Diversa Trustees Limited

(formerly The Trust Company (Superannuation) Limited)

ABN 49 006 421 638

AFS Licence No. 235153

RSE Licence No. L0000635

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 Diversa Trustees Limited (the 'Company'), formerly The Trust Company (Superannuation) Limited, 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
Andrew de Vries
Vincent Parrott
Murray Jones
Luke Barrett (appointed 23 June 2016)
Angus Craig (alternate director)

Directors have been in office since the start of the financial year to the date of this report, unless it is stated otherwise.

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	14	14	4	4	10	10	15	15	1	1	44	44
A de Vries	14	13	N/a	N/a	10	9	N/a	N/a	1	0	25	22
V Parrott	14	13	4	1	N/a	N/a	15	15	N/a	N/a	33	29
M Jones	14	12	N/a	N/a	10	10	N/a	N/a	1	1	25	23
L Barrett	1	1	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	1	1
J Addison (1)	N/a	N/a	N/a	N/a	N/a	N/a	15	15	N/a	N/a	15	15
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 and he attended 15 of the 15 meetings he was eligible to attend during the year.

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 Company by Diversa Limited in the previous period, the Diversa Group has continued to integrate its existing trustee services business, CCSL Limited, with the Company's operations during the financial year. A result of this integration has been an increase in the Company's operating and personnel expenses as administration functions and employment contracts were transferred from CCSL Limited to the Company 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 $390,332 (2015: $20,375).

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 1 July 2016 the Company changed its registered business name from The Trust Company (Superannuation) Limited to Diversa Trustees Limited.

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 matters 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

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 5 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

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

To: the directors of Diversa Trustees 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		6,288,303	3,919,258
Depreciation and amortisation		(52,528)	(29,135)
Personnel expenses	2	(3,400,141)	(2,197,874)
Impairment losses		-	(24,158)
Management fee – immediate parent entity		-	(473,000)
Occupancy expenses		(177,872)	(138,176)
Administration expenses		(604,447)	(290,327)
Results from operating activities		**2,053,315**	**766,588**
Finance income		19,400	8,892
Finance expense		(1,539,985)	(728,017)
Net finance expense	4	**(1,520,585)**	**(719,125)**
Profit before income tax		**532,730**	**47,463**
Income tax expense	5	(142,398)	(27,088)
Profit after income tax		**390,332**	**20,375**
Other comprehensive income		-	-
Total comprehensive income for the year		**390,332**	**20,375**

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 10 to 20.

Statement of changes in equity

For the year ended 30 June 2016

	Share capital	Retained earnings	Total equity
Balance at 1 July 2014	1,122,010	22,324	1,144,334
Total comprehensive income for the year			
Profit for the year	-	20,375	20,375
Total comprehensive income for the year	-	20,375	20,375
Transactions with owners, recorded directly in equity			
Shares issued	1,808,323	-	1,808,323
Total transactions with owners	1,808,323	-	1,808,323
Balance at 30 June 2015	**2,930,333**	**42,699**	**2,973,032**
Balance at 1 July 2015	2,930,333	42,699	2,973,032
Total comprehensive income for the year			
Profit for the year	-	390,332	390,332
Total comprehensive income for the year	-	390,332	390,332
Transactions with owners, recorded directly in equity			
Shares issued	5,627,000	-	5,627,000
Total transactions with owners	5,627,000	-	5,627,000
Balance at 30 June 2016	**8,557,333**	**433,031**	**8,990,364**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 10 to 20.

Balance sheet

As at 30 June 2016

	Note	2016	2015
Assets			
Cash and cash equivalents	6	798,178	199,941
Cash and cash equivalents - regulatory	6	8,395,100	2,440,069
Trade and other receivables	7	791,240	552,627
Total current assets		**9,984,518**	**3,192,637**
Deferred tax asset		200,301	142,235
Trade and other receivables	7	123,505	137,908
Property, plant and equipment	8	175,231	221,473
Total non-current assets		**499,037**	**501,616**
Total assets		**10,483,555**	**3,694,253**
Liabilities			
Trade and other payables	9	1,151,045	526,292
Loans and borrowings	10	-	13,166
Employee benefits	11	159,647	39,486
Total current liabilities		**1,310,692**	**578,944**
Trade and other payables	9	124,404	142,277
Employee benefits	11	58,095	-
Total non-current liabilities		**182,499**	**142,277**
Total liabilities		**1,493,191**	**721,221**
Net assets		**8,990,364**	**2,973,032**
Equity			
Issued capital	12	8,557,333	2,930,333
Retained earnings		433,031	42,699
Total equity		**8,990,364**	**2,973,032**

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 10 to 20.

Statement of cash flows

For the year ended 30 June 2016

	Note	2016	2015
Cash flows from operating activities			
Cash receipts from operations		6,099,045	4,305,800
Cash paid to suppliers and employees		(3,870,897)	(3,157,039)
Cash generated from operations		2,228,148	1,148,761
Interest paid		(1,311,938)	(728,018)
Interest received		19,400	8,892
Net cash from operating activities	15	**935,610**	**429,635**
Cash flows from investing activities			
Payment for property, plant and equipment		(6,286)	(82,025)
Payment for security deposit and bank guarantee		(3,056)	(137,908)
Net cash used in investing activities		**(9,342)**	**(219,933)**
Cash flows from financing activities			
Proceeds from share issues		5,627,000	1,306,000
Net cash from financing activities		**5,627,000**	**1,306,000**
Net increase in cash and cash equivalents		6,553,268	1,515,702
Cash and cash equivalents at beginning of financial period		2,640,010	1,124,308
Cash and cash equivalents at 30 June	6	**9,193,278**	**2,640,010**

The statement of cash flow is to be read in conjunction with the notes to the financial statements set out on pages 10 to 20.

Notes to the financial statements

1. Significant accounting policies

Diversa Trustees 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

AASB 16 Leases

AASB 16 removes the lease classification test for lessees and requires all leases (including those classified as operating leases) to be brought onto the balance sheet. There is new guidance on when an arrangement would meet the definition of a lease. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time. The Group 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
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. Personnel expenses		
Wages and salaries	3,001,729	1,826,869
Other associated personnel costs	177,828	292,920
Contributions to superannuation funds	220,584	78,085
	3,400,141	2,197,874
3. Auditors' remuneration		
Audit services:		
Auditors of the Company (KPMG Australia):		
Audit of financial reports	50,875	36,000
	50,875	36,000
4. Net finance income/(expense)		
Interest income	19,400	8,892
Finance income	19,400	8,892
Interest expense [1]	(503,228)	(418,067)
Loan facility fees [2]	(1,036,757)	(309,950)
Finance expense	(1,539,985)	(728,017)
Net finance expense	(1,520,585)	(719,125)

[1] Fees relating to bank guarantee – refer to Note 14
[2] Fees paid to parent company in relation to loan facility

	2016	2015
5. Income tax expense		
Current tax expense		
Current year	200,463	138,199
	200,463	138,199
Deferred tax expense		
Origination and reversal of temporary difference	(58,065)	(111,111)
Change in unrecognised temporary differences	-	-
	(58,065)	(111,111)
Total income tax expense	142,398	27,088
Numerical reconciliation between tax expense and pre-tax net profit		
Profit before tax	532,730	47,463
Income tax using the domestic rate of 30% (2015: 30%)	159,819	14,239
Decrease in income tax expense due to:		
Other deductible items	(38,433)	-
Increase in income tax expense due to:		
Non-deductible expenses	21,012	12,849
Income tax expense	142,398	27,088

	2016	2015

6. Cash and cash equivalents

Bank balances	798,178	199,941
Cash and cash equivalents - regulatory	8,395,100	2,440,069
Cash and cash equivalents	9,193,278	2,640,010
Cash and cash equivalents in the Statement of cash flows	9,193,278	2,640,010

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

7. Trade and other receivables

Current		
Trade receivables	211,164	294,817
Provision for impairment	(4,825)	(87,908)
Accrued income	499,572	229,717
Other receivables	85,329	116,001
	791,240	552,627
Non-current		
Bank guarantee and security deposits	123,505	137,908
	123,505	137,908

8. Property, plant and equipment

Cost		
Opening balance	250,608	-
Additions	6,286	250,608
Closing Balance	256,894	250,608
Depreciation		
Opening balance	(29,135)	-
Depreciation and amortisation for the year	(52,528)	(29,135)
Closing Balance	(81,663)	(29,135)
Carrying amounts		
Opening balance	221,473	-
Closing Balance	175,231	221,473

		2016	2015
9.	**Trade and other payables**		
	Current		
	Trade payables	342,802	58,090
	Provision for income tax	200,463	138,199
	Other payables	492,847	243,433
	Lease incentive liability	114,933	86,570
		1,151,045	526,292
	Non-current		
	Lease incentive liability	124,404	142,277
		124,404	142,277
10.	**Loans and borrowings**		
	Insurance premium funding	-	13,166
		-	13,166
11.	**Employee entitlements**		
	Current		
	Provision for annual leave	159,647	39,486
		159,647	39,486
	Non-current		
	Provision for long service leave	58,095	-
		58,095	-

Employment contracts and associated payroll liabilities of a related entity were transferred to the Company on 1 July 2015 – refer to Note 17(b).

12. Capital and reserves

Reconciliation of movement in capital and reserves

	Company Ordinary shares	
	2016	**2015**
On issue at beginning of financial period	2,930,333	1,122,010
Shares issued for cash at $1 each	5,627,000	1,808,323
On issue at end of financial period – fully paid	8,557,333	2,930,333

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.

13. 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 $42,625 of the Company's receivables are past due (2015: $48,396). No impairment was recognised during the period (2015: $87,908).

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	103,750
Impairment loss recognised	24,158
Recovery of prior year provision for impairment	(40,000)
Balance at 30 June 2015	87,908
Balance at 1 July 2015	87,908
Impairment loss recognised	-
Bad debts written off	(78,083)
Recovery of prior year provision for impairment	(5,000)
Balance at 30 June 2016	4,825

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. At the end of the current period, 96% of the Group's liabilities were current (2015: 100%) and 4% were non-current (2015: nil).

On 3 September 2014, the Company entered into a secured bank guarantee facility with Macquarie Bank Limited. The facility was terminated on 30 June 2016.

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.

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

In accordance with the Company's RSE licence a $5,000,000 bank guarantee has been in place to satisfy its requirements. Following compliance with Prudential Standard SP114 in June 2016, this requirement no longer applies to the Company.

14. Commitments and contingencies

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Within one year	234,051	226,183
Between one and five years	604,663	834,786
	838,714	1,060,969

The Company leases office space under an operating lease with a term of 5 years with an option to renew for a further 5 years. The option period runs until December 2024. Lease payments are increased by 3.75% each year.

The agreement includes a lease incentive of $319,125 of which $159,563 was received as a rent-free period which ended in December 2015. The remaining $159,562 of the lease incentive was allocated to fitout works undertaken at the premises.

During the year ended 30 June 2016 $223,356 was recognised as an expense in profit or loss in respect of operating leases (2015: $86,570).

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.

15. Reconciliation of cash flows from operating activities

	Note	2016	2015
Cash flows from operating activities			
Profit for the period		390,332	20,375
Adjustments for:			
Depreciation and amortisation	8	20,615	29,135
Impairment – receivables		-	24,158
Operating profit before changes in working capital and provisions		410,947	73,668
(Increase)/decrease in trade and other receivables		(189,258)	386,542
Increase/(decrease) in trade and other payables		531,466	333,851
Increase/(decrease) in provisions and employee benefits		182,455	(364,426)
Net cash from operating activities		935,610	429,635

16. 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
Andrew de Vries
Vincent Parrott
Murray Jones
Luke Barrett
Angus Craig (alternate director)

Executives

Robert Chmielewski (Head of Trustee Services)

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' in the Statement of Comprehensive Income is as follows:

	2016	2015 [(1)]
Short-term employee benefits	394,928	-
Post-employment benefits	36,612	-
	431,540	-

(1) Key management personnel were compensated by related entities during the year ended 30 June 2015.

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

A number of key management personnel or their related entities hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Company during the period.

The aggregate value of transactions during the period ended 30 June 2016 relating to key management personnel and their related parties were as follows:

Compliance & Risk Pty Ltd, an entity associated with Murray Jones provided software under licence to the Company during the period totalling $18,340 (2015: $13,538) of which $9,327 (2015: $4,487) remained outstanding at year end.

Transactions with parent and related entities

(a) Controlling entities

The Company's parent entity is Diversa Limited. During the period the parent company was issued 5,627,000 shares as consideration for providing additional funding of $5,627,000 to the Company.

(b) Transactions within the wholly owned group

During the period the Company made the following payments to its parent and related entities.

	2016		2015	
	Amount	Outstanding at year end	Amount	Outstanding at year end
Reimbursement of operating expenses paid on behalf of the Company	1,460,355	303,365	431,653	70,657
Reimbursement of personnel expenses paid on behalf of the Company	769,150	-	969,331	442,831
Insurance services provided by a related entity	5,339	-	7,990	3,180
Payable to parent entity under tax sharing arrangement	200,463	200,463	64,166	64,166
	2,435,307	503,828	1,473,140	580,834

During the period the Company received the following payments from related entities:

	2016		2015	
	Amount	Outstanding at year end	Amount	Outstanding at year end
Recovery of operating costs paid on behalf of related entities	33,342	2,258	-	-
Recovery of personnel costs paid on behalf of related entities	250,000	-	-	-
Trustee fees for the Managed Australian Retirement Fund received from a related entity	35,480	-	26,268	8,756
Payment for payroll liabilities recognised upon transfer of employment contracts to the Company	128,111	-	-	-
	446,933	2,258	26,268	8,756

During the period related entities provided superannuation administration, investment management and insurance services to the following superannuation funds for which the Company acted as trustee:

	2016		2015	
	Amount	Outstanding at year end	Amount	Outstanding at year end
Managed Australian Retirement Fund	746,365	-	330,187	-
LESF Super	600,141	-	300,000	33,333
The Super Money Eligible Rollover Fund	602,865	-	311,390	41,667
Smartsave "Members Choice" Superannuation Master Plan	3,427,340	253,873	-	-
AIA Insurance Super Scheme	125,000	25,000	-	-
	5,501,711	278,873	941,577	75,000

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.

17. Subsequent events

On 1 July 2016 the Company changed its registered business name from The Trust Company (Superannuation) Limited to Diversa Trustees Limited.

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 matters 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 Diversa Trustees Limited ('the Company'):

   (a) the financial statements and notes that are set out on pages 6 to 20 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 Diversa Trustees Limited

We have audited the accompanying financial report of Diversa Trustees 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 17 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.

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 Diversa Trustees 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