

**DIVERSA GROUP SALARY CONTINUANCE POOL
ARSN 149 439 681
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2011**

Diversa Group Salary Continuance Pool
ARSN 149 439 681

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**Diversa Group Salary Continuance Pool
ARSN 149 439 681**

**Directors' report
31 December 2011**

The Directors of Diversa Superannuation Services Limited (ABN 77 107 165 962), the Responsible Entity of Diversa Group Salary Continuance Pool (the "Scheme"), submit their report for the Scheme for the half-year ended 31 December 2011.

DIRECTORS

The names of the Directors of the Responsible Entity in office during the period and until the date of this report are:

P.W. Mueller
S. J. Korchinski
A.J. Craig

The Directors were in office from the beginning of the period until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Scheme during the period was to pool member's premiums in order to gain access to salary continuance insurance at a reduced cost.

SCHEME INFORMATION

Diversa Group Life Pool is an Australian registered scheme, and was constituted on 25 February 2011. Diversa Superannuation Services Limited, the Responsible Entity of the Scheme, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at Northstar Accountants, level 2, 100 Bay Road, Waverton NSW 2060. The principal place of business is level 7, 222 Pitt Street Sydney

REVIEW OF RESULTS AND OPERATIONS

Results and distributions

Net profit or loss attributable to members for the period ended 31 December 2011 was nil.

FEES PAID TO AND INTERESTS HELD BY THE RESPONSIBLE ENTITY AND ASSOCIATES

The following fees were paid to the Responsible Entity and its associates out of Scheme property during the period:

| | |
|---|----------|
| Management fees for the period paid to the Responsible Entity | \$13,651 |
| Expenses incurred by the Responsible Entity on behalf of the Scheme | \$23,993 |

The Responsible Entity has chosen not to be reimbursed for these expenses by the Scheme.

SCHEME ASSETS

At 31 December 2011 the Scheme held assets to a total value of \$11,373. The basis for valuation of the assets is disclosed in Note 2 to the financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than that detailed above, there were no significant changes to the state of affairs of the Scheme during the period.

**Diversa Group Salary Continuance Pool
ARSN 149 439 681**

**Directors' report (continued)
31 December 2011**

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has been no matter or circumstance that has arisen since the end of the period that has significantly affected, or may significantly affect, the Scheme's operations in future periods, the results of those operations or the Scheme's state of affairs in future periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The investment strategy of the Scheme will be maintained in accordance with the Scheme Constitution and investment objectives as detailed in the most recent Product Disclosure Statement.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Scheme are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

AUDITOR'S INDEPENDENCE DECLARATION

An independence declaration has been provided to the Directors by the auditor of Diversa Group Salary Continuance Pool, Peter H. Hunt & Associates, and is attached to the Directors' report.

Signed in accordance with a resolution of the Directors.



Director
Sydney
12 March 2012



Peter H. Hunt & Associates
Accountants, Tax Advisors and Auditors

Auditor's Independence Declaration to the Directors of Diversa Superannuation Services Limited, as Responsible Entity for Diversa Group Salary Continuance Pool

In relation to our review of the financial report of Diversa Group Salary Continuance Pool for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Phillip S. Hunt
Peter H. Hunt & Associates
Partner
Company Auditor No. 309298

8 March 2012

Diversa Group Salary Continuance Pool
ARSN 149 439 681

Statement of Financial Position
As at 31 December 2011

| | Note | 31 December 2011 \$ |
|----------------------------------|------|------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash at Bank | 4 | 11,332 |
| TFN Withholding Tax Receivable | | 41 |
| TOTAL CURRENT ASSETS | | 11,373 |
| TOTAL ASSETS | | 11,373 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Administration fees payable | | 8,279 |
| Premiums payable | | 3,094 |
| TOTAL CURRENT LIABILITIES | | 11,373 |
| TOTAL LIABILITIES | | 11,373 |
| NET ASSETS | | - |
| EQUITY | | - |

**Diversa Group Salary Continuance Pool
ARSN 149 439 681**

**Statement of Comprehensive Income
For the half-year ended 31 December 2011**

| | Note | 31 December 2011 \$ |
|---|------|------------------------|
| INCOME | | |
| Premiums received | | 10,918 |
| Interest received | 5 | 411 |
| TOTAL INCOME | | 11,329 |
| EXPENSES | | |
| Bank fees | | 78 |
| Insurance Fees | | 10,918 |
| Admin Fees | | 333 |
| TOTAL EXPENSES | | 11,329 |
| Benefits accrued/(reduced) as a result of operations before income tax | | - |
| Less: Income tax expense/(benefit) | | - |
| Benefits accrued/(reduced) as a result of operations before income tax | | - |

Diversa Group Salary Continuance Pool
ARSN 149 439 681

Statement of Changes in Net Assets Attributable to Members
For the half-year ended 31 December 2011

| | Application for membership | Net assets attributed to members |
|---|---------------------------------------|---|
| Balance at 1 July 2011 | - | - |
| Issue of memberships | - | - |
| Redemption of membership | - | - |
| | <hr/> | <hr/> |
| | - | - |
| Decrease in net assets attributed to members from transactions to membership | - | - |
| Change in net assets attributed to members | - | - |
| | <hr/> | <hr/> |
| Balance at 31 December 2011 | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

**Diversa Group Salary Continuance Pool
ARSN 149 439 681**

**Statement of Cash Flows
For the half-year ended 31 December 2011**

| | Note | 31 December 2011 \$ |
|---|----------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Premiums received | | 21,718 |
| Premiums paid | | (51,767) |
| Claims paid | | (10,390) |
| Admin Fees | | (13,651) |
| Bank interest | | 411 |
| Bank fees | | (78) |
| TFN Withholding Refund | | 95 |
| GST Refunded | | 1,765 |
| NET CASH (USED IN)/FROM OPERATING ACTIVITIES | 6 | (51,898) |
| NET INCREASE/(DECREASE) IN CASH HELD | | |
| Cash and cash equivalents at 1 July | | 63,230 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | | 11,332 |

Diversa Group Salary Continuance Pool

ARSN 149 439 681

Notes to the financial statements

For the period ended 31 December 2011

1. Approval of financial statements

The financial statements of Diversa Group Salary Continuance Pool for the half-year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 12 March 2012

2. Basis of preparation and accounting policies

2.1 Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed financial report has also been prepared on an historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

The financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2.2 Statement of Compliance

The financial report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards applicable to interim reporting as issued by the International Accounting Standards Board.

2.3 Changes to accounting policy

The accounting policies and methods of computation are consistent with those of the most recent annual financial report.

Accounting standards and interpretations that are applicable to the next annual financial statements of the Scheme have been applied in this condensed financial report. These standards and interpretations have not resulted in changes to accounting policies.

3. Significant accounting judgments and estimates

The preparation of the Scheme's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

**Diversa Group Salary Continuance Pool
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**Notes to the financial statements
For the period ended 31 December 2011**

4. Cash and cash equivalents

| | 2011 |
|--------------|---------------|
| | \$ |
| Cash at bank | <u>11,332</u> |

5. Interest revenue

| | 2011 |
|---------------------------|-------------|
| | \$ |
| Interest revenue | |
| Cash and cash equivalents | <u>411</u> |

6. Statement of Cash Flows Reconciliation

(a) Reconciliation of change in net assets attributable to members to net cash flows from operating activities

| | 2011 |
|---|-----------------|
| | \$ |
| Change in net assets attributable to members | - |
| Net changes in operating assets and liabilities: | |
| (Increase) decrease in Premiums receivable | 10,800 |
| (Increase) decrease in Other receivables | 1,860 |
| Increase (decrease) in Claims payable | (10,390) |
| Increase (decrease) in Administration fees payable | (13,318) |
| Increase (decrease) in Premiums payable | (40,849) |
| Net cash provided by operating activities | <u>(51,898)</u> |

7. Events after balance date

Since 31 December 2011 there have been no other matters or circumstances not otherwise dealt with in the condensed financial report that have significantly affected or may significantly affect the Scheme.

Diversa Group Salary Continuance Pool
ARSN 149 439 681

Directors' declaration

In accordance with a resolution of the Directors of Diversa Superannuation Services Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Scheme are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Scheme's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standards and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

On behalf of the board



Director
Sydney
12 March 2012



Peter H. Hunt & Associates
Accountants, Tax Advisors and Auditors

To the members of Diversa Group Salary Continuance Pool

Report on the condensed half-year financial report

We have reviewed the accompanying half-year financial report of Diversa Group Salary Continuance Pool, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Responsible Entity 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 of the Responsible Entity 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 view. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair 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 Diversa Group Salary Continuance Pool, 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 *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

Report on the condensed half-year financial report (continued)

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 Diversa Group Salary Continuation Pool is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of Diversa Group Salary Continuation Pool's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Peter H. Hunt & Associates



Phillip Hunt
Partner
Company Auditor No. 309298
Sydney

14 March 2012