CCSL LIMITED

ABN 51 104 967 964

AFS Licence No. 287084

RSE Licence No. L0000758

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Directors' report

For the year ended 30 June 2016

The directors present their report together with the financial report of CCSL Limited (the 'Company') for the financial year ended 30 June 2016 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Mark Cerché (Chairman)
Murray Jones
Vincent Parrott (Executive Director)
Andrew de Vries
Angus Craig (Alternate Director)

Directors have been in office since the start of the financial year to the date of this report.

The company secretaries are Robert Good and Angus Craig.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are outlined below:

Director	Board Meetings		Membership Services Committee Meetings		Audit, Compliance & Risk Committee Meetings		Investment Committee Meetings		Remuneration Committee		Total Meetings	
	H	A	H	A	H	A	H	A	H	A	H	A
M Cerché	12	12	4	4	5	5	4	4	1	1	26	26
M Jones	12	11	N/a	N/a	5	5	N/a	N/a	1	1	18	17
V Parrott	12	11	4	1	N/a	N/a	4	4	N/a	N/a	20	16
A de Vries	12	11	N/a	N/a	5	5	N/a	N/a	1	0	18	16
J Addison (1)	N/a	N/a	N/a	N/a	N/a	N/a	4	4	N/a	N/a	4	4
A Craig (Alt)	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a

Notes to the table are as follows:

H number of meetings held.
A number of meetings attended.
(1) J Addison was a member of the Investment Committee

Principal activities

The company is a provider of trustee services to superannuation funds, including master trusts, corporate stand-alone funds and stand-alone insurance funds.

Significant changes in the state of affairs

Following the acquisition of The Trust Company (Superannuation) Services Limited by the parent company (Diversa Limited) in the previous period, the Diversa Group has continued to integrate the Company's operations with the new trustee services business during the current period. A result of this integration has been a further reduction of the Company's operating and personnel expenses as administration functions and employment contracts were transferred from the Company to the new trustee services business during the period.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Results of operations

The result from ordinary activities after income tax was a profit of $361,572 (2015: loss of $41,868).

Dividends

No dividend was paid or declared during or since the end of the financial year (2015: nil).

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Events subsequent to reporting date

On 26 September 2016 the Federal Court of Australia ordered that a Scheme of Arrangement between the Company's parent, Diversa Limited, and its shareholders be implemented which will result in a change of control of Diversa with OneVue Holdings Limited owning 100% of the ordinary shares in Diversa. The change of control is expected to occur on or about 6 October 2016.

Apart from the matter noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

Likely developments

Apart from matter noted above, the Company will continue to provide trustee services to superannuation funds as noted in this Directors' Report with the support of its parent company. Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of officers

Indemnification

During the year the Company took out an insurance contract which provides professional indemnity cover to officers of the Company. No claim has been made on this insurance contract, nor has the Company separately paid any liability incurred by an officer of the Company.

Insurance premiums

During the year the Company paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts. These contracts insure current and former directors and officers (as defined in the Corporations Act 2001) against certain liabilities arising in the course of their duties to the Company.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for financial year ended 30 June 2016.

This report is made with a resolution of the directors:

V. Parrott
Director

Dated at Melbourne this 30th September 2016

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of CCSL Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Stephen Board
Partner

Brisbane
30 September 2016

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Note	2016	2015
Revenue from rendering of services		823,269	854,608
Rental income		-	10,000
Depreciation		(2,906)	(38,794)
Personnel expenses		(250,332)	(526,866)
Impairment losses		-	(3,200)
Other expenses	2	(97,701)	(348,339)
Results from operating activities		**472,330**	**(52,591)**
Finance income		7,642	12,189
Finance expense		-	(1,466)
Net finance income		**7,642**	**10,723**
Profit / (loss) before income tax		**479,972**	**(41,868)**
Income tax expense	4	(118,400)	-
Profit / (loss) after income tax		**361,572**	**(41,868)**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**361,572**	**(41,868)**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

Statement of changes in equity

For the year ended 30 June 2016

	Share capital	Accumulated losses	Total equity
Balance at 1 July 2014	9,200,000	(8,508,651)	691,349
Total comprehensive loss for the year			
Loss for the year	-	(41,868)	(41,868)
Total comprehensive loss for the year	-	(41,868)	(41,868)
Transactions with owners, recorded directly in equity			
Shares issued	300,000	-	300,000
Total transactions with owners	300,000	-	300,000
Balance at 30 June 2015	**9,500,000**	**(8,550,519)**	**949,481**
Balance at 1 July 2015	9,500,000	(8,550,519)	949,481
Total comprehensive loss for the year			
Profit for the year	-	361,572	361,572
Total comprehensive loss for the year	-	361,572	361,572
Transactions with owners, recorded directly in equity			
Shares issued	-	-	-
Total transactions with owners	-	-	-
Balance at 30 June 2016	**9,500,000**	**(8,188,947)**	**1,311,053**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

Balance sheet

As at 30 June 2016

	Note	2016	2015
Assets			
Cash and cash equivalents	5	62,111	203,554
Cash and cash equivalents - regulatory	5	1,319,090	600,972
Trade and other receivables	6	88,272	575,567
Total current assets		**1,469,473**	**1,380,093**
Trade and other receivables	6	-	15,892
Property, plant and equipment	8	-	2,906
Total non-current assets		**-**	**18,798**
Total assets		**1,469,473**	**1,398,891**
Liabilities			
Trade and other payables	9	158,420	321,300
Employee benefits	10	-	97,130
Total current liabilities		**158,420**	**418,430**
Employee benefits	10	-	30,980
Total non-current liabilities		**-**	**30,980**
Total liabilities		**158,420**	**449,410**
Net assets		**1,311,053**	**949,481**
Equity			
Issued capital	11	9,500,000	9,500,000
Accumulated losses		(8,188,947)	(8,550,519)
Total equity		**1,311,053**	**949,481**

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

Statement of cash flows

For the year ended 30 June 2016

	Note	2016	2015
Cash flows from operating activities			
Cash receipts from operations		1,256,089	664,699
Cash paid to suppliers and employees		(699,154)	(877,483)
Cash generated from operations		556,935	(212,784)
Interest paid		-	(1,466)
Interest received		7,642	12,189
Net cash from / (used in) operating activities	14	**564,577**	**(202,061)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	-	(8,391)
Refund of security deposits		12,098	-
Net cash from / (used in) investing activities		**12,098**	**(8,391)**
Cash flows from financing activities			
Share issues	11	-	300,000
Net cash from financing activities		**-**	**300,000**
Net decrease in cash and cash equivalents		576,675	89,548
Cash and cash equivalents at 1 July		804,526	714,978
Cash and cash equivalents at 30 June	5	**1,381,201**	**804,526**

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 18.

Notes to the financial statements

1. Significant accounting policies

CCSL Limited (the 'Company') is an unlisted public company limited by shares. The Company is domiciled in Australia. The address of the Company's registered office is Level 20, 357 Collins Street, Melbourne, Victoria 3000.

The principal activity of the Company during the year was the provision of trustee services to superannuation funds.

The financial statements were authorised for issue by the Board of Directors on 30 September 2016.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Company complies with the International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial statements are presented in Australian dollars which is the functional currency of the Company and have been prepared on a historical cost basis.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected. Information about assumptions and estimation uncertainty in relation to the utilisation of tax losses are included in Note 9 and Going concern (Note 1(b)).

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements.

AASB 9 (2014) Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes reviewed guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. AASB 9 is effective for annual financial reporting periods beginning 1 July 2018. The Company has not assessed the extent of the impact as yet.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. AASB 15 is expected to be effective for annual financial reporting periods beginning 1 July 2018. The Company has not assessed the extent of the impact as yet.

(c) Property, plant and equipment

(i) Owned assets
Items of property, plant and equipment are measured at cost less accumulated depreciation (see below). Cost includes expenditure that is directly attributable to the acquisition of the asset. Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Leased assets
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases and are not recognised on the Company's balance sheet.

(iii) Depreciation
Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives in the current and comparative periods are as follows:

Computer equipment	3 to 8 years
Fixtures and fittings	3 to 8 years
Office equipment	3 to 10 years
Leasehold improvements	over term of lease

Residual values, useful lives and the depreciation methods are reviewed at the reporting date.

(d) Trade and other receivables

Trade and other receivables are initially recognised at fair value. Subsequent to initial recognition, trade and other receivables are measured at their amortised cost less impairment losses. Impairment of receivables is not recognised until objective evidence indicates that a loss event has occurred after the initial recognition of the asset and the loss event has a negative effect on the estimated future cash flows. All individually significant receivables are assessed for specific impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables into portfolios of similar risk profiles based on objective evidence from historical experience adjusted for any effects of conditions existing at reporting date.

(e) Cash

Cash and cash equivalents comprise cash balances, bank accepted commercial bills and call deposits with an original maturity of three months or less.

(f) Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(g) Employee benefits

(i) Superannuation benefits
Contributions in relation to defined contribution plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

(ii) Long-term service benefits
The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted to determine its present value at a rate that approximates the maturity of the Company's obligation.

(iii) Wages, salaries and annual leave
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition these financial liabilities are measured at amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

(j) Revenue

(i) Services rendered
Fees for services rendered are recognised in the profit and loss when the services are provided.

(ii) Finance income and expenses
Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expense comprises interest expense on borrowings.

(k) Expenses

(i) Operating lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(l) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The company is part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity of the tax-consolidated group is Diversa Limited. A tax sharing agreement is in place and the effect of the agreement is that each of the subsidiary members is liable only for the reasonable allocation of the Group Liability made to it under that tax sharing agreement. A tax funding agreement is also in place pursuant to UIG Interpretation 1052.

		2016	2015
2.	**Other expenses**		
	Consulting	19,135	72,878
	Communication expenses	2,960	15,590
	Insurance	6,595	23,747
	Legal and compliance expenses	-	18,370
	Travel and entertainment	727	38,354
	Other expenses	27,266	100,111
	Operating lease	41,018	79,289
		97,701	348,339
3.	**Auditors' remuneration**		
	Audit services:		
	Auditors of the Company (KPMG Australia):		
	Audit and review of financial reports	20,350	17,680
		20,350	17,680
	Other services:		
	Auditors of the Company (KPMG Australia):		
	Other assurance services	-	3,120
	Other auditors (non KPMG firm):		
	Other services	-	6,226
		-	9,346
4.	**Income tax expense**		
	Current tax expense:		
	Current year	118,400	(4,746)
	Deferred tax expense		
	Origination and reversal of temporary differences	64,024	1,244
	Change in unrecognised temporary differences	(64,024)	(1,244)
	Non-recognition of tax losses	-	4,746
		-	4,746
	Total income tax expense	118,400	-

	2016	2015
Numerical reconciliation between tax expense and pre-tax net profit / (loss)		
Profit/(loss) before tax	479,972	(41,868)
Income tax using the domestic tax rate of 30% (2015: 30%)	143,991	(12,561)
Decrease in income tax expense due to:		
Change in unrecognised temporary differences	(64,024)	(1,244)
Effect of tax losses not recognised	-	4,746
Increase in income tax expense due to:		
Non-deductible expenses	38,433	9,059
Total income tax expense	118,400	-

5. Cash and cash equivalents

Bank balances	62,111	203,554
Cash and cash equivalents - regulatory	1,319,090	600,972
Cash and cash equivalents	1,381,201	804,526
Cash and cash equivalents in the Statement of cash flows	1,381,201	804,526

Cash and cash equivalents – regulatory, are amounts held for regulatory and prudential purposes and is restricted in use.

6. Trade and other receivables

Current		
Trade receivables	17,007	562,875
Provision for impairment	-	(39,713)
Other receivables	71,265	52,405
	88,272	575,567
Non-current		
Security deposits	-	15,892
	-	15,892

7. Deferred tax assets

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits there from.

		2016	2015
8.	**Property, plant and equipment**		
	Cost		
	Opening Balance	6,640	139,377
	Additions	-	8,391
	Disposals	-	(141,128)
	Closing Balance	6,640	6,640
	Depreciation and impairment losses		
	Opening Balance	(3,734)	(97,048)
	Depreciation for the year	(2,906)	(38,794)
	Disposals	-	132,108
	Closing Balance	(6,640)	(3,734)
	Carrying amounts		
	Opening Balance	2,906	42,329
	Closing Balance	-	2,906
9.	**Trade and other payables**		
	Trade payables	9,178	25,137
	Other payables	125,688	184,072
	GST and PAYG payable	23,554	112,091
		158,420	321,300
10.	**Employee benefits**		
	Current		
	Provision for annual leave	-	97,130
		-	97,130
	Non-current		
	Provision for long service leave	-	30,980
		-	30,980

Employment contracts and associated payroll liabilities were transferred to a related entity on 1 July 2015 – refer to Note 17.

11. Capital and reserves

Reconciliation of movement in capital and reserves

Share capital	2016	2015
On issue at 1 July	9,500,000	9,200,000
Shares issued	-	300,000
On issue at 30 June – fully paid	9,500,000	9,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the Company's shares that are held by the Company, all rights are suspended until those shares are issued.

12. Financial instruments

Exposure to credit and market risks arises on a minimal basis in the normal course of the Company's business.

The Company's Audit, Compliance and Risk Committee oversees the management of compliance with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk arises principally from the Company's receivables and short term deposits. Exposure to credit risk is monitored on an ongoing basis. The Company does not require collateral in respect of financial assets.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Company limits its exposure to credit risk by investing in short term deposits with counter parties that have a high credit rating. Therefore management does not expect any counter party to fail to meet its obligations. As at 30 June 2016 none of the Company's receivables are past due (2015: $46,954) and no provision for impairment exists (2015: $39,713). A trade receivables balance of $39,713 which was impaired in prior periods was written off as a bad debt during the financial year.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Balance at 1 July 2014	36,513
Impairment loss recognised	3,200
Balance at 30 June 2015	39,713
Balance at 1 July 2015	39,713
Bad debts written off	(39,713)
Balance at 30 June 2016	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this by monitoring forecasts and cash flow to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. All liabilities at the end of the period were current and payable within 30 days. In accordance with the Company's RSE licence, the Company is required to maintain a minimum cash balance of $500,000. Refer to Note 1(b) for further information on the Company's funding requirements.

Market risk

Market risk is the risk that changes in market prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Company manages this risk by entering into term deposits with fixed interest rates to control market exposure.

Sensitivity analysis

In managing interest rate risk the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on profit.

At both 30 June 2015 and 2016, a reasonably possible change in interest rates would not have a material impact on the Company's financial statements.

Fair values

The fair values of financial assets and liabilities approximate their book carrying values at balance date.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Trade and other receivables/payables

All receivables/payables that have a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Capital management

The shareholder of the Company, Diversa Limited, has confirmed their commitment to supporting the operations of the Company and to ensure that it can meet its debts as and when they fall due and in addition are committed to maintain sufficient cash reserves to meet the minimum requirement of the RSE licence. Refer to Note 1(b) for further information on the Company's funding requirements.

Total capital is calculated as equity shown on the balance sheet.

13. Commitments and contingencies

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Within one year	-	45,024
Between one and five years	-	-
	-	45,024

The Company leased office space under an operating lease which expired on 16 December 2015. During the financial year $41,018 was recognised as an expense in profit or loss in respect of operating leases (2015: $79,289).

Contingent liabilities

No claim has been lodged and the directors do not believe that any claim would have a material impact on the Company's financials. Accordingly there are no contingent liabilities or other commitments at 30 June 2016.

14. Reconciliation of cash flows from operating activities

	Note	2016	2015
Cash flows from operating activities			
Profit/(loss) for the period		361,572	(41,868)
Adjustments for:			
Depreciation	8	2,906	38,794
Impairment – receivables		-	3,200
Operating profit before changes in working capital and provisions		364,478	126
(Increase)/decrease in trade and other receivables		432,820	(199,909)
Increase/(decrease) in trade and other payables		(152,721)	(55,213)
Increase/(decrease) in provisions and employee benefits		(80,000)	52,935
Net cash from / (used in) operating activities		564,577	(202,061)

15. Related parties

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Directors

Mark Cerché (Chairman)

Murray Jones

Andrew de Vries

Vincent Parrott (Executive Director)

Angus Craig (Alternate Director)

Executives

Robert Chmielewski (Head of Trustee Services)

Key management personnel compensation

No key management personnel derived any direct remuneration from the Company during the year (2016: $392,011). Directors and executives were remunerated in full by either the parent company or other subsidiaries of the Diversa Group.

Key management personnel – holdings of shares

As at the date of this report, no director held directly or indirectly any shares in the Company. V Parrott and A de Vries are executives of Diversa Limited and are directors of the Company, but do not hold any interest in shares in the Company. A Craig is an executive of Diversa Limited but does not hold any interest in shares in the Company.

Key management personnel and director transactions

The aggregate value of transactions during the period ended 30 June 2016 relating to key management personnel and their related parties was nil (2015: $5,831).

Transactions with parent and related entities

The Company's parent entity is Diversa Limited.

During the period the Company reimbursed its parent company and related entities for expenses that were paid on behalf of the Company. These amounts totalled $65,733 (2015: $131,710) for operating expenses and $250,000 (2015: nil) for staff costs and resources of which nil (2015: nil) remained outstanding at year end. The Company has a payable under the Diversa Group Tax Sharing Agreement to its parent company of $118,400 as at year end (2015: $4,746).

During the period the Company reimbursed a related entity for payroll liabilities of $128,111 (2015: nil) as a result of the transfer of employment contracts from the Company to the related entity. Nil (2015: nil) remained outstanding at year end.

During the period the Company recovered operating costs from related entities which the Company paid on behalf of those entities. These amounts totalled $50,809 (2015: $90,519 for operating costs and $900,000 for personnel expenses), of which nil remained outstanding at year end (2015: $440,000).

The terms and conditions of the transactions with the parent and related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

16. Subsequent events

On 26 September 2016 the Federal Court of Australia ordered that a Scheme of Arrangement between the Company's parent, Diversa Limited, and its shareholders be implemented which will result in a change of control of Diversa with OneVue Holdings Limited owning 100% of the ordinary shares in Diversa. The change of control is expected to occur on or about 6 October 2016.

Apart from the matter noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

Directors' declaration

1. In the opinion of the directors of CCSL Limited ('the Company'):

   (a) the financial statements and notes that are set out on pages 5 to18 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors draw attention to Note 1(a) to the financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

V. Parrott
Director

Dated at Melbourne this 30th September 2016

Independent auditor's report to the members of CCSL Limited

We have audited the accompanying financial report of CCSL Limited (the Company), which comprises the balance sheet as at 30 June 2016, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements of the Company comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of the CCSL Limited is in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

KPMG

KPMG

Stephen Board
Partner

Brisbane
30 September 2016