CCSL LIMITED

ABN 51 104 967 964

AFS Licence No. 287084

RSE Licence No. L0000758

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Directors' report

For the year ended 30 June 2017

The directors present their report together with the financial report of CCSL Limited (the 'Company') for the financial year ended 30 June 2017 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 Cerche (resigned 4th May 2017)
Andrew De Vries (resigned 13th January 2017)
Murray Jones
Vincent Parrott (Executive Director)
Vincent Plant (appointed 4th May 2017)
Garry Wayling (appointed 4th May 2017)

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

The company secretaries are Robert Good and Ashley Fenton.

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:

	Attended	Eligible
Mark Cerche	8	8
Andrew de Vries	8	8
Murray Jones	8	8
Vincent Parrott	5	5
Vincent Plant	1	2
Garry Wayling	1	2

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

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 $169,440 (2016: profit of $361,572).

Dividends

No dividend was paid or declared during or since the end of the financial year (2016: 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

No significant events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operation, or the state of affairs of the Company in the subsequent financial year.

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

During the financial year the ultimate parent entity paid a premium for an insurance police insuring all Directors against certain liabilities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against the amount of the premium.

Lead auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Directors' Report for financial year ended 30 June 2017.

This report is made with a resolution of the directors:

Director

Dated at Sydney this 27th October 2017

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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF CCSL LIMITED

As lead auditor of CCSL Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Arthur Milner
Partner

BDO East Coast Partnership

Sydney, 27 October 2017

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

	Note	2017 $	2016 $
Revenue from rendering services		445,291	823,269
Finance income		6,838	7,642
Depreciation		-	(2,906)
Personnel expenses		(134,975)	(250,332)
Other expenses	2	(68,090)	(97,701)
Profit before income tax expense		**249,064**	**479,972**
Income tax expense	3	(79,624)	(118,400)
Profit after income tax expense for the year		**169,440**	**361,572**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**169,440**	**361,572**

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 2017

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2015	9,500,000	(8,550,519)	949,481
Profit after income tax for the year	-	361,572	361,572
Total comprehensive income for the year	-	361,572	361,572
Transactions with owners, in their capacity as owners			
Total transactions with owners	-	-	-
Balance at 30 June 2016	**9,500,000**	**(8,188,947)**	**1,311,053**

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2016	9,500,000	(8,188,947)	1,311,053
Profit after income tax for the year	-	169,440	169,440
Total comprehensive income for the year	-	169,440	169,440
Transactions with owners, in their capacity as owners			
Total transactions with owners	-	-	-
Balance at 30 June 2017	**9,500,000**	**(8,019,507)**	**1,480,493**

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.

Statement of financial position

As at 30 June 2017

	Note	2017 $	2016 $
Assets			
Cash and cash equivalents	4	38,371	62,111
Cash and cash equivalents - regulatory	4	1,497,477	1,319,090
Trade and other receivables	5	125,832	88,272
Total current assets		**1,661,680**	**1,469,473**
Total non-current assets		-	-
Total assets		**1,661,680**	**1,469,473**
Liabilities			
Trade and other payables	7	181,187	158,420
Total current liabilities		**181,187**	**158,420**
Total non-current liabilities		-	-
Total liabilities		**181,187**	**158,420**
Net assets		**1,480,493**	**1,311,053**
Equity			
Issued capital	8	9,500,000	9,500,000
Accumulated losses		(8,019,507)	(8,188,947)
Total equity		**1,480,493**	**1,311,053**

The Statement of financial position 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 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		529,360	1,256,089
Payments to suppliers (inclusive of GST)		(361,190)	(699,154)
		168,170	556,935
Interest received		6,838	7,642
Net cash from operating activities	12	**175,008**	**564,577**
Cash flows from investing activities			
Refund of security deposits		-	12,098
Net cash from investing activities		**-**	**12,098**
Cash flows from financing activities			
Proceeds from related party loans		(20,361)	-
Net cash from financing activities		**(20,361)**	**-**
Net increase in cash and cash equivalents		154,647	576,675
Cash and cash equivalents at beginning of year		1,381,201	804,526
Cash and cash equivalents at end of year	4	**1,535,848**	**1,381,201**

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 incorporated and domiciled in Australia. The address of the Company's registered office is Level 5, 10 Spring Street, Sydney, NSW 2000.

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 27th October 2017.

(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 as appropriate for for-profit oriented entities. The financial report of the Company complies with the International Financial Reporting Standards ('IFRS') and interpretations adopted by the International Accounting Standards Board ('IASB')

(b) Basis of preparation

The financial statements are presented in Australian dollars which is the functional and presentation 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.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by CCSL Limited. CCSL Limited's assessment of the impact of these new standards and interpretation is set out below.

AASB 9 (2014) Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. CCSL Limited will adopt this standard from 1 July 2018. The impact of its adoption is yet to be assessed by CCSL Limited.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. CCSL Limited will adopt this standard from 1 July 2018.

In accordance with the revenue recognition policies described in these financial statements, revenue is typically recognised as these services are delivered. Accordingly, the Directors' preliminary view is that the application of AASB 15 is unlikely to have a material impact on the timing of revenue recognition and therefore the amounts recognised in the financial statements.

CCSL Limited is still in the process of assessing the full impact of the application of AASB 15 on CCSL Limited's financial statements. As a result, the above preliminary assessment is subject to change. CCSL Limited does not intend to early adopt the standard and intends to use the full retrospective method upon adoption.

(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) **Issued 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) **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.

(h) **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.

(i) **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.

(j) **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.

(k) **Income and deferred 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. 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 Onevue Holdings 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.

		2017	2016
		$	$
2.	**Other expenses**		
	Consulting	29,403	19,135
	Communication expenses	-	2,960
	Insurance	4,500	6,595
	Travel and entertainment	-	727
	Other expenses	34,187	27,266
	Operating lease expense	-	41,018
		68,090	97,701
3.	**Income tax expense**		
	Current tax expense	79,624	118,400
	Deferred tax expense		
	Origination and reversal of temporary differences	(4,905)	64,024
	Unrecognised temporary differences	4,905	(64,024)
	Total income tax expense	79,624	118,400
	Income tax expense		
	Profit before tax	249,064	479,972
	Income tax rate 30% (2016 30%)	74,719	143,991
	Adjusted for:		
	Unrecognised temporary differences	4,905	64,024
	Non-deductible expenses	-	38,433
	Total income tax expense	79,624	118,400
4.	**Cash and cash equivalents**		
	Bank balances	38,371	62,111
	Cash and cash equivalents – regulatory (1)	1,497,477	1,319,090
	Cash and cash equivalents	1,535,848	1,381,201

(1) Includes amounts held for regulatory and prudential purposes and is restricted in use.

	Note	2017 $	2016 $

5. Trade and other receivables

	Note	2017	2016
Current			
Trade receivables		17,411	17,007
Amounts receivable from related parties	13	81,600	-
Other receivables		26,821	71,265
		125,832	88,272

6. Property, plant and equipment

		2017	2016
Cost			
Opening Balance		6,640	6,640
Additions		-	-
Closing Balance		6,640	6,640
Depreciation and impairment losses			
Opening Balance		(6,640)	(3,734)
Depreciation for the year		-	(2,906)
Closing Balance		(6,640)	(6,640)
Carrying amounts			
Opening Balance		-	2,906
Closing Balance		-	-

7. Trade and other payables

	Note	2017	2016
Trade payables		1,176	9,178
Amounts payable to related parties	13	140,863	-
Other payables		30,925	125,688
GST and PAYG payable		8,223	23,554
		181,187	158,420

8. Capital and reserves

Reconciliation of movement in capital and reserves

Issued capital	Company Ordinary shares 2017 $	Company Ordinary shares 2016 $
On issue at 1 July	9,500,000	9,500,000
Shares issued	-	-
On issue at 30 June – fully paid	9,500,000	9,500,000

Number of securities on issue

	Company No. of securities 2017	Company No. of securities 2016
Opening balance	531,747	531,747
Issue of shares	-	-
Closing balance	531,747	531,747

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. The Company does not have authorised capital or par value in respect of its shares.

9. 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 2017 none of the Company's receivables are past due (2016: $0) and no provision for impairment exists (2016: $0).

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

	$
Balance at 1 July 2015	39,713
Bad debts written off	(39,713)
Balance at 30 June 2016	-
Balance at 1 July 2016	-
Bad debts written off	-
Balance at 30 June 2017	-

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.

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.

The Directors believe a 50 basis point movement is a reasonable sensitivity given current market conditions. A 50 basis point increase or decrease in interest rates would impact the Company's income statement as set out below:

50 basis points increase in interest rate	7,679	6,906
50 basis points decrease in interest rate	(7,679)	(6,906)
Net impact on profit (loss) after tax		
Profit (loss) after income tax:	169,440	361,572
50 basis point increase	177,119	368,478
50 basis point decrease	161,761	354,666

Fair values

The carrying amount of financial assets and liabilities approximate fair value.

Estimation of fair values

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

Capital management

The Board's policy is to maintain sufficient cash and cash equivalents to maintain the Company's Australian Financial Services licence and Responsible Superannuation Entity ("RSE") licence. There were no breaches of the Company's externally imposed financial requirements during the year. There were no changes to the Company's approach to capital management during the year.

10. Auditors' remuneration

Audit services

	2017	2016
	$	$
Audit and review services and other regulatory returns		
BDO East Coast Partnership	15,500	-
KPMG	-	20,350
	15,500	20,350

11. Commitments and contingencies

Operating leases

There are no operating leases as at 30 June 2017 or as at 30 June 2016.

Contingent liabilities

There are no contingent liabilities or other commitments at 30 June 2017 or as at 30 June 2016.

12. Reconciliation of cash flows from operating activities

	Note	2017	2016
		$	$
Cash flows from operating activities			
Profit for the period		165,068	361,572
Adjustments for:			
Depreciation		-	2,906
Operating profit before changes in working capital and provisions		165,068	364,478
Decrease in trade and other receivables		44,040	432,820
Decrease in trade and other payables		(34,100)	(152,721)
Decrease in provisions and employee benefits		-	(80,000)
Net cash from operating activities		175,008	564,577

13. 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 Cerche (resigned 4th May 2017)
Andrew De Vries (resigned 13th January 2017)
Murray Jones
Vincent Parrott (Executive Director)
Vincent Plant (appointed 4th May 2017)
Garry Wayling (appointed 4th May 2017)

Executives

Robert Chmielewski (Head of Trustee Services)

Key management personnel compensation

The cost of all key management personal compensation has been met by other subsidiaries within the OneVue Holdings Limited group.

Key management personnel – holdings of shares

As at the date of this report no director held, either directly or indirectly, any shares in the Company.

Key management personnel and director transactions

The cost of all key management personal compensation has been met by OneVue Services Limited, a common subsidiary within the OneVue Holdings Limited.

Transactions with parent and related entities

The Company's parent entity is Diversa Limited and ultimate company is OneVue Holdings Limited.

(a) Transactions within the wholly owned group

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

	2017		2016	
	$		$	
	(Sales to)/purchases from related parties	Outstanding at year end	(Sales to)/purchases from related parties	Outstanding at year end
Diversa Pty Ltd	-	81,600	65,733	118,400
Diversa Trustee Limited	134,975	(53,043)	379,466	-
Diversa Trustee Limited	-	-	(50,809)	-
OneVue Services Pty Ltd	-	(8,196)	-	
OneVue Holdings Limited	-	79,624	-	-
	134,975	99,985	(394,390)	118,400

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.

14. Subsequent events

No significant events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operation, or the state of affairs of the Company in the subsequent financial year.

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 2017 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:

Director

Dated at Sydney this 27th October 2017

BDO

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Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of CCSL Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CCSL Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of 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 2017 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

BDO

Arthur Milner
Partner

Sydney, 27 October 2017