Appendix 4D and Half Year Report

31 December 2019

Strength in numbers

ONEVUE

Contents

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting period: Half year ended 31 December 2019

Previous corresponding period: Half year ended 31 December 2018

Results		Change %	31-Dec-19 $'000	31-Dec-18 $'000
Total revenue from Continuing Operations	Decreased	(3.8)	24,325	25,293
Loss from Continuing operations after tax attributable to members	Increased		(27,089)	(3,587)
Loss attributable to members	Increased		(27,089)	(3,285)
EBITDA from Continuing operations*	Increased	48.2	3,391	2,288
EBITDA from Continuing operations pre AASB16*^	Increased	6.4	2,434	2,288

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

^ AASB16 became effective for the group on 1 July 2019. AASB16 establishes principles for the recognition and measurement of leasing arrangements. The EBITDA for the half year ended 31 December 2019 doesn't include fixed rent costs due to the implementation of AASB16. These are now accounted for as depreciation of the right of use assets and interest expense on lease liabilities.

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

Dividends

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

Net tangible assets

Net tangible assets per fully paid ordinary share	1.52 cents	(2.74 cents)

Details of associates and joint venture entities

Not applicable.

Auditor review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

Attachments

The Half Year Financial Report of OneVue Holdings Limited for the half year ended 31 December 2019 is attached.

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to as 'OneVue') consisting of OneVue Holdings Limited (referred to as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

DIRECTORS

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

- Ronald Dewhurst
- Stephen Knight
- Connie Mckeage
- Garry Wayling

PRINCIPAL ACTIVITIES

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

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

OneVue divested its Trustee Services business on 28 June 2019.

REVIEW OF FINANCIAL RESULTS

OneVue adopted AASB 16 Leases during the first half using the modified retrospective approach. Operating leases were capitalised onto OneVue's balance sheet and are now recognised as "Right-of-Use" assets and lease liabilities. Rental payments have effectively been recharacterised as Depreciation and Financing Costs. The modified retrospective approach means comparative results have not been adjusted. More information on the adoption of AASB 16 is contained in the notes to the half-year accounts. There is no change to the fundamental economic performance and cash generation of the business. The results shown immediately below are presented excluding the AASB16 impacts so that the results are directly comparable with the prior corresponding periods reported results.

Impact of adoption of AASB16 on the Profit and Loss statement

The adoption of AASB16 has significantly increased the reported EBITDA and EBITDA margin for this half. This is due to fixed lease costs being incorporated into a right of use lease asset and lease liability which will reduce over the remaining lease period. Occupancy expense reduced by $1 million while the depreciation expense and interest expense increased by $0.7 million and $0.2 million respectively, with overall profitability unaffected.

Pre adoption of AASB16

Half year ended 31 December	2019 ($'000) Pre AASB16	2018 ($'000)	Variance ($'000)	Change %
Continuing Operations				
Revenue				
Services revenue	24,325	25,293	(968)	(3.8%)
Operating expenses	(21,891)	(23,005)	1,114	4.8%
EBITDA*	**2,434**	**2,288**	**146**	**6.4%**
EBITDA margin %	10.0%	9.0%	1.0%	10.6%
Depreciation and amortisation	(2,345)	(2,380)	35	1.5%
Net interest received	173	5	168	
Share based payments	(1,173)	(10)	(1,163)	
Loss before tax and Non recurring items	(911)	(97)	(814)	
Non recurring items	(837)	(4,314)	3,477	80.6%
Deferred consideration receivable provision expense	(26,065)	-	(26,065)	(100%)
Loss before tax	**(27,813)**	**(4,411)**	**(23,402)**	
Tax benefit	724	824	(100)	(12.1%)
Discontinued operations				
Net profit from Discontinued Operations	-	302	(302)	(100%)
Loss after tax	**(27,089)**	**(3,285)**	**(23,804)**	
Adjusted NPATA^	**997**	**629**	**368**	**58.6%**

Post adoption of AASB16

Half year ended 31 December	2019 ($'000) Pre AASB16	2019 ($'000) Reported	Variance ($'000)
Continuing Operations			
Revenue			
Services revenue	24,325	24,325	-
Operating expenses	(21,891)	(20,934)	957
EBITDA*	**2,434**	**3,391**	**957**
EBITDA margin %	10.0%	13.9%	3.9%
Depreciation and amortisation	(2,345)	(3,077)	(732)
Net interest received (paid)	173	(52)	225
Share based payments	(1,173)	(1,173)	-
Loss before tax and Non recurring items	(911)	(911)	-
Non recurring items	(837)	(837)	-
Deferred consideration receivable provision expense	(26,065)	**(26,065)**	-
Loss before tax	**(27,813)**	**(27,813)**	**-**
Tax benefit	724	724	-
Loss after tax	**(27,089)**	**(27,089)**	**-**

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 before acquired amortisation and excludes non-recurring items, non-cash share-based payments and Discontinued Operations. The Directors consider it to be an important measure of the underlying cash generating earnings of the business

Non recurring items

Half year ended 31 December	2019 ($'000)	2018 ($'000)	Change %
Acquisition and integration related expenses	(837)	(912)	8%
Fair value adjustment on contingent consideration	-	(2,995)	100%
Interest discount on contingent consideration	-	(407)	100%
Total Non recurring items	**(837)**	**(4,314)**	**80.6%**

Revenues from continuing operations decreased 4% to $24.3 million, with growth from ongoing clients administration of $2.2 million offset by a decrease in project fees of $1.4 million and a $1.1 million impact of lower interest rates.

Operating expenses pre the AASB 16 adjustment from continuing operations decreased by 5% to $21.9 million reflecting lower project activity levels and tight cost management.

EBITDA pre AASB 16 increased by 6% with EBITDA margin improving by 11% due to continuing scale benefits.

Depreciation and amortisation expense pre the AASB 16 adjustment of $2.3 million was down slightly (1%) on the prior corresponding period.

Interest revenue in the current period was the result of $0.2 million of interest revenue received on the deferred consideration for the sale of the Trustee Services business.

Share based payments in the current period of $1.2 million represent rights issued during the period to Key Management and employees under the OneVue Holdings Limited Short and Medium Term Incentive Plan.

Acquisition and integration related expenses in the period mainly relate to restructuring the group following the Trustee Services business divestment. The fair value adjustment on contingent consideration in the prior corresponding period relates to the KPMG Super acquisition and the difference between the initial value assessed at 30 June 2018, and the discounted final consideration amount paid.

The deferred consideration receivable provision expense of $26.1 million relates to the sale of the Trustee Services business (see note 7).

The consolidated net loss after tax attributable to the members of the group was $27.1 million, compared to the loss after tax of $3.3 million in the prior corresponding period.

Adjusted NPATA which represents net profit, a proxy for underlying cash profitability was up by 59% to $1 million.

RESULTS BY BUSINESS (PRE AASB16)

Half year ended 31 December	2019 ($'000) Pre AASB16	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Fund Services			
■ Managed Fund admin	7,919	8,133	(2.6%)
■ Super Member admin	7,994	8,416	(5.0%)
Total Fund Services	15,913	16,549	(3.8%)
Platform Services	9,215	9,453	(2.5%)
Corporate (eliminations)	(803)	(709)	(13.3%)
Revenue from Continuing Operations	24,325	25,293	(3.8%)
Revenue from Discontinued Operations	-	4,161	(100%)
Total Revenue	**24,325**	**29,454**	**(17.4%)**
EBITDA*			
Fund Services	3,296	3,089	6.7%
Platform Services	1,428	1,447	(1.3%)
Corporate (including eliminations)	(2,290)	(2,248)	(1.9%)
EBITDA* from Continuing Operations	**2,434**	**2,288**	**6.4%**
EBITDA from Discontinued Operations	-	1,407	(100%)
Total EBITDA*	**2,434**	**3,695**	**(34.1%)**

NOTES:

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

FUND SERVICES

Half year ended 31 December	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Managed Fund admin	7,919	8,133	(2.6%)
Super Member admin	7,994	8,416	(5.0%)
Total Fund Services Revenue	15,913	16,549	(3.8%)
Operating expenses	(12,617)	(13,460)	6.3%
EBITDA pre AASB 16	3,296	3,089	6.7%
EBITDA margin %	20.7%	18.7%	200bps
EBITDA Reported	3,668	3,089	18.7%
EBITDA margin %	23.0%	18.7%	430bps

Revenue growth from new clients of $0.9 million was offset by a $1.1 million decrease in project fees as well as $0.3 million from lower pricing on a major contract renewal in the prior corresponding period in the Super Member Administration business.

Operating expenses were $0.8 million lower (6%) than the prior corresponding period due to lower project activity levels and higher costs in the prior corresponding period related to the KPMG acquisition.

EBITDA pre AASB 16 adjustment of $3.3 million was up by $0.2 million from the prior corresponding period with margins increasing by 200 basis points to 20.7%, reflecting the operating scale and leverage.

OneVue's market leading Managed Fund Administration business experienced a 34% increase in items processed, processing a record number of items in the period of 344,118. This growth was driven by a combination of new clients and continuing organic growth. OneVue transitioned 5 new fund managers taking the total to 58 managers.

The period has generated significant new business opportunities which provide a strong pipeline for further growth. OneVue continues to capitalise on the industry trend to outsource to specialist providers.

Super Member Administration administers 36 funds, with 144,083 members and FUA at 31 December 2019 reached $5.7 billion, an increase of $1.1 billion (25%) on the prior corresponding period.

Member numbers were impacted by the first time application of the Protect Your Super legislation (PYS) and the 31 October 2019 consolidation of low balance accounts. Underlying growth in members (excluding PYS) added 6,236 members. The annualised revenue impact of the PYS is not significant and is estimated at approximately $0.4 million per annum.

The business continues to focus on integration and automation in the current financial year to support further growth and margin expansion.

Fund Services Key Measures

Half year ended 31 December	2019	2018	Change	Change %
Managed Fund admin Items processed ('000)	344,118	256,016	88,102	34.4%
Managed Fund admin FUA $billion	531.7	473.0	58.7	12.4%
Super Member admin Members ('000)	144,083	152,493	(8,410)	(5.5%)
Super Member admin FUA $million	5,645.4	4,504.2	1,141.2	25.3%

PLATFORM SERVICES

Half year ended 31 December	2019 ($'000)	2018 ($'000)	Change %
Continuing Operations			
Revenue			
Total Platform Services revenue	9,215	9,453	(2.5%)
Operating expenses	(7,787)	(8,006)	2.7%
EBITDA pre AASB 16	1,428	1,447	(1.3%)
EBITDA margin %	15.5%	15.3%	20 bps
EBITDA Reported	**1,846**	**1,447**	**27.5%**
EBITDA margin %	20.0%	15.3%	470 bps

Revenues were impacted by lower cash levels held on platform and the interest rate adjustments (0.75% lower over the financial year). This reduced revenue by $1.1 million but had minimal impact to margin. Revenue growth from increased FUA including new clients of $1.1 million was partly offset by the impact of lower project revenues of $0.3 million.

EBITDA of $1.4 million was in line with the prior corresponding period.

Operating expenses were $0.2 million lower (3%) than prior comparative period reflecting lower cost of sales and project activities.

Platform Services FUA (Funds Under Administration) of $6 billion was up 36% on the prior corresponding period. Gross inflows of $0.9 billion and net inflows of $0.3 billion reflecting ongoing momentum from new and existing clients. $210 million was transitioned for a large new white label client.

Platform Services has an unprecedented number of new business opportunities as well as ongoing growth from existing clients.

Platform Services FUA

Half year ended 31 December	2019 $M	2018 $M	Change	Change %
Platform FUA	5,987	4,389	1,598	36.4%
Gross Inflows	827[2]	614	213	34.7%
Net Inflows[1]	361[2]	220	141	64.1%

NOTES

1 Net inflows exclude market movements

2 Includes significant client transitions of $0.2m and $0.5m in the prior corresponding period

Corporate

Costs of $2.3 million, which cover costs of the listed entity (including audit, tax and insurance), Director fees and central corporate services provided to the operating divisions including HR, IT, Risks, Compliance, Finance and Marketing, were in line with the prior corresponding period.

CASH FLOW

Includes Discontinued Operations

Half year ended 31 December	2019 ($'000)	2018 ($'000)	Change ($'000)
EBITDA	2,434	3,695	(1,261)
Non-cash items in EBITDA	(83)	(127)	44
Changes in working capital	(126)	(2,160)	2,034
Interest received (paid)	167	(313)	480
Underlying operating cash flow	2,392	1,095	1,297
Non recurring costs	(1,303)	(665)	(638)
Operating cash flow	**1,089**	**430**	**659**
Divestments (net of cash disposed)	(81)	-	(81)
Payments for intangibles	(3,600)	(2,649)	(951)
Payments for PPE	(92)	(86)	(6)
Net cash used in investing activities	**(3,773)**	**(2,735)**	**(1,038)**
Proceeds from share issue	468	-	468
Repayment of borrowings (net)	(113)	(1,434)	1,321
Net movement in cash	**(2,329)**	**(3,739)**	**1,410**

Underlying operating cash flow of $2.4 million was up $1.3 million on the prior period. Working capital in the prior corresponding period was impacted by acquisitions. Interest received was from the deferred consideration receivable whilst the interest paid in the prior corresponding period related to the Trustee Services business. Integration and restructure payments included in non-recurring costs principally reflect restructuring following the Trustee Services business divestment.

Payment for intangibles was $1.0 million higher than the previous corresponding period due to increased project development investment to enhance functionality of product offerings, increase automation and software integration.

Proceeds from share issue are repayments of limited recourse loans by staff over shares issued.

FINANCIAL POSITION

As at	31 Dec 2019 ($'000)	30 June 2019 ($'000)	Change ($'000)	Change %
Cash and cash equivalents	8,279	10,608	(2,329)	(22.0%)
Loans and borrowings	(280)	(394)	114	28.9%
Net cash	**7,999**	**10,214**	**(2,215)**	**(21.7%)**
Deferred consideration receivable	3,860	29,925	(26,065)	(87.1%)
Other current assets	8,416	8,431	(15)	-
Intangible assets	62,390	61,664	726	1.2%
Right-of-use assets (AASB 16)	5,410	-	5,410	100%
Other non-current assets	2,967	2,303	664	28.8%
Trade and other payables	11,605	12,837	1,232	9.6%
Contingent consideration	1,732	1,732	-	(100%)
Other current liabilities	2,974	3,162	188	5.9%
Interest-bearing lease liabilities (AASB 16)	5,621	-	(5,621)	(100%)
Other non-current liabilities	804	847	43	5.1%
Total equity	68,306	93,959	(25,653)	(27.3%)

Net cash reduced by $2.2 million during the period and net underlying operating cash flows contributed $2.4 million for the period, an increase $1.3 million over the prior corresponding period. An additional $1.0 million was spent on intangibles (software and development and client establishment) in the current period

The deferred consideration receivable relates to the sale of the Trustee Services business (Refer note 7). A provision of $26.1 million has been made against the deferred consideration receivable.

Other non-current assets was up due to the $0.5 million increase in the deferred tax asset.

The increase in the Right-of-use assets, Other current liabilities and Interest-bearing lease liabilities relates to the adoption of AASB 16 Leases during the period. (Refer note 11.1)

Trade and other payables reduced by $1.2 million in the period due to working capital movements.

Contingent consideration relates to the amounts payable on the acquisition of KPMG Super and No More Practice Education. (Refer note 3).

CHANGES IN THE STATE OF AFFAIRS

During the financial period 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.

ROUNDING OF AMOUNTS

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

AUDITOR'S INDEPENDENCE DECLARATION

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

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

On behalf of the Directors

Ronald Dewhurst
Non-Executive Chair

26 February 2020
Sydney

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2019	Note	31 Dec 2019 $'000	31 Dec 2018* $'000
REVENUE FROM CONTINUING OPERATIONS			
Services revenue		24,325	25,293
Total revenue	**1**	**24,325**	**25,293**
Other income		199	142
OPERATING EXPENSES			
Employment benefits expense		(13,596)	(14,027)
Share based payment expense		(1,173)	(10)
Administration expenses		(3,072)	(2,843)
Service fees and other direct costs		(2,865)	(4,057)
Depreciation and amortisation expense	**11.1**	(3,077)	(2,380)
Occupancy costs	**11.1**	(551)	(1,476)
Interest expense		(275)	(44)
Acquisition and integration related expenses		(837)	(912)
Deferred consideration receivable provision expense	**7**	(26,065)	-
Other expenses		(826)	(693)
Total operating expenses, before interest discount on contingent consideration and fair value adjustment		**(52,337)**	**(26,442)**
Interest discount on contingent consideration		-	(409)
Fair value adjustment on contingent consideration	**3**	-	(2,995)
Total operating expenses		**(52,337)**	**(29,846)**
LOSS BEFORE INCOME TAX		**(27,813)**	**(4,411)**
Income tax benefit	**6**	724	824
LOSS AFTER INCOME TAX FROM CONTINUING OPERATIONS		**(27,089)**	**(3,587)**
DISCONTINUED OPERATIONS			
Profit from Discontinued operations, after income tax	**2**	-	302
NET LOSS FOR THE PERIOD		(27,089)	(3,285)
Other comprehensive income net of tax		-	-
Total comprehensive loss for the period attributable to the owners of OneVue Holdings Limited		**(27,089)**	**(3,285)**

Earnings per share (EPS) attributable to the owners of OneVue Holdings Limited	Note	Cents	Cents
Total – Basic EPS	**4**	(10.14)	(1.24)
Total – Diluted EPS	**4**	(10.11)	(1.24)
Continuing Operations – Basic EPS	**4**	(10.14)	(1.36)
Continuing Operations – Diluted EPS	**4**	(10.11)	(1.36)

The accompanying notes form part of the financial statements.
* Prior year comparatives have been restated to show the Discontinued operations separately from Continuing operations.
# OneVue has initially applied AASB 16 Leases at 1 July 2019. Under the modified retrospective transition method chosen, comparative information has not been restated. Refer to note 11.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019	Note	31 Dec 2019 $'000	30 Jun 2019 $'000
CURRENT ASSETS			
Cash and cash equivalents		8,279	10,608
Trade and other receivables		6,610	6,910
Deferred consideration receivable	7	3,860	29,925
Financial assets		288	376
Prepayments		1,518	1,145
Total current assets		**20,555**	48,964
NON-CURRENT ASSETS			
Intangible assets		62,390	61,664
Property, plant and equipment		1,120	1,180
Right-of-use-assets	11.1	5,410	-
Deferred tax asset		1,847	1,123
Total non-current assets		**70,767**	**63,967**
Total assets		**91,322**	**112,931**
CURRENT LIABILITIES			
Trade and other payables		11,605	12,837
Contingent Consideration	3	1,732	1,732
Employee benefits		2,974	3,162
Interest bearing lease liabilities	11.1	1,450	-
Interest-bearing loans and borrowing		280	394
Total current liabilities		**18,041**	**18,125**
NON-CURRENT LIABILITIES			
Lease incentives		567	692
Employee benefits		237	155
Interest-bearing lease liabilities	11.1	4,171	-
Total non-current liabilities		**4,975**	**847**
Total liabilities		**23,016**	**18,972**
EQUITY			
Contributed equity	5	111,716	111,248
Reserves		546	664
Accumulated losses		(43,956)	(17,953)
Total equity		**68,306**	**93,959**

The accompanying notes form part of the financial statements.
OneVue has initially applied AASB 16 Leases at 1 July 2019. Under the modified retrospective transition method chosen, comparative information has not been restated. Refer to note 11.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2019

6 months ended 31 December 2019	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2019	111,248	664	(17,953)	93,959
Adjustments (note 11)	-	-	(205)	(205)
Balance as at 1 July 2019	111,248	664	(18,158)	93,754
Loss after income tax for the period			(27,089)	(27,089)
Total comprehensive income for the period			(27,089)	(27,089)
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	468	(118)	1,291	1,641
Balance at 31 December 2019	**111,716**	**546**	**(43,956)**	**68,306**

6 months ended 31 December 2018	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2018	110,638	644	(18,717)	92,565
Adjustments (note 11)	-	-	(607)	(607)
Balance as at 1 July 2018	110,638	644	(19,324)	91,958
Loss after income tax for the period			(3,285)	(3,285)
Total comprehensive income for the period			(3,285)	(3,285)
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves		10	-	10
Balance at 31 December 2018	**110,638**	**654**	**(22,609)**	**88,683**

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2019	Note	31 Dec 2019 $'000	31 Dec 2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		25,346	29,072
Interest received		1,318	1,004
Interest paid		(36)	(342)
Payments to suppliers and employees (inclusive of GST)		(24,236)	(28,639)
Acquisition and integration related expenses		(1,303)	(665)
Net cash provided in operating activities		**1,089**	**430**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(92)	(86)
Payments for intangible assets		(3,600)	(2,649)
Payment on disposal of investment		(81)	-
Net cash used in investing activities		**(3,773)**	**(2,735)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing		279	283
Repayment of borrowings		(392)	(1,717)
Proceeds from share issue		468	-
Net cash generated (used) in financing activities		**355**	**(1,434)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,329)**	**(3,739)**
Cash and cash equivalents at the beginning of the period		10,608	19,404
Cash within assets held for sale		-	(6,899)
Cash and cash equivalents at the end of the period		**8,279**	**8,766**

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. OPERATING 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 divested its Trustee Services business on 28 June 2019.

Types of services

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

FUND SERVICES	Managed Fund and Super Member administration.
PLATFORM SERVICES	Full function platform administration including managed funds and managed accounts and administration services.
CORPORATE	Provision of corporate services to the operating segments. This includes costs of the listed entity (including audit, tax and insurance) and central corporate services.

Segment income

6 months ended 31 December 2019	Fund Services $'000	Platform Services $'000	Corporate $'000	Discontinued $'000	Total $'000
Segment revenue	15,913	9,215	-	-	25,128
Eliminations					(803)
Total group revenue					24,325
EBITDA pre AASB16	3,296	1,428	(2,290)	-	2,434
Fixed rent pre AASB16	372	418	167	-	957
EBITDA*	3,668	1,846	(2,123)	-	3,391
Depreciation and amortisation expense	(1,495)	(824)	(758)	-	(3,077)
Interest	-	-	(52)	-	(52)
Underlying earnings before income tax**	2,173	1,022	(2,933)	-	262
Share based payments			(1,173)		(1,173)
Acquisition and integration related expenses			(837)		(837)
Deferred consideration receivable provision expense	-	-	(26,065)	-	(26,065)
Profit (loss) before income tax	2,173	1,022	(31,008)	-	(27,813)

(i) OneVue has initially applied AASB 16 Leases at 1 July 2019. Under the modified retrospective transition method chosen, comparative information has not been restated and so the 2019 result includes the impact of AASB 16, whereas 2018 does not. Refer to note 11.1 for further details.

NOTE 1. OPERATING SEGMENTS (continued)

6 months ended 31 December 2018	Fund Services $'000	Platform Services $'000	Corporate $'000	Discontinued $'000	Total $'000
Segment revenue	16,549	9,453	-	4,161	30,163
Eliminations					(709)
Total group revenue					29,454
EBITDA*	3,089	1,447	(2,248)	1,407	3,695
Depreciation and amortisation expense	(1,374)	(829)	(177)	(538)	(2,918)
Interest	-	-	(402)	(313)	(715)
Underlying earnings before income tax**	1,715	618	(2,827)	556	62
Share based payments			(10)		(10)
Fair value adjustment on contingent consideration			(2,995)		(2,995)
Acquisition and integration related expenses			(912)		(912)
Profit (loss) before income tax	1,715	618	(6,744)	556	(3,855)

NOTES

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

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

NOTE 2. DISCONTINUED OPERATIONS

OneVue has in the last two financial years divested/exited the Discontinued Operations. The comparative statement of comprehensive income has therefore been re-presented to show the discontinued operations separately from Continuing operations.

(a) Results of Discontinued operations

	31 Dec 2019 $'000	31 Dec 2018 $'000
Revenue	-	4,161
Operating expenses	-	**(3,605)**
Profit before tax	-	**556**
Tax expense	-	**(254)**
Profit after tax from Discontinued Operation	-	**302**
Basic and diluted earnings per share (cents per share)	-	**0.11**

(b) Cash flows from Discontinued operations

	31 Dec 2019 $'000	31 Dec 2018 $'000
Net cash from operating activities	-	1,152
Net cash from financing activities	-	**(3,213)**
Net cash from Discontinued operations	-	**(2,061)**

NOTE 2. DISCONTINUED OPERATIONS (continued)

(c) Assets and liabilities held for sale

There are no assets and liabilities classified as held for sale as at 31 December 2019 or 30 June 2019.

NOTE 3. CONTINGENT CONSIDERATION

KPMG Superannuation Services Pty Ltd

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

The final payment of contingent consideration of $1.0 million was made on 6 January 2020.

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).

OneVue made contingent consideration payments totalling $0.5 million on 7 January 2020. A liability of $0.2 million for contingent consideration has been discounted.

NOTE 4. EARNINGS PER SHARE

	2019 Cents	2018 Cents
Total - Basic earnings per share	(10.14)	(1.24)
Total - Diluted earnings per share	(10.11)	(1.24)
Continuing operations - Basic earnings per share	(10.14)	(1.36)
Continuing operations - Diluted earnings per share	(10.11)	(1.36)

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

	Number ('000)	Number ('000)
Basic earnings per share	267,175	264,338
Diluted earnings per share	268,025	264,654

Diluted earnings per shares includes 284,865 restricted rights that lapsed on 20 September 2019.

NOTE 5. EQUITY – ISSUED CAPITAL

Consolidated	31 Dec 2019 Shares	30 Jun 2019 Shares	31 Dec 2019 $'000	30 Jun 2019 $'000
Ordinary shares - fully paid	267,923,826	264,653,788	111,716	111,248

3,270,038 ordinary shares were issued during the current reporting period due to the exercise of rights.

NOTE 6. TAX NOTE

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

The deferred tax asset has been recognised as at 31 December 2019 on the basis of the following:

it is probable that future taxable profit will be available against which the unused tax losses can be utilised

achievement of significant milestones following sustained activity to on-board key clients

6 months ended	31 Dec 2019 $'000	31 Dec 2018 $'000
Reconciliation of income tax benefit to net loss		
Loss from Continuing Operations before tax	(27,813)	(4,411)
Loss before tax for the consolidated entity	(27,813)	(3,855)
Prima facie income tax at 30%	(8,344)	(1,157)
Expenditure not allowable for income tax purposes	8,210	845
Movement in temporary differences	(43)	-
Previously unrecognised tax losses brought to account	(547)	(512)
Tax benefit from Continuing Operations	**(724)**	**(824)**
Tax expense from Discontinued Operations	**-**	**254**
Total income tax benefit	**(724)**	**(570)**

NOTE 7. DEFERRED CONSIDERATION RECEIVABLE

On 28 June 2019, OneVue completed the sale of its Trustee Services business for sale consideration of $43million, comprised of $12 million cash which was received on completion and a deferred consideration of $31 million. This deferred consideration receivable was due to be paid by Sargon Capital Pty Ltd (Sargon) on or before 30 November 2019.

The deferred consideration receivable was secured under a general security deed, provided by a subsidiary of Sargon, SC Australian Holdings 1 Pty Limited (SCAH1) and registered on the Personal Property Securities Register

On 22 November 2019, OneVue agreed to amend certain of the terms of the share purchase agreement and the due date for payment of the deferred consideration was extended from 30 November 2019 to 29 May 2020. The deferred consideration receivable outstanding became interest bearing and additional security was taken. The first monthly interest payment due on 31 December 2019 was received.

On 29 January 2020 Shaun Fraser and James Preston of McGrathNicol were appointed as Receivers and managers of Sargon (Sargon Receiver) by Taiping Trustees Limited (Taiping). On 3 February 2020, Stewart McCullum and Adam Nikitins of Ernst & Young were appointed Voluntary administrators (Voluntary Administrator) to a number of subsidiaries of Sargon including SCAH1.

On 4 February 2020, OneVue appointed Chris Hill and Daniel Walley of PwC (OneVue Receivers) to act as Receivers and managers of SCAH1 in order to protect its rights under its secured interest.

The OneVue Receivers on 19 February 2020 secured the sale of 23,032,816 ordinary shares in Sequoia Financial Group Limited held by SCAH1 as part of the secured interest.

The net consideration of $ 4.376 million from the sale was paid to OneVue on 24 February 2020.

The OneVue Receivers have commenced steps to sell the Madison Financial Group owned by SCAH1 and part of OneVue's secured interest. Bob Neill from Seaview Consulting has been appointed to run the sales process.

A provision of $26 million has been made against the deferred consideration receivable reducing the recoverable value to $3.86 million.

The provision has been determined after taking into account the following:

- The potential secured interest position of Sargon
- The dependency on asset sale realisations (net of costs) from SCAH1 and Sargon operating businesses
- The difficulty in determining the likely values to be achieved from asset realisations in a distressed sale situation
- The risk of diminishment in the value of Sargon group operating entities, with significant client loss risk and key staff risk
- The unclear financial asset and liability positions of Sargon and subsidiaries, especially with respect to the amount owed under the Taiping security pending detailed reports from the Sargon Receiver and Voluntary Administrator

As a result of considering the above factors and assessing probable outcomes and recoveries, the recoverable amount for the deferred consideration receivable is currently estimated as follows:

	31 Dec 2019 $'000	30 June 2019 $'000
Deferred consideration receivable	29,925	29,925
Less: Provision	(26,065)	-
Deferred consideration receivable	**3,860**	**29,925**

The Board continues to take all steps and actions to recover the full value of the consideration receivable under its legal rights and with the security available.

NOTE 8. LITIGATION

OneVue Holdings Limited has been involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Based on legal advice obtained, other than the amounts already provided for in the financial statements, the Directors do not expect any material liabilities to eventuate. There have not been any material changes in estimates.

NOTE 9. FAIR VALUE MEASUREMENT

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

Provision for impairment of receivables

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

Provision for deferred consideration receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision has been determined by considering the following: the early and preliminary status of the appointment of the OneVue Receivers, the Sargon Receivers and the Voluntary Administrators, the dependency on asset sale realisations (net of costs) from SCAH1 and Sargon, the difficulty in determining the likely values to be achieved from asset realisations in a distress situation and the unclear financial asset and liability positions of Sargon and SCAH1 pending detailed reports from the Sargon Receiver and Voluntary Administrator.

NOTE 10. EVENTS AFTER THE REPORTING PERIOD

The final payment of contingent consideration of $1.0 million in relation to the acquisition of KPMG Superannuation Services Pty Ltd was made on 6 January 2020 and $0.5 million of contingent consideration was paid in relation to the acquisition of No More Practice Education Pty Ltd on 7 January 2020. OneVue increased its debt facilities by $4.4 million on 15 January 2020.

Sargon owes OneVue $31 million in deferred consideration receivable as part of the sale of the Trustee Services business. Refer to 7 for full details.

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

NOTE 11. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, other than where disclosed with the exception changes in accounting policies required following the adoption of new accounting standards on 1 July 2019.

New, revised or amending Accounting Standards and Interpretations adopted

The following new and revised Standards and interpretations have been adopted by the consolidated entity for the first time for the year ended 30 June 2020:

AASB 16 'Leases'

AASB 16 replaced 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 requires lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets.

OneVue has applied AASB 16 from 1 July 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 identified all material leases and on transition.

11.1 OVH as a lessee

As a lessee, OVH recognises a right-of-use asset and a lease liability at the lease commencement date.

At transition, for leases classified as operating leases under AASB117, lease liabilities were measured at the present value of the remaining lease payments, discounted at OneVue's relevant incremental borrowing rates at 1 July 2019. Right-of-use assets were measured at their carrying amount as if AASB16 has been applied since the commencement of the lease, discounted using OneVue's incremental borrowing rate.

OneVue presents right-of-use assets within its own line in non-current assets and presents lease liabilities as interest bearing lease liabilities in the statement of financial position.

Significant accounting policies

OneVue recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the lease term using the straight-line method.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the OneVue's incremental borrowing rate.

NOTE 11. SIGNIFICANT ACCOUNTING POLICIES (continued)

The lease liability is subsequently increased by the interest cost on the lease liability (recognised in Finance costs in the income statement) and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impact in the Financial statements

Impacts on the transition – 1 July 2019

On transition to AASB16, OneVue recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	1 July 2019 $'000
Right-of-use assets	6,143
Lease liabilities	(6,348)
Retained earnings	205

Lease terms are up to 5 years. OneVue's incremental borrowing rate applied is 8%.

Impacts for the period – 31 December 2019

As a result of initially applying AASB16, in relation to the leases previously classified as operating leases, OneVue recognised $5,410 thousand of right-of-use assets and $5,621 thousand of lease liabilities as at 31 December 2019.

Impact on profit before tax	31 Dec 2019 $'000
Reduction in rent charges	957
Depreciation relating to AASB16 leases	(733)
Interest charge relating to AASB16 leases	(229)
Net impact on profit before tax	(5)

DIRECTORS' DECLARATION

In the Directors' opinion:

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

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

Ronald Dewhurst
Non-Executive Chair

26 February 2020
Sydney

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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

26 February 2020

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 and its controlled entities.

As lead audit partner for the review of the financial statements of OneVue Holdings Limited for the half year ended 31 December 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 review; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Frances Borg

Frances Borg
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OneVue Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 15 to 27.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OneVue Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

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

Deloitte.

Emphasis of matter

We draw attention to Note 7 of the half year financial report, which describes the recoverability of deferred consideration receivable from Sargon. Our conclusion is not modified in respect of this matter.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Frances Borg

Frances Borg
Partner
Chartered Accountants
Sydney, 26 February 2020

CORPORATE DIRECTORY

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
PO Box R1926
Royal Exchange NSW 1225

P: 1300 790 235
F: 02 8022 7448
E: service@onevue.com.au

onevue.com.au

Strength in numbers