables	1,241
Intangible assets	25,092
Other assets	957
Assets classified as held for sale	34,189
Trade and other payables	2,028
Loans and borrowings	4,455
Net deferred tax liability	1,452
Liabilities classified as held for sale	7,935

NOTE 3. CONTINGENT CONSIDERATION

KPMG Superannuation Services Pty Ltd

On 21 December 2018, OneVue signed a 3-year contract with AON Hewitt Limited and Equity Trustees Superannuation Limited for the administration of the KPMG Super businesses largest fund. The signing of this agreement triggered the KPMG vendor's (KPMG Australia) entitlement under the acquisition agreement to the final outstanding two performance related contingent payments, with \$5.5 million now due to be paid in the second half of the financial year ending 30 June 2019 and \$5.5 million due in the second half of the financial year ending 30 June 2020.

As a result of this event, the fair value of the contingent consideration recognised has increased by \$3.0 million which is reflected as an expense adjustment to OneVue's statement of profit or loss. The fair value adjustment represents the difference between the initial value assessed at 30 June 2018 applying a probability weighting and the final consideration amount.

NOTE 4. EARNINGS PER SHARE

	2018 Cents	2017 Cents
Total - Basic and diluted earnings per share	(1.24)	2.19
Continuing operations - Basic and diluted earnings per share	(1.33)	2.14

The weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

	Number (('000))	Number (('000))
Basic earnings per share	264,338	264,004
Diluted earnings per share	264,654	264,171

Diluted earnings per shares includes 316,035 restricted rights that have vested but not exercised as of 31 December 2018.

NOTE 5. EQUITY – ISSUED CAPITAL

Consolidated	31 Dec 2018 Shares	30 Jun 2018 Shares	31 Dec 2018 \$'000	30 Jun 2018 \$'000
Ordinary shares - fully paid	264,337,753	264,337,753	110,638	110,638

There were no movements in issued capital during the current reporting period.

NOTE 6. TAX NOTE

Deferred tax assets are recognised for prior period income tax losses, research and development tax offsets, and deductible temporary differences, where it's considered probable that taxable income will be available against which these can be utilised.

The deferred tax asset has been recognised as at 31 December 2018 on the basis of the following:

- it is probable that future taxable profit will be available against which the unused tax losses can be utilised
- achievement of significant milestones following sustained activity to on-board key clients

6 months ended	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss from continuing operations before tax	(4,320)	(801)
Profit from discontinued operations before tax	465	407
Loss before tax for the consolidated entity	(3,855)	(394)
Tax at the statutory tax rate of 30%	(1,157)	(118)
Expenditure not allowable for income tax purposes	1,099	526
Movement in temporary differences	-	187
Prior year adjustment	-	272
Previously unrecognised tax losses brought to account	(512)	(7,043)
Tax benefit from continuing operations	(793)	(6,459)
Tax expense from discontinued operations	223	283
Total tax benefit for the consolidated group	(570)	(6,176)

NOTE 7. LITIGATION

OneVue Holdings Limited has been 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 financial statements, the Directors do not expect any material liabilities to eventuate. There have not been any material changes in estimates.

NOTE 8. FAIR VALUE MEASUREMENT

Due to their short term nature, the carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables, and current loans and borrowings are assumed to approximate their fair value. Trade receivables are recognised at fair value less any provision for impairment.

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.

NOTE 9. EVENTS AFTER THE REPORTING PERIOD

On 20 December 2018, OneVue announced that it has entered into an agreement to sell the Trustee Services business to Sargon Capital Pty Limited (Sargon). Completion is expected on or before 31 March 2019.

Under the terms of the acquisition:

- The total conditional consideration is \$45 million in cash, with \$37 million payable on completion with a further contingent payment of \$8 million in 12 months
- Normal conditions precedent for a transaction of this nature apply

There have been no other matters or circumstances occurring subsequent to the end of the half year that have significantly affected, or may significantly affect, the operations of OneVue, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 10. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, other than where disclosed with the exception changes in accounting policies required following the adoption of new accounting standards on 1 July 2018.

New, revised or amending Accounting Standards and Interpretations adopted

The following new and revised Standards and interpretations have been adopted by the consolidated entity for the first time for the year ended 30 June 2019:

AASB 15 'Revenue from Contracts with Customers'

AASB 15 '*Revenue from Contracts with Customers*' replaces all current guidance on revenue recognition from contracts with customers. It requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services are transferred to the customer. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition,

whereby it must be highly probable that no significant reversal of the variable component will occur when the uncertainties around its measurement are removed.

AASB 15 also specifies the accounting treatment for costs incurred to obtain or fulfil a contract. Costs are recognised as an asset only if the entity expects to recover them. Any capitalised contract costs are amortised on a systematic basis that is consistent with the transfer of the related goods and services.

The total adjustment arising from the initial application of AASB 15 is a decrease in opening retained earnings of \$607,000 in relation to set up costs.

The Consolidated Entity has first applied AASB 15 in the financial year beginning 1 July 2018, retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings, with no comparatives restatement.

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). 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 has adopted this standard from 1 July 2018.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 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 16 'Leases'

AASB 16 replaces AASB 117 'Leases', 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.

OneVue has identified all material leases and on transition OneVue expects to apply the modified retrospective approach, which does not require restating of comparative periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'RD', followed by a long horizontal flourish.

Ronald Dewhurst
Non-Executive Chair

25 February 2019
Sydney

The Board of Directors
OneVue Holdings Limited
Level 5, 10 Spring Street
Sydney NSW 2000

25 February 2019

Dear Directors,

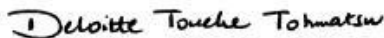
OneVue Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of OneVue Holdings Limited and its controlled entities.

As lead audit partner for the review of the financial statements of OneVue Holdings Limited for the financial half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Frances Borg
Partner
Chartered Accountants

Independent Auditor's Review Report to the Directors of OneVue Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OneVue Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' report of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 11 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2018 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OneVue Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OneVue Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten-style font.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Frances Borg".

Frances Borg
Partner
Chartered Accountants
Sydney, 25 February 2019

CORPORATE DIRECTORY

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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10 Spring Street
Sydney NSW 2000
Phone: (02) 8022 7400

SHARE REGISTER

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Level 4
60 Carrington Street
Sydney NSW 2000
Phone: 1300 850 505

AUDITOR

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

SECURITIES EXCHANGE LISTING

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

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Strength in numbers