Diversa Trustees Limited

ABN 49 006 421 638

AFS Licence No. 235153

RSE Licence No. L0000635

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 Diversa Trustees Limited (the 'Company'), formerly The Trust Company (Superannuation) Limited, 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:

Luke Barrett (resigned 4th May 2017)
Mark Cerché (resigned 4th May 2017)
Andrew de Vries (resigned 13th January 2017)
Karen Gibson (appointed 4th May 2017)
Murray Jones
Vincent Parrott
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 it is stated otherwise.

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
Luke Barrett	14	14
Mark Cerche	14	14
Andrew de Vries	9	9
Karen Gibson	4	6
Murray Jones	18	20
Vincent Parrott	17	20
Vincent Plant	5	6
Gary Wayling	6	6

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. As of 4 May 2017, the Company acts as the Trustee for MAP Master Superannuation Plan.

Significant changes in the state of affairs

The only significant change in the state of affairs was taking over as Trustee for MAP Master Superannuation Plan from MAP Funds Management on 4th of May 2017.

Results of operations

The result from ordinary activities after income tax was a profit of $2,303,232 (2016: $390,332).

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

All staff employed by the Company were transferred to OneVue Services on 1 July 2017.

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

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 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 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

BDO

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF DIVERSA TRUSTEES LIMITED

As lead auditor of Diversa Trustees 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 of services		8,795,890	6,288,303
Depreciation and amortisation		(56,821)	(52,528)
Personnel expenses	2	(2,799,855)	(3,400,141)
Management fee		(911,264)	-
Occupancy expenses		(260,655)	(177,872)
Administration expenses		(836,826)	(604,447)
Results from operating activities		**3,930,469**	**2,053,315**
Finance income		31,576	19,400
Finance expense		(668,447)	(1,539,985)
Net finance expense	4	**(636,871)**	**(1,520,585)**
Profit before income tax		**3,293,598**	**532,730**
Income tax expense	5	(990,366)	(142,398)
Profit after income tax		**2,303,232**	**390,332**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,303,232**	**390,332**

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 21.

Statement of changes in equity

For the year ended 30 June 2017

	Issued capital $	Retained earnings $	Total equity $
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**
Balance at 1 July 2016	8,557,333	433,031	8,990,364
Total comprehensive income for the year			
Profit for the year	-	2,303,232	2,303,232
Total comprehensive income for the year	-	2,303,232	2,303,232
Transactions with owners, recorded directly in equity			
Shares issued	1,425,000	-	1,425,000
Total transactions with owners	1,425,000	-	1,425,000
Balance at 30 June 2017	**9,982,333**	**2,736,263**	**12,718,596**

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 21.

Statement of financial position

As at 30 June 2017

	Note	2017 $	2016 $
Assets			
Cash and cash equivalents	6	65,698	798,178
Cash and cash equivalents - regulatory	6	9,606,777	8,395,100
Financial assets	7	777,698	-
Trade and other receivables	8	4,640,582	791,240
Total current assets		**15,090,755**	**9,984,518**
Deferred tax asset		185,097	200,301
Trade and other receivables	8	123,817	123,505
Property, plant and equipment	9	129,416	175,231
Total non-current assets		**438,330**	**499,037**
Total assets		**15,529,085**	**10,483,555**
Liabilities			
Trade and other payables	10	2,476,307	1,151,045
Employee benefits	11	162,519	159,647
Total current liabilities		**2,638,826**	**1,310,692**
Trade and other payables	10	101,065	124,404
Employee benefits	11	70,598	58,095
Total non-current liabilities		**171,663**	**182,499**
Total liabilities		**2,810,489**	**1,493,191**
Net assets		**12,718,596**	**8,990,364**
Equity			
Issued capital	12	9,982,333	8,557,333
Retained earnings		2,736,263	433,031
Total equity		**12,718,596**	**8,990,364**

The Statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 9 to 21.

Statement of cash flows

For the year ended 30 June 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Cash receipts from operations (inclusive of GST)		9,574,778	6,099,045
Cash paid to suppliers and employees (inclusive of GST)		(5,668,303)	(3,870,897)
Cash generated from operations		3,906,475	2,228,148
Interest paid		(668,447)	(1,311,938)
Interest received		31,576	19,400
Net cash from operating activities	15	**3,269,604**	**935,610**
Cash flows from investing activities			
Payment for property, plant and equipment		(11,006)	(6,286)
Investment in financial assets		(777,698)	-
Payment for security deposit and bank guarantee		(312)	(3,056)
Net cash used in investing activities		**(789,016)**	**(9,342)**
Cash flows from financing activities			
Proceeds from share issues		1,425,000	5,627,000
Related party funding		(3,426,393)	-
Net cash (used in)/provided by financing activities		**(2,001,393)**	**5,627,000**
Net increase in cash and cash equivalents		479,197	6,553,268
Cash and cash equivalents at beginning of financial period		9,193,278	2,640,010
Cash and cash equivalents at 30 June	6	**9,672,475**	**9,193,278**

The statement of cash flow is to be read in conjunction with the notes to the financial statements set out on pages 9 to 21.

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 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, including MAP Master Superannuation Fund that was transferred on 4th May 2017.

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 ('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 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.

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

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 Diversa Trustees Limited. Diversa Trustees Limited 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. Diversa Trustees Limited will adopt this standard from 1 July 2018. The impact of its adoption is yet to be assessed by Diversa Trustees 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. Diversa Trustees 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.

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

AASB 16 'Leases'

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short term leases and leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The impact of its adoption is yet to be assessed by Diversa Trustees Limited.

(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) Current assets – financial assets at fair value through profit or loss

The company has assessed its investments held at fair value through profit or loss and the investments are held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit. These investments primarily comprise of holdings in ASX listed equites. Regular purchases and sales of investments are recognised on trade date, the date on whgich OneVue commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Subsequent movements in the fair value of financial assets are recognised in the statement of profit or loss and other comprehensive income. These investments, which are categorised in the statement of profit or loss and other comprehensive income.

(f) Cash

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

(g) 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.

(h) 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. Contributions for the year ended 30 June 2017 were $199,262 (2016: $220,584).

(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 worker's compensation insurance and payroll tax.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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 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.	**Personnel expenses**		
	Wages and salaries	2,222,555	3,001,729
	Other associated personnel costs	378,038	177,828
	Contributions to superannuation funds	199,262	220,584
		2,799,855	3,400,141
3.	**Auditors' remuneration**		
	Audit and review services and other regulatory returns		
	BDO East Coast Partnership	26,500	-
	KPMG	-	50,875
		26,500	50,875
4.	**Net finance income/(expense)**		
	Interest income	31,576	19,400
	Finance income	31,576	19,400
	Interest expense (1)	-	(503,228)
	Loan facility fees (2)	(668,447)	(1,036,757)
	Finance expense	(668,447)	(1,539,985)
	Net finance expense	(636,871)	(1,520,585)

(1) Fees relating to bank guarantee
(2) Fees paid to parent company in relation to loan facility

		2017	2016
5.	**Income tax expense**		
	Current year tax expense	975,162	200,463
		975,162	200,463
	Deferred tax expense		
	Origination and reversal of temporary difference	15,204	(58,065)
	Change in unrecognised temporary differences	-	-
		15,204	(58,065)
	Total income tax expense	990,366	142,398
	Numerical reconciliation between tax expense and profit before tax		
	Profit before tax	3,293,598	532,730
	Income tax using the domestic rate of 30% (2016: 30%)	988,078	159,819
	Decrease in income tax expense due to:		
	Other deductible items	-	(38,433)
	Increase in income tax expense due to:		
	Non-deductible expenses	2,288	21,012
	Income tax expense	990,366	142,398

	2017	2016
	$	$

6. Cash and cash equivalents

Bank balances	65,698	798,178
Cash and cash equivalents – regulatory (1)	9,606,777	8,395,100
Cash and cash equivalents	9,672,475	9,193,278
Cash and cash equivalents in the Statement of cash flows	9,672,475	9,193,278

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

7. Financial assets

Financial assets - restricted	777,698	-
Total financial assets	777,698	-

Financial assets – restricted – includes amounts held for regulatory and prudential purposes and is restricted in use.

8. Trade and other receivables

Current		
Trade receivables	625,369	211,164
Provision for impairment	(33,825)	(4,825)
	591,544	206,339
Accrued income	204,430	499,572
Amounts receivable from related parties	3,777,644	-
Other receivables	66,964	85,329
	4,640,582	791,240
Non-current		
Bank guarantee and security deposits	123,817	123,505

9. Property, plant and equipment

Cost		
Opening balance	256,894	250,608
Additions	11,006	6,286
Closing Balance	267,900	256,894
Depreciation		
Opening balance	(81,663)	(29,135)
Depreciation and amortisation for the year	(56,821)	(52,528)
Closing Balance	(138,484)	(81,663)
Carrying amounts		
Opening balance	175,231	221,473
Closing Balance	129,416	175,231

		2017	2016
		$	$
10.	**Trade and other payables**		
	Current		
	Trade payables	163,144	342,802
	Other payables	707,836	492,847
	Amounts due to related parties	1,526,876	200,463
	Lease incentive liability	78,451	114,933
		2,476,307	1,151,045
	Non-current		
	Lease incentive liability	101,065	124,404
		101,065	124,404
11.	**Employee entitlements**		
	Current		
	Provision for long service leave	33,228	-
	Provision for annual leave	129,291	159,647
		162,519	159,647
	Non-current		
	Provision for long service leave	70,598	58,095
		70,598	58,095

12. Capital and reserves

Reconciliation of movement in capital and reserves

	Company Ordinary shares 2017 $	Company Ordinary shares 2016 $
On issue at beginning of financial period	8,557,333	2,930,333
Shares issued for cash at $1 each	1,425,000	5,627,000
On issue at end of financial period – fully paid	9,982,333	8,557,333

Number of securities on issue

	Company No. of securities 2017	Company No. of securities 2016
Opening balance	8,557,333	2,930,333
Issue of shares	1,425,000	5,627,000
Closing balance	9,982,333	8,557,333

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

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 2017 $52,413 of the Company's receivables are past due (2016: $42,625). As at 30 June 2017 $30,000 impairment recognised during the period (2016: $nil).

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	87,908
Bad debts written off	(78,083)
Recovery of prior year provision for impairment	(5,000)
Balance at 30 June 2016	4,825
Balance at 1 July 2016	4,825
Impairment loss recognised	30,000
Recovery of prior year provision for impairment	(1,000)
Balance at 30 June 2017	33,825

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, 94% of the Group's liabilities were current (2016: 96%) and 6% were non-current (2016: 4%).

In October 2016, the Company entered into a secured bank guarantee facility with Macquarie Bank Limited.

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:

	2017 $	2016 $
50 basis points increase in interest rate	48,362	45,966
50 basis points decrease in interest rate	(48,362)	(45,966)
Net impact on profit (loss) after tax		
Profit (loss) after income tax:	2,303,232	390,332
50 basis point increase	2,351,594	436,298
50 basis point decrease	2,254,870	344,366

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.

14. Commitments and contingencies

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 $	2016 $
Within one year	192,937	234,051
Between one and five years	294,596	604,663
	487,533	838,714

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 2017 $189,650 was recognised as an expense in profit or loss in respect of operating leases (2016: $189,650). The minimum lease repayments made in the year were $186,284 (2016: $116,003).

Contingent liabilities

The Company may be involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Based on legal advice obtained, the Directors do not expect any material liabilities to eventuate.

15. Reconciliation of cash flows from operating activities

	Note	2017	2016
		$	$
Cash flows from operating activities			
Profit for the period		2,303,230	390,332
Adjustments for:			
Depreciation and amortisation	9	56,821	20,615
Operating profit before changes in working capital and provisions		2,360,051	410,947
Increase in trade and other receivables		(71,698)	(189,258)
Increase in trade and other payables		965,876	531,466
Increase in provisions and employee benefits		15,375	182,455
Net cash from operating activities		3,269,604	935,610

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

Luke Barrett (resigned 4th May 2017)
Mark Cerché (resigned 4th May 2017)
Andrew de Vries (resigned 13th January 2017)
Karen Gibson (appointed 4th May 2017)
Murray Jones
Vincent Parrott
Vincent Plant (appointed 4th May 2017)
Garry Wayling (appointed 4th May 2017)

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:

	2017	2016
	$	$
Short-term employee benefits	435,103	390,093
Long term benefits	5,859	4,835
Post-employment benefits	41,649	36,612
	482,611	431,540

The above key management personnel disclosure represents the compensation of the three directors and key management personnel employed by Diversa Trustees Limited during the year. The cost of all other key management personal compensation has been met by other subsidiaries, within the OneVue Holdings Limited Group.

As at the date of this report, no director held directly or indirectly any 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 2017 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 $0 (2016: $18,340) of which $0 (2016: $9,327) remained outstanding at year end.

Transactions with parent and related entities

(a) Controlling entities

The Company's parent entity is Diversa Limited and ultimate company is OneVue Holdings Limited. During the period the parent company was issued 1,425,000 shares as consideration for providing additional funding of $1,425,000 to the Company.

(b) 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	(340,000)	3,261,248	2,383,304	503,828
CCSL Limited	(134,975)	53,043	(328,656)	
Diversa Super Services Limited	-	-	(66,274)	(2,258)
Tranzact Super Services Pty Ltd	-	(58,750)	-	-
OneVue Services Pty Ltd	938,854	(492,964)	-	-
OneVue Holdings Limited	-	(975,162)	-	-
MAP Funds Management Limited	(463,354)	463,354	-	-
	525	2,250,779	1,988,374	501,570

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

	2017		2016	
	$		$	
	Sales to related entities	Outstanding at year end	Sales to related entities	Outstanding at year end
Total	4,256,675	47,365	5,501,711	278,873

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

All staff employed by the Company were transferred to OneVue Services on 1 July 2017.

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 Diversa Trustees Limited ('the Company'):

   (a) the financial statements and notes that are set out on pages 5 to 21 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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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Diversa Trustees Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Diversa Trustees 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 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 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 the 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