Difficult paths often lead to beautiful destinations

OneVue Annual Report 2019

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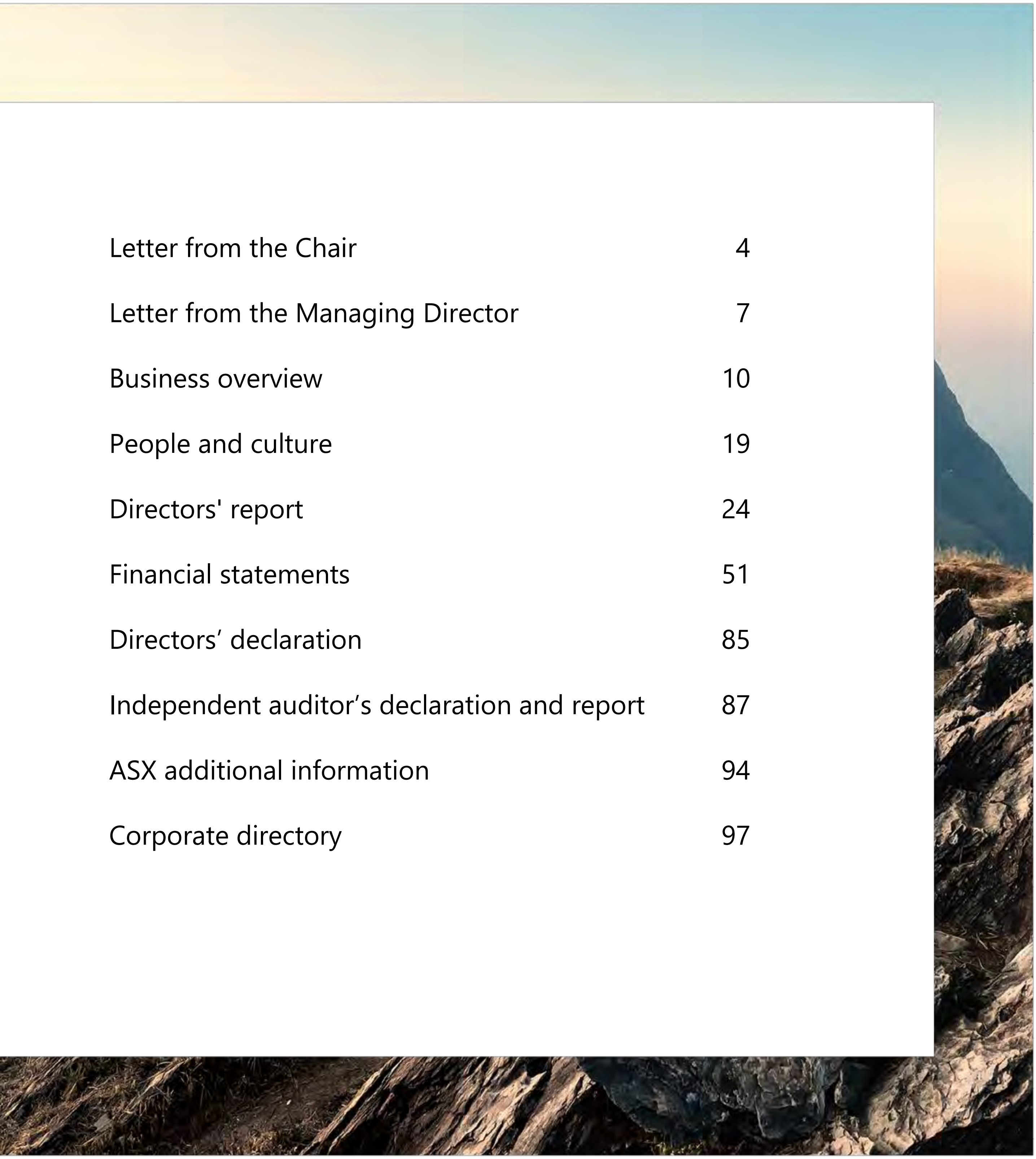


Letter from the Chair

LETTER FROM THE CHAIR

Dear Shareholders,

On behalf of the Board of OneVue Holdings Limited, I present OneVue's Annual Report for the 2019 financial year.

In my report for the 2018 Annual Report I highlighted the rapidly changing operating environment, in particular the disruptive environment and mounting regulatory challenges.

It would be fair to say that the latest financial year saw those factors accelerate, and in some cases crystallise the likely way forward for ongoing market participants and those seeking to strategically position themselves in a dramatically changing operating environment.

The ongoing fallout from the Royal Commission into misconduct in the banking, superannuation and financial services industry and the influence of disruptive technologies have continued to be the dominant factors in shaping where the financial services industry is heading. Market participants who choose to deny this do so at their peril.

At OneVue, it would be my observation that the leadership of our company has been preparing for the impact of disruptive technology. They have embraced the changing operating environment and adapted our strategy accordingly, which is reflected in our simplified operating model.

That said, like most market participants, adapting to these changes and continuing to service our client base in the manner we are committed to, is a challenge our Management and staff have had to meet.

The evidence of OneVue's ability to strategically adapt to the realities of the changing environment can be highlighted in two moves.

The first was the decision to dispose of the Trustee business. It met our commitment to simplify our business model whilst also acknowledging that in the new regulatory environment we are entering the Trustee business was not a best fit for our strategy.

The second decision reflects our belief that in the evolving distribution environment, building brand awareness will be critical and our acquisition of No More Practice Education (NMPE) to help build our profile and find ways to add value to retail investors, is a strategic move we see as a critical ingredient to succeeding in this space.

Financial highlights for 2019

Revenue from continuing operations rose by 35%, with Fund Services representing 64% and Platform Services 36%. Most importantly, 93% of revenue is recurring underscoring the quality of our revenues.

EBITDA rose by 59% and NPATA was up by 34%.

Finally, OneVue declared a net gain of $8.6m from divestments.

Sargon receivable

The sale consideration for the Trustee business of $43 million comprised $12 million of cash which was received at completion and deferred consideration of $31 million. This deferred consideration receivable is due to be paid by Sargon Capital Pty Limited (Sargon) by 30 November 2019. The deferred consideration is secured under a general security deed, registered on the Personal Property Securities Register and is subject to the provisions of the Share Purchase Agreement under which the performance of the Purchaser's obligations can be enforced. Sargon have given no indication to OneVue that they will not be able to or do not intend to pay this amount by the due date.

OneVue's auditors Deloitte have qualified their audit opinion in respect of this deferred consideration as in accordance with Australian Auditing Standards the scope of their audit has been limited as they are not able to form a view as to the recoverability of this deferred consideration. Given its materiality they have sought and been unable to obtain sufficient appropriate audit evidence to enable them to confirm whether Sargon has the capacity to pay and that the deferred consideration will be recoverable by OneVue. Sargon has no obligation to provide any evidence under the Share Purchase Agreement. Sargon is a large private company and therefore is not required to lodge its 30 June 2019 financial statements until 31 October 2019.

The audit opinion qualification is specific and limited to the audit of the deferred consideration.

The year ahead

Following the simplification of our business model and the sharpening of our focus on our Fund Services and Platform Services businesses, the Board and Management recognise that OneVue needs to convert this streamlined operating business to strong growth, organically and by acquisitions.

As we have previously stated, upon receipt of the final proceeds from the sale of the Trustee business we intend to pay a fully franked dividend of 2.19 cents per share, and we shall consider a share buy-back.

Our people and shareholders

The 2019 year proved challenging for all market participants, and in particular for our people at OneVue.

Significant demands and pressure have been placed on our Management and staff. They have provided high quality service to our clients in our day to day business, transitioning substantial books of new business, and streamlining and simplifying our business model.

The leadership provided by our Managing Director Connie Mckeage and her Management Team during the 2019 financial year demonstrated the unwavering strength of commitment they have to building the OneVue business.

The sense of teamwork and culture engendered by our leadership team is something recognised and appreciated by the Board.

Finally, I wish to acknowledge the support of our shareholders. The Board and our Management Team recognise and are very aware of the need for OneVue to convert what has been built into tangible long term benefits for our shareholders.

Yours sincerely

Ronald Dewhurst
Chair

27 September 2019

Letter from the Managing Director

LETTER FROM THE MANAGING DIRECTOR

The year was marked by completing the simplification of the business, freeing Management to focus on the high-growth core sectors of Fund Services and Platform Services with Fund Services now, for the first time, representing over 60% of OneVue's total revenues.

Fund Services Managed Fund admin is number 1 in the market and its market share continues to grow, while Fund Services Super Member admin has now firmly entrenched itself into third position in the outsourced superannuation administration market.

Also, this year, Platform Services delivered record gross and net inflows while remaining in the top tier of platforms as ranked by Investment Trends.

Both Fund Services operating businesses can be characterised by high-quality, long-term contracts with a number of contracted clients still transitioning. The acquisition of the KPMG Superannuation admin business added depth to our superannuation capability and has positioned us well to continue increasing market share. Platform Services also continues to benefit from the well-publicised shift to independent platforms.

There are clear growth runways in both Fund Services and Platform Services with strong tailwinds and we've identified the greatest margin improvement opportunity is to transition clients already won. What can impact the business in the short-term however is the timing of some of the transitions, particularly those transitions being managed in partnership with large institutions. They have been impacted by the new regulatory environment and increased governance and complexity however only the timing of the revenue is impacted not the overall certainty of positive impact of the revenue.

As we turn our attention to the future – with the simplification behind us – our key focus is on delivering high growth with margin uplift. We intend to achieve this by this concentrating on four key initiatives:

- Driving automation and integration
- Continuing to innovate
- Increasing scale and
- Building OneVue's profile

We are not holding onto the status quo. We are embracing industry iniatiatives such as the ASX blockchain, the New Payments Platform and disintermediated proprietary networks.

We are not alone in appreciating the need to deliver more efficient, lower-cost and client-centric solutions worthy of the investors and members the industry has fought so hard to acquire, as well as new generations of investors, hence our unwavering focus on automation and integration.

In this changing distribution landscape, we think it's important to increase OneVue brand awareness, which is the reason we acquired No More Practice Education (NMPE) and its marketing capability. A higher profile will give greater confidence to retail investors when the OneVue offering is being recommended.

In summary, this year we completed the simplification of the business and freed Management to focus on growing Fund Services and Platform Services.

Importantly, upon receipt of the $31m in final proceeds from the sale of the Trustee business, our net cash position will exceed $40m and we will look at smart capital management including:

- paying shareholders a 2.19 cents per share special fully franked dividend
- actively pursuing other opportunities – both organic and acquisitive
- considering a buy-back.

The Board and Management appreciate that this cannot be a year of slow or incremental growth. The world has changed. Against a backdrop of low interest rates, volatile markets, shifts in the superannuation landscape, turmoil in the advice market and increasing momentum from active to passive investing, OneVue is well-placed to seize opportunities as they emerge.

With cash in the bank, no debt and a business model right for the times, we will be actively looking for growth opportunities that accelerate our scale and our margin uplift.

Finally, thank you to my Team, Staff and to all our shareholders. We do not take your ongoing support and contribution for granted.

Respectfully yours

Connie Mckeage

Connie Mckeage
Managing Director

27 September 2019

Sharpening our focus through simplification

Business overview

BUSINESS OVERVIEW

High growth technology business *with* service leveraged to the superannuation sector

Our strategy

- High growth margin uplift through;
  - Automation and integration
  - Innovation
  - Scale
- Building brand awareness

Benefitting from sectoral growth and structural disruption

- Legislated superannuation growth
- Shift to independent platforms and advisers
- Continuing move to external service providers
- Well positioned for impacts from the Hayne Royal Commission

High quality business model

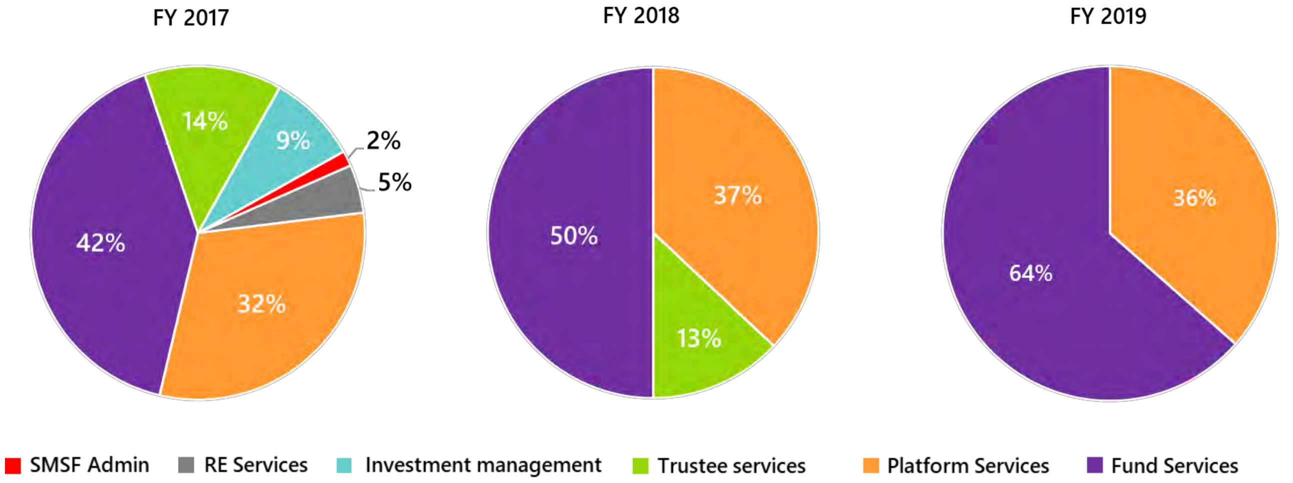
- 93% of revenues recurring, majority of revenues not market sensitive
- Experienced Management Team

Executing growth strategies

- Clear long term growth runways
- Strong track record of successful core strategy execution
- Capital deployed effectively

2019 marked the simplification of the business and a focus on the high growth core sectors

Revenue proportion by business



OneVue's businesses built for scale

FUND SERVICES

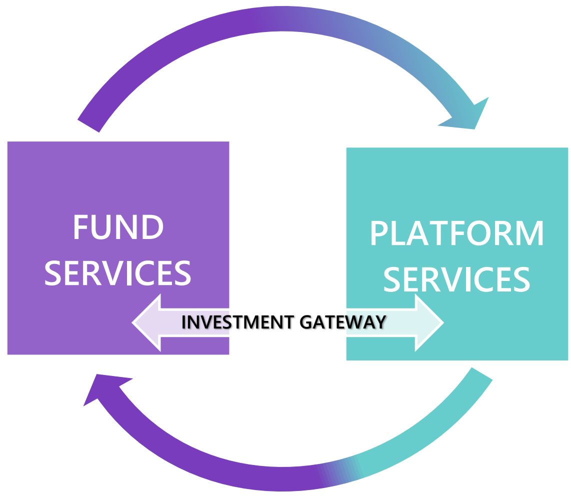
HIGH GROWTH TECHNOLOGY DRIVEN ADMIN BUSINESSES

MANAGED FUND ADMIN

- Market leader in Managed Fund admin
  FUA $516b

SUPER MEMBER ADMIN

- 3rd largest outsourced Superannuation Member admin
  FUA $5.3b



PLATFORM SERVICES

HIGH GROWTH TECHNOLOGY DRIVEN PLATFORM SERVICE

- Full function platform administering a wide range of assets including managed funds and managed accounts
  FUA $5.5b

FY 2019 financial results highlights

Strong revenue, EBITDA and margin growth

CONTINUING OPERATIONS		
REVENUE	EBITDA*	EBITDA MARGIN
$49.6m ▲ 35.3%	$4.5m ▲ 59.1%	9% ▲ 135 bps
ADJUSTED NPATA^	PROFORMA NET CASH~	OPERATING CASHFLOW#
$1.5m ▲ 34.4%	$40m ▲ 200%	$4.2m ▼ (2.4m)

NOTES:

* EBITDA from Continuing Operations excludes non-recurring items, share based payments and discontinued operations
# Operating cash flow includes Discontinued Operations and excludes non recurring costs
~ Proforma net cash represents Continuing Operations net cash position at 30 June 2019 adjusted to include net proceeds due on the sale of the Trustee business
^ Adjusted NPATA is Net Profit After Tax from Continuing Operations excluding; non-recurring items, benefit of initial recognition of tax losses and amortisation expense of acquired customer relationship intangibles

Business highlights

FUND SERVICES		PLATFORM SERVICES
MANAGED FUNDS ADMIN	SUPER MEMBER ADMIN	
Items processed (over 90% automated) up 56%	Nos of Members up 9%	Gross inflows up 11%
8 new fund managers and 588 new funds	3 new funds	Net inflows up 17%
FUA $516.2b up $12b	FUA $5.3b up 21%	FUA $5.5b up 26%

COMMENTARY

- 93% of revenues are recurring
- #1 in Fund Services Managed Funds admin
- Market share continues to grow
- Super Member admin has catapulted to third largest provider in the market
- Acquisition of KPMG super business strengthened our capability further enhancing our competitive position
- Platform in top tier as ranked by Investment Trends Benchmarking Report
- Record Platform gross inflows
- Brand awareness strategy launched in May 2019

Fund Services dashboard

Revenue EBITDA and scale increasing

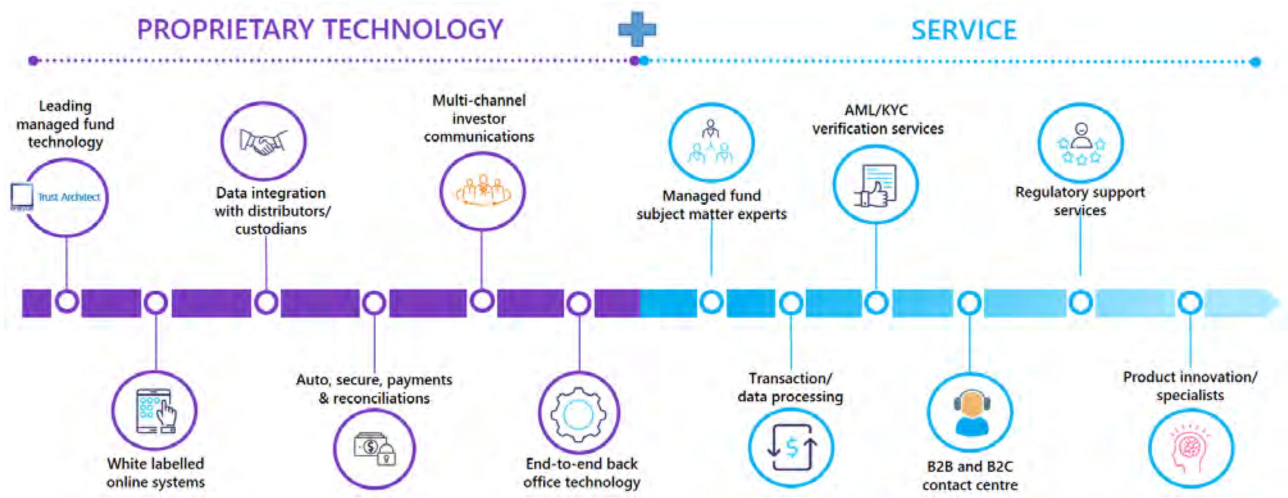
REVENUE	EBITDA~*	EBITDA MARGIN
$32.4m ▲ 37.9%	$6.4m ▲ 27.8%	19.8% ▼ 155 bps

FUA# Managed Funds Admin	Super Member Admin Member Numbers	Managed Funds Admin Items Processed
$516.2b ▲ $12b	157,637 ▲ 8.7%	554,827 ▲ 56%

NOTES:
~ Revenue and EBITDA from Continuing Operations
* EBITDA excludes non-recurring costs
# Funds under administration

Managed funds – Proprietary technology *with* a service

OneVue is unique in the Australian market



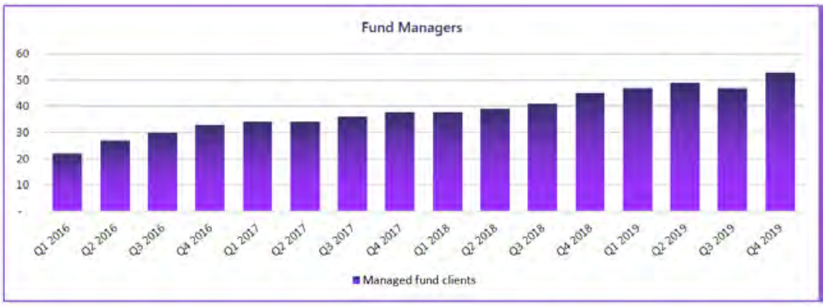
Fund Services increasing momentum in structural growth market

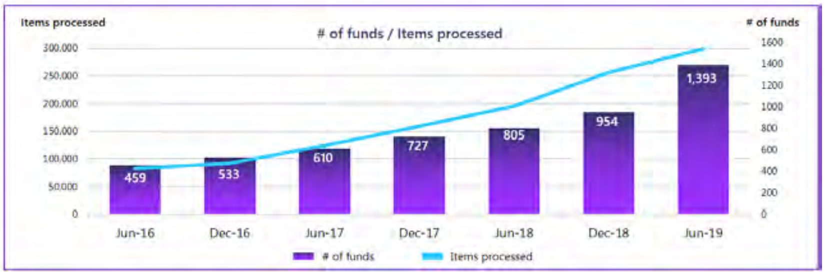
#1 Technology and service provider

- 53 fund managers
- 650,000 trades p.a
- 1,393 funds
- $516bn FUA

Preferred partner by 4 custodians and a Trustee

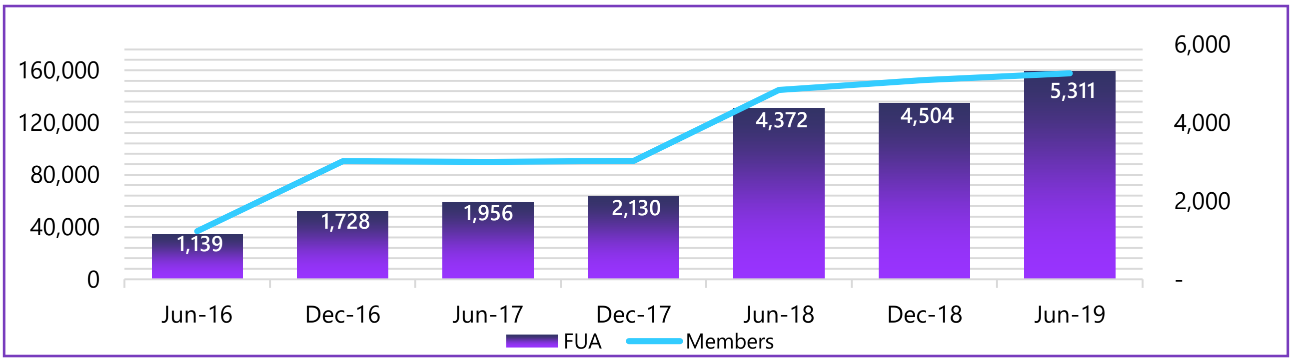
- Ongoing investment in proprietary technology predominantly funded by clients and partners not shareholders
- Revenue not impacted by sharemarket volatility





Super Member admin - now #3

Super member admin number of members/FUA



COMMENTARY

- Member numbers reach >157,000
- Large contestable market and growing trend to outsourcing
- Catapulted to third largest outsourced provider in the market
- 3 New funds added
- KPMG Super Admin acquisition (4/18) adds depth of capability and positions OneVue to increase market share

Platform Services dashboard

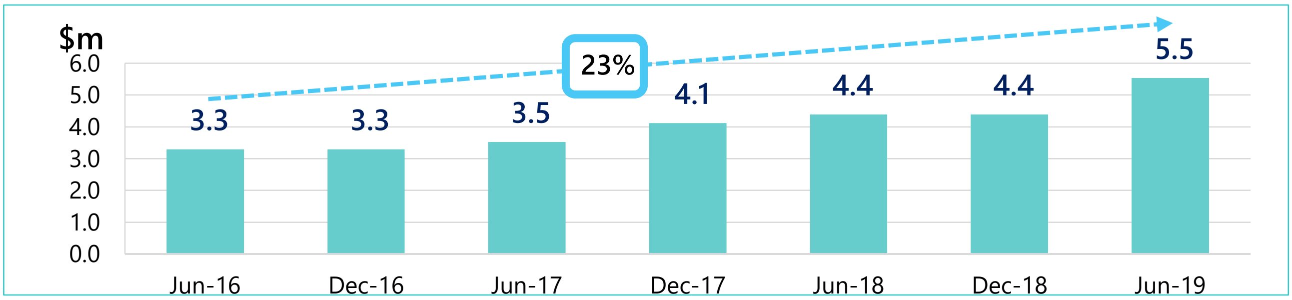
Record FUA growth delivers increased scale and EBITDA profitability

REVENUE~	EBITDA~*	EBITDA MARGIN
$18.6m ▲ 28.8%	$2.6m ▲ 24.7%	14.2% ▲ 47 bps
FUA#	**GROSS INFLOWS**	**NET INFLOWS**
$5.5b ▲ 26.1%	$1.8b ▲ 10.7%	$1.0b ▼ 16.5%

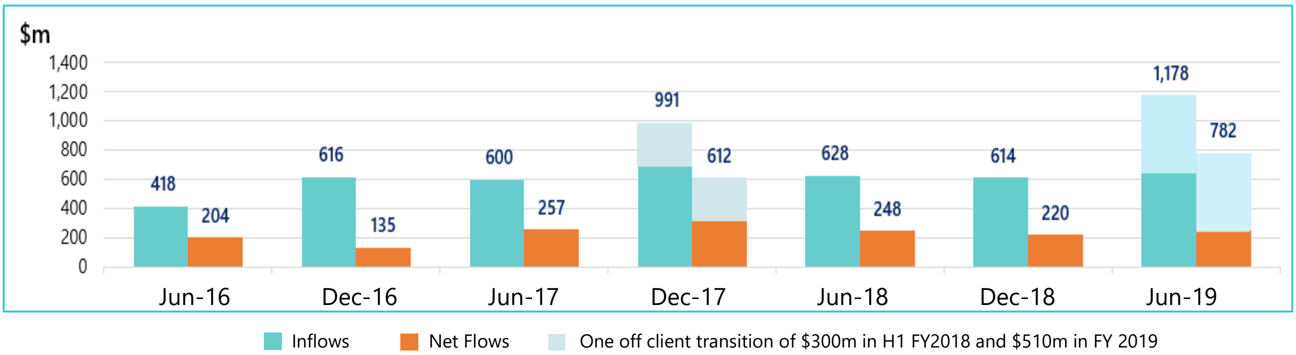
NOTES:
~ Revenue and EBITDA from Continuing Operations
* EBITDA excludes non-recurring costs
# Funds under administration

Platform services – increasing momentum and scale

Total FUA[1]



Gross and net inflows



NOTES:
[1] Adjusted to exclude FUA associated with exited/discontinued business

Platform services – increasing momentum and scale (continued)

COMMENTARY

- Benefitting from structural shift to specialist Platforms
- Significant market opportunity for both organic and acquisitive accelerated growth
- Revenue, infrastructure and operating model already in place to drive further scale benefits
- Due to the increasing fragmentation of the advice sector a multi-channel brand awareness strategy was launched in May 2019
- Significant progress continued on the automation of Platform transactions (managed funds, cash and listed securities)
- 2 new white labels totalling $0.5b in FUA transitioned in June 2019
- Gross inflows of $1.8b up 11%
- Net inflows of $1.0b up 17%

Innovation and awards

Investment Trends

OneVue 3rd in full function platforms
Up from 7th last year

2017 Platform Competitive Analysis and Benchmarking Report
Most New Developments
WINNER OneVue

Winner of 'Most New Developments'
Second year running

2017 Platform Competitive Analysis and Benchmarking Report
Product Offering
WINNER OneVue

Winner of Product Offering

Key business metrics

	H1 FY 2019	H2 FY 2019	FY 2019	H1 FY 2018	H2 FY 2018	FY 2018	Change 19 vs 18	Change %
FUND SERVICES								
Managed fund admin Items processed	256,016	298,811	**554,827**	159,139	195,426	354,565	**200,262**	**56.5%**
Managed fund admin FUA ($'b)	473.0	516.2	**516.2**	471.7	503.9	503.9	**12.3**	**2.4%**
Super member admin FUA ($'m)	4,504	5,311	**5,311**	2,130	4,372	4,372	**938**	**21.5%**
Super member admin Number of members	152,493	157,637	**157,637**	90,529	145,015	145,015	**12,622**	**8.7%**
PLATFORM SERVICES								
FUA ($'m)	4,389	5,531	**5,531**	4,689	4,386	4,386	**1,145**	**26.1%**
Gross inflows ($'m)	614	1,178	**1,792**	991	628	1,618	**173**	**10.7%**
Net inflows ($'m)	220	782	**1,002**	612	248	860	**142**	**16.5%**

NOTES:
Net inflows exclude market movements and transition out of discontinued business $567m in March 2018

Strategy and outlook – margin uplift driven by:

AUTOMATION AND INTEGRATION

- In 2019 we fully automated and integrated buying and selling of custodially held managed funds. The next phase is leveraging the new payments platform and the ASX blockchain to further automate transactions on Platform further reducing both execution risk and cost.
- Further integration and straight through processing between Platform and Fund Services Managed Fund admin and Super Member admin

INNOVATION

- We will trial AI in our customer service centres
- Roll out the Money Masters online digital experience to the rest of the business lines
- Design a permissioned based interface for both members and investors

SCALE

- Our client base includes Trustees and global Custodians with high levels of infrastructure and robust security protocols. As a result, we have already invested in scalable technology and security to accommodate additional clients and transactions.
- 2020 will deliver increased scale benefits and margin expansion either organically or via a material transaction

The power of partnerships

People and culture

PEOPLE AND CULTURE

The OneVue philosophy

We are 20 Mile Marchers

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.

PARTNERSHIPS

Future Super

As a business focused on ethical investing, Future Super is always on the lookout for deep, like-minded partnerships.

This is why our partnership with OneVue, which began almost three years ago, has been critical to our success. We're a five-year-old fund that came into business via the acquisition of an investment management and fund administration group, and we quickly realised the benefits of scale and technology that OneVue brought to the table.

Handing over responsibility for the critical task of member administration has been one of the best business decisions we've made – our partnership with OneVue sees our teams working tightly together on day-to-day issues as well as long-term technology roadmaps.

Our teams share the same focus on member outcomes, which is reflected in OneVue's proactive approach to edge case management along with the passing-on of scale benefits to our members.

Now that we're managing over $500 million in fast-growing assets under management, we find ourselves in the lucky position of having a partner that can grow with us. Our relationship with OneVue deepens every day as we bring to our members seamless, fully-integrated member services.

www.myfuturesuper.com.au

Watershed

We have a long relationship with OneVue that dates back some twenty years. Over that time we have seen a dramatic change in the service offering of independent platforms.

As a fund manager who is platform agnostic, over this period we have worked with all of the major independent platforms to enable us to bring our suite of product to the IFA market. -At times this process has been a source of frustration where the investment product we have endeavoured to deliver is either beyond a platform's existing functionality/capability or their willingness to embrace it. -This disconnect can only be resolved by a platform's inclination to embrace change and stay at the forefront of industry innovation. And in our experience, this is an area where OneVue has distinguished itself time and time again from competitors.

Our most recent example has been their hard work to provide a 'model of models' capability and subsequently enable us to more efficiently roll out a diversified portfolio solution to the IFA market as well as being able to efficiently build and run customised diversified models for our dealer group and larger IFA clients.

As pioneers in the managed account space we sought like-minded organisations that share our vision for the future of this investment space and have embraced the concept of change and enhancing sophistication. Our primary partner in this journey has been the OneVue platform, who have helped drive enhancements in this area, not only for us but for the broader industry.

www.watershedgroup.com.au

IFS Invest

In late 2018, IFS commenced a search for an administrator for its non-super investment product. IFS approached OneVue after a strong recommendation from one of its business partners. OneVue subsequently won the tender and IFS transferred its assets to the OneVue's IDPS scheme in June 2017.

Since then, IFS has enjoyed a strong relationship with OneVue as administrator and responsible entity respectively. The collaboration involves managing its underlying investment offering and its staff promoting the product (named 'ifsinvest') to advisers and via its direct distribution channels. IFS staff also support underlying investors with transacting and other day to day tasks. OneVue is responsible for the day to day management of the investor portal, including investor reporting and, as responsible entity, all compliance and regulatory requirements involved in operating the broader scheme.

The partnership works well for IFS in that we can concentrate on investor outcomes and product distribution exclusively. We continue to work together with OneVue to improve their underlying technology and ultimately improve the investor experience.


Strength
in numbers
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 2019.

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
- Stephen Knight
- Connie Mckeage
- Garry Wayling
- Andrew Macpherson (resigned on 28 June 2019).

Principal activities

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

- Managed Fund admin and Super Member admin
- Platform admin including managed funds, managed accounts and administration services.

OneVue has in the last two financial years divested/exited the Discontinued Operations - Trustee Services, RE, SMSF Administration, Investment Management and WealthPortal.

Dividends

The Company has not recommended, declared or paid a dividend with respect to the year ended 30 June 2019 (2018: Nil).

Review of financial results

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Services revenue	49,621	36,682	35.3%
Operating expenses	(45,157)	(33,878)	33.3%
EBITDA*	**4,462**	**2,804**	**59.1%**
EBITDA margin %	9.0%	7.6%	135 bps
Depreciation and amortisation	(4,590)	(2,944)	56.0%
Interest	10	3	145.5%
Share-based payments	(20)	(626)	254.6%
Loss before tax and Non recurring items	(138)	(763)	
Non recurring items	(8,638)	(1,735)	
Loss before tax	**(8,776)**	**(2,498)**	**(244%)**
Tax benefit	727	8,858	
Discontinued Operations			
Net profit from Discontinued Operations	829	405	105%
Net gain on divestment of Discontinued Operations	8,591	374	
Profit after tax	**1,371**	**7,139**	
Adjusted NPATA^	1,486	1,106	34.4%

NOTE:

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

^ Adjusted NPATA is NPAT from Continuing Operations and excludes non recurring items, share-based payments and Discontinued Operations

Non recurring items

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change %
Fair value adjustment on contingent consideration	(3,183)	-	
Interest discount on contingent consideration	(1,115)	(177)	
Impairment	(2,372)	-	
Acquisition and related restructure costs	(1,968)	(1,558)	(27.0%)
Total Non recurring items	**(8,638)**	**(1,735)**	

Financial results

OneVue delivered strong results in the year ended 30 June 2019 in a rapidly changing and challenging environment. These results show strong Revenue and EBITDA growth and EBITDA margin improvement from Continuing Operations.

It was a year of completing the strategic reallignment of the business which included the divestment of the Trustee business and all divested/exited businesses over the past two financial years are now shown as Discontinued Operations, separate from the reported results of the Continuing Operations.

Total services revenues from Continuing Operations increased by $12.9 million to $49.6 million, an increase of 35% over the prior year. Strong organic growth of $6.5m and acquisitions contributing $6.3 million (with $5.5m from KPMG Super Member admin, and $0.8 million from No More Practice Education (NMPE)) were the main drivers of the growth. Revenues are underpinned by the quality of recurring revenue which represented 93% of total revenues.

Operating expenses from Continuing Operations increased by 33% reflecting acquisitions and growth related costs.

EBITDA from Continuing Operations for the year was $4.5 million, a $1.7 million (59%) improvement on the prior year, demonstrating the benefits of scale, efficiencies and ongoing cost disciplines. EBITDA margins were up 135 bps to 9.5%.

The depreciation and amortisation expense of $4.6 million (2018: $2.9 million) was higher than the prior year reflecting mainly the impact of acquisitions. The April 2018 KPMG Super Member admin and NMPE acquisitions contributed $1.1 million and client establishment costs $0.6 million.

Non recurring items had a significant impact on the results and mainly relate to acquisitions and acquisition accounting. The interest discount on contingent consideration and fair value adjustment on contingent consideration which total $4.3 million relates to the acquisition accounting on the contingent consideration for the KPMG Super Member admin acquisition.

There was also $1.4 million of impairment of the client establishment costs recognising custodial client changes and a $1 million writedown of development and software which follows divestments.

Acquisition integration and restructure costs of $2.0 million mainly relate to the KPMG Super Member admin integration.

The tax benefit of $0.7 million for the period compares with the $8.9 million in the prior period which included the substantial recognition of losses not previously recognised.

Net profit from Discontinued Operations represents the results for the divested businesses - $0.8 million (2018: $0.4 million) and the net gain on divestments was $8.6 million (2018: $0.4 million).

Adjusted NPATA was up by 34% to $1.5 million. This represents the underlying cash profit performance from the Continuing Operations and adjusts for; non-recurring items, the benefit of initial recognition of tax losses and the non-cash acquired customer intangibles amortisation expense of $2 million.

Business results

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Fund Services			
■ Managed Fund admin	16,132	13,240	22%
■ Super Member admin	16,222	10,230	58%
Total Fund Services	32,354	23,470	38%
Platform Services			
■ Platform Services	18,592	14,436	29%
Corporate (eliminations)	(1,324)	(1,224)	(8%)
Revenue from Continuing Operations	49,621	36,682	35%
Revenue from Discontinued Operations	7,832	12,438	(37%)
Total revenue	**57,453**	**49,120**	**17%**
EBITDA*			
Fund Services	6,404	5,011	28%
Platform Services	2,636	2,114	25%
Corporate (including eliminations)	(4,578)	(4,321)	(6%)
EBITDA* from Continuing Operations	**4,462**	**2,804**	**59%**
EBITDA from Discontinued Operations	2,582	4,744	(46%)
Total EBITDA*	**7,044**	**7,548**	**(7%)**

NOTES:

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

Fund Services

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Managed Fund admin	16,141	13,240	21.9%
Super Member admin	16,213	10,230	58.5%
Total Fund Services Revenue	32,354	23,470	37.9%
Organic	24,694	21,350	15.7%
Acquisition	7,659	2,120	261.4%
Total Fund Services revenue	32,354	23,470	37.9%
Operating expenses			
Organic	(19,371)	(16,825)	(15.1%)
Acquisition	(6,577)	(1,633)	(302.8%)
Total Fund Services operating expenses	(25,948)	(18,458)	(40.6%)
EBITDA	6,405	5,011	27.8%
Organic	5,313	4,525	17.6%
Acquisition	1,082	487	122.4%
EBITDA margin %	**19.8%**	**21.3%**	**(155bps)**
Organic	21.5%	21.2%	33bps
Acquisition	**14.2%**	**23.0%**	**(883bps)**

The strong growth of Fund Services has continued driven by organic and acquisition growth. Revenue grew by $8.9 million or 38% over the prior year and growth from new and existing clients contributed revenue of $3.3 million with growth from the KPMG Super Member admin acquisition of $5.6 million. EBITDA of $6.4 million was up by $1.4 million from the prior year.

Fund Services organic expenses increased by 15.1%, slightly higher than expected due to timing of large scale transitions. Incremental revenue growth was 15.7%. Expenses related to the KPMG Super Member admin acquisition included higher rent costs and additional managerial headcount to support integration and new business activities.

Fund Services organic EBITDA margin (excluding acquisitions) of 21.5% was up slightly by 33 basis points, as we continue to build scale. However, the KPMG Super Member admin acquisition margin of 14.2% was dilutive, impacted by the revised pricing on the largest customer contract three year renewal, as well as higher rent costs and costs of integration and new business. The overall Fund Services margin of 19.8% was as a result down from 21.3%.

Items processed in the Managed Fund admin business, were up by 56.5% over the prior year driven by new fund transitions. An additional 588 funds were transitioned during the period, taking the total number of funds administered to 1,393 funds. Also, 8 new fund managers were added during the year taking the total number of fund managers to 53, further cementing OneVue's position as the market leader.

Funds under administration (FUA) increased by $12.3 billion to $516.2 billion as at 30 June 2019.

Super Member admin now administers 37 funds including 3 new funds, with over 157,000 members (8.7% growth in the year) and FUA reached $5.3 billion at 30 June 2019 (Up 21% on the prior year).

Fund Services key measures

Year ended 30 June	2019	2018	Change	Change %
Managed Fund admin Items processed ('000)	554,827	354,565	200,262	56.5%
Managed Fund admin FUA $billion	516.2	503.9	12.3	2.4%
Super Member admin Members ('000)	157,637	145,015	12,622	8.7%
Super Member admin FUA $million	5,311	4,372	938	21.5%

Platform Services

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Organic	17,354	14,045	23.6%
Acquisition	1,238	391	216.7%
Total Platform Services revenue	**18,592**	**14,436**	**28.8%**
Operating expenses			
Organic	14,456	11,860	(21.9%)
Acquisition	1,500	462	(224.8%)
Total Platform Services operating expenses	**15,956**	**12,322**	**(29.5%)**
EBITDA	**2,636**	**2,114**	**24.7%**
Organic	2,897	2,185	32.6%
Acquisition	(261)	(71)	(269.8%)
EBITDA margin %	**14.2%**	**14.6%**	**(47bps)**
Organic	16.7%	15.6%	114bps
Acquisition	**(21.1%)**	**(18.1%)**	**(303bps)**

Platform Services reached a record FUA of $5.5 billion at 30 June 2019, up 26.1%, driven by gross inflows of $1.8 billion for the year, up 10.7% and net inflows of $1.0 billion, up 16.5% on the prior year.

Revenue was up 28.8% compared to the prior year. This included organic growth of $3.4 million and NMPE contribution of $1.2 million.

Organic expenses in Platform Services increased by 21.9% whilst related revenue growth was 23.6%. The NMPE acquisition costs were up relative to revenue growth as the Secrets of the Money Masters series which went to air on Channel 9 on June 28th was deferred until after completion of the findings from the Royal Commission.

EBITDA of $2.6 million was up 24.7% on the prior year and the organic margin was up 114 bps to 16.7%, benefiting from scale. The NMPE acquisition contributed a small loss of $0.3 million with timing of revenue the main factor. The overall Platform margin of 14.2% was down 47 basis points.

Platform Services FUA

	2019 $M	2018 $M	Change $M	Change %
FUA[1]	5,531	4,386	1,145	26.1%
Gross Inflows	1,792	1,618	173	10.7%
Net Inflows[2]	1,002	860	142	16.5%

NOTES:

[1] FUA growth included $510 million transition from two new white labels completed in June 2019.

[2] Net inflows exclude market movements.

Corporate

Costs of $4.6 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, Risk, Compliance, Finance and Marketing, were higher than the prior year due to cost of living increases, business growth, and investment in governance and security resources.

Financial position

As at 30 June	2019 ($'000)	2018 ($'000)	Change ($'000)
Cash and cash equivalents	10,608	19,404	(8,796)
Loans and borrowings	(394)	(6,159)	5,765
Net cash	**10,214**	**13,245**	**(3,031)**
Deferred consideration receivable	29,925	-	29,925
Other current assets	8,431	9,566	(1,135)
Intangible assets	61,664	89,299	(27,635)
Other non-current assets	2,303	5,950	(3,647)
Trade and other payables	12,837	14,400	1,563
Contingent consideration	1,732	4,385	2,653
Other current liabilities	3,162	2,757	(405)
Non-current liabilities	847	3,953	3,106
Total equity	93,959	92,565	1,394

Cash and cash equivalents decreased to $8.8 million, mainly due to cash deployed to acquisitions and associated acquisition and restructure costs and repayment of borrowings. OneVue received $12 million of cash from the sale of the Trustee business and $5.4 million of cash was divested with the business along with the related borrowings (which had been reduced by repayments during the year).

The Deferred consideration receivable which is due on 30 November 2019 relates to the sale of Trustee business. The receivable is secured under a general security deed, registered on the Personal Property Securities Register and is subject to the provisions of the Share Purchase Agreement under which the performance of the Purchaser's obligations can be enforced.

The decrease in other current assets and trade and other payables reflects the impact of the divestments.

Intangible assets have decreased principally due to the disposal of the Trustee business ($21.1 million of goodwill and $4.0 million of customer relationships) and the $2.4 million impairment of client establishment costs and development and software.

The reduction in other non current asset relates to the deferred tax following the sale of the Trustee business.

Contingent consideration and non-current liabilities fell in the year due to the $10.2 million payment of contingent consideration on the KPMG Super Member admin acquisition. The amount outstanding relates to the KPMG Super Member admin acquisition ($0.9 million) and the NMPE acqusition ($0.8 million)

Total equity increased by the $1.4 million net profit after tax for the year.

Cash flow

Includes Discontinued Operations

Year ended 30 June	2019 ($'000)	2018 ($'000)	Change ($'000)
Underlying EBITDA	7,046	7,548	(502)
Non-cash items in EBITDA	(432)	(375)	(57)
Changes in working capital	(1,840)	297	(2,137)
Interest paid	(583)	(861)	278
Underlying operating cash flow	4,191	6,610	(2,419)
Non recurring costs	(2,169)	(2,798)	629
Operating cash flow	**2,022**	**3,812**	**(1,790)**
Acquisitions (net of cash acquired)	(10,334)	(9,413)	(921)
Divestments (net of cash disposed)	6,570	5,942	628
Payments for intangibles	(5,023)	(4,585)	(438)
Payments for PPE	(131)	(224)	93
Net cash used in investing activities	**(8,918)**	**(8,280)**	**(638)**
Proceeds from share issue	610	59	551
Repayment of borrowings (net)	(2,510)	(2,833)	323
Net movement in cash	**(8,796)**	**(7,241)**	**(1,555)**

Underlying operating cash flow of $4.2 million was down $2.4 million on the prior year, mainly due to working capital relating to the transition of the KPMG Super Member admin acquisition. Interest paid reflects the divested Trustee business loan facility. Acquisition, integration and restructure costs relate mainly to KPMG Super Member admin.

Acquisitions (net of cash acquired) was mainly driven by OneVue paying $10.3 million of contingent consideration following the signing of a new three year contract with KPMG's Super Member admin businesses largest customer.

The Divestments (net of cash disposed) was impacted by OneVue receiving $12 million of cash from the sale of the Trustee business and $5.4 million of cash was divested with this business along with the related borrowings (which had been reduced by repayments during the year).

The increase in the payment for intangibles of $0.4 million was due to the software development requirements for AMIT as OneVue transitioned some new large funds.

The proceeds from share issue represents the repayment of the limited recourse loans by staff.

Outlook

2020 will see OneVue execute on the four pillars of our strategy; automation and integration, innovation, scale and building brand awareness with the aim of increased scale benefits and margin expansion.

There are clear growth runways in both Fund Services and Platform Services with strong tailwinds and we've identified the greatest margin improvement opportunity is to transition clients already won, noting that the timing of transitions with larger institutions is often impacted by the increased complexity and governance requirements. There is also a strong pipeline of potential new clients.

The favourable structural environment supported by government mandated superannuation is expected to underpin a positive outlook for the year ahead, and beyond.

Environmental regulation

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

Events subsequent to balance date

On 22 July 2019, 306,147 unlisted and unvested rights were issued to the Managing Director with a 12-month vesting date exercisable at $0.00 expiring on 14 July 2024 under the OneVue Holdings Limited LTI and Rights Plan. Each right entitles the MD to one fully paid ordinary shares in OneVue.

Also, on 22 July 2019, 2,970,119 unlisted and vested rights were issued to Key Management and employees under the OneVue Holdings Limited Short and Medium Term Incentive Plan exercisable at $0.00 and expiring 14 July 2024.

On 30 August 2019, 306,147 shares were issued to the Managing Director on the exercise of the restricted rights issued.

Also, on 30 August 2019, 2,658,785 fully paid ordinary shares were issued upon exercise of Rights issued to Key Management and employees under the OneVue Holdings Limited Short & Medium Term Incentive Plan.

On 19 September 2019, 284,865 Performance Rights held by the Managing Director lapsed.

No other matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Changes in the state of affairs

During the financial year there was no significant change in the state of affairs of OneVue other than as previously described in the Directors' Report.

Future developments

Apart from matters disclosed elsewhere in this Directors' Report, disclosure of information regarding likely developments in the operations of OneVue in future financial years, and the expected results of those operations is likely to result in unreasonable prejudice to OneVue. Accordingly, this information has not been disclosed in this report.

Information on Directors

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

NAME	RONALD DEWHURST
TITLE	Non-Executive Director and Chair
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	Chairman and Non-Executive Director of Sprott Inc and Non-Executive Director of LGIAsuper, Chair of Rhinomed Ltd and Unscript'd Limited and Non-Executive Director Cooper Investors
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Chairman of the Board of Directors of OneVue, member of the Human Resources, Nomination and Remuneration Committee (HRNRC) and Audit, Risk Management & Compliance Committee (ARMCC)

NAME	STEPHEN KNIGHT
TITLE	Non-Executive Director
QUALIFICATIONS	BA, FAICD
EXPERIENCE AND EXPERTISE	Stephen has more than 35 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 makes him a valuable addition to the Board.
OTHER CURRENT DIRECTORSHIPS	Independent Chair of the National Housing Finance Investment Corporation Bond Issuance Due Diligence Committee, Director of the Sydney Financial Forum and FIIG Securities Ltd, and ASX Clear Pty Limited, ASX Settlement Pty Limited, ASX Clearing Corporation Limited, ASX Clear (Futures) Pty Limited, ASX Settlement Corporation Limited and Austraclear Limited. Member of the Primary Ethics Investment Committee and the Australian Office of Financial Management Audit and Risk Committee.
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Chair of the HRNRC and member of ARMCC

NAME	CONNIE MCKEAGE
TITLE	Managing Director
QUALIFICATIONS	Dip Arts & Science
EXPERIENCE AND EXPERTISE	Connie has more than 35 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	Non-Executive Director of OneVentures Pty Ltd and Aikenhead Centre for Medical Discovery
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Managing Director

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 in a professional services career, primarily in external audit and advisory roles with Arthur Andersen and then Ernst and Young (EY) in the Strategic Growth Markets Group where he was the EY Oceania Markets IPO leader. 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
BOARD RESPONSIBILITIES	Chair of the ARMCC, member of HRNRC

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 a Fellow of the Institute of Chartered Accountants in Australia (FCA) and has held senior finance leadership 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 each Board committee held during the year ended 30 June 2019 and the Directors' attendance of such meetings are set out below.

	FULL BOARD		HRNRC		ARMCCC	
Current Directors	Attended	Held*	Attended	Held*	Attended	Held*
Ronald Dewhurst	9	9	4	4	-	-
Stephen Knight	8	9	4	4	5	5
Garry Wayling	9	9	-	-	5	5
Connie Mckeage	8	9	-	-	-	-
Former Director	Attended	Held*	Attended	Held*	Attended	Held*
Andrew Macpherson	5	5	4	4	5	5

NOTE:

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

HRNRC CHAIR'S LETTER

Dear Shareholders,

On behalf of the Board of OneVue I am pleased to present the 2019 Remuneration Report.

2019 Remuneration

OneVue has continued to grow revenues and contribution from its core businesses of Funds Services and Platform Services. The sale of the Trustee business in the latter part of the year has impacted reported profitability, nevertheless our Key Management Personnel (KMP) have delivered strong results in a very challenging environment. In the Remuneration Report we look in more detail at the remuneration received by KMP in 2019.

2020 Outlook

It is critical that our approach to remuneration evolves with the business, remains current and competitive, and continues to align with shareholder interests.

We continue to aim to achieve the following objectives with our remuneration philosophy, framework and approach:

- a competitive remuneration scheme that attracts, rewards and retains required talent
- alignment of leadership and management incentives with shareholder interests, to create value and wealth
- ensuring objectivity, transparency and simplicity in our remuneration instruments.

Our KMP remuneration framework is based on a foundation of Group and Business Unit financial gateways and individual contributions with a focus on the medium to longer term. We believe that our approach embraces a strong awareness of conduct risk to drive the intended cultural, professional and ethical behaviour in the best interest of shareholders, staff and clients.

We thank our shareholders for their support throughout the year.

Stephen Knight

HRNRC Chair

REMUNERATION REPORT – AUDITED

KMP information

This audited Remuneration Report has been prepared in accordance with the requirements of s 300A of the *Corporations Act 2001 (Cth)*. It outlines the remuneration arrangements in place during 2019 and the outcomes achieved for OneVue's KMP during that period.

OneVue's KMP are those people who have a meaningful capacity to shape and influence the group's strategic direction and performance through their actions, either collectively (in the case of the Board) or as individuals acting under delegated authorities (in the case of the MD and her direct reports).

The names and positions of the individuals who were KMP during 2019 are set out in the table below.

KMP – NON EXECUTIVE DIRECTORS

KMP – Non-Executive Directors		Commencement
Ronald Dewhurst[1]	Chair of the OneVue Board, member of the Audit Risk Management and Compliance Committee (ARMCC) and Human Resource, Nomination and Remuneration Committee (HRNRC)[2]	6 October 2016
Garry Wayling	Chair, ARMCC and member of HRNRC[3]	7 February 2014
Stephen Knight[4]	Member of HRNRC and Chair HRNRC from 28 June 2019 and member of ARMCC	26 August 2016
KMP – Former Non-Executive Directors		
Andrew Macpherson[5]	Chair of HRNRC and member of ARMCC	6 October 2016

KMP – EXECUTIVES

KMP – Executive Director		Commencement
Connie Mckeage	Managing Director (Chief Executive Officer)	January 2007
KMP – Executives		
Ashley Fenton	CFO, COO and Company Secretary	29 April 2015
Richard Harris-Smith	Deputy Group CEO, CEO Fund Services	1 February 2016
Lisa McCallum	Executive General Manager, Platform Services	9 April 2010
James Thorpe[6]	Chief Technology Officer	21 May 2007

NOTES:
[1] Appointed Chair on 23 November 2017
[2] Member of ARMCC and HRNRCC from 28 June 2019
[3] Member of HRNRC from 28 June 2019
[4] Appointed Chair HRNRC on 28 June 2019
[5] Resigned 28 June 2019
[6] Ceased position on 23 April 2019

Five-year performance summary

In considering OneVue's performance the Board has regard to the following financial results with respect to the current year and previous financial years. These results include both the Continuing and Discontinued Operations:

Year ended	2019	2018	2017	2016	2015
Revenue ($'000)	57,453	49,120	40,876	26,636	25,402
EBITDA[1] ($'000)	7,044	7,548	4,508	(1,216)	704
Net profit after tax ($'000)	1,371	7,139	209	(4,007)	(220)
Basic and Diluted Earnings Per Share (EPS)	0.52	2.70	0.08	(2.21)	(0.13)

NOTES:

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

EXECUTIVE KMP REMUNERATION

Remuneration and incentive principles

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.

2019 remuneration framework

In the 2019 financial year, a new executive remuneration framework was implemented which consisted of the following components:

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

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 longer-term incentives, which are at risk.

Fixed remuneration

The level of fixed remuneration for the Managing Director and the KMPs 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.

Variable remuneration

The Company's Senior Executive remuneration strategy for the 2019 financial year included both STI and MTI plans. The objective of the incentive plans is to focus executives on achieving individual and business goals that contribute to sustained shareholder value and in the case of the MTI are linked to long-term financial performance and shareholder returns over a three year or more period.

Achievement of any STI and MTI awards is linked to the financial and business performance of OneVue relative to plans and budgets as determined by the Board, and all awards are discretionary.

OUTCOMES

STI awards

Richard Harris Smith and Ashley Fenton were paid a discretionary cash bonus of $20,000 each during the 2019 financial year.

LTI awards

In the 2019 financial year:

- At the 2018 AGM held 29 November 2018, shareholders approved Connie Mckeage, Managing Director voluntarily forfeiting: 348,866 Restricted Rights in lieu of a salary sacrifice arrangement and 479,000 Performance Rights approved by shareholders at the 2015 AGM; and 357,846 Restricted Rights in lieu of a salary sacrifice arrangement and 322,554 Performance Rights approved by shareholders at the 2017 AGM in favour of a cash-based salary increase payment of $24,000 and a cash bonus of $25,000 (including superannuation) respectively.
- At the AGM held 29 November 2018, shareholders approved Connie Mckeage, Managing Director, being granted pursuant to the LTI plan 306,147 Rights with a 12 month vesting date calculated with a VWAP of $0.8166 having a total value of $250,000.

In the 2018 financial year:

- 861,275 unlisted (not listed on the ASX) and vested Rights were issued to KMPs on 30 August 2017 pursuant to the Company's LTI and Rights Plan (Plan) approved by the shareholders at the 5 November 2015 AGM. These Rights were issued in recognition of historical performance achieved by the KMP in the 2016 and 2017 financial years.
- 316,035 unlisted and vested Restricted Rights were issued to Connie Mckeage, Managing Director, on 30 August 2017 pursuant to the Plan. These Rights expire on 30 August 2022 and are exercisable at $0.00. This award is in relation to a salary sacrifice arrangement and was granted by shareholders at the AGM on 24 November 2016.
- 284,865 unlisted and unvested Performance Rights were issued to Connie Mckeage, Managing Director, on 30 August 2017 pursuant to the Plan. These Rights expire on 30 August 2022 and are exercisable at $0.00. This award is in relation to a long-term incentive, with vesting subject to the achievement of performance relative to the vesting condition of an indexed Total Shareholder Return (TSR) of the Company versus the All Ordinaries Accumulation Index (AOAI) over the 3 year measurement period. This award was approved by shareholders at the AGM on 24 November 2016.
- In addition, at the 2017 AGM held on 23 November 2017, shareholders approved the award of 357,846 Restricted Rights (in lieu of a salary sacrifice arrangement) and 322,554 Performance Rights (subject to a 3 year measurement period and vesting conditions) to Connie Mckeage, Managing Director, for the 2018 financial year pursuant to the Plan. These Restricted and Performance Rights were not issued in the 2018 financial year as Connie Mckeage elected to forfeit these rights in favour of a cash-based salary payment of $24,000 and a cash bonus of $25,000 respectively.

Performance Rights vesting conditions and measurement period

The currently outstanding 284,865 Performance Rights are subject to a 3 year measurement period and one of the vesting conditions is that the Company's TSR needs to exceed the growth of the ASX All Ordinaries Accumulation Index (AOAI) over the measurement period:

Performance level	OVH TSR versus AOAI growth	Vesting ratio
Below threshold	Less than AOAI	0%
Threshold	100% of AOAI	50%
From Threshold to Target	Above 100% & less than 150% of AOAI	Pro rata
Target	150% of AOAI	100%

The vesting date for the Performance Rights issued to Connie Mckeage is 3 years from the first day of 2017 financial year to the last day of 2019 financial year upon satisfying vesting/performance conditions.

Connie Mckeage is the only KMP holding Rights as at 30 June 2019 and 30 June 2018.

Details of Rights outstanding at year end

Holder	Security type	Grant date	Exercisable at 30 June 2019 (%)	Expiry date	30 June 2019 outstanding rights	Exercise price ($)	Issued date fair value ($)
Connie Mckeage	Performance Rights	24 Nov 2016	Nil	30 Aug 2022	284,865	$0.00	0.22

Rights over Ordinary Shares

The number of Rights over Fully Paid Ordinary Shares in the Company held during FY19 by each Executive Director and other Members of KMP of the Group, including their personally related parties is set out below. Non-Executive Directors are not eligible to participate in the approved Plan and be issued with Rights.

	Opening balance	Received as part of remuneration	Additions	Exercised	Closing balance
Rights over ordinary shares					
Restricted rights					
Connie Mckeage	316,035	-	-	(316,035) [1]	-
Performance Rights					
Connie Mckeage	284,865	-	-	-	284,865
Total Rights	600,900	-	-	(316,035)	284,865

NOTE:

[1] On 12 June 2019, 316,035 fully paid ordinary shares were issued to Connie Mckeage upon exercise of 316,035 restricted rights.

Executive KMP remuneration

Details of the nature and amount of each element of the total remuneration of each member of the KMP for the years ended 30 June 2019 and 2018 are set out in the following tables.

KMP	FY	Salary and fees[1] ($)	Bonus[4] ($)	Super contrib. ($)	Long service leave[3] ($)	Amort exp.[5] ($)	Termination Pay ($)	Total ($)	Performance related[6] (%)
Connie Mckeage	2019	276,942	-	20,531	20,640	20,468	-	338,581	6
	2018	171,946	22,831	22,104	6,964	20,468	-	244,313	18
Ashley Fenton	2019	329,379	20,000	24,949	5,147		-	379,475	5
	2018	289,118		25,000	7,095	238,000	-	559,213	43
Richard Harris-Smith	2019	268,688	20,000	21,717	5,594	-	-	315,999	6
	2018	237,883		24,440	5,214	148,750	-	416,287	36
Lisa McCallum	2019	226,190		20,531	3,781	-	-	250,502	-
	2018	224,857		23,660	4,330	63,462	-	316,309	20
James Thorpe[6]	2019	188,264	-	17,110	3,081	-	94,596	303,051	-
	2018	229,981		23,660	3,625	62,247	-	319,513	19
Total	2019	1,289,463	40,000	104,838	38,243	20,468	94,596	1,587,608	3
	2018	1,153,785	22,831	118,864	27,228	532,927	-	1,855,635	30

NOTES:

1 KMP salary and fees includes fixed remuneration and movement in annual leave entitlement.

2 Includes the cost to the business of any non-cash business benefits provided.

3 Comprises long-service leave accrued during the year.

4 Represents cash bonus paid for the 2019 financial year.

5 Relates to the amortisation booked during the year for Restricted Rights and Performance Rights.
Calculated as STI plus amortisation of Restricted Rights and Performance Rights, as a proportion of total remuneration. These two elements represent the at-risk and discretionary amounts payable which will vary depending on the financial performance of the company. These amounts are in addition to the fixed remuneration.

6 James Thorpe's employment ceased on 23 April 2019.

Shareholding

The number of shares in the Company held during the financial year by the Executives is set out below.

Executive	Opening balance	Received as part of remuneration	Additions	Disposals/ other	Closing balance
Ordinary Shares					
Connie Mckeage[1]	36,089,993	-	1,016,035	-	37,106,028
Ashley Fenton	400,000	-	-	-	400,000
Richard Harris-Smith	250,000	-	-	-	250,000
Lisa McCallum	2,555,338	-	8,000	-	2,563,338
James Thorpe[2]	2,307,541	-	-	(2,307,541)	-
TOTAL	41,602,872	-	1,024,035	(2,307,541)	40,319,366

NOTES:

[1] Connie Mckeage directly holds 1,192,763 ordinary shares, indirectly holds 1,442,028 ordinary shares and 34,471,237 ordinary shares are held by related parties.

[2] Where an employee ceased employment during the financial year their shareholding at that time is disclosed as a disposal of shares.

Executive KMPs service agreements

- 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, and
- 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 are for the financial year ended 30 June 2019 and are subject to review annually by the HRNRC.

Name	Title	Term as KMP	Term of agreement	Detail $
KMP – Executive Director				
Connie Mckeage	Managing Director	Full financial year	Ongoing, 6 months' notice	Annual base salary $285,000 (incl. superannuation)
KMP – Executives				
Ashley Fenton	CFO, COO and Company Secretary	Full financial year	Ongoing, 6 months' notice	Annual base salary $332,500 (incl. superannuation)
Richard Harris-Smith	Deputy Group CEO, CEO Fund Services	Full financial year	Ongoing, 3 months' notice	Annual base salary $300,000 (incl. superannuation)
Lisa McCallum	Executive General Manager, Platform Services	Full financial year	Ongoing, 3 months' notice	Annual base salary $247,000 (incl. superannuation).

What is the remuneration scheme outlook for 2020

Recruiting and retaining talent is a key challenge for all companies in order to drive growth in a highly-competitive environment. We need a contemporary employee value proposition, a key part of which is a compelling model for remuneration and reward. The enhancements we introduced in the 2019 financial year will form the foundations of our remuneration framework for the 2020 financial year with the following key components:

- increasing the proportion of at-risk remuneration in executive compensation and introducing a greater degree of share-based compensation in at-risk remuneration
- increasing the group of eligible scheme participants across the business who can receive at-risk remuneration
- we made the incentive remuneration component a structural feature for participants, rather than discretionary.

The key changes to the remuneration scheme implemented in 2019 are noted as follows:

Participants

Participation has been extended to KMPs and their direct reports, the OneVue Key Leaders.

Combined variable reward

The incentive remuneration scheme has been designed to provide annual incentive opportunities to participants. The incentive rewards consist of a mix of cash and deferred equity (all rewards are set in proportion to the participants Total Fixed Remuneration (TFR)). The ratio of cash to equity varies by executive level, reflecting differing financial circumstances. Indicatively the ratio of cash to equity varies between 33% to 50%.

Medium-term incentive (MTI)

We have replaced the LTI component of the current remuneration scheme with a medium-term incentive (MTI) component which is based on deferred equity. Equity grants will occur annually, based on KPI achievement, and vesting will occur at the end of years 2, 3 and 4. The vesting criteria will be based on annual earnings per share (EPS) targets, and a service condition applies at each vesting date. The EPS targets will be set at the time of each award for the 3 related annual vesting points. In addition, there will be a clawback condition for a period of 12 months after each vesting date, which will allow the Board to take a longer term view of the performance of each equity award, and apply malus if needed.

Short term incentive (STI)

We believe that the current framework is appropriate in order to better align the interests of our shareholders and Management. We also see it as being important factor in helping us to attract and retain key talent in these competitive times.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Remuneration principles

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 at the 2016 AGM 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 following base fees, including superannuation, apply for the Non-Executive Directors:

Annual fees applicable (inclusive of applicable superannuation)	2019 $	2018 $
OneVue Holding's Limited Board		
Non Executive Director and Chair	125,000	125,000
Non Executive Director	75,000	75,000
Committee Chair	+ 11,000	+ 11,000
Member of at least two committees	+ 7,000	+ 7,000

NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of Non-Executive Directors for the financial years ended 30 June 2019 and 30 June 2018 are set out below.

Directors	Financial year	Salary and fees ($)	Post employment benefits ($)	Total ($)
Ronald Dewhurst Chair[1]	2019	114,155	10,845	125,000
	2018	99,777	9,876	109,653
Stephen Knight	2019	75,723	7,194	82,917
	2018	82,055	8,446	90,501
Andrew Macpherson[4]	2019	77,626	7,374	85,000
	2018	76,393	7,879	84,272
Gail Pemberton[2]	2019	-	-	-
	2018	47,565	6,688	54,253
Garry Wayling[3]	2019	123,288	11,712	135,000
	2018	121,736	12,998	134,734
Total	**2019**	**390,792**	**37,125**	**427,917**
	2018	427,525	45,887	473,412

NOTES:

[1] Appointed Chair 23 November 2017
[2] Resigned 23 November 2017
[3] Includes fees for subsidiary boards
[4] Resigned 28 June 2019.

Minimum shareholding requirements

In September 2018, the Board approved a policy requiring all Non-Executive Directors to hold a minimum shareholding in the Company to the value (being acquisition cost not market value) of their annual fixed remuneration. This requirement needs to be met by December 2021 for all existing Directors, and within 3 years of their appointment date for new Directors. As at 30 June 2019 all Directors are in compliance with the policy requirement.

Shareholding

The number of shares in the Company held during the financial year by the Non-Executive Directors is set out below.

	Opening balance	Received as part of remuneration	Additions	Disposals/ Other	Closing balance
Ordinary shares					
Current non-executive Directors					
Ronald Dewhurst	900,000	-	-	-	900,000
Stephen Knight	200,000	-	-	-	200,000
Garry Wayling	304,027	-	40,000	-	344,027
Total	1,404,027		40,000		1,444,027
Former non-executive Director					
Andrew Macpherson*	155,000	-	-	(155,000)	-
Total	1,559,027	-	40,000	(155,000)	1,444,027

NOTE:
* Where a Director resigned during the financial year their shareholding at that time is disclosed as a disposal of shares.

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, 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 2019 were Stephen Knight (Chair), Ronald Dewhurst and Garry Wayling. The HRNRC Chair and its membership are reviewed annually by the Board.

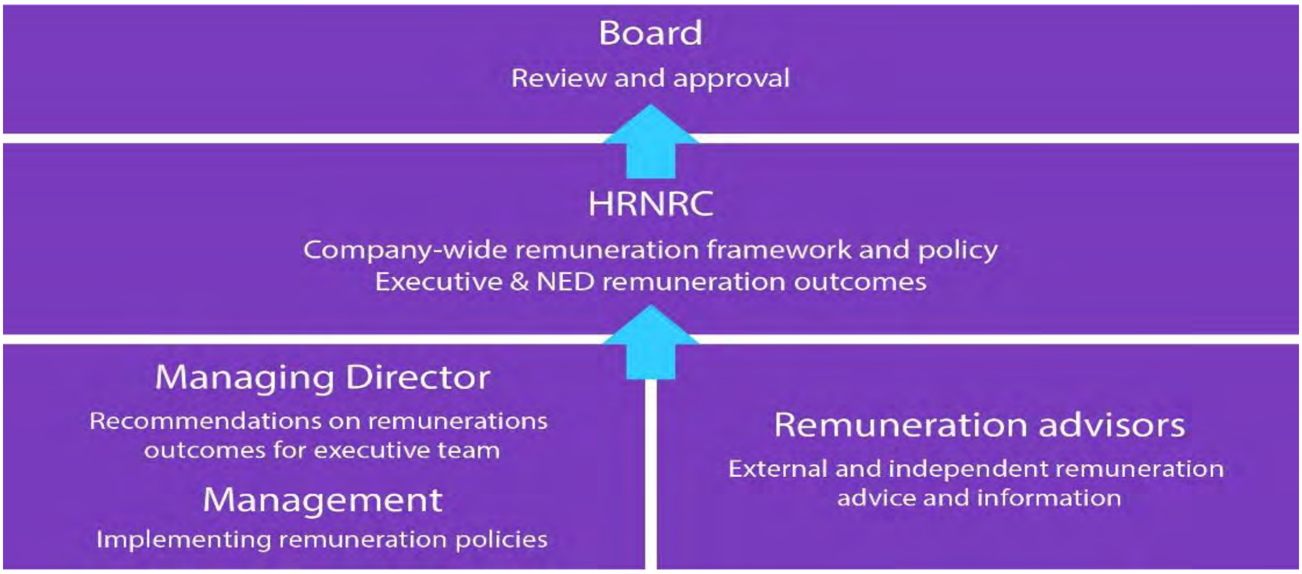
The Board approves the remuneration arrangements of the Managing Director as recommended by the HRNRC. The HRNRC reviews the recommendations of the Managing Director with regards to the remuneration arrangements of the direct reports to the Managing Director including awards made under incentive plans and makes recommendations to the Board for approval of these arrangements. In the 2019 financial year, the remuneration framework was amended by shareholders at the 2018 AGM to replace the previous OneVue Long Term Incentives and Rights Plan with OneVue Short & Medium Term Incentive Scheme. The new plan expanded reward and participation in the business more broadly to staff, driving greater 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.

Remuneration decision making

The following diagram represents the group's remuneration decision making framework.



Use of remuneration consultants

The HRNRC may from time to time receive advice or guidance from independent remuneration consultants or utilise benchmarking data from specialist executive remuneration companies to ensure executive remuneration is appropriate and in line with market. During the financial year ended 30 June 2019 we utilised independent data obtained from companies specialising in executive remuneration packaging, including the composition of short-term and medium term incentives, and salary benchmarking.

A set of protocols was in place to ensure that 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.

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 (Cth)* 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 27 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 (Cth).*

The Directors are of the opinion that the services as disclosed in Note 27 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001 (Cth)* 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.

Auditor's independence declaration

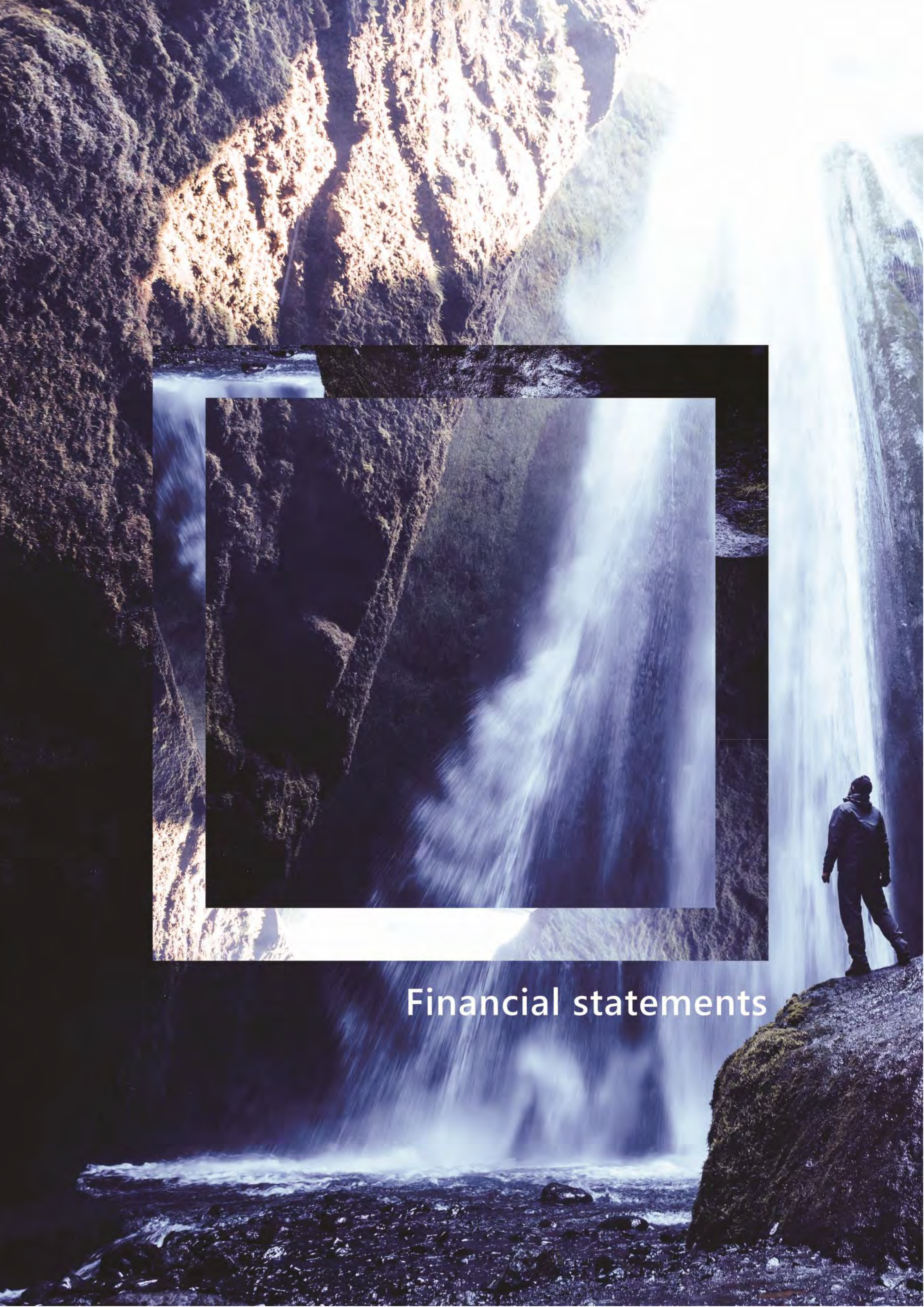
The auditor's independence declaration is included after this report on page 88.

Corporate governance

The Company's Corporate Governance Statement is available at 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.



Financial statements

FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
CONTINUING OPERATIONS			
REVENUE			
Services revenue		49,621	36,682
Total revenue	1	**49,621**	**36,682**
Other income	2	61	159
EXPENSES			
Employee benefits expense		28,582	21,731
Administration expenses		5,959	4,994
Service fees and other direct costs		8,212	5,799
Depreciation and amortisation expense		4,590	2,944
Occupancy costs		3,102	2,131
Interest expense		50	48
Other expenses		1,293	1,515
Total expenses, before impairment, interest discount on contingent consideration and fair value adjustment		**51,788**	**39,162**
Impairment of intangible assets	9	**2,372**	**-**
Interest discount on contingent consideration		**1,115**	**177**
Fair value adjustment on contingent consideration	6(f)	**3,183**	**-**
Total expenses		**58,458**	**39,339**
Loss before income tax		**(8,776)**	**(2,498)**
Income tax benefit	5	727	8,858
(Loss) Profit after income tax from Continuing Operations		**(8,049)**	**6,360**
DISCONTINUED OPERATIONS			
Profit from Discontinued Operations, after income tax	4	9,420	779
NET PROFIT FOR THE PERIOD			
Other comprehensive income net of tax		-	-
Total comprehensive income for the year attributable to the owners of OneVue Holdings Limited		**1,371**	**7,139**

The accompanying notes form part of these financial statements.

The Trustee business sale was completed on 28 June 2019 and is classified as a Discontinued Operation, including for comparative purposes, in the above statement. Refer to Note 4 for further information regarding Discontinued Operations.

Consolidated statement of financial position

As at 30 June 2019

	Note	2019 $'000	2018 $'000
CURRENT ASSETS			
Cash and cash equivalents	6(a)	10,608	19,404
Trade and other receivables	6(b)	6,910	7,269
Deferred consideration receivable	6(c)	29,925	-
Financial assets	8	376	1,227
Prepayments		1,145	1,070
Total current assets		48,964	28,970
NON-CURRENT ASSETS			
Intangible assets	9	61,664	89,299
Property, plant and equipment		1,180	510
Deferred tax asset	5	1,123	5,440
Total non-current assets		**63,967**	**95,249**
Total assets		**112,931**	**124,219**
CURRENT LIABILITIES			
Trade and other payables	6(d)	12,837	14,400
Contingent consideration	6(f)	1,732	4,385
Employee benefits	6(e)	3,162	2,757
Loans and borrowings	10	394	6,159
Total current liabilities		**18,125**	**27,701**
NON-CURRENT LIABILITIES			
Contingent consideration	6(f)	-	3,410
Lease incentives	6(d)	692	176
Employee benefits	6(e)	155	367
Total non-current liabilities		**847**	**3,953**
Total liabilities		**18,972**	**31,654**
EQUITY			
Contributed equity	11	111,248	110,638
Reserves	13	664	644
Accumulated losses		(17,953)	(18,717)
Total equity		**93,959**	**92,565**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2019

Year ended 30 June 2019	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2018	110,638	644	(18,717)	92,565
Adjustments (Refer to note 28)	-	-	(607)	(607)
Balance at 1 July 2018	110,638	644	(19,324)	91,958
Profit after income tax for the year			1,371	1,371
Total comprehensive profit for the year			1,371	1,371
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	610	20	-	630
Balance as at 30 June 2019	**111,248**	**664**	**(17,953)**	**93,959**

Year ended 30 June 2018	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 year			7,139	7,139
Total comprehensive profit for the year			7,139	7,139
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	654	31	-	685
Balance as at 30 June 2018	**110,638**	**644**	**(18,717)**	**92,565**

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		54,316	48,633
Payments to suppliers and employees (inclusive of GST)		(51,404)	(42,627)
Interest received		1,910	1,562
Interest paid		(631)	(864)
Restructure and acquisition costs		(2,169)	(2,891)
Net cash provided in operating activities	7	**2,022**	**3,813**
Cash flows from investing activities			
Payments for property, plant & equipment		(131)	(224)
Payment for acquisitions (net of cash acquired)		(10,334)	(9,413)
Proceeds on disposal of investments (net of cash disposed)		6,570	5,942
Payment for intangible assets		(5,023)	(4,585)
Net cash used in investing activities		**(8,918)**	**(8,280)**
Cash flows from financing activities			
Proceeds from share issue		610	59
Proceeds from borrowing		997	312
Repayment of borrowing		(3,507)	(3,145)
Net cash used in financing activities		**(1,900)**	**(2,774)**
Net decrease in cash and cash equivalents		(8,796)	(7,241)
Cash and cash equivalents at the beginning of the year		19,404	26,645
Cash and cash equivalents at the end of the year	6(a)	**10,608**	**19,404**

The accompanying notes form part of these financial statements.

The Trustee business sale was completed on 28 June 2019 and is classified as a Discontinued Operation. The above cash flows are inclusive of Discontinued Operations. Refer to note 4 for further information regarding Discontinued Operations including summarised cash flow information.

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

Rendering of services and performance

Services and Performance revenue is recognised when control of a good or service is transferred to a customer – either at a point in time or over time. Clients obtain control of services as they are delivered, and revenue is recognised over time as those services are provided. Invoices are generally issued on a monthly basis and are payable within 7 to 30 days. As such, there is not considered to be any significant financing component within each contract.

Where OneVue has a right to consideration from a client in an amount that corresponds directly with the value of performance completed to date (for example, a service contract billed for a fixed amount for each hour of service provided). OneVue recognises revenue for the amount that it has a right to invoice the client.

OneVue also recognises revenues derived at a point in time, generally when OneVue's performance obligation is linked to a particular event. Revenue is recognised when OneVue has the unconditional right to receive payment under the terms of the contract.

Revenue is measured at the fair value of the consideration received or receivable. This also includes interest revenue on trading accounts.

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

	2019 $'000	2018 $'000
Services revenue		
Revenue from services	49,593	36,628
Fair value adjustment on financial assets (Note 8)	28	54
Total revenue from Continuing Operations	**49,621**	**36,682**

2. Other income

Other income includes:

	2019 $'000	2018 $'000
Interest income	61	111
Other revenue	-	48
Other income	**61**	**159**

3. Description of segments

OneVue is organised into three 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.

OneVue has in the last two financial years divested/exited the Discontinued Operations - Trustee Services, RE, SMSF Administration, Investment Management and WealthPortal.

Types of services.

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

Fund Services	Managed Fund admin and Super Member admin.
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.

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 2019	Fund Services	Platform Services	Discontinued	Corporate	Total
	$'000	$'000	$'000	$'000	$'000
Segment revenue	32,353	18,592	7,832	-	58,777
Eliminations					(1,324)
Total group revenue					57,453
EBITDA *	6,404	2,636	2,582	(4,578)	7,044
Depreciation and amortisation expense	(2,540)	(1,780)	(553)	(270)	(5,143)
Interest revenue (expense)			(594)	10	(584)
Share-based payments				(20)	(20)
Gain in respect of capital transactions			12,926	-	12,926
Impairment of intangibles				(2,372)	(2,372)
Interest discount on contingent consideration				(1,115)	(1,115)
Fair value adjustment on contingent consideration				(3,183)	(3,183)
Acquisition and related restructure costs				(1,979)	(1,979)
Profit (Loss) before income tax	3,864	856	14,361	(13,507)	5,574

Year ended 30 June 2018	Fund Services	Platform Services	Discontinued	Corporate	Total
	$'000	$'000	$'000	$'000	$'000
Segment revenue	23,470	14,436	12,438	-	50,344
Eliminations					(1,224)
Total group revenue					49,120
EBITDA *	5,011	2,114	4,744	(4,321)	7,548
Depreciation and amortisation expense	(1,262)	(1,310)	(2,052)	(372)	(4,996)
Interest revenue (expense)			(864)	3	(861)
Share-based payments				(626)	(626)
Gain in respect of capital transactions			535	-	535
Interest discount on contingent consideration				(177)	(177)
Acquisition and related restructure costs				(1,558)	(1,558)
Profit (loss) before income tax	3,749	804	2,363	(7,051)	(135)

NOTES:

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

4. Discontinued Operations

OneVue has in the last two financial years divested/exited the Discontinued Operations - Trustee Services, RE, SMSF Administration, Investment Management and WealthPortal. The comparative statement of comprehensive income has been re-presented to show the Discontinued Operations separately from Continuing Operations.

Aggregate details of the interests in other entities or businesses disposed are as follows:

	2019 $'000	2018 $'000
Total sale consideration*	41,924	5,909
Less: total carrying value of net assets disposed	(28,574)	(3,776)
Less: direct costs relating to disposal	(424)	(1,598)
Gain in respect of capital transaction before income tax	**12,926**	**535**
Income tax expense on Gain in respect of capital transactions	(4,335)	(161)
Gain in respect of capital transaction after income tax	**8,591**	**374**

NOTES:

* Sale consideration comprises $12 million of cash received and deferred consideration of $31 million, secured and payable by 30 November 2019. The fair value of the deferred consideration receivable is disclosed in the statement of financial position as at 30 June 2019 for the amount of $29.9 million.

(a) Results of Discontinued Operations

	2019 $'000	2018 $'000
Revenue	7,832	12,438
Operating expenses before depreciation and amortisation	(5,855)	(8,559)
Depreciation and amortisation	(553)	(2,052)
Profit before income tax	**1,424**	**1,827**
Income tax expense	(595)	(1,422)
Profit after tax from operations	**829**	**405**
Net gain on sale of discontinued operations	12,926	535
Income tax expense on Gain in respect of capital transaction	(4,335)	**(161)**
Profit after income tax from Discontinued Operations	**9,420**	**779**
Basic and diluted earnings per share (cents per share)	3.56	0.29

(b) Cash flows from Discontinued Operations

	2019 $'000	2018 $'000
Net cash from operating activities	**2,400**	3,125
Net cash from financing activities	**(2,800)**	(2,800)
Net cash from Discontinued Operations	**(400)**	325

5. 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.

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.

The amount of unrecognised income tax losses as at year end was $10.10 million (2018: $87.89 million). In future periods, available fraction and recoupment rules govern the amount of these losses that can be used in a single year.

5. Income tax (continued)

Income tax benefit

	2019 $'000	2018 $'000
Reconciliation of income tax benefit to net loss		
Loss from Continuing Operations before income tax	(8,776)	(2,498)
Profit from Discontinued Operations before income tax	14,350	2,362
Profit (Loss) before income tax	5,574	(136)
Prima facie income tax at 30%	(1,673)	41
Income and expenditure not allowable for income tax purposes	(1,791)	143
Timing differences not previously recognised	-	1,212
Previously recognised tax losses	(739)	-
Previously unrecognised tax losses	-	5,878
Total income tax (expense) benefit	**(4,203)**	**7,275**
Income tax benefit from Continuing Operations	**727**	**8,858**
Income tax expense from Discontinued Operations	**(4,930)**	**(1,583)**
Deferred income tax benefit included in income tax benefit comprises:		
(Decrease) Increase in deferred tax assets	(1,695)	7,443
Increase (Decrease) in deferred tax liabilities	1,491	(168)
Tax losses utilised	(3,999)	-
Total (expense) income tax benefit	**(4,203)**	**7,275**

5. Income tax (continued)

	2019 $'000	2018 $'000
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Carried forward tax losses	2,637	8,232
Other accruals and liabilities	885	896
Legal and capital costs	357	645
Employee entitlements	1,058	937
Total non-current assets – deferred tax assets	**4,937**	**10,710**
Movements:		
Opening balance	10,710	3,122
Recognition of deferred tax asset	(1,596)	7,914
Movement in deferred tax assets arising from temporary differences	(178)	(472)
Tax losses utilised	(3,999)	-
Movements relating to acquisitions	-	146
Closing balance at the end of the year	**4,937**	**10,710**

	2019 $'000	2018 $'000
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets	3,757	5,254
Other	21	16
Total non-current liabilities – deferred tax liabilities	**3,778**	**5,270**
Movements:		
Opening balance	5,270	3,122
Balances arising from acquisition	-	1,980
Movement in deferred tax liabilities arising from temporary differences	(1,492)	168
Closing balance at the end of the year	**3,778**	**5,270**
Net deferred tax assets		
Deferred tax assets	4,937	10,710
Deferred tax liabilities	(3,778)	(5,270)
Net deferred tax assets	**1,123**	**5,440**

OneVue has a franking account balance of $2.49 million as at 30 June 2019 (2018: $2.44 million).

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.

5. Income tax (continued)

Key estimates and judgements

Recovery of deferred tax assets

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 30 June 2019 based on the following:

- the Group is now generating taxable profits which is the culmination of consistent growth and improved margins
- the positive impact of the recent acquisitions and divestments on Group profitability
- achievement of significant milestones following sustained activity to on-board key clients

6. 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.

	2019 $'000	2018 $'000
Cash at bank and in hand	9,632	9,633
Cash at bank and in hand – restricted[1]	976	9,771
Cash and cash equivalents	**10,608**	**19,404**

NOTES:
[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.

	2019 $'000	2018 $'000
Trade receivables	6,947	6,267
Less: Provision for impairment of receivables	(199)	(87)
	6,748	6,180
Other receivables	162	1,089
Trade and other receivables	**6,910**	**7,269**

6. Working capital and employee benefits provisions (continued)

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 (more than 30 days) but without provision for impairment of receivables amount to $1.05 million ($0.78 million as at 30 June 2018). OneVue does not consider a credit risk exists on the aggregate balances after reviewing credit terms based on recent collection practices.

c. Deferred consideration receivable

On 28 June 2019, OneVue completed the sale of its Trustee Services business to Sargon Superannuation Holdings Pty Ltd and Sargon Superannuation Holdings SPV Pty Ltd. As part of the sale consideration there is a deferred consideration receivable of $31 million, secured under a general security deed registered on the Personal Property Securities Register and subject to the provisions of the share purchase agreement under which the performance of the Purchaser's obligations can be enforced. This amount is payable by Sargon Capital Pty Ltd on 30 November 2019. Sargon Capital Pty Ltd have given no indication to OneVue that they will not be able to or do not intend to pay this amount by the due date. Discounting has been applied to the deferred consideration receivable.

d. 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:

	2019 $'000	2018 $'000
Trade payables	4,107	3,530
Accrued expenses and other payables	8,471	10,649
Short-term lease incentive	259	221
Trade and other payables	**12,837**	**14,400**

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.

e. 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.

6. Working capital and employee benefits provisions (continued)

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.

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 $2.42 million (2018: $2.07 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.

f. Contingent consideration payable

A payable is carried at fair value and represents liabilities to make future payments in respect of the purchase price to the acquiree.

	2019 $'000	2018 $'000
Contingent consideration - Current	1,732	4,385
Contingent consideration – Non-current	-	3,410
Total Contingent consideration	**1,732**	**7,795**

Contingent consideration – KPMG Superannuation Services Pty Ltd

On 13 April 2018, OneVue acquired 100% of the shares of KPMG Superannuation Services Pty Ltd.

OneVue made payments totalling $10.2 million representing consideration during the year ended 30 June 2019.

The final payment of contingent consideration of $1.0 million is due to be made on 5 January 2020. Discounting has been applied to the contingent consideration liability recognised.

6. Working capital and employee benefits provisions (continued)

Contingent consideration – No More Practice Education and its controlled entities

On 16 April 2018, OneVue acquired 100% of the shares of No More Practice Holdings Pty Ltd (NMP).

Contingent consideration of $0.8 million is based on future revenue targets. The consideration was recognised at the date of acquisition based on a future cash payment (maximum $1.0 million). In recognising these amounts at their fair value at acquisition date, Management has applied a probability weighting. Payment is expected on or before 30 June 2020 – refer Note 18.

7. Reconciliation of cash flows

	2019 $'000	2018 $'000
Net profit after income tax expense for the year	1,371	7,139
Non-cash items		
Impairment of intangible assets	2,372	-
Depreciation and amortisation expense	5,143	4,996
Share-based payments	20	626
Financial assets mark to market	(77)	(100)
Gain on sale of Discontinued businesses	(12,927)	(2,226)
Discount of deferred acquisition costs	4,299	177
Lease incentive liability	(355)	(275)
Change in operating assets and liabilities:		
Movement in tax	4,202	(7,274)
Increase in receivables	(1,774)	(2,512)
(Decrease) Increase in trade and other payables	(140)	3,426
Increase in prepayments	(112)	(164)
Net cash provided in operating activities	**2,022**	**3,813**

8. 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 with any transaction costs expensed through the statement of profit or loss and other comprehensive income. 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.

	2019 $'000	2018 $'000
Ordinary shares - held for trading	376	349
Financial assets – restricted [1]	-	878
Total Financial assets	**376**	**1,227**
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:		
Opening fair value	1,227	1,091
Additions	-	-
Disposal of Trustee business	(927)	-
Revaluation increments	76	186
Redemption	-	(50)
Closing fair value	**376**	**1,227**

NOTES:

[1] includes amounts held for Prudential purposes and is restricted in use.

9. 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 - refer 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.

9. Non-current assets – intangibles (continued)

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 4 and 7 years.

Capitalisation of development and software

Research costs and costs associated with maintaining software programmes are expensed in the period in which they are incurred. Development 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.

Non-current assets - intangibles	2019 $'000	2018 $'000
Goodwill	**42,320**	**64,596**
Customer relationships - at cost	15,820	19,793
Less: Accumulated amortisation	(8,757)	(6,189)
	7,063	**13,604**
Development and software - at cost	17,440	16,169
Less: Accumulated amortisation	(9,658)	(8,829)
Less: Provision for impairment	(1,008)	-
	6,774	**5,957**
Client establishment costs - at cost	7,928	4,389
Less: Accumulated amortisation	(1,057)	(435)
Less: Provision for impairment	(1,364)	
	5,507	**3,954**
Total Intangible assets	**61,664**	**89,299**

9. Non-current assets – intangibles (continued)

	Goodwill	Customer relationships	Development and software	Client establishment costs	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2017	**56,204**	**11,007**	**6,070**	**2,472**	**75,753**
Acquisitions through business combinations	11,222	6,463	-	-	17,685
Other additions	-	-	2,625	1,759	4,384
Amortisation expense	-	(2,849)	(1,419)	(277)	(4,545)
Disposals	(2,830)	(1,017)	(131)	-	(3,978)
Balance at 30 June 2018	**64,596**	**13,604**	**7,145**	**3,954**	**89,299**
Impairment	-	-	(1,008)	(1,364)	(2,372)
Other additions	-	-	2,266	3,539	5,805
Amortisation expense – Continuing Operations	-	(2,049)	(1,629)	(622)	(4,300)
Amortisation expense – Discontinued Operations	-	(519)	-	-	(519)
Disposals	(22,276)	(3,973)	-	-	(26,249)
Balance at 30 June 2019	**42,320**	**7,063**	**6,774**	**5,507**	**61,664**

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

	2019 $'000	2018 $'000
Platform Services	8,417	9,575
Fund Services	33,903	33,903
Discontinued Operations	-	21,118
Total Goodwill	42,320	64,596

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.

9. Non-current assets – intangibles (continued)

Key assumptions used in value-in-use calculation

Growth rates

Management have estimated the five year compound annual growth rates of Platform Services 8% (2018: 9%), and Fund Services 8% (2018: 8%) decreasing to conservative terminal growth rates of Platform Services 2.5% and, Fund Services 3% beyond year five.

Discount rates

The discount rates of Platform Services 13.5% (2018: 15.9%), and Fund Services 14.3% (2018: 14.4%) 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, and Platform Services, the risk free rate and the volatility of the share price relative to market movements.

There were no other key assumptions.

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

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 amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The 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.

10. 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.

	2019 $'000	2018 $'000
Loan facility	-	3,956
Prudential capital funding	-	2,100
Premium funding and other supplier financing	228	103
Loans and borrowings	**228**	**6,159**

10. Loans and borrowings (continued)

Loan facility

The facility related to the Trustee business' funding of Prudential capital obligations for one of its client funds.

Prudential capital funding

The Trustee business had funding arrangements totalling $2.1 million with the promoters of two client superannuation funds to provide funding for prudential purposes for the required operational risk reserve.

11. 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.

On 12 June 2019, 316,035 shares were issued on the exercise of performance rights that were issued on 24 November 2016.

	2019 Shares	2018 Shares	2019 $'000	2018 $'000
Ordinary shares - fully paid	264,653,788	264,337,753	111,248	110,638

Number of securities on issue

Details	2019 No. of securities	2018 No. of securities
Opening balance	264,337,753	263,337,753
Issue of shares	316,035	1,000,000
Closing balance	**264,653,788**	**264,337,753**

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.

12. 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.

	2019 Cents	2018 Cents
Total - Basic and Diluted earnings per share	0.52	2.70
Continuing Operations – Basic and Diluted earnings per share	(3.04)	2.41

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

	Number	Number
Basic earnings per share	264,364,089	264,171,086
Diluted earnings per share	264,653,788	264,434,449

13. Equity – reserves

Details	2019 $'000	2018 $'000
Share-based payment reserve	664	644
Opening balance	644	613
Share-based payment expense	20	31
Closing balance	**664**	**644**

Share-based payments reserve

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

14. 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.

OneVue, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees and consultants understand their roles and obligations.

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.

14. Financial instruments (continued)

Market risk

Foreign currency risk

OneVue is not exposed to any significant foreign currency risk.

Price risk

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

Interest rate risk

OneVue is not materially exposed to movements in short-term variable interest rates on cash and cash equivalents and deposits. OneVue's interest bearing loan 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:

	2019 $'000	2018 $'000
50 basis points increase in interest rate	53	77
50 basis points decrease in interest rate	(53)	(77)
Net impact on profit (loss) after tax		
Profit (loss) after income tax:	1,372	7,139
50 basis point increase	1,425	7,216
50 basis point decrease	1,319	7,062

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to OneVue. Credit risk arises from OneVue's trade receivables, other receivables, receivables from subsidiaries, deferred consideration receivable and cash at bank and on deposit.

The Group is exposed to credit risk on cash balances with financial institutions. New cash transactions are limited to financial institutions that meet minimum credit rating criteria.

Trade and other receivables

OneVue is exposed to credit risk on trade receivables balances. 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.

14. Financial instruments (continued)

Deferred consideration receivable

OneVue is exposed to credit risk on deferred consideration receivable which is secured under a general security deed, registered on the Personal Property Securities Register and is subject to the provisions of the Share Purchase Agreement under which the performance of the Purchaser's obligations can be enforced.

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 Wealth Services Limited, is required to hold up to $5 million in adjusted surplus liquid funds at all times.

See Note 10 for details of OneVue's funding facilities 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.

As at 30 June 2019

	1 year or less $'000	1-5 years $'000
Non-derivatives		
Non-interest bearing		
Trade and other payables	11,041	-
Contingent consideration	1,800	-
Interest bearing		
Loans and borrowings	353	41
Total non-derivatives	**13,194**	**41**

As at 30 June 2018

	1 year or less $'000	1 -5 years $'000
Non-derivatives		
Non-interest bearing		
Trade and other payables	11,908	-
Contingent consideration	4,385	4,125
Interest bearing		
Loans and borrowings	6,159	-
Total non-derivatives	**22,452**	**4,125**

14. Financial instruments (continued)

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.

15. Key Management Personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of OneVue is set out below:

	2019 $	2018 $
Share-based payment expense	20,468	532,927
Short-term employee benefits	1,720,255	1,604,142
Post-employment benefits	236,559	164,750
Long-term benefits	38,243	27,228
Total Key Management Personnel compensation	2,015,525	2,329,047

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The aggregate compensation made to Directors and other members of Key Management Personnel of OneVue is set out below:

	2019 $	2018 $
Share-based payment expense	20,468	532,927
Short-term employee benefits	1,720,255	1,604,142
Post-employment benefits	236,559	164,750
Long-term benefits	38,243	27,228
Total Key Management Personnel compensation	2,015,525	2,329,047

16. 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.

16. Share-based payments (continued)

The Performance Rights issued to the Managing Director may be converted into shares in OneVue subject to the satisfaction of 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.

Employee share scheme

No shares were issued as part of an employee share scheme in 2019 (2018: Nil).

Employee Option Plan

No options were issued as part of an employee option plan in 2019 (2018: 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 ended on 30 May 2019 and is repayable upon selling the shares. These loans were fully repaid with $610,000 received in the year ended 30 June 2019 – refer to the Consolidated statement of changes in equity.

17. Corporate information

The consolidated financial statements of OneVue and its subsidiaries for the year ended 30 June 2019 were authorised for issue in accordance with the resolution of the Directors on 27 September 2019. 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.

18. 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 2019 and the results of all subsidiaries for the year ended 30 June 2019.

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.

18. Consolidated group and interests in subsidiaries (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.

18. Consolidated group and interests in subsidiaries (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 2019 %	Ownership interest 2018 %
CCSL Limited	Australia	-	100%
Diversa Funds Management Pty Ltd	Australia	100%	100%
Diversa Pty Ltd (formely Diversa Limited)	Australia	100%	100%
Diversa Superannuation Services Limited	Australia	100%	100%
Diversa Trustee Limited	Australia	-	100%
FUND.eXchange Pty Ltd (formerly OneVue Private Clients Pty Limited)	Australia	100%	100%
Glykoz Pty Ltd	Australia	100%	100%
Group Insurance & Superannuation Concepts Pty Ltd	Australia	100%	100%
Investment Gateway Pty Ltd (Formerly MAP Financial Planning Pty Ltd)	Australia	100%	100%
MAP Funds Management Ltd	Australia	100%	100%
No More Practice Holdings Pty Ltd	Australia	100%	100%
No More Practice Education Pty Ltd	Australia	100%	100%
OneVue Financial Pty Limited	Australia	100%	100%
OneVue Fund Services Pty Ltd	Australia	100%	100%
OneVue Pty Limited	Australia	100%	100%
OneVue Services Pty Ltd	Australia	100%	100%
OneVue Super Member Administration Pty Limited (Formerly KPMG Superannuation Services Pty Limited)	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 Solutions Pty Ltd (Formerly OneVue Wealth Services Pty Limited)	Australia	100%	100%
OneVue Wealth Services Pty Limited (Formerly Select Investment Partners Limited)	Australia	100%	100%
Tranzact Consulting Pty Limited	Australia	100%	100%
Tranzact Financial Services Pty Limited	Australia	100%	100%
Tranzact Superannuation Services Pty Ltd	Australia	100%	100%

19. Parent entity information

Set out below is supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019 $'000	2018 $'000
Profit after income tax	137	5,587
Total comprehensive income	137	5,587

Statement of financial position

	Parent	
	2019 $'000	2018 $'000
Total current assets	36,485	20,085
Total assets	103,170	109,221
Total current liabilities	1,234	8,052
Total liabilities	1,234	8,052
Equity		
Contributed equity	111,248	110,638
Share-based payment reserve	664	644
Accumulated losses	(9,976)	(10,113)
Total equity	101,936	101,169

There has been a restatement to the investment value in the comparative period and in the period prior to the comparative period. This has resulted in a restatement of the profit after tax and accumulated losses in the prior comparative period.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

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. Related party transactions

Parent entity

OneVue Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 18.

Associates

Interests in associates are set out in Note 21.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 15 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 2019.

21. Interests in associates

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

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2019 %	2018 %
Gold Financial Pty Ltd	Australia	3.43%	3.43%

22. Contingent assets

OneVue has no contingent assets as at 30 June 2019 (2018: $Nil).

23. Guarantees

OneVue has the following guarantees:

	2019 $'000	2018 $'000
Guarantee for ASX bond	500	500
Guarantees for rental bonds	1,602	980
Total guarantees	2,102	1,480

24. Litigation

OneVue 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.

25. Commitments

Future minimum rentals payable under non-cancellable operating leases:

	2019 $'000	2018 $'000
Within one year	1,549	1,274
One to five years	3,339	846
Totoal commitments	4,888	2,120

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 $2.32 million (2018: $1.79 million).

26. Events after the reporting period

On 22 July 2019, 306,147 unlisted and unvested rights were issued to the Managing Director with a 12-month vesting date exerciseable at $0.00 expiring on 14 July 2024 under the OneVue Holdings Limited LTI and Rights Plan. Each right entitles the MD to one fully paid ordinary shares in OneVue.

Also, on 22 July 2019, 2,970,119 unlisted and vested rights were issued to Key Management under the OneVue Holdings Limited Short and Medium Term Incentive Plan exerciseable at $0.00 and expiring 14 July 2024.

On 30 August 2019, 306,147 shares were issued to the Managing Director on the exercise of the restricted rights issued.

Also, on 30 August 2019, 2,658,785 fully paid ordinary shares were issued upon exercise of Rights to Key Management under the OneVue Holdings Limited Short & Medium Term Incentive Plan.

On 19 September 2019, 284,865 Performance Rights held by the Managing Director lapsed.

No other matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditors of OneVue, and unrelated firms. Audit fees paid by the funds are not included in the below table:

	2019 $	2018 $
Audit and review services and other regulatory returns		
Deloitte Touche Tohmatsu	390,700	412,200
	390,700	412,200
Audit and review services for non-consolidated managed funds and superannuation funds*		
BDO East Coast partnership	64,443	35,000
Ernst and Young	-	9,600
Price Waterhouse Coopers	-	60,000
Total audit fee attributable to the audit and review of non-consolidated funds	64,443	104,600
Total Audit and review services	455,143	516,800
Non-audit services - Tax and other services		
Deloitte Touche Tohmatsu	105,031	126,485
	105,031	126,485
Non-audit services - Tax and other services for non-consolidated managed funds and superannuation funds*		
Total Non-audit services	-	126,485

NOTES:

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

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 (Cth)*, 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 (Cth)*, 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.

28. Summary of significant accounting policies (continued)

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 in the relevant notes to the financial statements. 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.

AASB 9 Financial Instruments and its consequential amendments

OneVue has applied AASB 9 *Financial instruments* (as amended) and the related consequential amendments to other Accounting standards that are effective for an annual period that begins on or after 1 July 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 use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment is 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. A provision for doubtful debts is recognised as at 30 June 2019 and our assessment is that the application of AASB 9 does not have a material impact on the amount reported and disclosures made in OneVue's financial statements.

AASB 15 'Revenue from Contracts with Customers'

OneVue has applied AASB 15 *Revenue from Contracts with Customers* (as amended) which is effective for an annual period that begins on or after 1 January 2018. 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.

28. Summary of significant accounting policies (continued)

OneVue has 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.

OneVue's main source of revenue arise through the provision of financial services to clients. These financial services include:

- Managed Fund admin and Super Member admin
- Full function Platform admin
- Superannuation trustee services (Discontinued Operation)

In accordance with the revenue recognition policies described in these financial statements, revenue is typically recognised as the performance obligations are delivered. OneVue's assessment of revenue streams existing at transition has concluded that the new standard does not have a material impact on OneVue's results.

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.

New standards and interpretations not yet adopted (continued)

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.

The preliminary estimated impact of this new standard as at 30 June 2019 is additional lease liabilities of $5.85 million (discounted) and lease assets of $5.59 million (discounted). A preliminary assessment indicates that these arrangements will meet the definition of lease under AASB 16, and hence the group will recognise a right-of-use asset and a corresponding liability in respect of all its leases. These lease commitments do not qualify for low value or short-term leases upon the application of AASB 16.

This preliminary assessment is indicative and based upon current information that may by its nature change between this reporting date and the application date of AASB 16.

Directors' declaration

DIRECTORS' DECLARATION

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2019. 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 (Cth)*, 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 2019 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 (Cth)*.

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

On behalf of the Directors

Ronald Dewhurst
Director

27 September 2019

Independent auditor's declaration and report

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
OneVue Holdings Limited
Level 5, 10 Spring St
Sydney NSW 2000

27 September 2019

Dear Board Members

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.

As lead audit partner for the audit of the financial statements of OneVue Holdings Limited for the year ended 30 June 2019, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Frances Borg

Frances Borg
Partner
Chartered Accountant

Deloitte.

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Independent Auditor's Report to the Members of OneVue Holdings Limited

Report on the Audit of the Financial Report

Qualified 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 2019, 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 statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 2019 and of its financial performance for the year then ended; and

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

Basis for Qualified Opinion

As disclosed and recorded in Note 6c and 14 of the financial report, the Group has deferred consideration receivable of $31,000,000 as at 30 June 2019 (representing the receivable from Sargon resulting from its purchase of OneVue's Trustee Services Business on 28 June 2019). The Sargon financial statements are not due for completion until 31 October 2019. As a result, we have been unable to obtain sufficient appropriate audit evidence to determine whether this amount will be recoverable by the Group. Accordingly, we have been unable to determine whether the recoverable amount of this receivable is at least equal to its carrying value. In the event that the carrying value of this receivable exceeds its recoverable amount, it would be necessary for the value of the deferred consideration receivable to be written down to its recoverable amount.

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 auditor independence requirements of 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)

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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 qualified 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 for 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. In addition to the matters described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Valuation of Goodwill and other intangible assets As at 30 June 2019, the Group held goodwill and other intangible assets amounting to $61.7 million as disclosed in Note 9 on which it is required to test annually for impairment. Determination of the 'Value in Use' of each Cash Generating Unit ("CGU"), being Funds Services and Platform Services (the Trustee Services CGU was sold during the year, see "Receipt of Deferred Purchase Price section below" for details), and whether or not an impairment charge is necessary, requires the exercise of significant judgement in relation to key assumptions like discount rates, terminal growth rates, weighted average cost of capital, forecast future revenue growth and cost assumptions. Additionally, the valuation of capitalised project development and client establishment costs is an area of judgment in relation to ascertaining which fees to capitalise.	Our procedures included, but were not limited to: • obtaining an understanding of management's key controls associated with the preparation of the impairment model and the impairment process for the identification of indicators of impairment as well as key controls associated with the capitalisation of costs; • engaging our valuation specialist to assist in evaluating the impairment model prepared by management and the reasonableness of the key assumptions; discount rates, forecast future revenues, weighted average cost of capital and terminal growth rates; • testing on sample basis, the mathematical accuracy of the impairment model; • assessing the appropriateness of management's basis of the allocation of goodwill between the CGU's of the Group; • comparing the 'Value in Use' estimate of each CGU to the carrying value of assets and liabilities allocated to each CGU, to assess any impairment of goodwill and intangibles; • performing sensitivity analysis around the key assumptions; • comparing the accuracy of board approved budget for the previous financial year to actual numbers reported in the financial report for year ended 30 June 2019; • evaluating management's memo on capitalisation of costs and management's assessment of the capitalisation of expenses through tests of controls;

	• assessing the impact of the sale of the Trustee Service Business on intangible assets impairment access; • assessing derecognition of intangible assets associated with the Trustee Services CGU; and • engaging our Accounting Technical specialists to review the impact of AASB 15 *Revenue from Contracts with Customers* on the recognition of the capitalised expenses. We also assessed the appropriateness of the disclosures in Note 9 to the financial statements.
Deferred tax asset relating to tax losses As at 30 June 2019, the Group has recorded a net deferred tax asset of $1.1 million, with $2.6 million relating to prior period tax losses incurred by the Group as disclosed in Note 5. Significant judgement is required in determining the recoverability of this deferred tax asset which is dependent on the generation of sufficient future taxable profits to utilise these tax losses. There is a deferred tax implication from the Group's sale of its Trustee Services business in the current year from the deferred purchase price.	Our procedures included, but were not limited to: • challenging the appropriateness of management's assumptions relating to the forecasts of future taxable profits; • evaluating the reasonableness of the assumptions underlying the preparation of these forecasts; • reviewing the reasonableness of board approved budget for the previous financial year to actual numbers reported in the financial report for year ended 30 June 2019; • reviewing management's deferred tax calculation for mathematical accuracy, in accordance with the relevant accounting standards and Australian tax legislation; and • reviewing management's assessment of the initial recognition, measurement, and disclosures pertaining to the deferred tax from the deferred purchase price as a result of the Trustee business sale. We also assessed the appropriateness of the disclosures in Note 5 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our 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.

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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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 50 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of OneVue Holdings Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

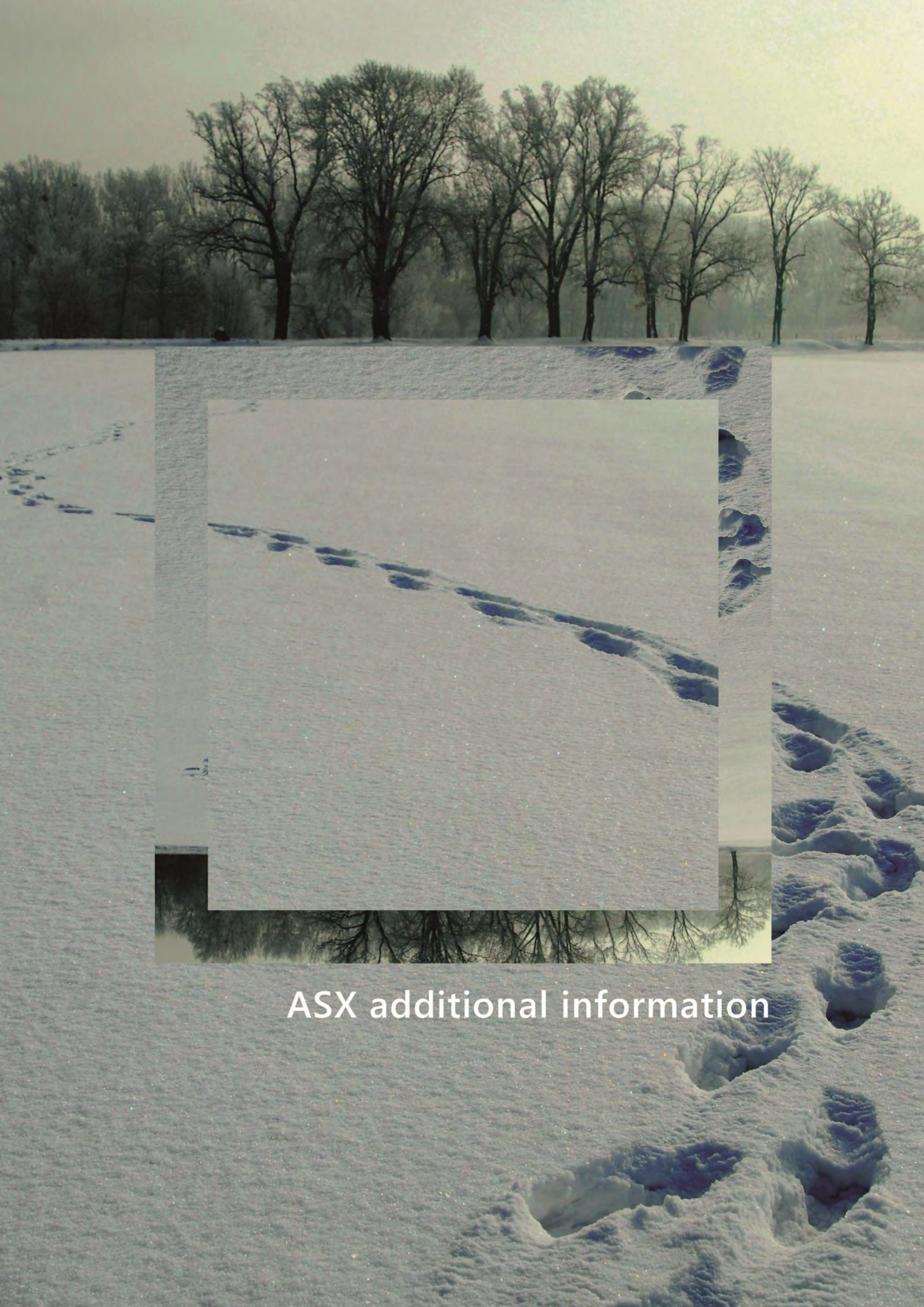
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Frances Borg

Frances Borg
Partner
Chartered Accountant
Sydney, 27 September 2019



ASX additional information

ASX ADDITIONAL INFORMATION

The shareholder information set out below is as at 9 September 2019 unless shown otherwise.

Equity security holders

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

Rank	Name	No of shares	%
1	UBS NOMINEES PTY LTD	31,380,657	11.73
2	ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	30,306,339	11.32
3	CITICORP NOMINEES PTY LIMITED	25,532,542	9.54
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,883,616	6.31
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,219,703	6.06
6	NIGEL STOKES PTY LTD <NIGEL STOKES PTY LTD P/F A/C>	4,000,852	1.49
7	SUPERTCO PTY LTD <TAG SMALL CAP FUND A/C>	4,000,000	1.49
8	BNP PARIBAS NOMS (NZ) LTD <DRP>	3,663,308	1.37
9	PHAROS FINANCIAL GROUP PTY LTD <THE PHAROS FIN GROUP A/C>	2,550,233	0.95
10	ABTOURK (SYD NO 376) PTY LTD	2,523,641	0.94
11	STEPHEN J M KARRASCH	2,440,878	0.91
12	KARRASCH PTY LTD <KARRASCH SUPERANNUATION FUND>	1,976,806	0.74
13	GINGA PTY LTD <T G KLINGER SUPER FUND A/C>	1,798,057	0.67
14	EQUITY VAULT PTY LTD <KING FAMILY A/C>	1,685,677	0.63
15	ARLJM INVESTMENTS PTY LTD <ARLJM FAMILY A/C>	1,536,428	0.57
16	CONNIE BERNICE MCKEAGE	1,498,910	0.56
17	POSSE INVESTMENT HOLDINGS PTY LIMITED	1,485,000	0.55
18	PRINCIPAL FUNDS MANAGEMENT CO PTY LTD <PRINCIPAL GROWTH A/C>	1,450,000	0.54
19	STRATEGIC CONSULTANTS INTERNATIONAL PTY LTD <STRATEGIC ADVANTAGE S/F A/C>	1,349,678	0.50
20	LISA MCCALLUM	1,267,976	0.47
TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES (TOTAL)		**153,550,301**	**57.38**
TOTAL REMAINING HOLDERS BALANCE		**114,068,419**	**42.62**
TOTAL ISSUED CAPITAL		**267,618,720**	**100**

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	426	1,230	676	1,394	232
Shares	197,234	3,413,530	5,347,970	45,476,645	213,183,341
Total holders	3,958				
Total shares	**267,618,720**				

Total number of shareholders with less than a marketable a parcel of shares (valued at $500 or less): 260.

Unquoted equity securities as at 30 June 2019

	Number on issue	Number of holders
Rights over ordinary shares	284,865	1

Substantial holders

The number of shares held by substantial as disclosed in notices given to the Company:

Shareholder	Shares held	% of shares issued per notice
Abtourk Group	34,471,237	12.88%
Thorney Investment Group*	34,117,932	12.75%
Commonwealth Bank of Australia	16,791,552	6.27%
Mitsubishi UFJ Financial Group Inc	16,505,333	6.17%
Carol Australia Holdings P/L	14,525,424	5.43%
Moelis Australia Ltd Magic TT P/L and Andrew Pridham	13,389,143	5.00%

* Thorney Technologies Ltd, Thorney Opportunities Ltd, Tiga Trading P/L

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 9 September 2019.

Corporate directory

CORPORATE DIRECTORY

Directors

- Ronald Dewhurst (Chair)
- Stephen Knight
- Connie Mckeage (Managing Director)
- Garry Wayling

Company Secretary

- Ashley Fenton

Notice of annual general meeting

The details of the annual general meeting of OneVue Holdings Limited are:

10am on 27 November 2019

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Phone: 1300 850 505 | (02) 8234 5000

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 3
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)

Website

onevue.com.au

OneVue Holdings Limited
ABN 15 108 221 870
PO BOX R713, Royal Exchange NSW 1225
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onevue.com.au

Strength in numbers

onevue