# ONEVUE HOLDINGS LIMITED
# (FORMERLY ONEVUE HOLDINGS PTY LIMITED)

ABN 15 108 221 870

# HALF YEAR FINANCIAL REPORT
# FOR THE HALF YEAR ENDED
# 31 DECEMBER 2013

# Contents

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

| | | Consolidated | |
|---|---|---|---|
| | | 6 months to 31 Dec 2013 | 12 months to 30 Jun 2013 |
| | Note | $ | $ |
| **Revenue** | | 5,204,100 | 4,901,338 |
| Loss on disposal of investment | | - | (9,323) |
| Other Income | | 1,212 | 65,011 |
| Accounting, audit and compliance expenses | | (22,302) | (263,751) |
| Advertising expenses | | (24,339) | (95,295) |
| Consulting expenses | | (503,159) | (777,425) |
| Depreciation and amortisation expenses | | (578,051) | (457,320) |
| Employee benefits expenses | | (3,406,768) | (2,454,790) |
| Impairment | | - | (1,476,336) |
| Investment management expenses | | (697,012) | (544,650) |
| Insurance expenses | | (85,209) | (107,513) |
| IT expenses | | (612,430) | (410,174) |
| Legal expenses | | (116,274) | (40,443) |
| Rent expenses | | (498,947) | (429,120) |
| Other expenses | | (466,736) | (345,916) |
| Total expenses | | (7,011,227) | (7,402,733) |
| Profit/ (loss) before income tax expense | | **(1,805,915)** | **(2,445,707)** |
| Research and development income tax received | | - | 731,327 |
| Profit/(loss) after income tax benefit for the year | | **(1,805,915)** | **(1,714,380)** |
| Other comprehensive income | | - | - |
| Total comprehensive income(loss) for the year attributable to the owners of OneVue Holdings Limited | | **(1,805,915)** | **(1,714,380)** |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

| | Note | Consolidated As at 31 Dec 2013 $ | As at 30 Jun 2013 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 5,210,177 | 521,135 |
| Trade and other receivables | 3 | 2,499,327 | 505,234 |
| Other assets | | 175,169 | 53,639 |
| Financial assets at fair value through profit or loss | | 317,212 | 234,287 |
| **TOTAL CURRENT ASSETS** | | 8,201,885 | 1,314,295 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | 1,008,537 | 49,251 |
| Intangible assets | 4 | 5,785,285 | 2,642,024 |
| Investment in associate (accounted for using equity method) | | 20,276 | 20,276 |
| Investments | | - | - |
| **TOTAL NON-CURRENT ASSETS** | | 6,814,098 | 2,711,551 |
| **TOTAL ASSETS** | | 15,015,983 | 4,025,846 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 5 | 1,888,628 | 576,979 |
| Other financial liabilities | | 1,060,000 | - |
| Financial liabilities at fair value through the profit and loss | | 665,000 | - |
| Employee benefits | | 668,661 | 369,066 |
| **TOTAL CURRENT LIABILITIES** | | 4,282,289 | 946,045 |
| **NON-CURRENT LIABILITES** | | | |
| Other payables | | 882,276 | - |
| Financial liabilities at fair value through the profit and loss | | 637,500 | - |
| Employee benefits | | 218,617 | 85,971 |
| **TOTAL NON-CURRENT LIABILITIES** | | 1,738,393 | 85,971 |
| **TOTAL LIABILITES** | | 6,020,682 | 1,032,016 |
| **NET ASSETS** | | 8,995,301 | 2,993,830 |
| **EQUITY** | | | |
| Contributed equity | 7 | 27,467,145 | 19,824,759 |
| Reserves | 8 | 165,000 | 492,085 |
| Accumulated losses | 9 | (18,636,844) | (17,323,014) |
| **TOTAL EQUITY** | | 8,995,301 | 2,993,830 |

The above statement of financial position should be read in conjunction with the accompanying notes.

## ONEVUE HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

**ABN 15 108 221 870**

**31 DECEMBER 2013**

### STATEMENT OF CHANGES IN EQUITY
### FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

| | Issued Capital $ | Reserves $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|
| Balance at 1 July 2012 | 19,437,987 | 492,085 | (15,608,634) | 4,321,438 |
| Loss after income tax for the year | - | - | (1,714,380) | (1,714,380) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contribution of equity, net of transactions costs | 386,772 | - | - | 386,772 |
| Balance at 30 June 2013 | 19,824,759 | 492,085 | (17,323,014) | 2,993,830 |

| | Issued Capital $ | Reserves $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|
| Balance at 1 July 2013 | 19,824,759 | 492,085 | (17,323,014) | 2,993,830 |
| Loss after income tax for the half year | - | - | (1,805,915) | (1,805,915) |
| Transfer of reserve to retained losses | - | (492,085) | 492,085 | - |
| Reserves relating to the convertible note issued on acquisition of business | - | 165,000 | - | 165,000 |
| Total comprehensive income for the half year, net of tax | - | - | - | - |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contribution of equity, net of transactions costs | 7,642,386 | - | - | 7,642,386 |
| Balance at 31 December 2013 | 27,467,145 | 165,000 | (18,636,844) | 8,995,301 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## ONEVUE HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
**ABN 15 108 221 870**

**31 DECEMBER 2013**

### STATEMENT OF CASH FLOWS
### FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

| | Consolidated | |
|---|---|---|
| | 6 months to 31 Dec 2013 $ | 12 months to 31 Jun 2013 $ |
| **Cash flows from operating activities** | | |
| Receipts from customers | 5,315,673 | 4,483,383 |
| GST rebates recovered from schemes | 209,608 | 347,160 |
| Interest received | 16,162 | 31,137 |
| Payments to suppliers and employees | (5,289,672) | (5,371,814) |
| Research and development income tax received | - | 731,327 |
| **Net cash provided by /(used) in operating activities** | 251,771 | 221,193 |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | (46,912) | (16,550) |
| Payments for intangible assets | (1,044,386) | (1,393,594) |
| Receipt from financial assets redemption | 76,925 | - |
| Payment for purchase of business | (4,547,242) | - |
| Payment for other investments | (6,000) | (1,000) |
| **Net cash used in investing activities** | (5,567,615) | (1,411,144) |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | 2,862,500 | - |
| Repayment of loans | (500,000) | - |
| Proceeds from share issue | 7,642,386 | 386,772 |
| **Net cash provided by financing activities** | 10,004,886 | 386,772 |
| Net increase/(decrease) in cash and cash equivalents | 4,689,042 | (803,179) |
| Cash and cash equivalents at the beginning of the year | 521,135 | 1,324,314 |
| **Cash and cash equivalents at the end of the year** | 5,210,177 | 521,135 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

These half year financial statements are the first time a half year has been prepared for the Company. The comparative financial numbers presented have been taken from the annual audited financial statements of the company for the year ended 30 June 2013.

This half year financial report is the first time a half year has been prepared. The comparative financial numbers presented have been taken from the annual audited financial statements of the company for the year ended 30 June 2013.

In the directors' opinion, the company and the consolidated entity are not reporting entities because there are no users dependent on general purpose financial statements.

These are special purpose half year financial statements. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the shareholders.

*Historical cost convention*

These half year financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

*Critical accounting estimates*

The preparation of the half year financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the half year financial statements are disclosed in note 2.

### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OneVue Holdings Limited ('parent entity') as at 31 December 2013 and the results of all subsidiaries for the half year ended 31 December 2013. OneVue Holdings Limited and its subsidiaries are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has the right 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 the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

A list of controlled entities is contained in note 11 to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Business combinations and goodwill

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method.

The acquisition method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Acquisition related costs are expensed as incurred. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in the profit and loss.

Goodwill is not amortised but is tested for impairment annually and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### (b) Revenue Recognition

*Rendering of services*
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Interest*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

### (c) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Income tax (cont'd)

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

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.

Currently, the consolidated entity has not recognised a deferred tax asset for temporary differences or carry forward losses as the consolidated entity is currently in a loss making position.

*Research and Development Tax Incentive*
The consolidated entity capitalises certain development expenses which can also give rise to a research and development tax incentive. The consolidated entity accounts for the research and development tax incentive as a tax credit, which means that the incentive reduces income tax payable and current tax expense.

The consolidated entity accounts for tax offset when it is clear that the eligibility criteria are met and the amount that can be claimed is reliably calculated. As such, the consolidated entity accounts for the rebate once the annual tax returns lodged and notice of assessment is received.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Employee benefits

*Wages, salaries and annual leave*

Liabilities for wages and salaries and annual leave are recognised, and are measured as at the amounts expected to be paid when the liabilities are settled including on-costs.

*Long service leave*

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In assessing expected future payments the consolidated entity based the provision on remuneration rates current as at balance date for all employees with five or more years of service. The Directors believe that this provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement.

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

### (e) Impairment

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

### (f) Cash and cash equivalents

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts.

### (g) Trade and Other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 14 days.

Collectability of trade is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. An allowance for doubtful debts is raised where some doubt as to collection exists.

Other receivables are recognised at amortised cost less provision for impairment.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (h) Financial assets

*Fair value through profit or loss*
The consolidated entity has assessed its investments held in OneVue Managed Account 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 the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Subsequent movements in the fair value of financial assets are recognised in the statement of profit or loss and other comprehensive income.

*Loans and receivables*
Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than twelve months after the reporting period which are classified as non-current assets.

### (i) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:
Plant, equipment, furniture, fittings, leasehold improvements – 3 to 5 years.

### (j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (j) Leases

*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 a asset. The asset is depreciated on a straight line basis over the lease term; and the corresponding lease incentive is also amortise on a straight line over the term of the lease.

### (k) 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 gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 5 to 7 years.

*Customer contracts*

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts 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 5 years.
*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

### (l) Investments in associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

### (n) Goods and services tax

Revenues, 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### (o) Other financial liabilities

Liabilities are recognised based on principal amounts borrowed. Interest is expensed as incurred.

Interest bearing liabilities are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### (p) Financial value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principle market; or in the absence of a principal market, in the most advantageous market.

### (q) Contributed equity

Ordinary shares are classified as contributed equity.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (r) 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.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2013**

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (r) Share based payments (cont'd)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### (s) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity 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.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of the half year financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts in the half year financial statements. Management continually evaluates is judgement and estimates in relation to assets, liabilities, contingent liabilities revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are discussed below:

*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.

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

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company 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 fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*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 pay increases through promotion and inflation have been taken into account.

*Share-based payment transactions*
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

| | Consolidated 31 Dec 2013 $ | Consolidated 30 Jun 2013 $ |
|---|---|---|
| **3. TRADE AND OTHER RECEIVABLES** | | |
| **Current** | | |
| Trade receivables | 993,597 | 196,039 |
| Other receivables | 1,505,730 | 309,195 |
| | 2,499,327 | 505,234 |
| **4. INTANGIBLE ASSETS** | | |
| *Computer software* | | |
| At cost | 4,565,801 | 4,177,747 |
| Accumulated amortisation | (2,613,548) | (2,594,840) |
| Impairment | (1,476,336) | (1,476,336) |
| | 475,917 | 106,571 |
| Reconciliation of carrying amount | | |
| Carrying amount at 1 July | 106,571 | 1,587,370 |
| Additions | 388,054 | 25,513 |
| Impairment | - | (1,476,336) |
| Amortisation | (18,708) | (29,976) |
| Carrying amount at 31 December | 475,917 | 106,571 |
| *Project Development* | | |
| At cost | 3,243,487 | 2,582,109 |
| Accumulated amortisation | (437,771) | (233,247) |
| | 2,805,716 | 2,348,862 |
| Reconciliation of carrying amount | | |
| Carrying amount at 1 July | 2,384,862 | 1,214,027 |
| Additions | 625,378 | 1,368,082 |
| Amortisation | (204,524) | (233,247) |
| Carrying amount at 31 December | 2,805,716 | 2,348,862 |
| *Customer Contracts* | | |
| At cost | 3,171,171 | 621,967 |
| Accumulated amortisation | (667,519) | (435,376) |
| | 2,503,652 | 186,591 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2013**

## 4. INTANGIBLE ASETS (Cont'd.)

| | Consolidated 31 Dec 2013 $ | 30 Jun 2013 $ |
|---|---|---|
| Reconciliation of carrying amount | | |
| Carrying amount at 1 July | 186,591 | 310,984 |
| Additions | 2,549,204 | - |
| Amortisation | (232,143) | (124,393) |
| Carrying amount at 31 December | 2,503,652 | 186,591 |
| **Total Intangible Assets** | 5,785,285 | 2,642,024 |

## TRADE AND OTHER PAYABLES

| | | |
|---|---|---|
| 5. Trade payables | 690,224 | 92,640 |
| Other payables | 1,198,404 | 484,340 |
| | 1,888,628 | 576,980 |

## 6. CONTINGENT LIABILITIES

The consolidated entity has no contingent liabilities as at 31 December 2013.

## 7. CONTRIBUTED EQUITY

| | 31 Dec 2013 $ | 30 Jun 2013 $ |
|---|---|---|
| 106,947,636 (2013: 76,413,278) fully paid shares | 27,467,145 | 19,824,759 |

Reconciliation of share capital

| | | Number of shares | $ |
|---|---|---|---|
| Opening balance as at 30 June 2013 76,413,278 Ordinary Shares issued | | 76,413,279 | 19,824,759 |
| 31 Dec 2013 30,534,358 Ordinary Shares issued | a) | 30,534,358 | 8,000,000 |
| Transaction costs capital raising | b) | - | (357,614) |
| Total of Ordinary Shares at 31 December 2013 | c) | 106,947,636 | 27,467,145 |

a) During the period from 25 November 2013 to 31 December 2013, 30,534,358 Ordinary Shares were issued to existing shareholders for a total consideration of $8,000,000.

b) Transaction costs relating to the issue of shares totalled $357,614.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

### 7. CONTRIBUTED EQUITY (CONTINUED)

c) There were 106,947,636 ordinary shares on issue at 31 December 2013. 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 the company does not have a limited amount of share capital.

d) Options

On 31 August 2010, the options held by staff in the OneVue Limited ESOP were replaced by options on shares in OneVue Holdings Limited. This followed the company acquisition of all of the shares in OneVue Limited on 1 December 2009. ESOP participant received options on shares in OneVue Holdings Limited to replace the options on 73,662 shares in OneVue Limited. These options expired on 31 December 2012.

e) As at 31 December 2013, the OneVue Employee Share Ownership Scheme had issued 4,795,151 options exercisable at 25c with an expiry date of 31 December 2013.

f) No new options were issued in the 6 months ended 31 December 2013.

### 8. RESERVES

| | Consolidated | |
|---|---|---|
| | **31 Dec 2013** | **30 Jun 2013** |
| | **$** | **$** |
| Other reserves | - | 492,085 |
| Convertible note reserve arising on acquisition of subsidiary | 165,000 | - |
| | 165,000 | 492,085 |

### 9. ACCUMULATED LOSSES

| | | |
|---|---|---|
| Accumulated losses at 1 July | (17,323,014) | (15,608,634) |
| Transfer of reserve to retained profits | 492,085 | - |
| Net loss for the period | (1,805,915) | (1,714,380) |
| Accumulated losses at the end of the reporting period | (18,636,844) | (17,323,014) |

### 10. COMPANY INFORMATION

OneVue Holdings Limited (formerly OneVue Holdings Limited) is a company incorporated in Victoria. The Registered Office of the company is Level 5, 10 Spring Street Sydney, NSW.

This financial report was authorised for issue by the directors on23June 2014. The consolidated entity has the power to amend and reissue the financial report.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2013**

## 11. CONTROLLED ENTITIES

| Entity | Country of Incorporation | Percentage Owned (%)* | |
|---|---|---|---|
| | | 31 Dec 2013 | 30 Jun 2013 |
| Subsidiaries of OneVue Holdings Limited (formerly OneVue Holdings Pty Limited): | | | |
| OneVue Limited | Australia | 100 | 100 |
| OneVue UMA Pty Limited | Australia | 100 | 100 |
| OneVue Services Pty Limited (formerly as Pentafin Services Pty Limited) | Australia | 100 | 100 |
| OneVue Unit Registry Pty Limited (formerly as Pentafin Pty Limited) | Australia | 100 | 100 |
| OneVue Private Clients Pty Limited (formerly as SMAS Pty Limited) | Australia | 100 | 100 |
| OneVue Licences Pty Limited | Australia | 100 | 100 |
| OneVue Fund Services Pty Limited (formerly as Willow Fund Services Pty Limited) | Australia | 100 | - |

* Percentage of voting power is in proportion to ownership.

## 12. EVENTS OCCURRING AFTER THE BALANCE DATE

*Change in company name and status*

On 4 March 2014, OneVue Holdings Pty Limited changed its name to OneVue Holdings Limited and also changed from a proprietary company to an unlisted public company in anticipation of listing on the ASX stock exchange. Refer to issue of prospectus on the next page.

*MAP Acquisition*

On 7 February 2014, OneVue entered into a share sale agreement with MAP Invest Ltd ACN 080 431 867 (MAP Invest), to acquire 100% of the shares in MAP. MAP Financial Planning Pty Ltd ACN 090 411 537 (MAP Financial) is the wholly owned subsidiary of MAP. The transaction was completed on 24 February 2014. MAP provides a revenue stream from existing business and allows OneVue to grow with existing and new platform services clients.

*SMSF Acquisition*

On 7 May 2014, OneVue subsidiary SMSF Managers Pty Ltd (SMSF Managers) entered into a business purchase agreement with SMA Funds Administration Pty Ltd ACN 006 877 872 (SMA) for the purchase of a business comprising of self-managed superannuation funds (SMSF) establishment and administration services to trustees of SMSFs and SMSF accounting; and 49% of the shares in SMA Tax & SMSF Services Pty Ltd ACN 097 813 137, a tax and audit document preparation and practice administration provider (SMA Business).

On 7 May 2014, OneVue, Super Managers Holding Company Pty Ltd ACN 149 177 766 (Super Managers Holding Co), Super Managers Australia and SMA entered into a put and call option deed (Put & Call Option Deed) in respect of 50% of the issued shares in Super Managers Australia (SM Shares). Either party may exercise their option, subject to specified conditions.

The sale and purchase of the SM Shares is conditional upon execution of a Shareholders Agreement between OneVue and Super Managers Holding Co. The total consideration payable will be determined by deducting from the cash consideration the debt and the incremental enterprise value (being an adjusted multiple of revenue).

## 12. EVENTS OCCURRING AFTER THE BALANCE DATE (cont'd)

*First Right of Refusal Deed*

On 7 May 2014, OneVue entered into a first right of refusal deed (First Right of Refusal Deed) with Super Managers Holding Co, Super Managers Australia and SMA. Super Managers Australia and SMA are together referred to as the SMA Entities.

Super Managers Holding Co holds all the shares in the Super Managers Australia (SMA Shares) and has agreed to grant OneVue a first right of refusal in respect of the acquisition of all of the SMA Shares.

*Deed of Loan*

On 7 May 2014, OneVue entered into a deed of loan with the SMA Entities to provide a $1.5 Million secured loan facility to the SMA Entities (Deed of Loan), of which $0.5 Million has already been drawn down post half year ended 31 December 2013. The $1 Million balance of the loan may be drawn down upon the earlier of;

- 30 days after the official listing of OneVue on the ASX;
- 31 July 2014; or
- another date agreed between the parties.

No interest is payable during the term of the loan, provided no event of default occurs.

The loan is repayable upon the earlier of:
- the put or call option is determined under the Put and Call Option Deed; and
- the right of first refusal is determined under the Right of First Refusal Deed.

*Issue of Prospectus*

On 23 June 2014, OneVue lodged the required documents with ASIC with the intention of raising a minimum of $12m and a maximum of $15 million and then listing on the Australian Stock Exchange by way of Initial Public Offering.

Other than the matters described above, no matters or circumstances has arisen since 31 December 2013 that has 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.

## ONEVUE HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
**ABN 15 108 221 870**

**31 DECEMBER 2013**

### DIRECTORS' DECLARATION

As described in the basis of preparation accounting policy included in Note 1 to the half year financial statements, the company and consolidated entity is not a reporting entity and these are special purpose financial statements.

The directors of the company declare that the financial statements and notes:

- comply with the accounting policies as described in note 1 to the half year financial statements;
- give a true and fair view of the consolidated entity's financial position at 31 December 2013 and of its performance for the half year ended on that date; and
- in the directors opinion, there are reasonable grounds to believe that the company and consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the directors

Connie McKeage

**Director**
**23 June 2014**
**Sydney**

**AUDITOR'S REPORT 1 OF 2**

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AUDITOR'S REPORT 2 OF 2

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Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

# 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 and it's controlled entities, which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### 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 and have determined that the basis of preparation as described in Note 1 to the half-year financial report is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 basis of preparation as described at Note 1 to the half-year financial report. 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.

### Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

## 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 and it's controlled entities does not give a true and fair view of the financial position of the entity as at 31 December 2013, and of it's financial performance for the half year ended on that date, in accordance with the basis of preparation as described at Note 1 of the half-year financial report.

## Basis of accounting

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the needs of the members. As a result, the financial report may not be suitable for another purpose.

**BDO East Coast Partnership**

BDO

**Arthur Milner**
**Partner**

Sydney, 23 June 2014