

**SIV Asset Management Limited**  
ACN 143 194 165

Level 17, 500 Collins Street  
Melbourne VIC 3000 Australia

ASX Code: SAM

# **SIV Asset Management Limited**

ABN 39 143 194 165

## **Appendix 4E**

*(ASX Listing Rule 4.3A)*

# **Preliminary Unaudited Financial Report For the year ended 30 June 2017**

Reporting period – 1 July 2016 to 30 June 2017  
(Previous corresponding period – 1 July 2015 to 30 June 2016)

## Appendix 4E

### Preliminary Final report to the Australian Stock Exchange (ASX) Financial Year Ended (“Current Period”) 30 June 2017

<b>Name of Entity:</b>	<b>SIV Asset Management Limited (ASX: SAM)</b>
<b>ABN:</b>	39 143 194 165
<b>Financial Year Ended:</b>	30 June 2017
<b>Previous Corresponding Reporting Period:</b>	30 June 2016

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	<b>2017 \$'000</b>	<b>Percentage increase/ (decrease) over corresponding period*</b>
Revenue from continuing operations	511	(0.3)
(Loss) Profit for the year from continuing operations	242	(165.0)
Net (loss) profit for the year attributable to members	242	(165.0)
<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final 2017 dividend per share	Nil	n/a
Interim 2017 dividend per share	Nil	n/a
Previous corresponding period	Nil	n/a

#### Net Tangible Asset Backing

	<b>2017 \$</b>	<b>2016* \$</b>
Net tangible asset per security	0.0168	0.0385

\* The 2016 corresponding period amounts have been restated.

#### Dividend Information

Ex-dividend date	n/a
Record date	n/a
Payment date	n/a
Details of any dividend reinvestment	n/a

#### ANNUAL GENERAL MEETING

The annual general meeting will be held as follows: 30 November 2017.

**ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD:**

**Control gained over entities**

<b>Name of entity (or group of entities)</b>	<b>The date of the gain of control</b>
n/a	

**Control lost over entities**

<b>Name of entity (or group of entities)</b>	<b>The date of the loss of control</b>
n/a	

**DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES:**

N/A

**AUDIT REVIEW STATUS**

This report is based on accounts to which one of the following applies:

1. The accounts have been audited (refer attached)
2. The accounts are in the process of being audited.
3. The accounts have been subject to review
4. The accounts have not yet been audited or reviewed.

## **COMMENTARY ON THE RESULTS FOR THE YEAR AND SIGNIFICANT INFORMATION**

### **Operating results**

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$0.242 million (2016: restated profit of \$0.373 million)

### **Review of operations**

The consolidated loss before tax attributable to shareholders of SIV Asset Management Limited was \$0.242 million (Restated 2016: operating profit \$0.373 million). The consolidated loss after tax attributable to shareholders of SIV Asset Management Limited was \$0.242 million (Restated 2016: profit \$0.373 million).

Up until the Federal Government made changes to the SIV programme in May 2016, the Group made loans that were secured against units in an underlying significant investor visa fund and repayable during 2018-2020.

On 10 April 2017, the Shareholders of the Company at the AGM, approved the entering into an agreement with the SIV Investment Fund and the Orion Investment Options Funds ("Funds"), for the Notes ("Notes") to be redeemed for their face value.

Since the completion of the sale of its main business undertaking in April 2017, the Company has sought out investment opportunities, including opportunities in sectors different to that of its previous business.

The Company intends to continue operations as a vehicle for investing in a diversified range of businesses and assets, whether directly or indirectly, as a means to building value for shareholders

### **Likely Developments and Expected Results**

With the completion of the sale of its main business undertaking in April 2017, the Company has become a cash box with approximately \$238,729 in net cash reserves (before costs) and a substantially reduced fixed cost base. ASX will allow the continued quotation of securities in a cash box entity for up to 6 months from the date the transaction was completed to enable the entity to identify and announce an agreement to acquire a new business.

The Company is seeking out investment opportunities, including opportunities in sectors different to that of its previous business that Directors believe could have the potential to generate shareholder returns. Until the Company makes an acquisition, the Company will do all possible to keep costs as low as possible.

If a suitable acquisition is not identified by mid-October 2017, ASX is likely to suspend trading of the Company's securities.

### **Significant events after Balance Date**

On 31 July and 1 August 2017, the Group announced the raising of approximately \$84,000 for working capital purposes. The Company may have to raise additional capital to fund future investment opportunities and working capital requirements.

On 11 July 2017, Mr Oliver Morgan resigned from the Board of the Company. Mr Morgan was the non-executive Chairman of the Company until 26 June 2017.

Besides the details provided above, there are no matters or circumstance that have arisen since 30 June 2017 that have significantly affected, or may significantly affect:

- i. the operations of the Group in future financial years, or
- ii. the results of those operations in future financial years, or
- iii. the state of affairs of the Group in future financial years.

#### **Basis of Preparation**

The financial report has been prepared on a going concern basis which takes into account the Groups assets and liabilities and assumes that funds will be obtained from several sources as outlined in the notes to the Preliminary Unaudited Consolidated Financial Statements.

#### **Audit qualification or review**

This report is based on accounts which are in the process of being audited. As at the date of this report the Directors are not aware of any audit items under dispute or item which would result in qualification.

An Annual Financial Report containing the audit report will be provided in due course.

Further information regarding Keybridge Capital Limited and its business activities can be obtained by viewing historical ASX announcements on [www.asx.com.au](http://www.asx.com.au).

Yours faithfully,



**Simon Lindsay**  
Managing Director  
SIV Asset Management Limited

## Appendix 4E Contents and checklist of requirements

<b>1. Reporting period and corresponding period.</b>	Refer to Cover page of this Appendix 4E.
<b>2. Results for announcement to the market.</b>	Refer to Page 1 of this Appendix 4E.
<b>3. Consolidated statement of comprehensive income.</b>	Refer to Page 1 of the Preliminary Unaudited Financial Report.
<b>4. Consolidated statement of financial position.</b>	Refer to Page 2 of the Preliminary Unaudited Financial Report.
<b>5. Consolidated statement of cash flows.</b>	Refer to Page 4 of the Preliminary Unaudited Financial Report.
<b>6. Consolidated statement of changes in equity.</b>	Refer to Page 3 of the Preliminary Unaudited Financial Report.
<b>7. Details of dividends or distributions.</b>	Refer to Page 1 of this Appendix 4E.
<b>8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan.</b>	Refer to Page 1 of this Appendix 4E.
<b>9. Net tangible assets per security.</b>	Refer to Page 1 of this Appendix 4E.
<b>10. Details of entities over which control has been gained or lost during the period.</b>	Refer to Page 2 of this Appendix 4E.
<b>11. Details of joint venture entities and associated entities.</b>	Refer to Page 2 of this Appendix 4E.
<b>12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position.</b>	Refer to Page 3 & 4 of this Appendix 4E and Preliminary Unaudited Financial Report.
<b>13. Accounting standards used in compiling reports by foreign entities.</b>	Not applicable.
<b>14. A commentary on the results for the period.</b>	Refer to Page 3 & 4 of this Appendix 4E.
<b>15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.</b>	Refer to Page 2 of this Appendix 4E. This report is based on accounts which are in the process of being audited.
<b>16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification.</b>	Not applicable.
<b>17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.</b>	Not applicable.

# **SIV Asset Management Limited**

**ABN 39 143 194 165**

## **Preliminary Unaudited Annual Report For the year ended 30 June 2017**

**Reporting period – 1 July 2016 to 30 June 2017  
(Previous corresponding period – 1 July 2015 to 30 June 2016)**

# Preliminary Unaudited Financial Statements

## Consolidated Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Notes	2017 \$	Restated 2016 \$
<b>Revenue from continuing operations</b>			
Management fee income		507,469	461,383
Interest income from financial assets not held at fairvalue		3,699	51,323
Net gains/(losses) on loans and receivables		4,788,573	(6,391,660)
Net gains/(losses) on financial liabilities		(4,788,573)	6,391,660
Other income		-	-
<b>Total income</b>		<b>511,168</b>	<b>512,706</b>
<b>Expenses</b>			
Interest paid		26	-
Other expenses	7	753,418	139,792
<b>Total operating expenses</b>		<b>753,444</b>	<b>139,792</b>
Profit/(loss) before tax		(242,276)	372,914
Income tax benefit/(expense)	6	-	-
<b>Profit/ (loss) for the year from continuing operations</b>		<b>(242,276)</b>	<b>372,914</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations		-	-
<b>Profit/(loss) attributable to shareholders of SIV Asset Management Ltd</b>		<b>(242,276)</b>	<b>372,914</b>
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of income tax		-	-
<b>Total comprehensive income/(loss) attributable to the shareholders of SIV Asset Management Ltd</b>		<b>(242,276)</b>	<b>372,914</b>
<b>Earnings per share:</b>			
<u>From continuing and discontinued operations</u>			
Basic earnings per share (cents)	21	(2.17)	3.34
Diluted earnings per share (cents)	21	(2.17)	3.34
<u>From continuing operations</u>			
Basic earnings per share (cents)	21	(2.17)	3.34
Diluted earnings per share (cents)	21	(2.17)	3.34

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Preliminary Unaudited Financial Statements

## Consolidated Statement of financial position

as at 30 June 2017

	Notes	2017 \$	Restated 2016 \$
<b>Current assets</b>			
Cash and cash equivalents	8	238,729	464,705
Trade and other receivables	9	-	155,069
Deferred expenses		-	330,859
Other current assets	10	27,049	111,642
<b>Total current assets</b>		<b>265,778</b>	<b>1,062,275</b>
<b>Non-current assets</b>			
Loans and receivables	10	-	120,304,143
<b>Total non-current assets</b>		<b>-</b>	<b>120,304,143</b>
<b>Total assets</b>		<b>265,778</b>	<b>121,366,418</b>
<b>Current liabilities</b>			
Trade and other payables	11	78,747	110,836
Other current liabilities	18	-	50,256
Unearned revenue		-	471,469
<b>Total current liabilities</b>		<b>78,747</b>	<b>632,561</b>
<b>Non-current liabilities</b>			
Financial liabilities	12	-	120,304,143
<b>Total non-current liabilities</b>		<b>-</b>	<b>120,304,143</b>
<b>Total liabilities</b>		<b>78,747</b>	<b>120,936,704</b>
<b>Net assets</b>		<b>187,438</b>	<b>429,714</b>
<b>Equity</b>			
Share capital	14	7,709,252	7,709,252
Accumulated losses	15	(7,521,814)	(7,279,538)
<b>Total equity</b>		<b>187,438</b>	<b>429,714</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Preliminary Unaudited Financial Statements

## Consolidated Statement of changes in equity for the year ended 30 June 2017

	Share Capital	Accumulated Profits/ (losses)	Total
	\$	\$	\$
<b>Balance at 30 June 2015</b>	<b>7,709,252</b>	<b>(7,652,452)</b>	<b>56,800</b>
Restated comprehensive income for the year	-	372,914	372,914
<b>Balance at 30 June 2016</b>	<b>7,709,252</b>	<b>(7,279,538)</b>	<b>429,714</b>
Comprehensive income for the year	-	(242,276)	(242,276)
<b>Balance at 30 June 2017</b>	<b>7,709,252</b>	<b>(7,521,814)</b>	<b>187,438</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Preliminary Unaudited Financial Statements

## Consolidated Statement of cash flows for the year ended 30 June 2017

	Notes	2017 \$	Restated 2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		191,069	581,303
Payments to suppliers and employees		(295,319)	(1,331,015)
Interest received		3,699	51,323
Interest and other cost of finance paid		(26)	-
<b>Net cash generated by/ (used in) operating activities</b>	20	<b>(100,577)</b>	<b>(698,389)</b>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		-	-
Loans to third parties	10	125,092,716	(64,970,000)
<b>Net cash generated by/ (used in) investing activities</b>		<b>125,092,716</b>	<b>(64,970,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of corporate bonds	12	(125,092,716)	64,970,000
Repayment of receivable by third party		-	500,000
Transaction costs relating to loans and borrowings		(125,400)	-
<b>Net cash generated by / (used in) financing activities</b>		<b>(125,218,116)</b>	<b>65,470,000</b>
Net increase/(decrease) in cash and cash equivalents		(225,977)	(198,389)
Cash and cash equivalents at the beginning of the year		464,705	663,094
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>238,728</b>	<b>464,705</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Preliminary Unaudited Financial Statements

## 1. General information

SIV Asset Management Limited (the “Company” or “SAM”) and the entity it controlled (the “Group”) is a listed public company incorporated in Australia (ASX Code: SAM). The address of its registered office and principal place of business are as follows:

**Level 17  
500 Collins Street  
Melbourne VIC 3000**

On 10 April 2017, the Shareholders of the Company at the AGM, approved the entering into an agreement with the SIV Investment Fund and the Orion Investment Options Fund (“Funds”), for the Notes (“Notes”) to redeemed for their face value.

Since April, the Group has sought out investment opportunities that are consistent with its activities and which the Directors believe could have the potential to generate shareholder returns.

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the financial statements of the Group. For the purposes of preparing the financial statements, the Group is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (“IFRS”).

The financial statements were authorised for issue by the directors as at the date of the directors’ report. The directors have the power to amend and reissue the financial statements.

### (b) Basis of preparation

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

#### *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis.

#### *Going concern*

These financial statements have been prepared on a going concern basis.

#### *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates and judgements in applying the Group’s accounting policies. Those estimates and judgements significant to the financial statements, are disclosed in Note 3.

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

### (c) Application of new and revised Accounting Standard

The Group has adopted all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

### (d) Accounting standards and interpretations issued but not yet effective at 30 June 2017

A number of new standards, amendments to standards and interpretations have been issued at the reporting date but are not yet effective. The Group is assessing the impact of these standards. The Group does not intend to early adopt any of the standards prior to the effective date.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018
AASB 2016-5 'Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions'	1 January 2018	30 June 2018
AASB 16 'Leases - Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.'	1 January 2019	30 June 2019
AASB Interpretation 22 'Foreign Currency Transactions and Advance Consideration'	1 January 2018	30 June 2018
AASB 2017-1 'Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments'	1 January 2018	30 June 2018
AASB 2017-2 'Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle	1 January 2017	30 June 2018

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

### (e) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity it controlled for the year and at balance date.

Details of companies controlled by the Group at year end are included in Note 23. In the current year, the Group includes SAM's holding in Fortitude Capital Pty Ltd ("Fortitude").

Controlled entities are entities over which the Group has power over, and has exposure, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

#### (i) *Management and performance fee revenue*

Management fee revenue is recognised in profit or loss as it accrues based on the entitlements set out in the relevant investment management agreements, and listed and unlisted fund constitutions or product disclosure statements. Performance fee revenue is recognised in profit or loss when the Group's entitlement to it becomes certain, usually at the end of the period to which the fee relates.

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

Deferred revenue results when cash is received in advance of revenue being earned. Deferred revenue is recorded as a liability until it is earned. Once earned, the liability is reduced and revenue is recorded.

### (ii) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

### (i) Employee benefits

Liabilities for wages and salaries, performance bonuses, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash flow to be made in respect of services provided by employees up to the reporting date.

Contributions to the superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

There were no employee benefits owing at 30 June 2017 (2016: nil).

### (j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (k) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects, neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and loss. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company and its wholly-owned Australian controlled entity have implemented the tax consolidation legislation. Fortitude has no income for the current year.

### (l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (m) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

## **2. Summary of significant accounting policies (continued)**

### **(n) Investments and other financial assets**

#### *Classification*

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. At 30 June 2017, there were no held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

#### *(i) Assets carried at amortised cost*

Loans and receivables are measured at amortised cost using the effective interest method to discount to present value. The effective interest rate is the rate that exactly discounts estimated future cash through the expected life of the loans and receivables, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Gains and losses on inception is recognised in the consolidated statement of profit or loss and other comprehensive income. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment testing of trade receivables is described in Note 9.

### **(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **(p) Provisions**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### **(q) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method to discount to present value. Gains and losses on inception is recognised in the consolidated statement of profit or loss and other comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the notional value through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

### (r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (s) Comparatives

Where required, comparative information has been reclassified for consistency with current year disclosures.

### (t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

### (u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (v) Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### (w) Parent entity financial information

The financial information for the parent entity, SIV Asset Management Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

# Notes to the Preliminary Unaudited Financial Statements

## 2. Summary of significant accounting policies (continued)

### (i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments. Refer to Note 23 for details of the subsidiary of the Group. The Company's investment in Fortitude has been fully impaired.

There were no dividends paid to the parent entity from its subsidiary during the period ending 30 June 2017 (2016: nil).

### (ii) Tax consolidation legislation

SIV Asset Management Limited and its wholly-owned Australian controlled entity have implemented the tax consolidation legislation.

The head entity, SIV Asset Management Limited, and the controlled entity in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the controlled entity in the tax consolidated group.

The Group has also entered into a tax funding agreement under which the wholly-owned entity fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entity's financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. There were no amounts receivable/payable to the Group under the tax funding agreement at 30 June 2017 (2016: nil). Fortitude has been dormant during the current and previous year and did not generate any income.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

## 3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumption that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

### (a) Deferred taxes

The Group recognises deferred tax assets relating to carried forward tax losses that can be utilised in future periods, based on the assumption that no adverse change will occur in the income tax legislation. At 30 June 2017 and 30 June 2016, there were no deferred tax assets.

# Notes to the Preliminary Unaudited Financial Statements

## 3. Critical accounting estimates and judgements (continued)

### (b) Unearned revenue and deferred expenses

Until 10 April 2017, the Group recognised unearned revenue based on cash received in advance of revenue being earned and a corresponding liability until the revenue is earned.

Until 10 April 2017, the Group recognised deferred expenses based on cash paid in advance of expenses being incurred and a corresponding asset until the expense is incurred.

On 10 April 2017, shareholders at the Company AGM, approved that the Notes the Company currently has on issue to the Funds be redeemed for their face value and the loans corresponding to the Notes be transferred to Pritchard for their face value. At this date, the deferred expenses and unearned revenue were written down to nil.

### (c) Loans and receivables and financial liabilities

Until 10 April 2017, the Group recognised loans and receivables and financial liabilities at amortised cost using the effective interest method to discount to present value and has determined the fair value of these as outlined in note 2. The fair value has taken into account the conditions existing at balance date and the Group has used judgements and estimates in adopting a discount rate.

On 10 April 2017, shareholders at the Company AGM, approved that the Notes the Company currently has on issue to the Funds be redeemed for their face value and the loans corresponding to the Notes be transferred to Pritchard for their face value. At this date the loan and receivables (refer Note 12) and financial liabilities (refer Note 10) were written off.

## 4. Financial Risk Management

The Group's principal financial assets comprise cash, loans and receivables. The Group's principal financial liabilities comprise trade and other payables and corporate bonds.

The Group's activities expose it to a variety of direct and indirect financial risks comprising market risk, interest rate risk, credit risk, liquidity risk and fair values.

### (a) Market risk

There were no significant market risks that impacted the Group during the current and previous financial year.

Unfavourable economic movements, both globally and within the markets in which the funds operate can have a significant impact on the investment returns of the registered schemes and the funds under management (FUM). This risk has been mitigated as the Loans have been transferred as detailed in note 3 and 4 above.

### (b) Interest rate risk

The Group's interest rate risk arises from cash held at call, term deposits and long-term borrowings.

Interest rate risk can be mitigated if the Group invests excess cash on hand in term deposits. During 2017 and 2016, the Group's borrowings at variable rate were in Australian Dollars.

The Group has no significant direct interest rate risk as the Group does not hold interest rate sensitive financial instruments. The interest rates on deposits are rates referenced to the RBA cash rate.

The following table summarises the sensitivity of the Group's interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to several factors including historical levels of changes in interest rates. However, actual movements in the risk variables may be greater or less than anticipated. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	-100bps	+100bps
	\$	\$
30 June 2017	(2,387)	2,387
30 June 2016	(4,647)	4,647

# Notes to the Preliminary Unaudited Financial Statements

## 4. Financial Risk Management (continued)

### (c) Credit risk

Credit risk for financial instruments arises from the potential failure by counterparties to the contract in meeting their obligations.

#### (i) Cash deposits

Credit risk for cash deposits is managed by holding all cash with major Australian banks (Westpac and Commonwealth Bank).

#### (ii) Loans and receivables

The Group manages credit risk by regularly monitoring loans and receivable balances throughout the year. At 30 June 2017, the Group had no credit exposure as the loan balances had been reduced to \$nil (2016: \$139,373,000).

### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held \$81,736 deposits at call (2016: Restated \$79,777) and cash on hand of \$156,993 (2016: Restated \$384,928) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the Group's liquidity reserve of cash and cash equivalents (Note 8) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

As at 30 June 2017, the Group has sufficient liquidity resources to meet all obligations and the Group.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

# Notes to the Preliminary Unaudited Financial Statements

## 4. Financial Risk Management (continued)

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Over 1 year to 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	\$	\$	\$	\$	\$
<b>As at 30 June 2017</b>					
Trade and other payables	78,747	-	-	78,747	78,747
Other current liabilities	-	-	-	-	-
Financial liabilities	-	-	-	-	-
<b>Total non-derivatives</b>	<b>78,747</b>	<b>-</b>	<b>-</b>	<b>78,747</b>	<b>78,747</b>

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Over 1 year to 5 years	Total contractual cash flows	Carrying Amount (assets)/ liabilities
	\$	\$	\$	\$	\$
<b>As at 30 June 2016</b>					
Trade and other payables	110,836	-	-	110,836	110,836
Other current liabilities	50,256	-	-	50,256	50,256
Financial liabilities	-	-	139,373,000	139,373,000	120,304,143
<b>Total non-derivatives</b>	<b>161,092</b>	<b>-</b>	<b>139,373,000</b>	<b>139,534,092</b>	<b>120,465,235</b>

### (e) Fair value measurement

The Group classifies the fair value measurements of financial assets and financial liabilities using the three-level fair value hierarchy set out below, to reflect the source of valuation inputs used when determining fair value:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques using market observable inputs either directly (as prices) or indirectly (derived from prices).
- Level 3: valuation techniques using non-market observable inputs.

No other financial assets and liabilities are measured at fair value, therefore no further disclosures have been made.

The carrying amounts of trade and other receivables and trade and other payables and borrowings are reasonable approximations of their respective fair values.

## 5. Segment information

The Group is organised into one main segment which operates solely as a diversified investor within Australia. The Group operates in Australia and holds all assets within Australia.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Directors are of the opinion that the current financial position and performance of the Group is equivalent to the operating segments identified above and as such no further disclosure has been provided.

## Notes to the Preliminary Unaudited Financial Statements

### 6. Income tax

#### (a) Reconciliation of income tax revenue/(expense)

	2017 \$	Restated 2016 \$
(Loss)/ profit before income tax expense	(242,276)	372,914
Prima facie income tax (benefit)/ expense at 30%	(72,683)	111,874
Effect of amounts which are non-deductible/(assessable) in calculating taxable income:		
Audit and tax fees	19,200	19,392
Other deductible income / (expenses)	99,258	(99,258)
Other assessable income	-	66,635
Current income tax expense relating to continuing operations	45,775	98,644
Current year income tax expense/(benefit) on discontinued operations	-	-
Total current income tax expense/(benefit)	45,775	98,644
Income tax (benefit) from previously unrecognized tax losses used to reduce current tax expense	(45,775)	(98,644)
Recognition of previously unused tax losses as deferred tax assets	-	-
Derecognition of prior year tax losses recognized as deferred tax assets	-	-
<b>Income tax (expense)/revenue recognised in profit or loss (relating to continuing and discontinued operations)</b>	<b>-</b>	<b>-</b>
<b>(b) Components of income tax revenue/(expense)</b>		
Deferred tax benefit/(liability)	-	-
<b>Income tax (expense)/revenue reported in the consolidated statement of profit or loss and other comprehensive income</b>	<b>-</b>	<b>-</b>

The Group had unused revenue tax losses at 30 June 2017 of ~\$2,334,635 (2016: ~\$2,383,430) and capital tax losses \$4,729,959 (2016: \$4,729,959).

# Notes to the Preliminary Unaudited Financial Statements

## 7. Other expenses

	2017 \$	Restated 2016 \$
Audit and tax fees	67,216	64,602
Company secretarial costs	37,330	40,552
Legal fees	73,580	3,750
Fund expenses*	330,859	53,045
Other operating expenses**	244,433	(22,157)
<b>Total other expenses</b>	<b>753,418</b>	<b>139,792</b>

\* On 10 April 2017, shareholders at the Company's AGM, approved that the Notes the Company currently has on issue to Funds be redeemed for their face value and the loans corresponding to the Notes be transferred to Pritchard for their face value. Fund expenses for the 2017 financial year include the write-off of the deferred expenses at the date the Notes were sold.

\*\* Other operating expenses for the 2017 financial year included a net fee to the manager of the Funds of \$114,000 in consideration of the manager arranging for the Funds and Pritchard to take over the ongoing administration of the loans. Other operating expenses for the 2016 financial year have been restated to include the reversal of the write-down of a term deposit (refer Note 8 and 24).

## 8. Cash and cash equivalents

	2017 \$	Restated 2016 \$
Cash at bank and on hand	156,993	384,928
Deposits on call*	81,736	79,777
<b>Total cash and cash equivalents</b>	<b>238,729</b>	<b>464,705</b>

\* The 2016 amount has been restated to include a term deposit that had previously been written off (refer Note 24)

## 9. Trade and other receivables

	2017 \$	Restated 2016 \$
Trade receivables and other debtors	-	155,069
<b>Total trade and other receivables</b>	<b>-</b>	<b>155,069</b>

### a. Impaired trade receivables

As at 30 June 2017, there were no current trade receivables that were impaired (2016: Nil).

## Notes to the Preliminary Unaudited Financial Statements

### 10. Other current assets

	2017 \$	Restated 2016 \$
Prepayments	4,666	12,575
Goods and service tax	22,383	99,067
<b>Total other current assets</b>	<b>27,049</b>	<b>111,642</b>
	\$	\$
Loan to Centenary Advisory Group	-	26,961,038
Loan to Investors of SIV Investment Fund	-	93,343,105
<b>Total loans and receivables</b>	<b>-</b>	<b>120,304,143</b>

#### \*Written off

Loans and receivables at 1 July 2016	120,304,143
Net gains to 10 April 2017	4,788,573
	<u>125,092,716</u>
Written off at 10 April 2017	(125,092,716)
Corporate Bonds at 30 June 2017	<u>-</u>

On 10 April 2017, shareholders at the Company AGM, approved that the Notes the Company currently has on issue to the Funds be redeemed for their face value and the loans corresponding to the Notes be transferred to Pritchard for their face value. Loans and receivables comprised loans made to Centenary Advisory Group Pty Ltd and Investors of SIV Investment Fund. Each loan term was for ~4 years and had no interest. The loans were secured against units in the underlying significant investor visa fund and repayable during 2018-2019. The nominal value of the loans and receivables is \$Nil (2016: \$139,373,000) which had been discounted to present value, with the net gains/(loss) on initial recognition and interest recognised in the consolidated statement of profit or loss and other comprehensive income.

### 11. Trade and other payables

	2017 \$	Restated 2016 \$
<b>Current liabilities</b>		
Trade payables	35,747	52,692
Audit fees payable	32,000	32,320
Expense accruals	11,000	25,824
<b>Total current liabilities</b>	<b>78,747</b>	<b>110,836</b>

# Notes to the Preliminary Unaudited Financial Statements

## 12. Financial liabilities

	2017 \$	Restated 2016 \$
Corporate Bonds	-*	120,304,143
<b>Total financial liabilities</b>	<b>-</b>	<b>120,304,143</b>

### \*Written off

Corporate Bonds at 1 July 2016	120,304,143
Net losses to 10 April 2017	4,788,573
	<u>125,092,716</u>
Written off at 10 April 2017	<u>(125,092,716)</u>
Corporate Bonds at 30 June 2017	-

During the current financial year, SIV Asset Management Limited issued no additional Corporate Bonds (2016: notional value \$64,970,000). The notional value of the Corporate Bonds was \$nil as at 30 June 2017 (2016: \$139,373,000) to the Funds. The Corporate Bonds were recognised at amortised cost with a term of ~4 years and have no interest. On 10 April 2017, shareholders at the Company AGM, approved that the Notes the Company currently has on issue to the Funds be redeemed for their face value and the loans corresponding to the Notes be transferred to Pritchard for their face value. The notional principal value of financial liabilities is \$nil (2016: \$139,373,000) which has been discounted to present value, with the net gains/(loss) on initial recognition and interest recognised in the consolidated statement of profit or loss and other comprehensive income.

## 13. Other current liabilities

	2017 \$	Restated 2016 \$
Orion Investment Fund – fees payable	-	30,000
Payable to Aurora Funds Management Limited	-	20,256
<b>Total other current liabilities</b>	<b>-</b>	<b>50,256</b>

## 14. Contributed equity

### (a) Issued capital

	2017 \$	Restated 2016 \$
Ordinary shares	7,709,252	7,709,252
<b>Total contributed equity</b>	<b>7,709,252</b>	<b>7,709,252</b>

### (b) Movement in ordinary share capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
<b>Ordinary shares</b>				
Opening balance	11,167,231	11,167,231	7,709,252	7,709,252
Dividends reinvested	-	-	-	-
Return of capital	-	-	-	-
<b>Total ordinary shares</b>	<b>11,167,231</b>	<b>11,167,231</b>	<b>7,709,252</b>	<b>7,709,252</b>

### Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholder meetings. In the event of the Group winding up, ordinary shareholders are entitled to proceeds in proportion to the number and amounts paid up on shares held. The shares have no par value.

# Notes to the Preliminary Unaudited Financial Statements

## 14. Contributed equity (continued)

### Voluntary Escrow

On 24 March 2015, a voluntary escrow deed Keybridge Capital Limited (“Keybridge”) and the Directors of the Group was approved by shareholders for up to 5 years. Now that the SIV Funds have been successfully transferred to a new trustee it has been resolved by the Board that the escrow arrangement is no longer necessary and all shares held under this arrangement were released from escrow on 6 June 2017.

### Capital risk management

The Group’s capital structure consists of equity and retained earnings. The operating cash flows from the Significant Investor Funds are used to finance operating costs. The capital risk management is continuously reviewed to ensure the Group has sufficient surplus cash available to pay debts when they become due and payable.

## 15. Retained earnings

	2017 \$	Restated 2016 \$
<b>Retained earnings</b>	<b>7,511,748</b>	7,279,538
Balance at beginning of year	(7,279,538)	(7,652,452)
Profit/(loss) attributable to owners of the Group	(242,276)	372,914
Payment of dividends	-	-
<b>Balance at end of year</b>	<b>(7,521,814)</b>	(7,279,538)

## 16. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its network firm and non-related audit firms:

	2017 \$	Restated 2016 \$
<b>Deloitte Touche Tohmatsu (DTT) Australia</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements*	<b>64,000</b>	64,640
<i>Taxation Services</i>		
Taxation compliance services**	<b>1,500</b>	22,500
Total remuneration of DTT audit firms	<b>65,500</b>	87,140

\* Excluding DTT disbursements.

\*\* Accrued amount per fee estimate from DTT for the June 15 and June 16 income tax return preparation and lodgement.

## 17. Related party disclosure

### Key management personnel compensation

Information regarding individual directors’ remuneration and shares held in the Group as required under the *Corporations Act 2001* is provided in the Remuneration report on pages 12 to 14 of this annual report.

Other than as disclosed in this note, no Director has entered a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors’ interests existing at year end. The key management personnel are disclosed within expenses in note 7.

# Notes to the Preliminary Unaudited Financial Statements

## 17. Related party disclosure (continued)

	2017	2016
	\$	\$
<b>Executive Directors</b>		
Short-term employee benefits	22,000	-
Post-employment benefits	-	-
	<b>22,000</b>	<b>-</b>
<b>Non-Executive Directors</b>		
Director fees	-	-
	-	-

### Key management personnel

The names of persons who were key management personnel of the Group at any time during the financial year are as follows:

#### **Executive Directors**

Simon Lindsay (Managing Director)  
 John Corr (*resigned 27 June 2017*)  
 Ian Stuart Roe (*resigned 27 June 2017*)

#### **Non-Executive Director**

Michael Melamed (Chairman) (*appointed 26 June 2017*)  
 Oliver Morgan (Chairman until 26 June 2017) (*resigned 11 July 2017*)  
 Yitzchok (Isaac) Labkowski (*appointed 26 June 2017*)

#### **(a) Details of remuneration**

Details of the remuneration of key management personnel are set out in the remuneration report on pages 11 to 13 and above.

# Notes to the Preliminary Unaudited Financial Statements

## 17. Related party disclosure (continued)

### (b) Key management personnel transactions

A director, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The value of transactions relating to Key Management Personnel were as follows:

Related Party	Nature of Relationship	Type of Transaction	Terms and Conditions of Transactions	Aggregate Amount	
				2017	2016
Registry Direct	Ian Steuart Roe is a related party of Registry Direct and was a director of SIV Asset Management Limited	Provision of registry services to the Group	Normal commercial terms	27,094 <sup>†</sup>	117,890 <sup>†</sup>
Ian Steuart Roe	Ian Steuart Roe was a director of SIV Asset Management Limited	Consulting fees for investors in the Significant Investor Visa Funds *	Normal commercial terms	330,859*	53,045*
Simon Lindsay	Simon Lindsay is a director of SIV Asset Management Limited	Consulting fees	Normal commercial terms	22,000	-

\* Deferred expenses of \$330,859 were written off in April 2017 after the sale of the Funds. As at 30 June 2017 \$nil (2016: \$330,859) in relation to consulting fees for the Funds. At 30 June 2017, \$- (2016: \$30,000) was payable to Mr Roe – refer Note 13.

<sup>†</sup> At 30 June 2017 \$205 (2015: \$1,847) was owing to Registry Direct for share registry services – refer Note 11.

## 18. Contingent assets and liabilities

There were no contingent assets or contingent liabilities at 30 June 2017 (30 June 2016: nil).

On 17 May 2017 and 1 June 2017, the Company received correspondence (“Correspondence”) from Aurora Funds Management Limited (“AFML”), the Company’s former subsidiary, which was sold by the Company in March 2015 (“Completion”). The Correspondence alleges that the Company is required to pay to AFML \$402,350 (plus GST) relating to profits generated by the Company post Completion in respect of the SIV Investment Fund and the Orion Investment Options Fund.

The Board strongly denies that these funds are payable to AFML. It is the Companies position this liability has already been satisfied. This position has been supported by the Company’s legal representatives.

The Company will update the market in due course in accordance with its disclosure obligations under ASX Listing Rule 3.1.

## 19. Commitments

There were no commitments at 30 June 2017 (2016: \$Nil).

## Notes to the Preliminary Unaudited Financial Statements

### 20. Reconciliation of profit after income tax to net cash flow from operating activities

	2017 \$	Restated 2016 \$
Profit/(loss) from ordinary activities after incometax	(242,276)	372,914
Transaction costs relating to loans and borrowings (incl. GST)	125,400	-
<i>Adjustment of non-cash items from operating activities:</i>		
Depreciation	-	-
Decrease/(increase) in deferred incometax	-	-
Loss on sale of subsidiary	-	-
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	570,114	(110,646)
Decrease/(increase) in prepayments	-	-
Increase/(decrease) in payables	(553,815)	(960,657)
<b>Net cash flows from operating activities</b>	<b>(100,577)</b>	<b>(698,389)</b>

### 21. Earnings per share

	2017 Cents per share	2017 \$	Restated 2016 Cents per share	Restated 2016 \$
Basic earnings per share attributable to the ordinary equity holders of the Group:				
- Continuing operations	(2.17)	(242,276)	3.34	372,914
- Discontinuing operations	-	-	-	-
Total diluted earnings per share attributable to the ordinary equity holders of the Group:				
- Continuing operations	(2.17)	(242,276)	3.34	372,914
- Discontinuing operations	-	-	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share		<b>11,167,231</b>		<b>11,167,231</b>

# Notes to the Preliminary Unaudited Financial Statements

## 22. Parent entity financial information

### (a) Summary financial information

The individual financial information statements for the parent entity show the following aggregate amounts:

	2017 \$	Restated 2016 \$
<b>Balance Sheet</b>		
Current assets	266,185	1,062,275
Non-current assets	-	120,304,143
<b>Total assets</b>	<b>266,185</b>	<b>121,366,418</b>
Current liabilities	78,747	632,561
Non-current liabilities	-	120,304,143
<b>Total liabilities</b>	<b>78,747</b>	<b>120,936,704</b>
Shareholders' equity		
Share capital	7,709,252	7,709,252
Accumulated losses	(7,521,814)	(7,279,538)
<b>Total equity</b>	<b>187,438</b>	<b>429,714</b>
Profit or (loss) for the year from continuing operations	(242,276)	372,914
Profit or (loss) for the year from discontinued operations	-	-
<b>Total comprehensive income/ (loss)</b>	<b>(242,276)</b>	<b>372,914</b>

## 23. Group entities

The ultimate controlling party of the Group is SIV Asset Management Limited, incorporated in Australia.

Subsidiary	Country of incorporation	Ownership interest	
		2017 %	2016 %
Fortitude Capital Pty Ltd**	Australia	100	100

\*\* Fortitude became dormant during the 2016 financial year.

## 24. Correction of prior year errors

### Restatements:

- At 30 June 2016, the Company incorrectly wrote off \$70,449 relating to a term deposit. After receiving additional information from its bankers, it was determined that the write off was incorrect. The June 2016 financial statements have been restated to include this term deposit and the corresponding interest earned.

# Notes to the Preliminary Unaudited Financial Statements

## 24. Correction of prior year errors (continued)

	Previously Stated \$	30 June 2016 Adjustments \$	Restated \$
<b>Statement of Comprehensive Income</b>			
Interest Income	41,995	9,328*	51,323
Profit attributable to shareholders of the Company	293,137	79,777*	372,914
<b>Statement of Financial Position</b>			
Cash and bank on hand (Note 8)	384,928	79,777*	464,705
Accumulated Losses	(7,359,315)	79,777*	(7,279,538)
Net assets	349,937	79,777*	429,714
<b>Statement of cash flows</b>			
Net decrease in cash and cash equivalents	(278,166)	79,777*	(198,389)
Basic and Diluted earnings per share (cents)	2.62		3.34

\* Adjustment is made up of:

*Interest adjustment for the year ended 30 June 16*

*Reversal of Write-down of term Deposit – June 16*

9,328
70,449
<u>79,777</u>

## 25. Matters subsequent to the end of the financial year

On 31 July and 1 August 2017, the Group announced the raising of approximately \$84,000 for working capital purposes. The Company may have to raise additional capital to fund future investment opportunities and working capital requirements.

On 11 July 2017, Mr Oliver Morgan resigned from the Board of the Company. Mr Morgan was the non-executive Chairman of the Company until 26 June 2017.

Besides the details provided above, there are no matters or circumstance that have arisen since 30 June 2017 that have significantly affected, or may significantly affect:

- (i) the operations of the Group in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Group in future financial years.